NEW ISSUES - BOOK-ENTRY ONLY

S&P:AA-
See "RATING" herein

In the opinion of Orrick, Herrington & Sutcliffe LLP, Bond Counsel to the Authority, 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 A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. In the further opinion of Bond Counsel, interest on the Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Bond Counsel further observes that interest on the Series B Bonds is not excluded from gross income for federal income tax purposes. Bond Counsel is also of the opinion that interest on the Bonds is exempt from State of California personal income taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the amount, accrual or receipt of interest on, the Bonds. See "TAX MATTERS."

$59,090,000
RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY
Lease Revenue Refunding Bonds
Series 2021A

$440,710,000
RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY
Lease Revenue Refunding Bonds
Series 2021B (Federally Taxable)

Dated: Date of Delivery **Due: As shown on the inside front cover**

This cover page contains certain information for general reference only. It is not intended to be a summary of the security for or terms of the above-captioned bonds. Investors are advised to read the entire Official Statement, including the section entitled "RISK FACTORS" 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 Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds Series 2021A (the "Series A Bonds") and the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds Series 2021B (Federally Taxable) (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds") are being issued pursuant to the Indenture, dated as of October 1, 2021 (the "Indenture"), by and among the Riverside County Infrastructure Financing Authority (the "Authority), the County of Riverside (the "County") and U.S. Bank National Association, as trustee (the "Trustee"). The Bonds are being issued by the Authority to: (i) refund, through redemption or defeasance as applicable, all of the outstanding (a) County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding) (the "Series 2008A Bonds"), (b) County of Riverside Asset Leasing Corporation Lease Revenue Bonds (2012 County Administrative Center Refunding Project), (c) County of Riverside Asset Leasing Corporation Lease Revenue Bonds, 2012 Series A (County of Riverside Capital Projects), (d) Riverside County Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012, (e) County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects), (f) County of Riverside Asset Leasing Corporation Lease Revenue Refunding Bonds (Court Facilities Project), Series 2014A, and (g) Riverside County Public Financing Authority Lease Revenue Bonds (Capital Facilities Project), Series 2015 (collectively, the "Prior Bonds"), (ii) pay the termination fee associated with an interest rate hedge agreement related to the Series 2008A Bonds, (iii) pay the cost of issuance in connection with the issuance of the Bonds, and (iv) fund a property conveyance fund, all as more fully described herein. See "SOURCES AND USES OF FUNDS" and "THE REFINANCING PLAN" herein. The Bonds will be payable and secured solely from Lease Revenues (as defined herein), consisting primarily of Base Rental Payments (as defined herein) to be made by the County to the Authority for the lease of certain real property and improvements under a Lease Agreement, dated as of October 1, 2021 (the "Lease Agreement"), by and between the Authority and the County. The Authority will not fund a reserve fund for the Bonds. Amounts held or to be held in a reserve fund or account established for any other series of bonds or any reserve fund credit policy for any other series of bonds will not be available to pay principal of, and premium, if any, and interest on, the Bonds. See "SECURITY AND SOURCES OF PAYMENT" herein.

The Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). Interest on the Bonds is payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2022. Purchasers will not receive certificates representing their interest in the Bonds. Individual purchases will be in principal amounts of $5,000 or integral multiples thereof. Principal of, and premium, if any, and interest on the Bonds will be paid by the Trustee to DTC for subsequent disbursement to DTC Participants who are obligated to remit such payments to the beneficial owners of the Bonds. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM" herein.

All Series of Bonds will be subject to extraordinary redemption and the Series B Bonds will be subject to optional and mandatory sinking fund redemption. The Series A Bonds are not subject to optional redemption prior to maturity. See "THE BONDS – Redemption of the Bonds" herein.

THE BONDS ARE SPECIAL, LIMITED, OBLIGATIONS OF THE AUTHORITY, PAYABLE, AS PROVIDED IN THE INDENTURE, SOLELY FROM LEASE REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE COUNTY OR THE STATE OF CALIFORNIA (THE "STATE"), OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. THE LEASE REVENUES CONSIST OF ALL BASE RENTAL PAYMENTS PAYABLE BY THE COUNTY PURSUANT TO THE LEASE AGREEMENT, INCLUDING ANY PREPAYMENTS THEREOF, ANY NET PROCEEDS AND ANY AMOUNTS RECEIVED BY THE TRUSTEE AS A RESULT OF OR IN CONNECTION WITH THE TRUSTEE'S PURSUIT OF REMEDIES UNDER THE LEASE AGREEMENT UPON A LEASE DEFAULT EVENT. THE AUTHORITY HAS NO TAXING POWER.

THE OBLIGATION OF THE COUNTY TO MAKE THE RENTAL PAYMENTS, INCLUDING THE BASE RENTAL PAYMENTS, DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

The Bonds are offered when, as and if issued and received by the Underwriters, subject to the approval of legality by Orrick Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, and to certain other conditions. Certain legal matters will be passed upon for the Underwriters by Best Best & Krieger LLP, Riverside, California, and for the Authority and the County by the Office of County Counsel. Kutak Rock LLP, Los Angeles, California, has served as Disclosure Counsel to the Authority and the County in connection with the issuance of the Bonds. It is expected that the Bonds will be available for delivery through the DTC book-entry system on or about October 19 , 2021.

Loop Capital Markets **Citigroup**

Wells Fargo Securities

Dated: September 28, 2021

MATURITY SCHEDULE

$59,090,000
RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2021A
BASE CUSIP† NO. 76913D

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2022	$4,155,000	5.000%	0.140%	FG7
2023	4,455,000	5.000	0.190	FH5
2024	4,550,000	5.000	0.300	FJ1
2025	4,855,000	5.000	0.410	FK8
2026	5,055,000	5.000	0.570	FL6
2027	5,355,000	5.000	0.760	FM4
2028	5,545,000	5.000	0.900	FN2
2029	5,845,000	5.000	1.060	FP7
2030	6,140,000	5.000	1.170	FQ5
2031	6,425,000	5.000	1.260	FR3
2032	6,710,000	5.000	1.360	FS1

$440,710,000
RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY
LEASE REVENUE REFUNDING BONDS
SERIES 2021B (FEDERALLY TAXABLE)
BASE CUSIP† NO. 76913D

Maturity Date (November 1)	Principal Amount	Interest Rate	Yield	CUSIP† Suffix
2022	$16,265,000	0.398%	0.398%	FT9
2023	16,695,000	0.548	0.548	FU6
2024	16,780,000	0.873	0.873	FV4
2025	16,940,000	1.224	1.224	FW2
2026	17,150,000	1.474	1.474	FX0
2027	25,825,000	1.766	1.766	FY8
2028	26,480,000	1.976	1.976	FZ5
2029	16,965,000	2.130	2.130	GA9
2030	17,335,000	2.230	2.230	GB7
2031	17,735,000	2.330	2.330	GC5
2032	16,100,000	2.480	2.480	GD3
2033	15,740,000	2.650	2.650	GE1
2034	15,875,000	2.750	2.750	GF8
2035	16,265,000	2.850	2.850	GG6
2036	16,770,000	2.950	2.950	GH4

$92,265,000 3.185% Term Bond due November 1, 2041, Yield: 3.185%; Price: 100.000%; CUSIP† No. 76913DGJ0

$79,525,000 3.265% Term Bond due November 1, 2045, Yield: 3.265%; Price: 100.000%; CUSIP† No. 76913DGK7

The Downtown Law Building

The U.S. Bankruptcy Courthouse

Southwest Justice Center - Courthouse

Southwest Justice Center – Jail Facility

Southwest Justice Center – Sheriff's Station

Southwest Justice Center – Juvenile Detention Center

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COUNTY OF RIVERSIDE

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

Board of Supervisors and Authority Board
Karen Spiegel, Second District, Chair
Jeff Hewitt, Fifth District, Vice Chair
Kevin Jeffries, First District
V. Manuel Perez, Fourth District
Chuck Washington, Third District

County Officials
Jeffrey A. Van Wagenen Jr., County Executive Officer
Matt Jennings, Treasurer-Tax Collector
Paul Angulo, Auditor-Controller
Peter Aldana, Assessor-County Clerk-Recorder
Gregory P. Priamos, County Counsel
Don Kent, Director of Finance

SPECIAL SERVICES

Bond Counsel

Orrick Herrington & Sutcliffe LLP
Los Angeles, California

Disclosure Counsel

Kutak Rock LLP
Los Angeles, California

Co-Municipal Advisors

Columbia Capital Management, LLC
Carlsbad, California

Fieldman, Rolapp & Associates, Inc.
Irvine, California

Trustee

U.S. Bank National Association
Los Angeles, California

Verification Agent

Causey Demgen Moore P.C.
Denver, Colorado

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No dealer, broker, salesperson or other person has been authorized by the County or the Authority to give any information or to make any representations in connection with the offer or sale of the Bonds other than those contained herein and, if given or made, such other information or representations must not be relied upon as having been authorized by the County or the Authority. 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 Bonds by a person in any jurisdiction in which it is unlawful for such person to make such an offer, solicitation or sale.

This Official Statement is not to be construed as a contract with the purchasers or Owners of the 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 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 a 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 and the information contained herein are subject to completion or amendment 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 or the Authority or any other parties described herein since the date hereof. These securities may not be sold nor may an offer to buy be accepted prior to the time the Official Statement is delivered in final form. This Official Statement is being submitted in connection with the sale of the Bonds referred to herein and may not be reproduced or used, in whole or in part, for any other purpose, unless authorized in writing by the County and the Authority. All summaries of documents and laws are made subject to the provisions thereof and do not purport to be complete statements of any or all such provisions.

Certain statements included or incorporated by reference in this Official Statement constitute "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995, Section 21E of the United States Securities Exchange Act of 1934, as amended, and Section 27A of the United States Securities Act of 1933, as amended. Such statements are generally identifiable by the terminology used such as "plan," "expect," "estimate," "project," "budget," "intend" or similar words. Such forward-looking statements include, but are not limited to, certain statements contained in the information under the caption "RISK FACTORS" and in "APPENDIX A – INFORMATION REGARDING THE COUNTY OF RIVERSIDE."

THE ACHIEVEMENT OF CERTAIN RESULTS OR OTHER EXPECTATIONS CONTAINED IN SUCH FORWARD-LOOKING STATEMENTS INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE ACTUAL RESULTS, PERFORMANCE OR ACHIEVEMENTS DESCRIBED TO BE MATERIALLY DIFFERENT FROM ANY FUTURE RESULTS, PERFORMANCE OR ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. THE COUNTY AND THE AUTHORITY DO NOT PLAN TO ISSUE ANY UPDATES OR REVISIONS TO THE FORWARD-LOOKING STATEMENTS SET FORTH IN THIS OFFICIAL STATEMENT. IN EVALUATING SUCH STATEMENTS, POTENTIAL INVESTORS SHOULD SPECIFICALLY CONSIDER THE VARIOUS FACTORS WHICH COULD CAUSE ACTUAL EVENTS OR RESULTS TO DIFFER MATERIALLY FROM THOSE INDICATED BY SUCH FORWARD-LOOKING STATEMENTS.

IN CONNECTION WITH THE OFFERING OF THE BONDS, THE UNDERWRITERS MAY OVERALLOT OR EFFECT TRANSACTIONS THAT STABILIZE OR MAINTAIN THE MARKET PRICE OF THE BONDS AT A LEVEL ABOVE THAT WHICH MIGHT OTHERWISE PREVAIL IN THE OPEN MARKET. SUCH STABILIZING, IF COMMENCED, MAY BE DISCONTINUED AT ANY TIME. THE UNDERWRITERS MAY OFFER AND SELL THE BONDS TO CERTAIN DEALERS AND DEALER BANKS AND BANKS ACTING AS AGENT AND OTHERS AT PRICES LOWER THAN THE PUBLIC OFFERING PRICE STATED ON THE COVER PAGE HEREOF AND SAID PUBLIC OFFERING PRICE MAY BE CHANGED FROM TIME TO TIME BY THE UNDERWRITERS.

THE BONDS HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED, IN RELIANCE UPON AN EXEMPTION CONTAINED IN SUCH ACT AND HAVE NOT BEEN REGISTERED OR QUALIFIED UNDER THE SECURITIES LAWS OF ANY STATE.

For purposes of compliance with Rule 15c2-12 ("Rule 15c2-12") of the United States Securities and Exchange Commission, as amended, and in effect on the date hereof, this Official Statement constitutes an official statement of the County and Authority that has been deemed final by the County and the Authority as of its date except for the omission of no more than the information permitted by Rule l5c2-l2.

References to website addresses presented herein are for informational purposes only and may be in the form of a hyperlink solely for the reader's convenience. Unless specified otherwise, such websites and the information or links contained therein are not incorporated into, and are not part of, this Official Statement for purposes of, and as that term is defined in, Rule 15c2-12. The County maintains a website; however, information presented there is not a part of this Official Statement and should not be relied upon in making an investment decision with respect to the Bonds.

OFFICIAL STATEMENT

$59,090,000	**$440,710,000**
Riverside County Infrastructure Financing Authority	**Riverside County Infrastructure Financing Authority**
Lease Revenue Refunding Bonds	**Lease Revenue Refunding Bonds**
Series 2021A	**Series 2021B (Federally Taxable)**

INTRODUCTION

The purpose of this Official Statement, including the cover page, and the appendices attached hereto, is to provide information in connection with the offering of the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds Series A (the “Series A Bonds”) and the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds Series 2021B (Federally Taxable) (the “Series B Bonds”, and together with the Series A Bonds, the “Bonds”), in the aggregate principal amount of $499,800,000. The Bonds will be issued and delivered pursuant to an Indenture, dated as of October 1, 2021 (the “Indenture”), by and among the Riverside County Infrastructure Financing Authority (the “Authority”), the County of Riverside (the “County) and U.S. Bank National Association, as trustee (the “Trustee”). The term Bonds, as used in this Official Statement, refers only to the Series A Bonds and the Series B Bonds, and does not include Bonds other than Series 2021 Bonds that may be issued by the Authority under the Indenture (the “Additional Bonds”). See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds” herein.

The Bonds are being issued in fully registered book-entry only form, initially registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York (“DTC”). Interest on the Bonds is payable semiannually on May 1 and November 1 of each year, commencing on May 1, 2022. Purchasers will not receive certificates representing their interest in the Bonds. Individual purchases will be in principal amounts of $5,000 or integral multiples thereof. Principal of, and premium, if any, and interest on the Bonds will be paid by U.S. Bank National Association, as trustee (the “Trustee”) to DTC for subsequent disbursement to DTC Participants who are obligated to remit such payments to the beneficial owners of the Bonds. See APPENDIX F – “BOOK-ENTRY ONLY SYSTEM” attached hereto. All Series of Bonds are subject to extraordinary redemption, and the Series B Bonds are subject to optional and mandatory sinking fund redemption prior to maturity as described herein. See “THE BONDS – Redemption” herein.

All capitalized terms used but not otherwise defined in this Official Statement will have the meanings set forth in the Lease Agreement (as hereinafter defined) or the Indenture. See APPENDIX D – “SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS” attached hereto.

The Bonds are being issued by the Authority to (i) refund, through redemption or defeasance as applicable, all of the outstanding (a) County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding) (the “Series 2008A Bonds”); (b) County of Riverside Asset Leasing Corporation Lease Revenue Bonds (2012 County Administrative Center Refunding Project) (the “Series 2012-1 Bonds”), (c) County of Riverside Asset Leasing Corporation Lease Revenue Bonds, 2012 Series A (County of Riverside Capital Projects (the “Series 2012-2A Bonds”), (d) Riverside County Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012 (the “Series 2012-3 Bonds”), (e) County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) (the “Series 2013 Bonds”), (f) County of Riverside Asset Leasing Corporation Lease Revenue Refunding Bonds (Court Facilities Project), Series

2014A (the "Series 2014A Bonds"), and (g) Riverside County Public Financing Authority Lease Revenue Bonds (Capital Facilities Project), Series 2015 (the "Series 2015 Bonds") (collectively the "Prior Bonds"), (ii) pay the termination fee associated with an interest rate hedge agreement related to the Series 2008A Bonds, (iii) pay the cost of issuance in connection with the issuance of the Bonds, and (iv) fund a property conveyance fund.

The Bonds are payable from Lease Revenues, consisting primarily of base rental payments (the "Base Rental Payments") to be made by the County for the right to the use of certain real property and improvements located thereon (the "Property") pursuant to a Lease Agreement, dated as of October 1, 2021 (the "Lease Agreement"), between the Authority, as lessor, and the County, as lessee. The County has leased the Property to the Authority pursuant to a Ground Lease, dated as of October 1, 2021 (the "Ground Lease"). See "THE PROPERTY" herein.

Pursuant to the Indenture, the Authority may issue Additional Bonds, payable from additional Lease Revenues, as provided in the Indenture on parity with the Bonds. See APPENDIX D – "SUMMARY OF CERTAIN PROVISIONS OF PRINCIPAL LEGAL DOCUMENTS" attached hereto.

The County covenants under the Lease Agreement to take such action as may be necessary to include all Rental Payments, which are comprised of Base Rental Payments and Additional Rental Payments (which include taxes and assessments affecting the Property, administrative costs of the Authority relating to the Property, insurance premiums for all insurance required under the Lease Agreement, fees and expenses of the Trustee and other amounts payable under the Lease Agreement), due under the Lease Agreement as a separate line item in its annual budgets and to make the necessary annual appropriations therefor, subject to abatement as described herein.

Rental Payments are subject to complete or partial abatement in the event and to the extent that there is substantial interference with the County's right to use and occupy the Property or any portion thereof. See "RISK FACTORS – Abatement" herein. Abatement of Base Rental Payments under the Lease Agreement, to the extent payment is not made from alternative sources as set forth below, would result in all Owners receiving less than the full amount of principal of and interest on the Bonds. To the extent that Net Proceeds of rental interruption insurance are available for the payment of Rental Payments due under the Lease Agreement, Rental Payments will not be abated as provided above but, rather, will be payable by the County as a special obligation payable solely from such Net Proceeds.

The County will not fund a reserve fund for the Bonds. Amounts held or to be held in a reserve fund or account established for any other series of bonds or any reserve fund credit policy for any other series of bonds will not be available to pay principal of, and premium, if any, and interest on, the Bonds.

THE BONDS ARE SPECIAL, LIMITED OBLIGATIONS OF THE AUTHORITY, PAYABLE, AS PROVIDED IN THE INDENTURE, SOLELY FROM LEASE REVENUES AND THE OTHER ASSETS PLEDGED THEREFOR UNDER THE INDENTURE. NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE AUTHORITY, THE COUNTY OR THE STATE, OR ANY POLITICAL SUBDIVISION THEREOF, IS PLEDGED TO THE PAYMENT OF THE BONDS. THE LEASE REVENUES CONSIST OF ALL BASE RENTAL PAYMENTS PAYABLE BY THE COUNTY PURSUANT TO THE LEASE AGREEMENT, INCLUDING ANY PREPAYMENTS THEREOF, ANY NET PROCEEDS AND ANY AMOUNTS RECEIVED BY THE TRUSTEE AS A RESULT OF OR IN CONNECTION WITH THE TRUSTEE'S PURSUIT OF REMEDIES UNDER THE LEASE AGREEMENT UPON A LEASE DEFAULT EVENT. THE AUTHORITY HAS NO TAXING POWER.

THE OBLIGATION OF THE COUNTY TO MAKE THE RENTAL PAYMENTS, INCLUDING THE BASE RENTAL PAYMENTS, DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF

THE STATE OR OF ANY POLITICAL SUBDIVISION THEREOF WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

The County has agreed to provide, or cause to be provided, certain annual financial information and operating data through the Electronic Municipal Market Access ("EMMA") website of the Municipal Securities Rulemaking Board ("MSRB"), or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to S.E.C. Rule 15c2-12(b)(5) promulgated under the Securities Exchange Act of 1934, as amended ("Rule 15c2-12"). These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12. See "CONTINUING DISCLOSURE." For a complete listing of items of information which will be provided in the Annual Report and notices of enumerated events, see APPENDIX E – "FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto.

Brief descriptions of the Bonds, the Property, the Indenture, the Lease Agreement, the Continuing Disclosure Certificate, the County and the Authority are provided herein. Such descriptions do not purport to be comprehensive or definitive. All references made to various documents herein are qualified in their entirety by reference to the forms thereof, copies of which may be obtained from the Trustee.

THE BONDS

General Provisions

The Bonds will be issued in fully registered form without coupons in denominations of $5,000 or any integral multiple thereof (each, an "Authorized Denomination"). The Bonds will be dated as of and bear interest (calculated on the basis of a 360-day year comprised of twelve 30-day months) from the dated date thereof at the rates set forth on the inside cover page hereof. Interest on the Bonds will be paid semiannually on May 1 and November 1 (each, an "Interest Payment Date") of each year, commencing on May 1, 2022.

Interest on the Bonds will be payable from the Interest Payment Date next preceding the date of authentication thereof unless (i) a Bond is authenticated on or before an Interest Payment Date and after the close of business on the preceding Record Date, in which event interest thereon will be payable from such Interest Payment Date, (ii) a Bond is authenticated on or before the first Record Date, in which event interest thereon will be payable from the date of issuance of the Bonds, or (iii) interest on any Bond is in default as of the date of authentication thereof, in which event interest thereon will be payable from the date to which interest has previously been paid or duly provided for. As defined in the Indenture, the term "Record Date" means, with respect to interest payable on any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day. Interest will be paid in lawful money of the United States on each Interest Payment Date. Interest will be paid by check of the Trustee mailed by first-class mail, postage prepaid, on each Interest Payment Date to the Owners of the Bonds at their respective addresses shown on the Registration Books as of the close of business on the preceding Record Date, or by wire transfer at the written request of an Owner of not less than $1,000,000 aggregate principal amount of Bonds, which written request is received by the Trustee on or prior to the Record Date. Notwithstanding the foregoing, interest on any Bond which is not punctually paid or duly provided for on any Interest Payment Date will, if and to the extent that amounts subsequently become available therefor, be paid on a payment date established by the Trustee to the Person in whose name the ownership of such Bond is registered on the Registration Books at the close of business on a special record date to be established by the Trustee for the payment of such defaulted interest, notice of which will be given to such Owner not less than ten days prior to such special record date.

The principal and premium, if any, of the Bonds will be payable in lawful money of the United States of America upon presentation and surrender thereof upon maturity or earlier redemption at the Office of the Trustee.

The Bonds will be issued as fully registered bonds, registered in the name of Cede & Co., as nominee of DTC, and will be available to actual purchasers of the Bonds (the "Beneficial Owners") in the denominations set forth above, under the book-entry system maintained by DTC, only through brokers and dealers who are or act through DTC Participants as described herein. Beneficial Owners will not be entitled to receive physical delivery of the Bonds. See APPENDIX F – "BOOK-ENTRY ONLY SYSTEM" attached hereto.

Redemption of the Bonds

Extraordinary Redemption of the Bonds.

All Series of Bonds are subject to redemption, in whole or in part, on any date, in Authorized Denominations, from and to the extent of any Net Proceeds received with respect to all or a portion of the Property and deposited by the Trustee in the Redemption Fund in accordance with the provisions of the Indenture, at a Redemption Price equal to the principal amount thereof, plus accrued interest thereon to the date fixed for redemption, without premium.

No Optional Redemption of the Series A Bonds.

The Series A Bonds are not subject to optional redemption prior to maturity.

Optional Redemption of the Series B Bonds.

The Series B Bonds maturing on or after November 1, 2032 will be subject to optional redemption, in whole or in part in Authorized Denominations on any date on or after November 1, 2031, from and to the extent of prepaid Base Rental Payments paid pursuant to the Lease Agreement, at a Redemption Price equal to the principal amount of the Series B Bonds to be redeemed, plus accrued interest thereon to the date of redemption, without premium.

Mandatory Sinking Fund Redemption of the Series B Bonds.

The Series B Bonds maturing November 1, 2041 will be subject to mandatory sinking fund redemption, in part, on November 1 in each year, commencing November 1, 2037, at a Redemption Price equal to the principal amount of the Series B Bonds maturing November 1, 2041 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:

Mandatory Sinking Fund Redemption Date (November 1)	Principal Amount to Be Redeemed
2037	$17,275,000
2038	17,840,000
2039	18,425,000
2040	19,025,000
2041*	19,700,000

* Maturity

If some but not all of the Series B Bonds maturing on November 1, 2041 are redeemed through extraordinary redemption, the principal amount of the Series B Bonds maturing on November 1, 2041 to be redeemed pursuant to mandatory sinking fund redemption on any subsequent November 1 will be reduced by the aggregate principal amount of the Series B Bonds maturing on November 1, 2041, so redeemed pursuant to extraordinary redemption, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of $5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination will be given by the Trustee to the County. If some but not all of the Series B Bonds maturing on November 1, 2041 are redeemed pursuant to the optional redemption, the principal amount of the Series B Bonds maturing on November 1, 2041 to be redeemed pursuant to mandatory sinking fund redemption, on any subsequent November 1 will be reduced, by $5,000 or an integral multiple thereof, as designated by the County in a Written Certificate of the County filed with the Trustee; provided, however, that the aggregate amount of such reductions will not exceed the aggregate amount of the Series B Bonds maturing on November 1, 2041 redeemed pursuant to optional redemption.

The Series B Bonds maturing November 1, 2045 will be subject to mandatory sinking fund redemption, in part, on November 1 in each year, commencing November 1, 2042, at a Redemption Price equal to the principal amount of the Series B Bonds maturing November 1, 2045 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:

Mandatory Sinking Fund Redemption Date (November 1)	Principal Amount to Be Redeemed
2042	$20,345,000
2043	21,030,000
2044	18,755,000
2045*	19,395,000

* Maturity

If some but not all of the Series B Bonds maturing on November 1, 2045 are redeemed through extraordinary redemption, the principal amount of the Series B Bonds maturing on November 1, 2045 to be redeemed pursuant to mandatory sinking fund redemption on any subsequent November 1 will be reduced by the aggregate principal amount of the Series B Bonds maturing on November 1, 2045, so redeemed pursuant to extraordinary redemption, such reduction to be allocated among redemption dates as nearly as practicable on a pro rata basis in amounts of $5,000 or integral multiples thereof, as determined by the Trustee, notice of which determination will be given by the Trustee to the County. If some but not all of the Series B Bonds maturing on November 1, 2045 are redeemed pursuant to the optional redemption, the principal amount of the Series B Bonds maturing on November 1, 2045 to be redeemed pursuant to mandatory sinking fund redemption, on any subsequent November 1 will be reduced, by $5,000 or an integral multiple thereof, as designated by the County in a Written Certificate of the County filed with the Trustee; provided, however, that the aggregate amount of such reductions will not exceed the aggregate amount of the Series B Bonds maturing on November 1, 2045 redeemed pursuant to optional redemption.

Procedure for and Notice of Redemption of Bonds.

The Trustee on behalf and at the expense of the Authority will mail (by first class mail) notice of any redemption to the respective Owners of any Bonds designated for redemption at their respective addresses appearing on the Registration Books at least 20 but not more than 60 days prior to the date fixed for redemption. Such notice will state the date of the notice, the redemption date, the redemption place and the Redemption Price and will designate the CUSIP numbers, if any, the Bond numbers and the maturity or maturities of the Bonds to be redeemed (except in the event of redemption of all of the Bonds of such maturity or maturities in whole), and will require that such Bonds be then surrendered at the Office of the Trustee for redemption at the Redemption Price, giving notice also that further interest on such Bonds will not accrue from and after the date fixed for redemption. Neither the failure to receive any notice so mailed, nor any defect in such notice, will affect the validity of the proceedings for the redemption of the Bonds or the cessation of accrual of interest thereon from and after the date fixed for redemption. With respect to any notice of any optional redemption of Bonds, unless at the time such notice is given the Bonds to be redeemed will be deemed to have been paid within the meaning of Indenture, such notice will state that such redemption is conditional upon receipt by the Trustee, on or prior to the date fixed for such redemption, of moneys that, together with other available amounts held by the Trustee, are sufficient to pay the Redemption Price of, and accrued interest on, the Bonds to be redeemed, and that if such moneys will not have been so received said notice will be of no force and effect and the Authority will not be required to redeem such Bonds. In the event a notice of redemption of Bonds contains such a condition and such moneys are not so received, the redemption of Bonds as described in the conditional notice of redemption will not be made and the Trustee will, within a reasonable time after the date on which such redemption was to occur, give notice to the Persons and in the manner in which the notice of redemption was given, that such moneys were not so received and that there will be no redemption of Bonds pursuant to such notice of redemption.

Selection of Bonds for Redemption.

Whenever provision is made in the Indenture for the redemption of less than all of the Bonds, the Trustee will select the Bonds to be redeemed from all Bonds not previously called for redemption (a) with respect to any redemption of all Series of Bonds pursuant the extraordinary redemption provision of the Indenture, among maturities of both series of Bonds on a *pro rata* basis as nearly as practicable, (b) with respect to any optional redemption of Series B Bonds, as directed in a Written Certificate of the County, and (c) with respect to any other redemption of Additional Bonds, among maturities as provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, and by lot among Bonds of the same Series with the same maturity in any manner that the Trustee in its sole discretion deems appropriate and fair. The Trustee will promptly notify the Authority and the County in writing of the numbers of the Bonds so selected for redemption on such date. For purposes of such selection, all Bonds will be deemed to be comprised of separate $5,000 denominations and such separate denominations will be treated as separate Bonds that may be separately redeemed.

Partial Redemption of the Bonds.

Upon surrender of any Bonds redeemed in part only, the Authority will execute and the Trustee will authenticate and deliver to the Owner thereof, at the expense of the Authority, a new Bond or Bonds of the same Series in Authorized Denominations in an aggregate principal amount equal to the unredeemed portion of the Bonds surrendered.

Effect of Notice of Redemption

Notice having been mailed, as directed by the Indenture, and moneys for the Redemption Price, and the interest to the applicable date fixed for redemption, having been set aside with the Trustee, the Bonds will become due and payable on said date, and, upon presentation and surrender thereof at the Office of the Trustee, said Bonds will be paid at the Redemption Price thereof, together with interest accrued and unpaid to said date. If, on said date fixed for redemption, moneys for the Redemption Price of all the Bonds to be redeemed, together with interest to said date, will be held by the Trustee so as to be available therefor on such date, and, if notice of redemption thereof will have been mailed as aforesaid and not canceled, then, from and after said date, interest on said Bonds will cease to accrue and become payable. All moneys held by or on behalf of the Trustee for the redemption of Bonds will be held in trust for the account of the Owners of the Bonds so to be redeemed without liability to such Owners for interest thereon. All Bonds paid at maturity or redeemed prior to maturity pursuant to the provisions hereof will be canceled upon surrender thereof and destroyed.

ESTIMATED SOURCES AND USES OF BOND PROCEEDS

Following is a table of the estimated sources and uses of funds with respect to the Bonds:

Sources:	**Series A Bonds**	**Series B Bonds**	**Total**
Principal Amount of Bonds	$59,090,000.00	$440,710,000.00	$499,800,000.00
Net Original Issue Premium	14,702,323.50	--	14,702,323.50
Funds Held Under Indentures for Prior Bonds	731,923.14	20,729,596.08	21,461,519.22
County Contribution (1)	--	22,129,342.45	22,129,342.45
Total Sources	$74,524,246.64	$483,568,938.53	$558,093,185.17
Uses:			
Transfer to Escrow Banks (2)	$58,632,088.19	$481,168,993.61	$539,801,081.80
Swap Termination Fee	15,527,700.00	--	15,527,700.00
Cost of Issuance (3)	364,458.45	1,843,377.15	2,207,835.60
Property Conveyance (4)	--	100,000.00	100,000.00
Interest Account	--	209,564.27	209,564.27
CORAL 2013A Construction Fund	--	247,003.50	247,003.50
Total Uses	$74,524,246.64	$483,568,938.53	$558,093,185.17

(1) The County is expecting to make a cash contribution equal to debt service due on the Prior Bonds on November 1, 2021.

(2) See "The Refinancing Plan" herein.

(3) Includes certain legal fees, financing and consulting fees, underwriter's discount, fees of Bond Counsel, Disclosure Counsel, Trustee and the Municipal Advisor, printing costs, rating agency fees, title insurance, letter of credit termination fees and final remarketing fees related to the Prior 2008 Bonds, and other miscellaneous expenses.

(4) Includes certain legal fees and expenses, including costs of title work and title policies, appraisals, valuations, computations and certifications.

BASE RENTAL PAYMENT SCHEDULE

Following is the schedule of Base Rental Payments due with respect to the Bonds, assuming no optional or extraordinary redemption prior to maturity:

Date (November 1)	Series A Principal	Series A Interest	Series B Principal	Series B Interest	Total Payments
2022	$4,155,000	$3,052,983.34	$16,265,000	$11,004,654.46	$34,477,637.80
2023	4,455,000	2,746,750.00	16,695,000	10,584,930.92	34,481,680.92
2024	4,550,000	2,524,000.00	16,780,000	10,493,442.32	34,347,442.32
2025	4,855,000	2,296,500.00	16,940,000	10,346,952.90	34,438,452.90
2026	5,055,000	2,053,750.00	17,150,000	10,139,607.30	34,398,357.30
2027	5,355,000	1,801,000.00	25,825,000	9,886,816.30	42,867,816.30
2028	5,545,000	1,533,250.00	26,480,000	9,430,746.80	42,988,996.80
2029	5,845,000	1,256,000.00	16,965,000	8,907,502.00	32,973,502.00
2030	6,140,000	963,750.00	17,335,000	8,546,147.50	32,984,897.50
2031	6,425,000	656,750.00	17,735,000	8,159,577.00	32,976,327.00
2032	6,710,000	335,500.00	16,100,000	7,746,351.50	30,891,851.50
2033			15,740,000	7,347,071.50	23,087,071.50
2034			15,875,000	6,929,961.50	22,804,961.50
2035			16,265,000	6,493,399.00	22,758,399.00
2036			16,770,000	6,029,846.50	22,799,846.50
2037			17,275,000	5,535,131.50	22,810,131.50
2038			17,840,000	4,984,922.76	22,824,922.76
2039			18,425,000	4,416,718.76	22,841,718.76
2040			19,025,000	3,829,882.52	22,854,882.52
2041			19,700,000	3,223,936.26	22,923,936.26
2042			20,345,000	2,596,491.26	22,941,491.26
2043			21,030,000	1,932,227.00	22,962,227.00
2044			18,755,000	1,245,597.50	20,000,597.50
2045			19,395,000	633,246.76	20,028,246.76
Total	$59,090,000	$19,220,233.34	$440,710,000	$160,445,161.82	$679,465,395.16

SECURITY AND SOURCES OF PAYMENT FOR THE BONDS

General

The Bonds are payable from and secured by Lease Revenues and any other amounts held in the Payment Fund established under the Indenture. The term "Lease Revenues" means all Base Rental Payments payable by the County pursuant to the Lease Agreement, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Lease Agreement upon a Lease Default Event. The term "Net Proceeds" means any insurance proceeds or condemnation award in excess of $50,000, paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof. Neither the faith and credit nor the taxing power of the Authority, the County or the State, or any political subdivision thereof, is pledged to the payment of the Bonds. The County has covenanted in the Lease Agreement to take such action as may be necessary to include all Rental Payments due under the Lease Agreement as a separate line item in its annual budgets and to make the necessary annual appropriations therefor.

As provided in the Indenture, the Authority will assign and transfer to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners all of the Authority's right, title and interest in and to the Ground Lease and the Lease Agreement, including, without limitation, its right to receive Base

Rental Payments to be paid by the County under and pursuant to the Lease Agreement, and the right to exercise any remedies provided in the Lease Agreement in the event of a default by the County thereunder; provided, however, that, the Trustee will not be required to perform any of the substantive obligations of the Authority under the Lease Agreement, and, provided, further that the Authority will retain the rights to indemnification, to give consents and approvals, and to payment of or reimbursement of its reasonable costs and expenses thereunder. The County will pay Base Rental Payments directly to the Trustee, as assignee of the Authority. See "– Base Rental Payments" below.

Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth in the Indenture, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms and the provisions of the Indenture and the Act, the Authority pledges to the Owners and grants thereto a lien on and a security interest in, all of the Lease Revenues and any other amounts held in the Payment Fund. Such pledge constitutes a first lien on and security interest in such assets.

The Bonds are special, limited obligations of the Authority, payable, as provided in the Indenture, solely from Lease Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the County or the State, or any political subdivision thereof, is pledged to the payment of the Bonds. The Lease Revenues consist of all Base Rental Payments payable by the County pursuant to the Lease Agreement, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Lease Agreement upon a Lease Default Event. The Authority has no taxing power.

Abatement

Rental Payments, consisting of Base Rental Payments and Additional Rental Payments, are paid by the County to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to paid. Except as otherwise specifically provided in the Lease Agreement, during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property, Rental Payments will be abated proportionately, and the County waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement will continue in full force and effect. The term "Rental Period" means the period from the Delivery Date through June 30, 2022 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement. The County and the Authority will, in a reasonable manner and in good faith, determine the amount of such abatement; provided, however, that the Rental Payments due for any Rental Period will not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the County during such Rental Period. The County and the Authority will provide the Trustee with a certificate setting forth the amount of abatement and the basis therefor. Such abatement will continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed. If on the Scheduled Termination Date, the Rental Payments will have been abated at any time and for any reason then, the term of the Lease Agreement will be extended as provided in the Lease Agreement, except that the term will in no event be extended more than ten years beyond the stated termination date of the Lease Agreement. The Trustee cannot terminate the Lease Agreement in the event of such substantial interference. Abatement of Base Rental Payments and Additional Rental Payments is not a Lease Default Event under the Lease Agreement and does not permit the Trustee to take any action or avail itself of any remedy against the County. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Rental Abatement" attached hereto.

Notwithstanding the foregoing, to the extent that Net Proceeds of rental interruption insurance are available for the payment of Rental Payments due under the Lease Agreement, Rental Payments will not be abated as provided above but, rather, will be payable by the County as a special obligation payable solely from such Net Proceeds

Additions to the Property, Substitution or Release of Property

The County may amend the Lease Agreement to add additional real property to the Property, substitute alternate real property for any portion of the Property or to release a portion of the Property from the Lease Agreement, upon compliance with all of the conditions set forth in the Lease Agreement. In order to effect such a release and substitution, the County is required to provide to the Authority and Trustee, among other things, (a) an ALTA policy of title insurance insuring the County's leasehold estate under the Lease Agreement in the Property, subject only to Permitted Encumbrances in an amount which, together with the amount of title insurance applicable to the unreleased portion of the Property, equals at least the aggregate principal amount of the Bonds then outstanding, and (b) an opinion of bond counsel stating that such substitution is permitted pursuant to the Lease Agreement and does not cause interest on the Bonds to become includable in the gross income of the Bond Owners for federal income tax purposes. However, such conditions do not apply to a release of the County Court Facility in connection with the termination of the term of the Lease Agreement with respect thereto on November 1, 2032 as provided in the Lease Agreement. All costs and expenses incurred in connection with such addition, substitution or release will be borne by the County. Notwithstanding any substitution or release pursuant to the Lease Agreement, there will be no reduction in or abatement of the Base Rental Payments due from the County thereunder as a result of such substitution or release.

See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Additions to the Property; Substitution or Release of the Property."

Action on Default

Should the County default under the Lease Agreement, the Trustee, as assignee of the Authority's rights under the Lease Agreement, may terminate the Lease Agreement and recover certain damages from the County, or may retain the Lease Agreement and hold the County liable for all Base Rental Payments thereunder on an annual basis and will have the right to re-enter and re-let the Property or terminate the Lease Agreement upon a Lease Default Event thereunder. In the event such re-letting occurs, the County would be liable for any resulting deficiency in Base Rental Payments. Base Rental Payments may not be accelerated upon a Lease Default Event under the Lease Agreement. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Lease Default Events and Remedies." See also "RISK FACTORS – Limited Recourse on Default; No Acceleration of Base Rental" herein.

For a description of the events of default and permitted remedies of the Trustee (as assignee of the Authority) contained in the Lease Agreement and the Indenture, see APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Lease Default Events and Remedies" and "– The Indenture – Events of Default," "– Other Remedies of the Trustee," and "Limitation on Suits."

No Reserve Fund for the Bonds

The Authority will not fund a reserve fund for the Bonds. Amounts held or to be held in a reserve fund or account established for any other series of bonds or any reserve fund credit policy for any other series of bonds will not be available to pay principal of, redemption premium, if any, or interest on the Bonds.

Base Rental Payments

Rental Payments, consisting of Base Rental Payments and Additional Rental Payments, will be paid by the County to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid. Each Base Rental Payment will be deposited with the Trustee no later than the fifth Business Day next preceding each Interest Payment Date (the "Base Rental Deposit Date") on which such Base Rental Payment is due. All Base Rental Payments will be paid directly by the County to the Trustee. All Base Rental Payments received by the Trustee will be deposited by the Trustee in the Payment Fund.

Pursuant to the Indenture, on each Interest Payment Date and each Principal Payment Date, the Trustee will transfer amounts in the Payment Fund as are necessary to the Interest Account and the Principal Account to provide for the payment of the interest on and principal of the Bonds.

Scheduled Base Rental Payments relating to the Bonds are set forth below under the heading "BASE RENTAL PAYMENT SCHEDULE."

THE OBLIGATION OF THE COUNTY TO MAKE THE RENTAL PAYMENTS, INCLUDING THE BASE RENTAL PAYMENTS, DOES NOT CONSTITUTE A DEBT OF THE COUNTY OR OF THE STATE, OR OF ANY POLITICAL SUBDIVISION THEREOF, WITHIN THE MEANING OF ANY CONSTITUTIONAL OR STATUTORY DEBT LIMIT OR RESTRICTION, AND DOES NOT CONSTITUTE AN OBLIGATION FOR WHICH THE COUNTY OR THE STATE IS OBLIGATED TO LEVY OR PLEDGE ANY FORM OF TAXATION OR FOR WHICH THE COUNTY OR THE STATE HAS LEVIED OR PLEDGED ANY FORM OF TAXATION.

Additional Rental Payments

For the right to use and occupy the Property, the Lease Agreement requires the County to pay, as Additional Rental Payments thereunder, in addition to the Base Rental Payments, such amounts as will be required for the payment of the following:

(i) all taxes and assessments of any type or nature charged to the Authority or the County or affecting the Property or the respective interests or estates of the Authority or the County therein;

(ii) insurance premiums for all insurance required pursuant to the Lease Agreement; and

(iii) all other payments not constituting Base Rental Payments required to be paid by the County pursuant to the provisions of the Lease Agreement.

Amounts constituting Additional Rental Payments payable under the Lease Agreement will be paid by the County directly to the person or persons to whom such amounts will be payable. The County will pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee to the County stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

Insurance

General Liability Insurance

Pursuant to the Lease Agreement, the County will maintain or cause to be maintained throughout the term of the Lease Agreement, a standard comprehensive general liability insurance policy or policies in protection of the County, the Authority and their respective members, officers, agents and employees. Such policy or policies will provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Such policy or policies will provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or death of two or more persons in a single accident or event, and in a minimum amount of $500,000 for damage to property (subject to a deductible clause of not to exceed $100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the County. The Net Proceeds of such liability insurance will be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance will have been paid. The County's obligations under this subsection may be satisfied by self-insurance in accordance with the Lease Agreement. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Insurance; Net Proceeds; Eminent Domain."

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). The balance (to $25 million for each occurrence), with an optional excess liability program aggregate of $50 million, is insured through Public Risk Innovation, Solutions, and Management ("PRISM," formerly known as CSAC EIA), a joint powers authority and insurance risk sharing pool consisting of 55 counties in the State, as well as other non-county public entities.

Property Insurance

Pursuant to the Lease Agreement, the County will maintain or cause to be maintained casualty insurance insuring the Property against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood) to the full insurable value of the Property, subject to a $100,000 loss deductible provision. Full insurable value will not be less than the aggregate principal amount of the Outstanding Bonds. Such coverage may be provided in the form of a policy insuring the Property and additional property owned by the County against such risks; provided, however, that the amount of the coverage provided pursuant to such policy may be less than the aggregate amount of the full insurable value of all properties insured thereby if the County provides to the Trustee a written evaluation of a qualified insurance consultant that the County's coverage is reasonable given the maximum foreseeable loss in the event of fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood), the nature of such risks insured and the proximity of the insured properties to each other. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Insurance."

The County also maintains property insurance through the PRISM program. The PRISM property insurance program provides insurance coverage for all-risk subject to a $50,000 per occurrence deductible.

Flood coverage is subject to a $100,000 per occurrence deductible within 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 PRISM 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 a $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. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Insurance; Net Proceeds; Eminent Domain" and APPENDIX A – "INFORMATION REGARDING THE COUNTY OF RIVERSIDE – Insurance."

Rental Interruption Insurance

Pursuant to the Lease Agreement, the County will maintain rental interruption insurance to cover the Authority's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to the casualty insurance required by the Lease Agreement in an amount not less than the product of two times the maximum amount of Base Rental Payments scheduled to be paid during any Rental Period. The Net Proceeds of such rental interruption insurance will be applied to the payment of Rental Payments during the period in which, as a result of the damage or destruction to the Property that resulted in the receipt of such Net Proceeds, there is substantial interference with the County's right to the use or occupancy of the Property. The County's obligations under this subsection may not be satisfied by self-insurance.

The general liability, casualty, and rental interruption insurance required under the Lease Agreement will be provided by reputable insurance companies with claims paying abilities determined, in the reasonable opinion of the County's professionally qualified risk manager or an independent insurance consultant, to be adequate for the purposes of the Lease Agreement. All such policies will contain a standard lessee clause in favor of the Trustee and the general liability insurance policies will be endorsed to show the Trustee, as an additional insured. All such policies will provide that coverage will not be cancelled except with notice to the County of the expiration thereof, any intended cancellation thereof or any reduction in the coverage provided thereby. The Trustee will be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the Trustee.

Title Insurance

Pursuant to the Lease Agreement, the County will provide, upon the date of issuance of the Bonds and at its own expense, one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the aggregate principal amount of the Series 2021 Bonds. Said policy or policies will insure (a) the fee interest of the County in the Property under the Lease Agreement, (b) the Authority's ground leasehold estate in the Property under the Ground Lease, and (c) the County's leasehold estate thereunder in the Property, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies. The Net Proceeds of such title insurance will be applied as provided as provided in the Indenture. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Insurance; Net Proceeds; Eminent Domain."

Damage or Destruction of the Property

If the Property or any portion thereof will be damaged or destroyed, the County will, within 30 days of the occurrence of the event of damage or destruction, notify the Trustee in writing of the County's determination as to whether or not such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the Lease Agreement. If the County determines that such damage or destruction will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the Lease Agreement, the County will, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof.

If the County determines that such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the Lease Agreement, then the County will (i) apply sufficient funds from the Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of such damage or destruction and other legally available funds to the repair or replacement of the Property or the portions thereof which have been damaged or destroyed to the condition that existed prior to such damage or destruction, provided that, within 40 days of the occurrence of the event of damage or destruction, the County delivers to the Trustee a Written Certificate of the County (A) certifying that the County has sufficient funds to so complete such repair or replacement of the Property or such portions thereof and identifying such funds and the location thereof, and (B) stating that such funds will not be used for any other purpose until such repair or replacement is completed, (ii) within 60 days of the occurrence of the event of damage or destruction, cause additional real property to be added to the Property or alternate real property to be substituted for all or a portion of the Property pursuant to the Lease Agreement, or (iii) within 60 days of the occurrence of the event of damage or destruction, deliver sufficient funds from such Net Proceeds and other legally available funds to the Trustee for the application to the redemption from and to the extent of any insurance proceeds or condemnation award received with respect to all or a portion of the Property (A) of all of the Outstanding Bonds, or (B) of such portion of the Outstanding Bonds as will result in (I) the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to 105% of the maximum amount of the principal (including principal due and payable by reason of mandatory sinking fund redemption of such Bonds) of and interest on the Bonds coming due in the then current Rental Period or any subsequent Rental Period, and (II) the fair replacement value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to the aggregate principal amount of the Bonds then Outstanding. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Abatement," "– Additions to the Property; Substitution or Release of the Property" and "– Damage or Destruction."

See "THE PROPERTY – Substitution of Property" and "– Release of Southwest Justice Center Courthouse," herein.

Additional Bonds

The Authority may at any time issue one or more Series of Additional Bonds payable from Lease Revenues, as provided under the Indenture, on a parity with all other Bonds theretofore issued thereunder, but only subject to the conditions set forth below, which are thereby made conditions precedent to the issuance of such Additional Bonds:

(a) upon the issuance of such Additional Bonds, no Event of Default shall have occurred and be continuing under the Indenture;

(b) the issuance of such Additional Bonds shall be authorized under and pursuant to the Indenture and the Act and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) the purposes for which the proceeds of such Additional Bonds are to be applied, which purposes may only include one or both of (A) providing funds to pay the costs of the construction, acquisition and installation of County facilities or any improvements thereto, (B) providing funds to pay interest on such Additional Bonds, (C) providing funds to fund a reserve fund for such Additional Bonds established pursuant to such Supplemental Indenture, (D) providing funds to refund any Bonds previously issued hereunder, and (E) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds;

(ii) the designation of such Series of Additional Bonds, the aggregate principal amount of the Additional Bonds of such Series and the principal amount, and the interest rate to be borne by, each maturity of such Additional Bonds;

(iii) that such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either May 1 or November 1 and shall be for a period of not longer than twelve months;

(iv) the date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that each such maturity date and date on which a mandatory sinking fund redemption is to be made shall be a November 1 and, provided, further, that serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(v) the redemption premiums and terms, if any, for such Additional Bonds; provided, however, that such Additional Bonds shall be subject to redemption as provided in the Indenture;

(vi) the form of such Additional Bonds;

(vii) if such Additional Bonds are to be secured by a reserve fund (A) that the Trustee shall establish and maintain such reserve fund, (B) the amount of the reserve requirement with respect thereto, (C) the amount to be deposited therein from the proceeds of such Additional Bonds or, in lieu thereof, that a designated reserve facility or surety or other security instrument is to be deposited therein, (D) provisions for the withdrawal, application and replenishment of amounts therein, and (E) such other provisions as may be necessary or appropriate for the administration of such reserve fund; provided, however, that such provisions shall not adversely affect the interests of the Owners of Bonds other than such Additional Bonds; and

(viii) such other provisions as are appropriate or necessary and are not inconsistent with the provisions of the Indenture;

(c) The Trustee shall have received a Written Certificate of the County certifying that, upon the issuance of such Additional Bonds, the Property, as then constituted, taking into account any addition to or substitution or release of any portion of the Property implemented pursuant to Section 8.03 of the Lease Agreement in connection with the issuance of such Additional Bonds (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of the principal of and interest on the Bonds that will be Outstanding after the issuance of such Additional Bonds, coming due in the then current Rental Period or any subsequent Rental Period, (ii) has a fair replacement value at least equal to the aggregate principal amount of the Bonds that will be Outstanding after the issuance of such Additional Bonds, and (iii) has a useful life that extends at least to the final maturity date of the Bonds that will be Outstanding after the issuance of such Additional Bonds.

Notwithstanding the foregoing, if (i) such Additional Bonds are being issued to refund previously issued Bonds, and (ii) the Trustee shall have received a certificate from an Independent Financial Consultant certifying that Annual Debt Service in each Bond Year, calculated for all Bonds that will be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds, then the receipt of the Written Certificate of the County described in paragraph (c), above, shall not be a condition precedent to the issuance of such Additional Bonds.

Nothing contained in the Indenture will limit the issuance of any bonds payable from Lease Revenues if, after the issuance and delivery of such bonds, none of the Bonds theretofore issued thereunder will be Outstanding.

At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds will be executed by the Authority for issuance under the Indenture and will be delivered to the Trustee and thereupon will be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of (a) a certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds; (b) a Written Request of the Authority as to the delivery of such Additional Bonds; (c) a Written Certificate of the Authority stating that the conditions precedent to the issuance of such Additional Bonds specified in the Indenture have been satisfied; (d) if the Lease Agreement and the Ground Lease are being amended in connection with the issuance of such Additional Bonds, executed counterparts or certified copies of such amendments to the Lease Agreement and the Ground Lease, together with satisfactory evidence that such amendments have been duly recorded with the Riverside County Recorder; (e) an Opinion of Bond Counsel, as provided under the Indenture; (f) the proceeds of the sale of such Additional Bonds; (g) evidence that there is in effect on the date of issuance of such Additional Bonds one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the aggregate principal amount of the Bonds that will be Outstanding after the issuance of such Additional Bonds, which policy or policies will insure (i) the fee interest of the County in the Property, (ii) the Authority's ground leasehold estate in the Property under the Ground Lease, and (iii) the County's leasehold estate in the Property under the Lease Agreement, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies; (h) certified copies of the policies of insurance required by the Lease Agreement, or certificates thereof, that evidence that the amounts of the insurance required under the Lease Agreement have been increased, if applicable, to take into account the issuance of such Additional Bonds, and a Written Certificate of the County setting forth or accompanied by a schedule of the insurance policies being maintained in accordance with the Lease Agreement and stating that such policies are in full force and effect and that the County is in full compliance with the requirements of the Lease Agreement; and (i) such further documents or money as are required by the provisions hereof or by the provisions of the Supplemental Indenture pursuant to which such Additional Bonds are issued.

THE REFINANCING PLAN

The net proceeds of the Bonds, together with certain contributions from the County and amounts released from reserve funds related to the Prior Bonds (as defined below), are expected to be used to (i) refund, through redemption or defeasance as applicable all of the outstanding Prior Bonds, (ii) pay the termination fee associated with an interest rate hedge agreement related to the Series 2008A Bonds, (iii) pay the cost of issuance in connection with the issuance of the Bonds, and (iv) fund a property conveyance fund.

Pursuant to the Indenture, on the date of issuance of the Bonds, the Authority will deliver or cause to be delivered the proceeds of the Bonds to the Trustee. The Trustee will deposit a portion of the proceeds in the Costs of Issuance Fund and a portion of the proceeds in the Property Conveyance Fund. In order to redeem the Prior Bonds, the Trustee will transfer a portion of the proceeds of the Bonds, together with certain contributions from the County and amounts released from reserve funds related to the Prior Bonds (as defined below), to:

(i) U.S. Bank National Association, as trustee under the Prior 2008 Indenture, in the amount of $57,900,165.05, to be applied to the redemption of the Prior 2008 Bonds on the Closing Date in accordance with the provisions of the Prior 2008 Indenture;

(ii) Wells Fargo Bank, National Association, as trustee under the Prior 2012-1 Indenture, in the amount of $20,467,650.91, to be applied to the payment of the scheduled debt service to the call date of the Prior 2012-1 Bonds and to the redemption of the Prior 2012-1 Bonds on such call date in accordance with the provisions of the Escrow Agreement (Prior 2012-1 Bonds);

(iii) U.S. Bank National Association, as trustee under the Prior 2012-2 Indenture, in the amount of $22,374,438.52, to be applied to the payment of the scheduled debt service to the call date of the Prior 2012-2A Bonds and to the redemption of the Prior 2012-2A Bonds on such call date in accordance with the provisions of the Escrow Agreement (Prior 2012-2A Bonds);

(iv) Wells Fargo Bank, National Association, as trustee under the Prior 2012-3 Indenture in the amount of $9,579,328.68, to be applied to the payment of the scheduled debt service to the call date of the Prior 2012-3 Bonds and to the redemption of the Prior 2012-3 Bonds on such call date in accordance with the provisions of the Escrow Agreement (Prior 2012-3 Bonds);

(v) Wells Fargo Bank, National Association, as trustee under the Prior 2013 Indenture in the amount of $50,226,694.49, to be applied to the payment of the scheduled debt service to the call date of the Prior 2013 Bonds and to the redemption of the Prior 2013 Bonds on such call date in accordance with the provisions of the Escrow Agreement (Prior 2013 Bonds);

(vi) Wells Fargo Bank, National Association, as trustee under the Prior 2014 Indenture, in the amount of $3,293,613.13, to be applied to the payment of the scheduled debt service to the call date of the Prior 2014A Bonds and to the redemption of the Prior 2014A Bonds on such call date in accordance with the provisions of the Escrow Agreement (Prior 2014A Bonds);

(vii) U.S. Bank National Association, as trustee under the Prior 2015 Indenture, in the amount of $354,497,671.80, to be applied to the payment of the scheduled debt service to the call date of the Prior 2015 Bonds and to the redemption of the Prior 2015 Bonds on such call date in accordance with the provisions of the Escrow Agreement (Prior 2015 Bonds); and

(viii) the amount of $15,527,700.00 as payment of the termination payment under and pursuant to the Amended and Restated ISDA Master Agreement, dated as of December 10, 2008, by and between Wells Fargo Bank, N.A., as successor counterparty, and the Corporation, relating to the Prior 2008A Bonds.

A list of the Prior Bonds expected to be redeemed with a portion of the proceeds of the Bonds is set forth below:

County of Riverside Asset Leasing Corporation
Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A
(Southwest Justice Center Refunding)
CUSIP†: 768903ED4
(Prior 2008 Bonds)

Maturities to be Refunded (November 1)	CUSIP†	Principal Amount to be Refunded	Interest Rate	Redemption Price (% of Par Amount)	Redemption Date
2032	768903ED4	$58,630,000	Variable	100.00%	Closing Date

County of Riverside Asset Leasing Corporation
Lease Revenue Bonds
(2012 Administrative Center Refunding Project)
Base CUSIP†: 76911A
(Prior 2021-1 Bonds)

Maturities to be Refunded (November 1)	CUSIP* Suffix	Principal Amount to be Refunded	Interest Rate	Redemption Price (% of Par Amount)	Redemption Date
2021	AK1	$1,530,000	5.000%	—	—
2022	AL9	1,605,000	5.000	—	—
2023	AM7	1,680,000	5.000	100.00	11/01/2022
2024	AN5	1,765,000	5.000	100.00	11/01/2022
2025	AP0	180,000	3.500	100.00	11/01/2022
2025	AQ8	1,680,000	5.000	100.00	11/01/2022
2026	BB0	1,945,000	5.000	100.00	11/01/2022
2027	BC8	2,045,000	5.000	100.00	11/01/2022
2028	BD6	2,150,000	5.000	100.00	11/01/2022
2031	BE4	7,030,000	4.000	100.00	11/01/2022

† CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services (CGS) is managed on behalf of the American Bankers Association by S&P Global Market Intelligence. Copyright© 2019 CUSIP Global Services. All rights reserved. CUSIP® data herein is provided by CUSIP Global Services. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the Authority, the County, the Underwriters or their agents or counsel assume responsibility for the accuracy of such numbers.
* See footnote regarding CUSIP on page 18.

County of Riverside Asset Leasing Corporation
Lease Revenue Bonds, 2012 Series A
(County of Riverside Capital Projects)
Base CUSIP†: 76911A
(Prior 2012-2A Bonds)

Maturities to be Refunded (June 1)	CUSIP* Suffix	Principal Amount to be Refunded	Interest Rate	Redemption Price (% of Par Amount)	Redemption Date
2027	BN4	$10,500,000	4.000%	100.00%	06/01/2022
2028	BS3	11,100,000	4.000	100.00	06/01/2022
2029	BP9	9,535,000	4.000	100.00	06/01/2022

Riverside County Public Financing Authority
Lease Revenue Refunding Bonds
(County Facilities Projects) Series 2012
Base CUSIP†: 76912K
(Prior 2012-3 Bonds)

Maturities to be Refunded (May 1)	CUSIP* Suffix	Principal Amount Expected to be Refunded	Interest Rate	Redemption Price (% of Par Amount)	Redemption Date
2022	BC5	960,000	4.000%	—	—
2023	BD3	1,000,000	3.000	100.00%	05/01/2022
2024	BE1	1,025,000	4.000	100.00	05/01/2022
2025	BF8	1,065,000	5.000	100.00	05/01/2022
2026	BG6	1,120,000	5.000	100.00	05/01/2022
2029	BJ0	2,170,000	3.750	100.00	05/01/2022
2033	BH4	3,205,000	4.000	100.00	05/01/2022

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* See footnote regarding CUSIP on page 18.

County of Riverside Asset Leasing Corporation
Lease Revenue Bonds, Series 2013A
(Public Defender/Probation Building and Riverside County Technology Solutions Center Projects)
Base CUSIP[†]: 76911A
(Prior 2013 Bonds)

Maturities to be Refunded (November 1)	CUSIP[*] Suffix	Principal Amount to be Refunded	Interest Rate	Redemption Price (% of Par Amount)	Redemption Date
2021	EX9	$1,125,000	5.000%	—	—
2022	EY7	1,180,000	5.000	—	—
2023	EZ4	1,235,000	5.000	—	—
2024	FA8	1,300,000	5.250	100.00%	11/01/2023
2025	FB6	1,365,000	5.250	100.00	11/01/2023
2026	FC4	1,440,000	5.250	100.00	11/01/2023
2027	FD2	1,515,000	5.250	100.00	11/01/2023
2028	FE0	1,595,000	5.250	100.00	11/01/2023
2033	FF7	9,275,000	5.000	100.00	11/01/2023
2038	FG5	11,840,000	5.000	100.00	11/01/2023
2043	FH3	15,115,000	5.000	100.00	11/01/2023

County of Riverside Asset Leasing Corporation
Lease Revenue Refunding Bonds
(Court Facilities Project)
Series 2014A
Base CUSIP[†]: 76911A
(Prior 2014A Bonds)

Maturities to be Refunded (November 1)	CUSIP[*] Suffix	Principal Amount to be Refunded	Interest Rate	Redemption Price (% of Par Amount)	Redemption Date
2021	CV5	415,000	4.000	—	—
2022	CW3	430,000	4.000	—	—
2023	CX1	445,000	5.000	—	—
2024	CY9	465,000	5.000	—	—
2025	CZ6	490,000	3.000	100.00	11/01/2024
2026	DA0	505,000	5.000	100.00	11/01/2024
2027	DB8	530,000	5.000	100.00	11/01/2024
2028	DC6	555,000	3.500	100.00	11/01/2024
2029	DD4	580,000	5.000	100.00	11/01/2024
2030	DE2	605,000	5.000	100.00	11/01/2024
2031	DF9	635,000	4.000	100.00	11/01/2024
2032	DG7	665,000	4.000	100.00	11/01/2024
2033	DH5	690,000	4.000	100.00	11/01/2024

[*] See footnote regarding CUSIP on page 18.

Riverside County Public Financing Authority
Lease Revenue Bonds
(Capital Facilities Project)
Series 2015
Base CUSIP†: 76912K
(Prior 2015 Bonds)

Maturities to be Refunded (November 1)	CUSIP† Suffix	Principal Amount to be Refunded	Interest Rate	Redemption Price (% of Par Amount)	Redemption Date
2021	BP6	$6,385,000	5.000%	—	—
2022	BQ4	180,000	3.000	—	—
2022	CJ9	6,530,000	5.000	—	—
2023	BR2	7,050,000	5.000	—	—
2024	BS0	310,000	3.500	—	—
2024	CK6	7,100,000	5.000	—	—
2025	BT8	7,790,000	5.000	—	—
2026	BU5	8,190,000	5.000	100.00%	11/01/2025
2027	BV3	4,690,000	3.250	100.00	11/01/2025
2027	CN0	3,875,000	5.000	100.00	11/01/2025
2028	BW1	8,965,000	5.000	100.00	11/01/2025
2029	BX9	9,420,000	5.000	100.00	11/01/2025
2030	BY7	9,905,000	5.000	100.00	11/01/2025
2031	BZ4	10,415,000	5.000	100.00	11/01/2025
2032	CA8	10,945,000	5.000	100.00	11/01/2025
2033	CB6	3,000,000	4.000	100.00	11/01/2025
2033	CP5	8,495,000	5.000	100.00	11/01/2025
2034	CC4	12,070,000	5.000	100.00	11/01/2025
2035	CD2	12,620,000	4.000	100.00	11/01/2025
2040	CL4	24,430,000	5.250	100.00	11/01/2025
2040	CE0	47,770,000	4.150	100.00	11/01/2025
2045	CF7	10,000,000	4.250	100.00	11/01/2025
2045	CM2	81,975,000	5.250	100.00	11/01/2025

Verification. Upon issuance of the Bonds, Causey Demgen Moore P.C., as verification agent, will deliver a report on the mathematical accuracy of certain computations based upon certain information and assertions provided to it by the Underwriters relating to: (a) the adequacy of amounts in the related Escrow Fund to pay when due all debt service on the Prior Bonds on and prior to the redemption thereof and to pay the redemption price of the applicable redemption date as set forth in the table above; and (b) the computations of yield of the Bonds which support Bond Counsel's opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes.

THE REFINANCED FACILITIES

The net proceeds of the Bonds will be used to defease and redeem all of the outstanding Prior Bonds, the proceeds of which were used to finance and refinance the following facilities (the "Refinanced Facilities").

Refinancing of the Southwest Justice Center. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2008A Bonds, the proceeds of which were used, in part, to refund and redeem all of the outstanding County of Riverside Asset Leasing Corporation Leasehold Revenue Bonds, Variable Rate Series 2000B (Southwest Justice Center Project) (the "Series 2000B Bonds"). A portion of the net proceeds from the Series 2000B Bonds were used, in part, to finance the acquisition and construction of the Southwest Justice Center. See “THE PROPERTY — Southwest Justice Center” below for a description of the Southwest Justice Center refinanced with a portion of the proceeds of the Prior Bonds and being refinanced with a portion of the Bonds.

Refinancing of the Animal Center. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2012 Bonds, the proceeds of which were used, in part, to refund and redeem all of the outstanding Riverside County Palm Desert Financing Authority Lease Revenue Bonds (County Facilities Projects) 2003 Series A (the “Series 2003-A Bonds”). A portion of the net proceeds of the Series 2003-A Bonds were used, in part, to finance the acquisition and construction of a full-service animal facility (the “Animal Facility”). The Animal Facility is a 28,260-square foot building, located in the unincorporated area of Thousand Palms, California, that provides contract animal shelter and related services to the surrounding area.

Refinancing of the Mecca Social Services Center and Medical Clinic. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2012 Bonds, the proceeds of which were used, in part, to refund and redeem all of the Series 2003-A Bonds. A portion of the net proceeds of the Series 2003-A Bonds were used, in part, to finance the acquisition and construction of a 20,000 square-foot medical clinic facility on an approximately 2.5-acre parcel located in Mecca, California (the “Mecca Medical Center”). The Mecca Medical Center provides primary care medicine and a dental clinic in a social services setting.

Refinancing of the Blythe Administration Center. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2012 Bonds, the proceeds of which were used, in part, to refund and redeem all of the Series 2003-A Bonds, the proceeds of which were used, in part, to refund and redeem all of the Palm Desert Financing Authority Lease Revenue Bonds (Blythe County Administrative Center) Series 1996 (the “Series 1996 Bonds”). A portion of the net proceeds of the Series 1996 Bonds were used, in part to finance the acquisition and construction of the Blythe Riverside County Administrative Center (the “Blythe Admin Center”). The Blythe Admin Center is a complex of offices that houses offices for the Eastern County Resident’s Agricultural Commissioner, Assessor-Clerk-Recorder, located at 220-290 North Broadway, Blythe, California.

Refinancing of the County Administrative Center. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2012-1 Bonds, the proceeds of which were used, in part, to refund all of the outstanding County of Riverside Certificates of Participation (County Administrative Center Annex Project) (the “2001 Certificates of Participation”). The net proceeds of the 2001 Certificates of Participation were used, in part, to finance the acquisition and construction of the County Administrative Center. The County Administrative Center is an approximately 29,000 square foot building on a 2.19-acre site, located at 4080 Lemon Street in downtown Riverside California. The CAC houses offices for Human Resources, Treasurer-Tax Collector, Auditor-Controller, Transportation and Land Management, County Executive Office, County Information Technology, Board of Supervisors and Clerk of the Board.

Refinancing of the County Medical Center Campus. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2012-2A Bonds, the proceeds of which were used, in part, to refinance a portion of a prior bond issue the net proceeds of which were used in part to finance and refinance improvements to the County Medical Center Campus. The County Medical Center Campus is located on an approximately 103.5-acre site with 517,000 square-feet of facility. The County Medical Center Campus consist of approximately 362 acute care inpatient beds, an emergency room capable of handling 90,000 emergency visits per year, an obstetric suite capable of delivering 7,500 infants per year, and outpatient and clinical facilities accommodating approximately 250,000 visits per year.

Refinancing of the Technology Solutions Center. The County is using a portion of the proceeds of the Bonds to refund all of the outstanding Series 2013A Bonds, proceeds of which were used, in part, to finance the acquisition and construction of the Technology Solutions Center. The Technology Solutions Center is located on a 5.25 acre parcel and includes an approximately 139,900 square foot, five-story office building known as 3450 Fourteenth Street, Riverside, California, an approximately 7,839 square foot building known as 3478 Fourteenth Street, Riverside, California and an adjacent parking lot with spaces for 355 vehicles. Approximately $30 million of the proceeds of the 2013A Bonds were used to purchase the Technology Solutions Center. An additional $2 million of the proceeds of the Series 2013A Bonds were used to construct and improve the Technology Solutions Center. The Technology Solutions Center serves as the County's data center and offices of the County's information technology staff.

Refinancing of the Public Defender Building. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2013A Bonds, the proceeds of which were used, in part, to finance the Public Defender Building, an approximately 54,552 square foot, eight-story office building and an approximately 45,000 square foot three-story parking structure located on an approximately 20,540 square foot parcel. The building housed the County's district attorneys' office until 2010, when the district attorneys' offices were relocated. Approximately $20 million of the proceeds of the Series 2013A Bonds were used to retrofit and improve the Public Defender Building. The renovation commenced in April 2013 and was completed by November 2014. The Public Defender Building is currently valued by the County at approximately $45,780,961. The Public Defender Building houses the County Public Defender, the Department of Probation and the Department of County Counsel.

Refinancing of the Historic Courthouse. The County is using a portion of the net proceeds of the Bonds to refund all of the outstanding Series 2013-2 Bonds, the proceeds of which were used, in part, to refinance the County of Riverside Certificates of Participation (Historic Courthouse Project), 2003 Series A (Uninsured) (the "2003 Series A Certificates"), proceeds of which used, in part, to finance improvements to the Historic Courthouse. The Historic Courthouse is a 68,143 square-foot facility located on a 2.75-acre lot, at 4050 Main Street, Riverside, California. The Courthouse contains 90,000 square feet dedicated to court functions, approximately 35,000 square feet comprise jail facilities and 15,000 square feet is dedicated to probation functions. The improvements financed by the 2003 Series A Certificates consisted of seismic renovations, restoration of the addition built in 1933, and renovation with respect to water infiltration in the building.

Refinancing of the 2015 Public Improvements Project. The County is using a portion of the proceeds of the Bonds to refund all of the outstanding Series 2015 Bonds, proceeds of which were used, in part, to finance certain public improvements. The public improvements include the construction of the East County Detention Center, a County parking structure, demolition of the Indio Campus for the East County Detention Center, Indio Larson Justice Center and Southwest Justice Center courtrooms, an AEOC – RCIT Hub, and a parking lot for the Indio Larson Justice Center Courthouse. The East County Detention Center occupies 68,143 square feet and houses 1,273 beds.

THE PROPERTY

General

In order to provide the funds necessary to redeem the Prior Bonds and to refinance the Refinanced Facilities, the County is leasing certain real property, and the improvements thereto (the "Property"), to the Authority pursuant to a Ground Lease, dated as of October 1, 2021, and the County is subleasing the Property back from the Authority pursuant to the Lease Agreement, dated as of October 1, 2021 (the "Lease Agreement").

The Property, under the Lease Agreement, consists of the Southwest Justice Center, the Bankruptcy Courthouse and the Downtown Law Building.

Name of Facility	Location	Total Value	Occupant
Southwest Justice Center	30755 Auld Rd., Murrieta	$231,969,684	Sheriff, Superior Court, Public Defender, Probation Department
Bankruptcy Courthouse	3420 12th St., Riverside	$43,102,304	United Stated Bankruptcy Court
Downtown Law Building	3960 Orange St., Riverside	$236,055,507	District Attorney

Source: County of Riverside

The value of the Property has been determined by the County based on the estimated cost of replacement of the improvements and the estimated value of the land. The value of the land has been derived based on recent comparable property sales in the County of Riverside. The County uses the estimated cost of replacement of the improvements for purposes of determining the insured value to attribute to each component of the Property.

The County has not provided, and will not be providing, to the Trustee a mortgage on the Property as security for the payment of Base Rental Payments under the Lease Agreement. As such, the Trustee will not have the right to foreclose on the Property in the event of a Lease Default Event. The Trustee's remedies in the event of a Lease Default Event are limited to the remedies set forth in the Lease Agreement. See "SECURITY AND SOURCES OF PAYMENT OF THE BONDS."

The Southwest Justice Center

General. The Southwest Justice Center is located approximately five miles east of the City of Temecula on an approximately 47.70-acre parcel purchased by the County in 1987 for $2.5 million. The Series 2000B Bonds were used, in part, to provide funds to finance the acquisition and construction of an expanded jail facility (the "Jail Facility"), a court facility (the "Court Facility"), and a juvenile detention center (the "Juvenile Detention Facility"). Construction was completed in July 2003. The Jail Facility expansion added approximately 92,000 square feet to the prior jail facility, which provided an additional 283 cells and 535 jail beds, including 27 for violent offenders. The Court Facility is 188,000 square feet and provides 12 courtrooms, court support functions and administrative support functions, such as offices for the District Attorney, Public Defender, and Office of Probation. The Juvenile Detention Facility contains approximately 63,000 square feet and provides approximately 100 beds, classroom modules, medical and school staff, and a fully functional kitchen/dining service facility. The acquisition and construction of the Southwest Justice Center was financed in part by the Series 2000B Bonds, which were refinanced with a portion of the proceeds of the Series 2008 Bonds. The Southwest Justice Center is currently valued by the County at approximately $231,969,684.

Courthouse Joint Occupancy Agreement. The Court Facility is also subject to that certain Joint Occupancy Agreement, with an effective date of December 16, 2008, as amended by that certain Amendment to the Joint Occupancy Agreement, dated March 31, 2009, as amended by that certain Amendment No. 2 to the Joint Occupancy Agreement, dated September 9, 2014, by and between the Judicial Council of California (the "Council"), the Administrative Office of the Courts (the "AOC") and the County (as amended, the "JOA"). The JOA provides for the terms and conditions of the AOC's exclusive use and the County's exclusive use of their respective shares of Court Facility floor space (the "Exclusive-Use Area") and their non-exclusive shared use of the Court Facility common area (the

“Common Area”). Pursuant to the JOA, the County has transferred and delegated, and the AOC has accepted and assumed, certain rights, interests, duties and liabilities with respect to the AOC’s exclusive occupancy and use of approximately 76.40% of the Exclusive-Use Area (the “AOC Share”). The County exclusively occupies and uses the remaining share, representing 23.60% of the Exclusive-Use Area (the “County Share”). This Official Statement does not purport to describe the payments that the AOC is obligated to make to the County under the JOA.

The JOA provides for the right of first refusal in favor of the County and the AOC to expand into and occupy, on a paid basis, any portion of the Exclusive-Use Area that the County or the AOC desires to rent or otherwise transfer to a third party (the “Excess Area”). The party that desires to rent or otherwise transfer the Excess Area must first offer the Excess Area to the other occupant on the same terms and conditions set forth in any offer to or from a third party. If the County or the AOC elects not to occupy the Excess Area or fails to timely respond to the offer, then the third party may occupy the Excess Area. Any transfer of the Excess Area will not relieve the AOC or County of their rights and responsibilities under the JOA.

Court Facility Transfer Agreement. A portion of the net proceeds from the Prior 2008A Bonds was used to refinance the acquisition and construction of the Southwest Justice Center, including the Court Facility. See “– The Southwest Justice Center” above. The Court Facility is subject to a transfer agreement, with an effective date of December 16, 2008, by and between the Council, the AOC and the County, as amended by Amendment No. 1 to Transfer Agreement for the Court Facility, with an effective date of September 9, 2014, by and among the Council, AOC and the County (as so amended, the “Transfer Agreement”).

Pursuant to the Transfer Agreement, the County is required to convey the Court Facility to the State of California (the “State”), on behalf of the Council, no later than the date of the final payment of the “Bonded Indebtedness” on the Court Facility, as “Bonded Indebtedness” is defined in the Trial Court Facilities Act of 2002 (California Government Code sections 70301-70404) (the “Court Facilities Act”). Section 70323(b) of the Court Facilities Act provides that a county will not extend the term of the final maturity date of, or increase the amount of, any Bonded Indebtedness on a building containing court facilities whose responsibility has been transferred to the State without the consent of the AOC. Section 70323 further provides that, for the purposes said subdivision (b), the amount of the Bonded Indebtedness will not be deemed to be increased if the amount is refunded for an amount not greater than the original principal amount of the Bonded Indebtedness plus any costs related to the refunding of the Bonded Indebtedness.

The Series 2008A Bonds mature on November 1, 2032. A number of the issues of the Prior Bonds have maturity dates later than November 1, 2032 and, therefore, the Bonds will have a final maturity date later than November 1, 2032. Furthermore, because the Bonds will be refunding seven issues of Prior Bonds, and not just the Series 2008A Bonds, the principal amount of the Bonds will exceed the principal amount of the Series 2008A Bonds plus any costs related to the refunding of the Series 2008A Bonds. However, the Bonds and the financing documents relating thereto, including the Lease Agreement, the Base Rental Payments payable by the County under which will be applied to the payment of debt service on the Bonds, will be structured so that the debt allocable to the Courthouse Facility will not exceed the principal amount of the Series 2008A Bonds allocable thereto plus any costs related to the refunding thereof, and such debt will be paid by November 1, 2032 and the Courthouse Facility will be released from the Lease Agreement on November 1, 2032. These structural mechanisms will enable the County to transfer the Court Facility to the State on November 1, 2032, as required by the Transfer Agreement. The AOC has provided written consent to the above-described structure of the Bonds as it relates to the refunding of Series of the 2008A Bonds and the transfer of the Court Facility to the State on November 1, 2032.

Bankruptcy Courthouse

The Bankruptcy Courthouse is an approximately 84,746 square foot, three-story building on approximately 1.19-acre parcel, located at 3420 12th Street, Riverside, California. The Bankruptcy Courthouse houses the U.S. Marshal and Public Lobby on the first floor, Administrative Offices and the U.S. Attorneys' Office on the second floor, and four Courtrooms and Judges' Chambers on the third floor. The building is steel frame construction with security detectors at entry ways and ten secured parking spaces. The Bankruptcy Courthouse was first occupied on March 13, 1997. The Bankruptcy Courthouse is currently valued by the County at approximately $43,102,304.

The United States of America, acting by and through the General Services Administration (the "GSA"), currently subleases the Bankruptcy Courthouse from the County pursuant to that certain Lease Agreement No. GS-09P-LCA00137, dated March 14, 2017, between the County and the GSA, as supplemented and amended, including Lease Amendment No. 1, dated July 30, 2019, between the County and the GSA (as amended, the "GSA Lease Agreement"). The GSA Lease Agreement is a Permitted Encumbrance under the Lease Agreement and, by its terms, subordinates to liens such as the Lease Agreement and the Ground Lease and is effectively a sublease of that portion of the Bankruptcy Courthouse constituting the United States Bankruptcy Court. In addition, the GSA Lease Agreement provides that no such subordination shall operate to affect adversely any right of the GSA under the GSA Lease Agreement so long as the GSA is not in default under the GSA Lease Agreement. The GSA has agreed in the GSA Lease Agreement to attorn to any purchaser or transferee of the Bankruptcy Courthouse in the event of any sale of the Bankruptcy Courthouse or as a result of foreclosure of the lien of any mortgage, deed of trust or other security interest, and any such purchaser or transferee shall be deemed to have assumed all obligations of the County under the GSA Lease Agreement. This Official Statement does not purport to describe the payments that the GSA is obligated to make to the County under the GSA Lease Agreement.

Downtown Law Building

The Downtown Law Building is an approximately 255,716 square foot, ten-story, office building, and an approximately 121,091 square foot, three level underground parking structure (the "Downtown Law Building") on an approximately 1.20 acre parcel, located at 3960 Orange Street, Riverside, California. The Downtown Law Building houses the District Attorney's office. The Downtown Law Building is currently valued by the County at approximately $236,055,507.

Substitution of Property

Pursuant to the Lease Agreement, the County may, at its option, release any portion of the Property from the lien of the Lease Agreement and substitute other real property to serve as the Property. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS—Additions to the Property, Substitution or Release of Property," above.

RISK FACTORS

The following factors, along with the other information in this Official Statement, should be considered by potential investors in evaluating the purchase of the Bonds. However, they do not purport to be an exhaustive listing of risks and other considerations which may be relevant to an investment in the Bonds. In addition, the order in which the following factors are presented is not intended to reflect the relative importance of any such risks. Additionally, potential investors should be aware of the possibility that other considerations could materialize in the future.

General Considerations – Security for the Bonds

The Bonds are special, limited obligations of the Authority, payable, as provided in the Indenture, solely from Lease Revenues and the other assets pledged therefor under the Indenture. Neither the faith and credit nor the taxing power of the Authority, the County or the State, or any political subdivision thereof, is pledged to the payment of the Bonds. The Lease Revenues consist of all Base Rental Payments payable by the County pursuant to the Lease Agreement, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Lease Agreement upon a Lease Default Event. The Authority has no taxing power.

The obligation of the County to make the Rental Payments, including the Base Rental Payments, does not constitute a debt of the County or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State is obligated to levy or pledge any form of taxation or for which the County or the State has levied or pledged any form of taxation.

Although the Lease Agreement does not create a pledge, lien or encumbrance upon the funds of the County, the County is obligated under the Lease Agreement to pay the Base Rental Payments and Additional Rental Payments from any source of legally available funds, and the County has covenanted in the Lease Agreement that it will take such action as may be necessary to include all Rental Payments due under the Lease Agreement as a separate line item in its annual budgets and to make necessary annual appropriations for all such Rental Payments. The County is currently liable and may become liable on other obligations payable from general revenues, some of which may have a priority over the Base Rental Payments.

The County has the capacity to enter into other obligations which may constitute additional charges against its revenues. To the extent that additional obligations are incurred by the County, the funds available to make Base Rental Payments may be decreased. In the event the County's revenue sources are less than its total obligations, the County could choose to fund other activities before making Base Rental Payments and other payments due under the Lease Agreement. The same result could occur if, because of California Constitutional limits on expenditures, the County is not permitted to appropriate and spend all of its available revenues. However, the County's appropriations have never exceeded the limitation on appropriations under Article XIIIB of the California Constitution. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS – Article XIIIB of the California Constitution" herein.

Abatement

In the event of substantial interference with the County's right to use and occupy any portion of the Property by reason of damage to, or destruction or condemnation of the Property, or any defects in title to the Property, Rental Payments will be subject to abatement. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Abatement" herein. In the event that such portion of the Property, if damaged or destroyed by an insured casualty, could not be replaced during the period of time in which proceeds of the County's rental interruption insurance will be available in lieu of Base Rental Payments or in the event that casualty insurance proceeds are insufficient to provide for complete repair or replacement of such portion of the Property or redemption of the Bonds, there could be insufficient funds to make payments to Owners in full.

It is not possible to predict the circumstances under which such an abatement of rental may occur. In addition, there is no statute, case or other law specifying how such an abatement of rental should be measured. For example, it is not clear whether fair rental value is established as of commencement of the lease or at the time of the abatement. If the latter, it may be that the value of the Property is substantially higher or lower than its value at the time of the execution and delivery of the Bonds. Abatement, therefore, could have an uncertain and material adverse effect on the security for and payment of the Bonds.

If damage, destruction, title defect or eminent domain proceedings with respect to the Property results in abatement of the Rental Payments related to such Property and if such abated Base Rental Payments, if any, together with moneys from rental interruption or use and occupancy insurance (in the event of any insured loss due to damage or destruction) and eminent domain proceeds, if any, are insufficient to make all payments of principal of and interest on Bonds during the period that the Property is being replaced, repaired or reconstructed, then all or a portion of such payments of principal and interest may not be made. Under the Lease Agreement and the Indenture, no remedy is available to the Owners for nonpayment under such circumstances. To the extent that Net Proceeds of rental interruption insurance are available for the payment of Rental Payments due under the Lease Agreement, Rental Payments will not be abated as provided above but, rather, will be payable by the County as a special obligation payable solely from such Net Proceeds. The County will not fund a reserve fund for the Bonds.

Incurrence of Additional Obligations

Subject to satisfying certain conditions set forth in the Indenture, the County, the Authority and the Trustee may by execution of a Supplemental Indenture, without the consent of the Owners, provide for the issuance of Additional Bonds payable from Lease Revenues. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS – Additional Bonds" herein.

The Lease Revenues, and other payments due under the Lease Agreement and the Indenture, (including taxes and other governmental charges levied against the Leased Premises, insurance premiums, any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Lease Agreement upon a Lease Default Event) are payable from funds lawfully available to the County. The County is also currently liable on other obligations payable from general revenues. Neither the Lease nor the Indenture contains any legal limitations on the ability of the County to enter into other obligations, without the consent of the Owners of the Outstanding Bonds, which may constitute additional obligations payable from its General Fund. To the extent that the County incurs such additional obligations, the County's funds available to make Rental Payments may be decreased. In the event that the amounts which the County is obligated to pay in a Fiscal Year exceed the County's revenues for such year, there may be a material adverse effect on the County's ability to make debt service payments with respect to the Bonds.

No Reserve Fund

The Authority has not funded a debt service reserve fund for the Bonds.

COVID-19 Pandemic

The spread of the novel strain of coronavirus and the disease it causes (now known as "COVID-19") has among other things, disrupted economies across the world, including those at the national, state, and local levels. The State and County have taken actions designed to mitigate the spread of COVID-19, including most recently the imposition by the State of the Blueprint for a Safer Economy, which provided a tiered framework for restricting and loosening business and social activities based on local COVID-19 risk levels. With widespread vaccination currently underway in the United States and many countries worldwide, some of the governmental-imposed stay-at-home orders and restrictions on operations of schools and businesses implemented to respond to and control the outbreak have been eased or eliminated. On June 11, 2021, Governor Newsom issued two executive orders, which became effective on June 15, 2021, which had the effect of rescinding a majority of the COVID-19-related restrictions and providing a timeline for gradually lifting certain of the other restrictions that were not fully rescinded on June 15, 2021.

On April 21, 2020, the Board of Supervisors approved the formation of the County of Riverside Economic Recovery Task Force Committee. The Committee is comprised of public and private sector leaders to 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. According to the United States Bureau of Labor Statistics, the unemployment rate in the United States decreased from 8.1% in 2020, to 5.9% in June 2021. According to the California Economic Development Department, California's unemployment rate decreased from 10.1% in 2020 to 7.7% in June 2021, and the unemployment rate for the County decreased from 9.9% in 2020 to 7.9% in June 2021. While the unemployment rate has been improving, the duration and long-term impacts of the COVID-19 pandemic are unknown, and the County cannot predict the continued improvement of the labor market.

In 2020, the County received grants in the total amount of approximately $487 million under the Coronavirus Aid, Relief and Economic Security Act (the "CARES Act") from the federal government. The funds were placed in a special restricted fund established within the County treasury and may only be accessed for purposes permitted under the CARES Act, which, under current guidelines from the U.S. Department of the Treasury, is limited to necessary expenditures incurred due to the public health emergency with respect to COVID-19. Funds received by the County under the CARES Act are not available for payment of debt service on the 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.

In January 2021, the County activated the Incident Management Team operated jointly by the Riverside University Health System-Public Health ("RUHS"), the Emergency Management Department ("EMD") and the Riverside County Fire Department ("CAL FIRE") to coordinate the County's vaccine rollout. RUHS continues to monitor ongoing infections, conduct contact tracing, as well as administer COVID-19 testing and vaccinations. As of August 31, 2021, 62.5% of residents have received full or partial vaccination, and 336,053 total confirmed cases of COVID-19 and 4,731 total deaths from COVID-19 have been reported in the County. Updated health information is available at https://www.rivcoph.org.

On March 11, 2021, the President signed the American Rescue Plan Act of 2021 ("ARPA") into law, which is intended to combat the COVID-19 pandemic, including the public health and economic impacts. The County's share of ARPA funds is approximately $479 million. The County received approximately $240 million of ARPA funds May 17, 2021 and expects to receive the second allocation of ARPA funds in an equal amount in May 2022. On April 27, 2021, the County Executive Office presented to the Board of Supervisors a preliminary, first year allocation recommendation that includes funding for economic recovery, housing and homelessness, County departments response, infrastructure, and non-profit assistance. The deadline for expenditure of the ARPA funds is December 31, 2024.

The County is analyzing how it will allocate the ARPA funds in conjunction with its continuous analysis and response to the effects of the COVID-19 pandemic on the County's financial condition, with both revenues and expenditures being closely monitored. In accordance with the Interim Final Rule published by the Department of the Treasury on May 17, 2021 with respect to Coronavirus State and Local Fiscal Recovery Funds, the County cannot allocate the ARPA funds to the payment of principal and interest on the Bonds. Overall, declines in the County's General Fund discretionary revenue, as well as its Prop 172 Public Safety Sales Tax revenue have not materialized as originally anticipated in 2020. In addition, the County anticipates approximately $18 million in revenue backfill funds from ARPA will be realized in Fiscal Year 2021-22, which will increase fund balance from the amount anticipated in the County's Fiscal Year 2021-22 Budget.

Hazardous Substances

An additional environmental condition that may result in the reduction in the assessed value of property, and therefor property tax revenue available to make Base Rental Payments, would be the discovery of a hazardous substance that would limit the beneficial use of taxable property within the County. 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. The owner or operator may be required to remedy a hazardous substance condition of property 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. The County is not aware of any hazardous substances located on the Property. However, it is possible that such hazardous substances do currently or potentially exist and that the County is not aware of them.

Other Financial Matters

In the event of weakness in the economy of the State and the United States, it is possible that the general revenues of the County will decline. Such financial matters may have a detrimental impact on the County's General Fund, and, accordingly, may reduce the County's ability to make Base Rental Payments. See "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE."

Addition to the Property, Substitution or Release of Property

The Authority and the County may amend the Lease Agreement at any time and from time to time to add additional real property to the Property, substitute alternate real property for any portion of the Property, or to release a portion of the Property from the Lease Agreement upon compliance with all of the conditions set forth in the Lease Agreement. After a substitution or release, the portion of the Property for which the substitution or release has been effected will be released from the leasehold encumbrance of the Lease Agreement and the Ground Lease. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Additions to the Property, Substitution or Release of Property."

Although the Lease Agreement requires, among other things, that the Property, as constituted after such addition, substitution or release, have an annual fair rental value greater than or equal to 105% of the maximum Base Rental Payments payable by the County in any Rental Period, such an addition, replacement or release could have an adverse impact on the security for the Bonds, particularly if an event requiring abatement of Base Rental Payments were to occur subsequent to such addition, substitution or release. See APPENDIX C – "DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS – The Lease Agreement – Substitution or Release of the Property" and "THE PROPERTY – Release of Southwest Justice Center Courthouse Facility," herein.

Limited Recourse on Default; No Acceleration of Lease

Failure by the County to make Base Rental Payments or other payments required to be made under the Lease Agreement, or failure to observe and perform any other terms, covenants or conditions contained in the Lease Agreement or in the Indenture for a period of 30 days after written notice of such failure and request that it be remedied has been given to the City by the Authority or the Trustee, constitute events of default under the Lease Agreement and permit the Trustee or the Authority to pursue any and all remedies available. In the event of a default, notwithstanding anything in the Lease Agreement or in the Indenture to the contrary, there will be no right under any circumstances to accelerate the Base Rental Payments or otherwise declare any Base Rental Payments not then in default to be immediately due and payable, nor will the Authority or the Trustee have any right to re-enter or re-let the Property except as described in the Lease Agreement.

The enforcement of any remedies provided in the Lease Agreement and the Indenture could prove both expensive and time consuming. If the County defaults on its obligation to make Rental Payments with respect to the Property, the Trustee, as assignee of the Authority, may retain the Lease Agreement and hold the County liable for all Rental Payments thereunder on an annual basis and enforce any other terms or provisions of the Lease Agreement to be kept or performed by the County.

Alternatively, the Authority or the Trustee may terminate the Lease Agreement, retake possession of the Property and proceed against the County to recover damages pursuant to the Lease Agreement. Due to the specialized nature of the Property or any property substituted therefor pursuant to the Lease Agreement and the restrictions on its use, no assurance can be given that the Trustee will be able to re-let the Property so as to provide rental income sufficient to make all payments of principal of, interest and premium, if any, on the Bonds when due, and the Trustee is not empowered to sell the Property for the benefit of the Owners of the Bonds. Any suit for money damages would be subject to limitations on legal remedies against counties in California, including a limitation on the enforcement of judgment against funds of a fiscal year other than the fiscal year in which Rental Payments were due and a limitation on enforcement of judgments against funds needed to serve the public welfare and interest. See "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS" and "APPENDIX B — SUMMARY OF PRINCIPAL LEGAL DOCUMENTS — LEASE AGREEMENT — Events of Default Defined" and " — Remedies on Default."

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 Indenture, the rights and remedies provided in the Indenture 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 Indenture. 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 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 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.

Previous bankruptcies in the City of Stockton, the City of San Bernardino and the City of Detroit have 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 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 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 and interest.

The opinions of counsel, including Bond Counsel, delivered in connection with the issuance and delivery of the 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.

Possible Insufficiency of Insurance Proceeds

The Lease Agreement obligates the County to keep in force various forms of insurance, subject to deductibles, for repair or replacement of the Property in the event of damage, destruction or title defects, subject to certain exceptions. The Authority and the County make no representation as to the ability of any insurer to fulfill its obligations under any insurance policy obtained pursuant to the Lease Agreement and no assurance can be given as to the adequacy of any such insurance to fund necessary repair or replacement or to pay principal of and interest on the Bonds when due. In addition, insurance for certain risks, such as earthquakes and floods, are not required under the Lease Agreement, and therefore, may not carried by the County. See “SECURITY AND SOURCES OF PAYMENT FOR THE BONDS — Insurance.”

No Liability of Authority to the Owners

Except as expressly provided in the Indenture, the Authority will not have any obligation or liability to the Owners of the Bonds with respect to the payment when due of the Base Rental Payments by the County, or with respect to the performance by the County of other agreements and covenants required to be performed by it contained in the Lease Agreement or the Indenture, or with respect to the performance by the Trustee of any right or obligation required to be performed by it contained in the Indenture.

Seismic Events; Force Majeure

The areas in and surrounding the Property, like those in much of California, are 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. However, the County is not aware of the Property having sustained material damage from earthquakes since they were originally constructed.

Further, the County is under no obligation under the Lease Agreement to procure and maintain, or cause to be procured and maintained, earthquake insurance on the Property. There can be no assurance that earthquake insurance on the Property, if any, will be maintained by the County. If there is no earthquake insurance on the Property, but the Property is damaged in an earthquake, the Base Rental Payments would be subject to abatement. See “— Abatement.”

The County's use and possession of the Property may also be at risk from other events of force majeure, such as damaging storms, floods and fires, among other events.

The Property is not located in mapped flood or fire hazard zone. However, the County's 2018 Multi-Jurisdictional Local Hazard Mitigation Plan (the "LHMP") indicates that climate change and drought conditions are likely to become more frequent and persistent, contributing to increasing wildfire risk. The LHMP identified the top five identified hazards in order of priority risk as earthquakes, influenzas pandemic, wildland fires, electrical failures and emergent diseases. The County cannot predict what force majeure events may occur in the future. See APPENDIX A — "INFORMATION ABOUT THE COUNTY OF RIVERSIDE — Environmental Control Services"

State's Greenhouse Gas Regulation
Could Affect County's General Fund

The Governor of the State signed Assembly Bill 32, the Global Warming Solutions Act of 2006 ("AB 32"), into law on September 27, 2006. AB 32 established a comprehensive program of regulatory and market mechanisms to achieve reductions in greenhouse gas emissions. The rules established by AB 32 became effective on January 1, 2012.

Manufacturing is a significant industry within the County (see "APPENDIX A — INFORMATION ABOUT THE COUNTY OF RIVERSIDE — Demographic and Economic Information — Industry and Employment"). AB 32 could have an adverse impact on that industry, resulting in a strain on the County's General Fund.

The State could enact additional laws having an adverse effect on the County's economy.

Drought Conditions

California is currently undergoing worsening drought conditions. A severe drought, over time, could adversely affect businesses and reduce the economic development within the County. Agricultural production in the County may be impacted by drought conditions. See "INFORMATION ABOUT THE COUNTY OF RIVERSIDE — Environmental Control Services— Water Supply" in Appendix A hereto for more information with regarding the County's water supply.

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 COUNTY OF RIVERSIDE—Cybersecurity" in Appendix A hereto for more information with regarding the County's cybersecurity policies.

Change in Law

No assurance can be given that the State electorate will not at some future time adopt initiatives, or that the State Legislature will not enact legislation that will amend the laws of the State, in a manner that could result in a reduction of the County's revenues or require the County to undertake additional programs and costs. Such initiatives or legislation could result in a reduction of the funds legally available to the County to make Base Rental Payments. See, for example, "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS — Article XIIIC and Article XIIID of the State 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 Base Rental Payments may be affected if the County should exceed its appropriations limit. The State may increase the appropriation limit of its cities 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."

Limitations on Remedies Available to Owners

The ability of the County to comply with its covenants under the Lease Agreement and the Indenture may be adversely affected by actions and events outside of the control of the County, and may be adversely affected by actions taken (or not taken) by voters, property owners, taxpayers or payers of assessments, fees and charges. See "CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES AND APPROPRIATIONS" below. Furthermore, any remedies available to the owners of the Bonds upon the occurrence of an event of default under the Lease Agreement or the Indenture are in many respects dependent upon judicial actions, which are often subject to discretion and delay and could prove both expensive and time consuming to obtain.

In addition to the limitations on Bondholder remedies contained in the Lease Agreement and the Indenture, the rights and obligations under the Bonds, the Lease Agreement and the Indenture may be subject to the following: the United States 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 equity 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 serving a significant and legitimate public purpose.

Bankruptcy proceedings, or the exercise of powers by the federal or state government, if initiated, could subject the Owners of the Bonds 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.

Secondary Market for Bonds

There can be no guarantee that there will be a secondary market for the 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.

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 San Bernardino counties. The County is the fourth largest county (by area) in the state and stretches 185 miles from the Arizona border to within 20 miles of the Pacific Ocean. There are 28 incorporated cities in the County. According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,454,453 as of January 1, 2021, reflecting an approximately 0.6% increase over January 1, 2020.

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, serving staggered four-year terms. The Chair of the Board is elected by the Board members. The County administration includes appointed and elected officials, boards, commissions and committees which assist the Board.

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

See "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE" for a more detailed description of the County.

THE AUTHORITY

The Authority is a joint powers authority duly organized and existing under and pursuant to a Joint Exercise of Powers Agreement dated September 15, 2015 by and between the County and Riverside County Flood Control and Water Conservation District (the "District"). The Authority was formed for the purpose of issuing bonds, notes and other evidences of indebtedness or certificates of participation in leases or other agreements to finance and refinance public capital improvements and working capital for the County, the District and any associate member, finance or refinance facilities owned and/or leased and operated by organizations described in Section 501(c)(3) of the Internal Revenue Code of 1986, as amended, or to finance other projects. The Authority is governed by a Board of Directors composed of the members of the Board of Supervisors. The Board of Directors of the Authority appoints an Executive Director, a Treasurer, a Secretary and several assistant officers.

CONSTITUTIONAL AND STATUTORY LIMITATIONS ON TAXES, REVENUES AND APPROPRIATIONS

Article XIIIA of the State Constitution

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

Article 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, and to provide that there would be no increase in the "full cash value" base in the event of reconstruction of property damaged or destroyed in a disaster.

Legislation has been enacted and amended a number of times since 1978 to implement Article 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 the county and distributed according to a formula among taxing agencies. The formula apportions the tax roughly in proportion to the relative shares of taxes levied prior to 1979.

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

Article XIIIB of the State Constitution

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

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

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

The County's appropriations limit for Fiscal Year 2019-20 was $3,157,696,853 and the amount subject to the limitation was $1,431,031,643. The County's appropriations limit for Fiscal Year 2020-21 was $3,301,472,060 and the amount shown in its budget for that fiscal year as the appropriations subject to limitation was $1,256,754,773. The County's appropriations limit for Fiscal Year 2021-22 is $3,513,980,421 and the amount shown in its budget for that fiscal year as the appropriations subject to limitation was $1,555,046,431.

Right To Vote on Taxes Initiative Proposition 218

On November 5, 1996, the voters of the State approved Proposition 218, a constitutional initiative, entitled the "Right to Vote on Taxes Act" ("Proposition 218"). Proposition 218 adds Articles XIIIC and XIIID to the California Constitution and contains a number of interrelated provisions affecting the ability of local governments, including the County, to levy and collect both existing and future taxes, assessments, fees and charges. Proposition 218 became effective on November 6, 1996. Senate Bill 919 was enacted to provide certain implementing provisions for Proposition 218 and became effective July 1, 1997. Proposition 218 could substantially restrict the County's ability to raise future revenues and could subject certain existing sources of revenue to reduction or repeal, and increase the County's costs to hold elections, calculate fees and assessments, notify the public and defend its fees and assessments in court. Further, as described below, Proposition 218 provides for broad initiative powers to reduce or repeal assessments, fees and charges. This initiative power is not limited by the terms of Proposition 218 to fees imposed after November 6, 1996 and absent other legal authority could result in retroactive reduction in any existing taxes, assessments or fees and charges. However, other than any impact resulting from the exercise of this initiative power, presently the County does not believe that the potential financial impact on the financial condition of the County as a result of the provisions of Proposition 218 will adversely affect the County's ability to pay debt service on the Notes as and when due and its other obligations payable from the General Fund.

Article XIIIC of Proposition 218 requires majority voter approval for the imposition, extension or increase of general taxes and two thirds voter approval for the imposition, extension or increase of special taxes, including special taxes deposited into the County's General Fund. Proposition 218 also provides that any general tax imposed, extended or increased without voter approval by any local government on or after January 1, 1995 and prior to November 6, 1996 will continue to be imposed only if approved by a majority vote in an election held within two years of November 6, 1996. The County has not enacted imposed, extended or increased any tax without voter approval since January 1, 1995. These voter approval requirements of Proposition 218 reduce the flexibility of the County to raise revenues through General Fund taxes, and no assurance can be given that the County will be able to raise such taxes in the future to meet increased expenditure requirements.

On November 2, 2010, voters in the State approved Proposition 26. Proposition 26 amends Article XIIIC of the State Constitution to expand the definition of "tax" to include "any levy, charge, or exaction of any kind imposed by a local government" except the following: (1) a charge imposed for a specific benefit conferred or privilege granted directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of conferring the benefit or granting the privilege; (2) a charge imposed for a specific government service or product provided directly to the payor that is not provided to those not charged, and which does not exceed the reasonable costs to the local government of providing the service or product; (3) a charge imposed for the reasonable regulatory costs to a local government for issuing licenses and permits, performing investigations, inspections, and audits, enforcing agricultural marketing orders, and the administrative enforcement and adjudication thereof; (4) a charge imposed for entrance to or use of local government property, or the purchase, rental, or lease of local government property; (5) A fine, penalty, or other monetary charge imposed by the judicial branch of government or a local government, as a result of a violation of law; (6) a charge imposed as a condition of property development; and (7) assessments and property-related fees imposed in accordance with the provisions of Article XIIID. Proposition 26 provides that the local government bears the burden of proving by a preponderance of the 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 governmental activity, and that the manner in which those costs are allocated to a payor bear a fair or reasonable relationship to the payor's burdens on, or benefits received from, the governmental activity. The County does not believe it is currently charging any fees which will have to be reduced or eliminated as a result of Proposition 26.

Article XIIIC of Proposition 218 also expressly extends the initiative power to give voters the power to reduce or repeal local taxes, assessments, fees and charges, regardless of the date such taxes, assessments, fees or charges were imposed. This extension of the initiative power to some extent constitutionalizes the March 6, 1995 State Supreme Court decision in Rossi v. Brown, which upheld an initiative that repealed a local tax and held that the State constitution does not preclude the repeal, including the prospective repeal, of a tax ordinance by an initiative, as contrasted with the State constitutional prohibition on referendum powers regarding statutes and ordinances which impose a tax. Generally, the initiative process enables California voters to enact legislation upon obtaining requisite voter approval at a general election. Proposition 218 extends the authority stated in Rossi v. Brown by expanding the initiative power to include reducing or repealing assessments, fees and charges, which had previously been considered administrative rather than legislative matters and therefore beyond the initiative power. This extension of the initiative power is not limited by the terms of Proposition 218 to fees imposed after November 6, 1996 and absent other legal authority could result in retroactive reduction in any existing taxes, assessments or fees and charges. Such legal authority could include the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. SB 919 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 which reduces or repeals local taxes, assessments, fees or charges that currently are deposited into the County's General Fund.

Further, "fees" and "charges" are not defined in Article XIIIC or SB 919. However, on July 24, 2006, the California Supreme Court ruled in Bighorn-Desert View Water Agency v. Virjil (Kelley) (the "Bighorn Decision") that charges for ongoing water delivery are property related fees and charges within the meaning of Article XIIID and are also fees or charges within the meaning of Section 3 of Article XIIIC. The California Supreme Court held that such water service charges may, therefore, be reduced or repealed through a local voter initiative pursuant to Section 3 of Article XIIIC.

In the Bighorn Decision, the Supreme Court did state that nothing in Section 3 of Article XIIIC authorizes initiative measures that impose voter-approval requirements for future increases in fees or charges for water delivery. The Supreme Court stated that water providers may determine rates and charges upon proper action of the governing body and that the governing body may increase a charge which was not affected by a prior initiative or impose an entirely new charge.

The Supreme Court further stated in the Bighorn Decision that it was not holding that the initiative power is free of all limitations and was not determining whether the initiative power is subject to the statutory provision requiring that water service charges be set at a level that will pay debt service on bonded debt and operating expenses. Such initiative power could be subject to the limitations imposed on the impairment of contracts under the contract clause of the United States Constitution. Additionally, SB 919 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.

The initiative power granted under Article XIIIC of Proposition 218, by its terms, applies to all local taxes, assessments, fees and charges and is not limited to local taxes, assessments, fees and charges that are property-related. Accordingly, the scope of the initiative power under Article XIIIC could include all sources of General Fund moneys not received from or imposed by the federal or State government or derived from investment income.

The County is unable to predict whether the courts will interpret the initiative provision to be limited to property-related fees and charges. No assurance can be given that the voters of the County will not, in the future, approve an initiative which reduces or repeals local taxes, assessments, fees or charges which are deposited into the County's General Fund. The County believes that in the event that the initiative power was exercised so that all local taxes, assessments, fees and charges that may be subject to the provisions of Proposition 218 are reduced or substantially reduced, the financial condition of the County, including its General Fund, would be materially adversely affected.

Article XIIID of Proposition 218 adds several new requirements making it generally more difficult for local agencies to levy and maintain "assessments" for municipal services and programs. "Assessment" is defined in Proposition 218 and SB 919 to mean any levy or charge upon real property for a special benefit conferred upon the real property. This includes maintenance assessments imposed in County service areas and in special districts. In most instances, in the event that the County is unable to collect assessment revenues relating to specific programs as a consequence of Proposition 218, the County will curtail such services rather than use amounts in the General Fund to finance such programs. Accordingly, the County anticipates that any impact Proposition 218 may have on existing or future taxes, fees, and assessments will not adversely affect the ability of the County to pay debt service on the Notes as and when due. However, no assurance can be given that the County may or will be able to reduce or eliminate such services in the event the assessments that presently finance them are reduced or repealed.

Article XIIID of Proposition 218 also adds several provisions affecting "fees" and "charges" which are defined as "any levy other than an ad valorem tax, a special tax, or an assessment, imposed by a local government upon a parcel or upon a person as an incident of property ownership, including a user fee or charge for a property related service." All new and, after June 30, 1998, existing property related fees and charges must conform to requirements prohibiting, among other things, fees and charges which (i) generate revenues exceeding the funds required to provide the property related service, (ii) are used for any purpose other than those for which the fees and charges are imposed, (iii) are for a service not actually used by, or immediately available to, the owner of the property in question, or (iv) 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. Further, before any property related fee or charge may be imposed or increased, written notice must be given to the record owner of each parcel of land affected by such fee or charge. The County must then hold a hearing upon the proposed imposition or increase of such property based fee, and if written protests against the proposal are presented by a majority of the owners of the identified parcels, the County may not impose or increase the fee or charge. Moreover, except for fees or charges for sewer, water and refuse collection services, no property related fee or charge may be imposed or increased without majority approval by the property owners subject to the fee or charge or, at the option of the local agency, two thirds voter approval by the electorate residing in the affected area.

The annual amount of revenues that are received by the County and deposited into its General Fund which may be considered to be property related fees under Article XIIID of Proposition 218 is not substantial. Accordingly, presently the County does not anticipate that any impact Proposition 218 may have on future fees and charges will adversely affect the ability of the County to pay its outstanding obligations as and when due. However, no assurance can be given that the County may or will be able to reduce or eliminate such services in the event the fees and charges that presently finance them are reduced or repealed.

In the event that fees and charges cannot be appropriately increased or are reduced pursuant to the exercise of the initiative power, the County may have to choose whether to reduce or eliminate the service financed by such fees or charges or finance such service from its General Fund. Further, no assurance can be given that the County may or will be able to reduce or eliminate such services in the event the fees and charges that presently finance them are reduced or repealed.

Additional implementing legislation respecting Proposition 218 may be introduced in the State Legislature from time to time that would supplement and add provisions to California statutory law. No assurance may be given as to the terms of such legislation or its potential impact on the County.

Proposition 62

Proposition 62, a statutory initiative that was adopted by the voters voting in the State at the November 4, 1986 general election, (a) requires that any new or higher taxes for general governmental purposes imposed by local governmental entities be approved by a majority vote of the voters of the governmental entity voting in an election on the tax, (b) requires that any special tax (defined as taxes levied for other than general governmental purposes) imposed by a local governmental entity be approved by a two thirds vote of the voters of the governmental entity voting in an election on the tax, (c) restricts the use of revenues from a special tax to the purposes or for the service for which the special tax was imposed, (d) prohibits the imposition of ad valorem taxes on real property by local governmental entities except as permitted by Article XIIIA of the California Constitution, (e) prohibits the imposition of transaction taxes and sales taxes on the sale of real property by local governmental entities, (f) required that any tax imposed by a local governmental entity on or after August 1, 1985 be ratified by a majority vote of the voters voting in an election on the tax within two years of November 5, 1986 or be terminated by November 15, 1988 (a requirement that was subsequently declared unconstitutional, as described below) and (g) 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. ("La Habra"). 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.

Proposition 1A

Proposition 1A, proposed by the Legislature in connection with the 2004-05 Budget Act, approved by the voters in November 2004 and generally effective in 2007-08 Fiscal Year, provides that the State may not reduce any local sales tax rate, limit existing local government authority to levy a sales tax rate or change the allocation of local sales tax revenues, subject to certain exceptions. Proposition 1A generally prohibits the State from shifting to schools or community colleges any share of property tax revenues allocated to local governments for any fiscal year, as set forth under the laws in effect as of November 3, 2004. Any change in the allocation of property tax revenues among local governments within a county must be approved by two-thirds of both houses of the Legislature. The State may also approve voluntary exchanges of local sales tax and property tax revenues among local governments within a county. Proposition 1A also provides that if the State reduces the VLF rate then in effect, 0.65 percent of vehicle value, the State must provide local governments with equal replacement revenues. Further, Proposition 1A requires the State, beginning July 1, 2005, to suspend State mandates affecting cities, counties and special districts, excepting mandates relating to employee rights, schools or community colleges, in any year that the State does not fully reimburse local governments for their costs to comply with such mandates.

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

Proposition 22

Proposition 22, approved by California voters in November 2010, prohibits the State, even during a period of severe fiscal hardship, from delaying the distribution of tax revenues for transportation, redevelopment or local government projects and services and prohibits fuel tax revenues from being loaned for cash-flow or budget balancing purposes to the State 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 may cause the State to adopt alternative actions to address its fiscal and policy objectives.

Proposition 26

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

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

Assessment Appeals and Assessor Reductions

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

In addition to reductions in assessed value resulting from Proposition 8 appeals and general economic conditions, California law also allows assessors to reduce assessed value unilaterally based on a general decline in market value of an area. Although Proposition 8 reductions are temporary and are expected to be eliminated under Proposition 13 if and when market conditions improve, no assurance is given that such reductions will be eliminated. The County has, in prior years, been affected by a reduction in taxable property assessed values due to successful property owner appeals and unilateral reductions by the County Assessor, and may experience additional reductions in the future. According to the Assessor-County Clerk-Recorder's Report of Assessment Roll to the Board of Supervisors on July 27, 2021, the total secured and unsecured property tax roll for Fiscal Year 2021-22 increased by 5.58% from the prior year primarily as a result of increasing property values and sale volume. See APPENDIX A—"INFORMATION REGARDING THE COUNTY OF RIVERSIDE."

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

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

Assessor-initialized reductions generally represent the bulk of adjustments to the tax roll during a time of a market decline. Cumulatively, assessed valuation in the County declined 11% from Fiscal Year 2007-08 through Fiscal Year 2014-15 due to the County Assessor's proactive reviews. To date, approximately 4% of the Fiscal Year 2020-21 assessment appeals have been completed. The majority of the remaining Fiscal Year 2020-21 assessment appeals are expected to be completed by June 2022. The County Assessor reports that the assessed value of 139,212 properties in the County was reduced through Proposition 8 for Fiscal Year 2021-22, with approximately \$8.2 billion in reduced valuation. Such adjustments are completed prior to the finalization of the roll in the summer. The vast majority of property tax appeals filed are not upheld. From Fiscal Years 2005-06 through 2020-21, the dollar amount of successful appeals ranged between approximately 3% and 4%. See "APPENDIX A—INFORMATION REGARDING THE COUNTY OF RIVERSIDE" attached hereto.

Future Initiatives

Article XIIIA, Article XIIIB, Article XIIIC, Article XIIID and Propositions 62, 1A and 22 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.

STATE OF CALIFORNIA BUDGET INFORMATION

The following information concerning the State's budgets has been obtained from publicly available information which the County believes to be reliable; however, the County 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 principal or interest due on the 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 2019-20, approximately 43% of the County's General Fund budget revenues consisted of payments from the State, and 19% consisted of payments from the Federal government. For Fiscal Year 2020-21, the County estimates that approximately 44% of its General Fund budget revenues consisted of payments from the State and 20% consisted of payments from the Federal government. For Fiscal Year 2021-22, the County has budgeted that approximately 44% of its General Fund budget revenues will consist of payments form the State and 22% will consists of payments from the Federal government.

The following information concerning the State's budgets has been obtained from publicly available information which the County believes to be reliable; however, the County neither takes any responsibility for or guarantees the accuracy or completeness thereof. The County has not independently verified such information. Information about the State Budget is regularly available at various State-maintained websites. Text of the budget may be found at the Department of Finance website. An impartial analysis of the budget is posted by the Office of the Legislative Analyst at its website. 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. The information referred to is prepared by the respective State agency maintaining each website and not by the County or the Underwriters, and the County and the Underwriters take no responsibility for the continued accuracy of the internet addresses or for the accuracy or timeliness of information posted there, and such information is not incorporated herein by these references.

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" attached hereto.

State Budget for Fiscal Year 2021-22. The Governor released his Proposed 2021-22 State Budget (the "Proposed 2021-22 Budget") on January 8, 2021, setting forth a proposed budget for Fiscal Year 2021-22. On May 14, 2021, the Governor released the May Revision to the Proposed Fiscal Year 2021-22 Budget (the "2021-22 May Revision"), which reflected a significantly improved fiscal outlook since the beginning of the COVID-19 pandemic. As compared to the $54 billion deficit projected in the 2020-21 State Budget, the May Revision projects a total budgetary surplus of approximately $75.7 billion.

On July 16, 2021, the Governor signed a series of bills representing the State budget for fiscal year 2021-22 (the "2021-22 Budget"). The Governor's signing followed negotiations between the Governor and the State Legislature regarding the final provisions of the 2021-22 Budget, including the expenditure of a large projected State General Fund surplus. The State Legislature passed temporary budgetary legislation in June of 2020 to meet the required constitutional deadline.

The 2021-22 Budget indicates that revenues are up significantly from the forecast included in the Governor's May revision to the proposed State budget for fiscal year 2021-22, resulting in a large budgetary surplus. This is a result of strong cash trends, two major federal relief bills since the beginning of 2021, continued stock market appreciation, and a significantly upgraded economic forecast from the prior fiscal year. The 2021-22 Budget also reports that the State has received approximately $295 billion in federal COVID-19 stimulus funding for State programs. Although the 2021-22 Budget acknowledges that building reserves and paying down debts are critical, the 2021-22 Budget allocates approximately 85% of discretionary funds to one-time spending. The multi-year forecast reflects a budget roughly in balance, although the 2021-22 Budget notes that risks remain to the economic forecast, including a stock market decline that could reduce State revenues.

For fiscal year 2020-21, the 2021-22 Budget projects total General Fund revenues and transfers of $194.3 billion and authorizes expenditures of $166.1 billion. The State is projected to end the 2020-21 fiscal year with total available reserves of $39.8 billion, including $25.1 billion in the traditional General Fund reserve, $12.3 billion in the Budget Stabilization Account (the "BSA"), $1.9 billion in the Public School System Stabilization Account (the "PSSSA") and $450 million in the Safety Net Reserve Fund. For fiscal year 2021-22, the 2021-22 Budget projects total General Fund revenues and transfers of $203.6 billion and authorizes expenditures of $196.4 billion. The State is projected to end the 2021-22 fiscal year with total available reserves of $25.2 billion, including $4 billion in the traditional General Fund reserve, $15.8 billion in the BSA, $4.5 billion in the PSSSA and $900 million in the Safety Net Reserve Fund. The balance in the PSSSA in fiscal year 2021-22 is projected to trigger school district reserve caps beginning in fiscal year 2022-23.

Information about the State budget and State spending is available at various State maintained websites. Text of the Fiscal Year 2021-22 Budget and other documents related to the State budget may be found at the website of the State Department of Finance, *www.dof.ca.gov*. A nonpartisan analysis of the budget is posted by the Legislative Analyst's Office at *www.lao.ca.gov*. In addition, various State official statements, many of which contain a summary of the current and past State budgets may be found at the website of the State Treasurer, *www.treasurer.ca.gov*.

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

Future State Budgets. No prediction can be made by the County as to whether the State will encounter budgetary problems in future fiscal years, and if this occurs, it is not clear what measures would be taken by the State to balance its budget, as required by law. In addition, the County cannot predict the final outcome of future State budget negotiations, the impact that such budgets will have on County finances and operations or what actions will be taken in the future by the 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. See the caption "THE COUNTY—COVID-19 Outbreak.".

TAX MATTERS

Series A Bonds

In the opinion of Orrick, Herrington & Sutcliffe LLP, bond counsel to the Authority ("Bond Counsel"), based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986 (the "Code") and is exempt from State of California personal income taxes. Bond Counsel is of the further opinion that interest on the Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. A complete copy of the proposed form of opinion of Bond Counsel is set forth in Appendix C hereto.

To the extent the issue price of any maturity of the Series A Bonds is less than the amount to be paid at maturity of such Series A Bonds (excluding amounts stated to be interest and payable at least annually over the term of such Series A Bonds), the difference constitutes "original issue discount," the accrual of which, to the extent properly allocable to each beneficial owner thereof, is treated as interest on the Series A Bonds which is excluded from gross income for federal income tax purposes and State of California personal income taxes. For this purpose, the issue price of a particular maturity of the Series A Bonds is the first price at which a substantial amount of such maturity of the Series A Bonds is sold to the public (excluding bond houses, brokers, or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers). The original issue discount with respect to any maturity of the Series A Bonds accrues daily over the term to maturity of such Series A Bonds on the basis of a constant interest rate compounded semiannually (with straight-line interpolations between compounding dates). The accruing original issue discount is added to the adjusted basis of such Series A Bonds to determine taxable gain or loss upon disposition (including sale, redemption, or payment on maturity) of such Series A Bonds. Beneficial owners of the Series A Bonds should consult their own tax advisors with respect to the tax consequences of ownership of Series A Bonds with original issue discount, including the treatment of beneficial owners who do not purchase such Series A Bonds in the original offering to the public at the first price at which a substantial amount of such Series A Bonds is sold to the public.

Series A Bonds purchased, whether at original issuance or otherwise, for an amount higher than their principal amount payable at maturity (or, in some cases, at their earlier call date) ("Premium Bonds") will be treated as having amortizable bond premium. No deduction is allowable for the amortizable bond premium in the case of bonds, like the Premium Bonds, the interest on which is excluded from gross income for federal income tax purposes. However, the amount of tax-exempt interest received, and a beneficial owner's basis in a Premium Bond, will be reduced by the amount of amortizable bond premium properly allocable to such beneficial owner. Beneficial owners of Premium Bonds should consult their own tax advisors with respect to the proper treatment of amortizable bond premium in their particular circumstances.

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

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

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

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

Bond Counsel's engagement with respect to the Series A Bonds ends with the issuance of the Series A Bonds, and, unless separately engaged, Bond Counsel is not obligated to defend the Authority, the County, or the beneficial owners regarding the tax-exempt status of the Series A Bonds in the event of an audit examination by the IRS. Under current procedures, parties other than the Authority, the County and their appointed counsel, including the beneficial owners, would have little, if any, right to participate in the audit examination process. Moreover, because achieving judicial review in connection with an audit examination of tax-exempt bonds is difficult, obtaining an independent review of IRS positions with which the Authority or the County legitimately disagrees, may not be practicable. Any action of the IRS, including but not limited to selection of the Series A Bonds for audit, or the course or result of such audit, or an audit of bonds presenting similar tax issues may affect the market price for, or the marketability of, the Series A Bonds, and may cause the Authority, the County or the beneficial owners to incur significant expense.

Series B Bonds

In the opinion of Bond Counsel, based upon an analysis of existing laws, regulations, rulings and court decisions, and assuming, among other matters, the accuracy of certain representations and compliance with certain covenants, interest on the Series B Bonds is exempt from State of California personal income taxes. Bond Counsel observes that interest on the Series B Bonds is not excluded from gross income for federal income tax purposes under Section 103 of 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 B Bonds. The proposed form of opinion of Bond Counsel is contained in Appendix C hereto.

The following discussion summarizes certain U.S. federal income tax considerations generally applicable to holders of the Series B Bonds that acquire their Series B 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 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 B Bonds as part of a hedge, straddle or an integrated or conversion transaction, investors whose "functional currency" is not the U.S. dollar, or certain taxpayers that are required to prepare certified financial statements or file financial statements with certain regulatory or governmental agencies. 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 B 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 B Bonds pursuant to this offering for the issue price that is applicable to such Series B Bonds (i.e., the price at which a substantial amount of the Series B Bonds are sold to the public) and who will hold their Series B 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 B 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 B Bond (other than a partnership) that is not a U.S. Holder. If a partnership holds Series B 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 B Bonds, and partners in such partnerships, should consult their own tax advisors regarding the tax consequences of an investment in the Series B Bonds (including their status as U.S. Holders or Non-U.S. Holders).

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 B Bonds in light of their particular circumstances.

U.S. Holders

Interest. Interest on the Series B 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.

Series B 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 B 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 B Bond.

Sale or Other Taxable Disposition of the Series B Bonds. Unless a nonrecognition provision of the Code applies, the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or the County) or other disposition of a Series B 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 B 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 B 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 B Bond (generally, the purchase price paid by the U.S. Holder for the Series B 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 B 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 B 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 B Bonds exceeds one year. The deductibility of capital losses is subject to limitations.

Defeasance of the Series B Bonds. If the Authority defeases any Series B Bond, the Series B 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 B Bond.

Information Reporting and Backup Withholding. Payments on the Series B 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 B 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 B Bonds and the gross proceeds of a sale, exchange, redemption, retirement or other disposition of the Series B 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 ("FATCA") – U.S. Holders and Non-U.S. Holders," payments of principal of, and interest on, any Series B Bond to a Non-U.S. Holder, other than (1) a controlled foreign corporation described in Section 881(c)(3)(C) of the Code, and (2) a bank which acquires such Series B 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 B 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 B Bonds. Subject to the discussions below under the headings "Information Reporting and Backup Withholding" and "Foreign Account Tax Compliance Act ("FATCA,") – U.S. Holders and Non-U.S. Holders," any gain realized by a Non-U.S. Holder upon the sale, exchange, redemption, retirement (including pursuant to an offer by the Authority or the County or a deemed retirement due to defeasance of the Series B Bond) or other disposition of a Series B 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 Authority or the County) or other disposition and certain other conditions are met.

Information Reporting and Backup Withholding. Subject to the discussion below under the heading "Foreign Account Tax Compliance Act ("FATCA") – U.S. Holders and Non-U.S. Holders," under current U.S. Treasury Regulations, payments of principal and interest on any Series B 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 B Bond or a financial institution holding the Series B 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%.

Foreign Account Tax Compliance Act ("FATCA") – U.S. Holders and Non-U.S. Holders

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 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 B 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 B Bonds, including the application and effect of state, local, non-U.S., and other tax laws.

LEGAL MATTERS

The validity of the Bonds and certain other legal matters are subject to the approving opinion of Orrick Herrington & Sutcliffe LLP, Bond Counsel. A complete copy of the proposed form of Bond Counsel opinion is contained in APPENDIX C: "FORM OF BOND COUNSEL OPINION." Certain legal matters will be passed upon for the Authority and for the County by County Counsel. Kutak Rock LLP serves as Disclosure Counsel to the Authority and the County in connection with the issuance of the Bonds. Certain legal matters will be passed upon for the Underwriters by Best & Kreiger LLP. None of Bond Counsel, counsel to the Underwriters, Disclosure Counsel or County Counsel undertakes any responsibility for the accuracy, completeness or fairness of this Official Statement.

CONTINUING DISCLOSURE

Pursuant to the Indenture, the County has covenanted for the benefit of the Owners of the Bonds to comply with Securities and Exchange Commission Rule 15c2-12 (the "Rule"), and will enter into a Continuing Disclosure Certificate as of the closing date, in which it covenants to provide information regarding the occurrence of certain enumerated events, and certain financial information on a quarterly basis, to the owners of the Bonds and to the Municipal Securities Rulemaking Board's Electronic Municipal Market Access ("EMMA") system, or any successor thereto, during the term of the Bonds. See "APPENDIX E—PROPOSED FORM OF CONTINUING DISCLOSURE CERTIFICATE" attached hereto. These covenants have been made in order to assist the Underwriters in complying with the Rule.

Within the last five years, the County and certain of its related entities have failed to comply in certain respects with continuing disclosure obligations related to outstanding indebtedness. The failure to comply fell into two general categories: (i) for Fiscal Year 2015-16 through Fiscal Year 2019-20, failure to provide timely significant event notices, most often with respect to changes in the ratings of outstanding indebtedness, and primarily related to changes in the ratings of various bond insurers insuring the indebtedness of the County or its related entities; and (ii) for Fiscal Year 2015-16 through Fiscal Year 2019-20, 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, the County subsequently filed such notice. 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 and periodically reviews its 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.

ABSENCE OF LITIGATION

No litigation is pending or threatened concerning the validity of the Bonds, the Lease Agreement or the Indenture, and an opinion of County Counsel to that effect will be furnished at the time of the original delivery of the Bonds. Neither the County nor the Authority is aware of any litigation pending or threatened questioning the existence of the Authority or the County or contesting the County's ability to appropriate or make Rental Payments. See "APPENDIX A — INFORMATION REGARDING THE COUNTY OF RIVERSIDE-Financial Information-Litigation" for a discussion of the County's pending general litigation.

FINANCIAL STATEMENTS

The County's audited financial statements with supplemental information for the year ended June 30, 2020, are included in this Official Statement as part of APPENDIX B: "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020." In connection with the inclusion of the financial statements and the report of the Auditor thereon, the County did not request the Auditor to, and the Auditor has not undertaken to, update its report or take any action intended or likely to elicit information concerning the accuracy, completeness or fairness of the statements made in this Official Statement, and no opinion is expressed by the Auditor with respect to any event subsequent to the date of its report.

RATING

Standard & Poor's has assigned the Bonds the rating of "AA-". In addition, such rating agency has issued a stable outlook for the rating. Such rating expresses only the views of the rating agency and are not a recommendation to buy, sell or hold the Bonds. There is no assurance that such rating will continue for any given period of time or that it will not be revised, either downward or upward, or withdrawn entirely by the rating agency, if in its judgment, circumstances so warrant. The Authority, the County, the Trustee and the Underwriters undertake no responsibility to oppose any such revision or withdrawal. Any such downward revision or withdrawal may have an adverse effect on the market price of the Bonds.

VERIFICATION OF MATHEMATICAL COMPUTATIONS

The Verification Agent, Causey Demgen & Moore P.C., Denver, Colorado, will verify as to the Escrow Agreement, the mathematical accuracy as of the date of issuance of the Bonds of the computations contained in the provided schedules to determine that the anticipated receipts from the investment of cash and certain U.S. Treasury securities will be sufficient to pay in full, when due, the principal, interest and call premium payment requirements, if any, of the Prior Bonds.

The report of the Verification Agent will include the statement that the scope of their engagement was limited to verifying the mathematical accuracy of the computations contained in such schedules provided to them and that they have no obligation to update their report because of events occurring, or data or information coming to their attention, subsequent to the date of their report.

UNDERWRITING

The Bonds are being purchased by Loop Capital Markets LLC, ("Loop Capital Markets") as representative of itself and Citigroup Global Market Inc. ("Citi") and Wells Fargo Bank National Association (collectively with Loop Capital Markets and Citi, the "Underwriters"). Pursuant to a Bond Purchase Agreement between the Underwriters and the Authority (the "Purchase Agreement"), the Underwriters have agreed to purchase the Series A Bonds for an aggregate purchase price of $73,674,026.99, which represents the par amount of the Series A Bonds, plus original issue premium of $14,702,323.50, less an underwriters' discount of $118,296.51, and the Series B Bonds for an aggregate purchase price of $439,827,710.95, which represents the par amount of the Series B Bonds, less an underwriters' discount of $882,289.05, in each case subject to the conditions set forth in the Purchase Agreement. The Purchase Agreement provides that the Underwriters will purchase all of the Bonds, if any are purchased, the obligation to make such purchase being subject to certain terms and conditions set forth in such Purchase Agreement, the approval of certain legal matters by counsel and certain other conditions.

The Underwriters may offer and sell the Bonds to certain dealers, institutional investors and others at prices lower than the public offering prices stated on the inside cover page hereof and such public offering prices may be changed from time to time by the Underwriters.

Citi 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, Citi may distribute municipal securities to retail investors at the original issue price through Fidelity. As part of this arrangement, Citi will compensate Fidelity for its selling efforts with respect to the Bonds.

Wells Fargo Corporate & Investment Banking (which may be referred to elsewhere as "CIB," "Wells Fargo Securities" or "WFS") are the trade names used for the corporate banking, capital markets and investment banking services of Wells Fargo & Company and its subsidiaries, including Wells Fargo Bank, National Association ("WFBNA"), a member of NFA, which conducts its municipal securities sales, trading and underwriting operations through the Wells Fargo Bank, N.A. Municipal Finance Group, a separately identifiable department of WFBNA, registered with the U.S. Securities and Exchange Commission as a municipal securities dealer pursuant to Section 15B(a) of the Securities Exchange Act of 1934.

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

A portion of the proceeds of the Bonds will be used to make a termination payment to Wells Fargo Bank, N.A., in connection with the Amended and Restated ISDA Master Agreement dated December 10, 2008 between the Corporation and Wells Fargo Bank, N.A, as successor counterparty.

A portion of the proceeds of the Bonds will be used to refund the Refunded Prior Bonds for which the Corporation is an obligated person. Credit support for the Refunded Prior Bonds is provided in the form of a letter of credit from Wells Fargo Bank, N.A.

The Underwriters and their affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage services. The Underwriters and their affiliates have, from time to time, performed, and may in the future perform, various financial advisory and investment banking services for the Authority, or the County, for which they received or will receive customary fees and expenses. In the ordinary course of their various business activities, the Underwriters and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities, which may include credit default swaps) and financial instruments (including bank loans) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the Authority, the County, or the State, or any political subdivision thereof. The Underwriters and their 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.

MUNICIPAL ADVISORS

The County has retained Columbia Capital Management, LLC, Carlsbad, California and Fieldman, Rolapp and Associates, Irvine, California, as co-municipal advisors (together, the "Municipal Advisors") in connection with the preparation of this Official Statement and with respect to the issuance of the Bonds. The Municipal Advisors are not obligated to undertake, and have not undertaken to make, an independent verification or assume responsibility for the accuracy, completeness or fairness of the information contained in this Official Statement.

The Municipal Advisors are independent advisory firms and are not engaged in the business of underwriting, trading or distributing municipal or other public securities.

EXECUTION AND DELIVERY

The preparation and distribution of this Official Statement have been authorized by the Authority and the County.

RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY

By: Karen S. Spiegel
Karen Spiegel, Chair

COUNTY OF RIVERSIDE, CALIFORNIA

By: Don Kent
Don Kent, Director of Finance

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.

DEMOGRAPHIC AND ECONOMIC INFORMATION

Population

According to the State Department of Finance, Demographic Research Unit, the County's population was estimated at 2,454,453 as of January 1, 2021, representing an approximately 0.6% increase over the County's population as estimated for the prior year. This compares to the statewide population decrease of approximately 0.5% for the same period. For the period of January 1, 2011 to January 1, 2021, the County's population grew by approximately 10.77%.

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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	*2017*	*2018*	*2019*	*2020*	*2021*
Banning	30,916	31,014	31,068	31,057	32,233
Beaumont	46,217	48,013	49,913	51,731	52,686
Blythe	19,521	19,772	19,530	19,530	18,556
Calimesa	8,781	8,959	9,015	9,522	10,236
Canyon Lake	10,979	10,990	11,021	11,018	11,025
Cathedral City	53,040	53,148	53,308	53,494	53,973
Coachella	46,130	46,697	47,318	47,583	47,825
Corona	164,863	166,299	166,937	168,332	169,454
Desert Hot Springs	29,183	29,823	30,019	30,036	30,086
Eastvale	64,721	65,509	65,735	66,535	67,626
Hemet	84,095	84,126	84,354	84,391	84,525
Indian Wells	5,281	5,314	5,351	5,371	5,428
Indio	87,892	88,984	90,112	90,804	91,621
Jurupa Valley	102,405	104,645	106,056	107,000	108,097
Lake Elsinore	61,644	62,622	63,270	63,591	64,762
La Quinta	40,401	40,563	40,663	40,906	41,247
Menifee	90,157	92,110	94,710	97,094	99,686
Moreno Valley	203,489	205,450	207,190	208,791	209,426
Murrieta	111,323	112,352	113,207	114,541	115,172
Norco	26,648	26,593	26,473	27,611	26,107
Palm Desert	53,334	53,554	53,695	53,828	53,892
Palm Springs	47,074	47,253	47,410	47,509	47,754
Perris	76,995	77,649	78,095	78,575	78,977
Rancho Mirage	18,180	18,257	18,397	18,611	18,799
Riverside	323,995	325,916	327,076	328,766	324,302
San Jacinto	47,739	48,536	49,655	50,207	51,269
Temecula	111,556	112,243	112,561	112,512	112,771
Wildomar	35,844	36,436	36,878	36,963	37,013
TOTALS					
Incorporated	2,002,403	2,022,827	2,039,017	2,055,909	2,064,548
Unincorporated	372,152	374,835	380,040	384,810	389,905
County-Wide	2,374,555	2,397,662	2,419,057	2,440,719	2,454,453
California	39,500,973	39,740,508	39,927,315	39,782,870	39,466,855

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, the State and the United States for the period 2017 through 2021:

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*
2017			
Riverside County	$ 47,509,909	$50,287	50.23%
California	1,036,142,723	55,681	54.27
United States	8,132,748,136	48,043	--
2018			
Riverside County	$ 51,784,973	$53,505	53.29%
California	1,113,648,181	58,858	57.15
United States	8,640,770,229	50,735	--
2019			
Riverside County	$ 54,118,453	$54,920	54.41%
California	1,183,264,399	61,895	59.16
United States	9,017,967,563	52,841	--
2020			
Riverside County	$ 59,340,416	$59,167	57.60%
California	1,243,564,816	65,285	61.45
United States	9,487,165,436	55,303	--
2021			
Riverside County	$ 60,749,087	$60,203	58.41%
California	1,290,894,604	67,510	62.86
United States	9,809,944,764	56,790	--

(1) Estimated, as of January 1 of each year.
(2) Dollars in thousands.
Source: The Nielsen Company, Site Reports, 2017-2018; Environics Analytics, Spotlight Claritas Reports 2019-2021.

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	***2016***	***2017***	***2018***	***2019***	***2020***
Agriculture	14.6	14.4	14.5	14.6	13.9
Construction	92.0	97.0	104.8	101.1	105.0
Finance Activities	44.6	44.5	43.7	44.2	43.7
Government	242.3	250.0	257.5	268.8	249.1
Manufacturing:	98.6	98.7	101.3	102.6	94.3
Nondurables	34.2	34.8	36.2	15.4	34.6
Durables	64.4	63.9	65.1	65.7	59.7
Mining & Logging	0.9	0.9	1.0	1.2	1.3
Retail Trade	178.0	182.1	180.8	191.1	168.8
Professional and Business Services	145.0	147.2	150.6	160.7	154.0
Education and Health Services	214.3	224.8	240.0	260.5	248.7
Leisure & Hospitality	160.2	165.7	170.0	174.5	139.2
Other Services	44.6	45.6	45.6	43.1	39.6
Transportation, Warehousing and Utilities	107.3	120.2	132.6	146.3	170.5
Wholesale Trade	62.8	63.7	64.9	65.0	64.6
Information	11.5	11.3	11.2	11.3	9.4
Total, All Industries	1,416.6	1,466.0	1,518.7	1,585.0	1,501.8

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

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

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The following table sets forth the major employers in the County and their respective product or service and number of employees as of December 31, 2020.

TABLE 4

COUNTY OF RIVERSIDE
CERTAIN MAJOR EMPLOYERS[1]
(AS OF DECEMBER 31, 2020)

Company Name	***Product/Service***	***No. of Local Employees***
County of Riverside	County Government	22,952
Amazon	E-Commerce	10,500
March Air Reserve Base	Military Reserve Base	9,600
University of California, Riverside	University	8,909
Stater Bros	Retail Grocery	8,304
Moreno Valley Unified School District	School District	6,250
Kaiser Permanente Riverside Medical Center	Hospital	5,780
Corona-Norco Unified School District	School District	5,478
Hemet Unified School District	School District	4,460
Ross Dress For Less	Department Stores	4,313
Riverside Unified School District	School District	4,313
Walmart	Retail Company	4,195
Temecula Valley Unified School District	School District	4,025
Pechanga Resort & Casino	Resort Casino	4,000
Eisenhower Medical Center	Hospital	3,965
Riverside University Health System	Hospital	3,739
Lake Elsinore Unified School District	School District	3,292
Desert Sands Unified School District	School District	3,225
Palm Springs USD	School District	3,152
Jurupa Unified School District	School District	2,973
Coachella Valley Unified School District	School District	2,660
City of Riverside	City Government	2,500
Spa Resort and Casino	Resort & Spa	2,464
Riverside Community College District	Community College District	2,335
Agua Caliente Band of Cahuilla Indians	Tribal Government/Casinos	2,312
JW Marriott Desert Springs Resort & Spa	Resort and Spa	2,304
Desert Regional Medical Center	Hospital	2,221
Riverside Community Hospital	Hospital	2,200
Alvord Unified School District	School District	1,898
Riverside County Office of Education	Education	1,719
Naval Surface Warfare Center	Naval Weapons Research	1,564
LA Quinta Resort & Club/PGA West	Resort and Golf Course	1,500
Universal Protection Services	Security Service	1,500
Cal Baptist University	University	1,428
Corona Regional Medical Center	Hospital	1,218
Medline Professional Hospital Supply	Medical Supplies Manufacture	1,200
Fantasy Springs Resort Casino and Tribe	Resort and Casino	1,157
Parkview Community Hospital Medical Center	Hospital	1,100
Mt. San Jacinto Community College District	Community College District	1,088
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
Source: Riverside County Business and Community Services

Unemployment data for the County, the State and the United States for the years 2017 through 2020 and preliminary data for June 2021 (as indicated) are set forth in the following table.

TABLE 5

COUNTY OF RIVERSIDE
COUNTY, STATE AND NATIONAL UNEMPLOYMENT DATA

	2017	***2018***	***2019***	***2020***	***June 2021[(2)]***
County[(1)]	5.2%	4.4%	3.7%	9.9%	7.9%
California[(1)]	4.8	4.2	4.2	10.1	7.7
United States[(3)]	4.4	3.9	3.7	8.1	5.9

(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 June 2021.
(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 2016 through 2020, the last year being the most recent full year of which annual data is currently available.

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TABLE 6

COUNTY OF RIVERSIDE
TAXABLE SALES TRANSACTIONS

	2016	2017	2018	2019	2020
Motor Vehicle and Parts Dealers	$ 5,047,533,639	$ 5,348,811,902	$ 5,407,138,856	$ 5,551,535,521	$ 5,786,471,096
Home Furnishings and Appliance Stores	1,386,985,312	1,730,565,510	1,962,649,727	2,092,520,010	2,097,785,280
Building Material and Garden Equipment and Supplies Dealers	1,965,100,962	2,161,592,712	2,346,507,775	2,487,360,007	3,091,784,448
Food and Beverage Stores	1,574,029,504	1,666,856,136	1,790,507,202	1,821,669,581	1,938,870,682
Gasoline Stations	2,704,278,307	2,933,668,373	3,381,768,451	3,383,592,749	2,622,849,376
Clothing and Clothing Accessories Stores	2,190,227,577	2,199,516,627	2,315,432,567	2,361,182,097	1,824,772,212
General Merchandise Stores	3,304,959,106	3,375,622,686	3,560,754,579	3,966,881,856	4,122,093,914
Other Retail Group	2,452,590,954	2,586,953,725	3,273,275,986	3,079,536,332	5,031,910,636
Food Services and Drinking Places	3,648,980,299	3,852,753,167	4,004,656,656	4,276,122,483	3,547,301,048
Total Retail and Food Services	$ 24,274,685,660	$ 25,856,340,838	$ 28,042,691,799	$ 29,020,400,636	$ 30,063,838,692
All Other Outlets	$ 10,209,007,883	$ 10,551,119,262	$ 10,876,805,756	$ 11,537,443,970	$ 11,854,183,849
Total All Outlets	$ 34,483,693,543	$ 36,407,460,100	$ 38,919,497,555	$ 40,557,844,606	$ 41,918,022,541

Source: California Department of Tax and Fee Administration.

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Building and Real Estate Activity

The two tables below set forth a summary of building permit valuations and new dwelling units authorized in the County (in both incorporated and unincorporated areas) from 2016 through 2020.

TABLE 7

COUNTY OF RIVERSIDE
BUILDING PERMIT VALUATIONS
(IN THOUSANDS)

	2016	*2017*	*2018*	*2019*	*2020*
RESIDENTIAL					
New Single-Family	$ 1,526,768	$ 1,670,542	$ 2,200,021	$1,834,821	$2,315,365
New Multi-Family	106,292	109,309	232,707	282,465	93,149
Alterations and Adjustments	126,475	123,567	125,353	158,117	110,788
Total Residential	$ 1,759,535	$ 1,903,418	$ 2,558,081	$ 2,275,404	$2,519,303
NON-RESIDENTIAL					
New Commercial[1]	$ 540,447	$ 522,769	$ 703,977	$ 312,035	$ 313,728
New Industrial	59,439	410,275	529,326	493,872	225,401
Other Buildings[2]	374,917	136,935	410,606	179,861	233,709
Alterations & Additions	371,216	363,711	315,771	300,086	380,937
Total Nonresidential	$ 1,346,020	$ 1,433,690	$ 1,959,680	$ 1,285,855	$1,153,777
TOTAL ALL BUILDING	$ 3,105,554	$ 3,337,108	$ 4,517,761	$3,561,260	$3,673,080

(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

	2016	*2017*	*2018*	*2019*	*2020*
Single Family	5,662	6,265	7,540	6,563	8,443
Multi-Family	897	1,070	1,628	1,798	732
TOTAL	6,559	7,335	9,168	8,361	9,166

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 2017 through 2021.

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]
2017	560,000	356,000	310,000	491,000
2018	597,000	379,000	330,000	521,000
2019	615,000	392,000	343,750	530,000
2020	643,000	430,000	365,000	600,125
2021[2]	790,000	510,000	443,000	742,750

(1) Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
(2) Until June 30, 2021
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 2016 through 2020.

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]
2016	3,191	2,045	1,954	9,354
2017	2,316	1,453	1,641	6,968
2018	1,552	1,233	1,184	5,184
2019	1,516	872	977	4,391
2020[2]	713	314	396	1,866

(1) Southern California is comprised of Los Angeles, Orange, San Diego, Riverside, San Bernardino and Ventura Counties.
(2) Foreclosures were lower in 2020 than in prior years due to a moratorium on foreclosure of certain mortgage and court closures related to the COVID-19 pandemic.
Source: CoreLogic; DQNews.

Agriculture

In 2020, principal agricultural products were nursery stock, milk, table grapes, dates, alfalfa, bell peppers, eggs, lemons, avocado, and carrots.

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

Agricultural production in the County may be impacted by drought conditions. See "—Environmental Control Services—Water Supply" 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 2016 through 2020, the last year being the most recent year of which data is currently available.

TABLE 11

COUNTY OF RIVERSIDE
VALUE OF AGRICULTURAL PRODUCTION

	2016	***2017***	***2018***	***2019***	***2020***
Citrus Fruits	$ 200,101,000	$ 177,055,000	$ 170,775,000	$ 121,934,000	$ 126,567,000
Trees and Vines	227,444,000	228,315,000	249,150,000	268,368,000	282,840,000
Vegetables, Melons, Misc.	365,157,000	331,986,000	371,570,000	354,217,000	334,440,000
Field and Seed Crops	97,184,000	99,224,000	93,282,000	141,652,000	156,114,000
Nursery	150,426,000	153,749,000	165,758,000	204,768,000	247,765,000
Apiculture	5,082,000	5,415,000	5,473,000	6,123,000	5,858,000
Aquaculture	4,624,000	4,764,000	4,732,000	4,776,000	4,596,000
Livestock and Poultry	225,758,000	221,750,000	238,468,000	219,427,000	260,040,000
Grand Total	$ 1,275,776,000	$ 1,222,258,000	$ 1,299,208,000	$ 1,321,265,000	$ 1,418,220,000

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 opened in April 2021.

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. Six 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.

Homelessness Services

The County has been focused on addressing the homeless situation for several years. The Department of Public Social Services conducts an annual survey to support data-based policy responses. The 2020 homeless count found 2,884 people experiencing homelessness, of which 75% were unsheltered, representing an 8% increase over the prior year. The County incorporates these challenges into its budget planning process and 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. Due to concerns of COVID-19 transmission, the County was not able to conduct its 2021 count in January. The cancellation, approved by the U.S. Department of Housing and Urban Planning, will not impact future funding for homelessness services. The County will be required to use last year's point-in-time count data for funding consideration.

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. CAL FIRE has designated and adopted Fire Hazard Severity Zones in State Responsibility Areas ("SRA"). In addition, the County has adopted CAL FIRE recommendations for Very High Fire Hazard Severity Zones in Local Responsibility Areas ("LRA"). The unincorporated areas of the County includes State Responsibility Areas and Local Responsibility Areas and contains a mixture of Very High Fire Hazard Severity Zone areas, High Fire Hazard Severity Zone areas, Moderate Fire Hazard Severity Zone areas, and areas that are not designated as Fire Hazard Severity Zones. Fire Hazard Severity Zone maps for Riverside County may be found at the following links: SRA - Map of CAL FIRE's Fire Hazard Severity Zones in State Responsibility Areas –Western Riverside County, LRA West - Map of CAL FIRE's Fire Hazard Severity Zones in Local Responsibility Areas – Western Riverside County, & LRA East - Map of CAL FIRE's Fire Hazard Severity Zones in Local Responsibility Areas – Eastern Riverside County. The LHMP indicates that climate change and drought conditions are likely to become more frequent and persistent, contributing to increasing wildfire risk. The County incorporates these environmental risks into its budget and capital planning by providing funds for those departments tasked with the response. The Fiscal Year 2021-22 budget includes approximately $8.8 million for such uses. In the event of a disaster or emergency, the Board of Supervisors can provide additional funds through budget adjustments that may be recovered through State or federal resources (such as increased reimbursements from CAL FIRE, the State's office of emergency services, the Department of Homeland Security and FEMA).

Water Supply. The County obtains a large part of its water supply from groundwater sources, with certain areas of the County, such as the City of Riverside, relying almost entirely on groundwater. As in most areas of Southern California, this groundwater source is not sufficient to meet countywide demand, and the County's water supply is supplemented by imported water. 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 No. 859.3 *Water Efficient Landscape Requirements*. On July 21, 2015 the Board of Supervisors adopted, via an urgency ordinance, updated water efficient landscape requirements Ordinance No. 859. A key highlight of this revised ordinance is that it "*prohibits the use of natural turf grass lawns within the front yards of new homes and promoting low water use plants and inert materials for a sustainable and marketable landscape design*."

In 2021, the State is again experiencing drought conditions. Beginning in April 2021, the governor signed a series of proclamations determining, as of July 8, 2021, that 50 counties in the State, but not including the County, are in a state of emergency due to drought conditions affecting such areas. In addition, on July 8, 2021, the governor signed Executive Order N-10-21, which asks citizens of the State to voluntarily reduce their water use by 15% compared to 2020 levels. There can be no assurance the County will not be subject to such a state of emergency due to drought conditions in the future. The County has partnered with a consortium of local water districts to send tiered water conservation messages as drought conditions worsen. The County has also begun discussions with the California Department of Water Resources regarding drought mitigation strategies in the even drought conditions become more urgent.

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 No. A-58 - Enterprise Information Security Policy, which aligns with the National Institute of Standards and Technology ("NIST") Cybersecurity Framework regarding information security and privacy, and cyber risk management. In accordance with the adopted policy, all County employees are required to complete mandatory Policy No. A-58 Information Security Training on an annual basis. The County's Information Security Office operates a security operations center ("SOC") that provides 24x7x365 monitoring of the County's enterprise network, 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, and includes 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 in Fiscal Year 2022-23 through Fiscal Year 2026-27, without corrective action. In Fiscal Years 2018-19 and 2019-20, the County's reserves have exceeded the target. They are expected to do so again in Fiscal Year 2020-21, due to CARES Act reimbursement of General Fund costs related to COVID-19. Consistent with the County Budget Forecast projections, the County budgeted to use reserves and fund transfers to balance the Fiscal Year 2020-21 budget, adopted by the Board of Supervisors on September 15, 2020 (the "Fiscal Year 2020-21 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 vs. ongoing revenues and reducing vacant full-time positions. The County's practice has been to apply one-time revenues towards the rebuilding of reserves or mission critical one-time costs and assumes that budgetary shortfalls will not be backfilled with discretionary revenues.

Financial Policies

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

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

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

Pension Management Policy. In January 2005, the County adopted Board Policy No. B-25, Pension Management Policy, which was last revised in January 2020 as the Pension Management and Other Post-Employment Benefits (the "Pension Management Policy") policy. The County has created this policy to ensure the financial stability of the County through proper management. The purpose is to safeguard the public trust by assuring prudent decisions regarding the County's pension plans, Other Post-Employment Benefits (OPEB), and

Section 115 Trusts (Pension and OPEB) providing proper oversight of the benefits provided, and their associated cost. This Policy applies to all County defined benefit pension plans currently administered by the California Public Employees Retirement System ("CalPERS"), the Section 115 OPEB Trust administered by California Employers' Benefit Trust (CERBT), the Temporary and Part-Time Employees' Retirement Plan (a defined benefit program for its Temporary Assistance Program ("TAP") employees) administered by the County, and the Section 115 Pension Trust administered by Public Agency Retirement Services (PARS), collectively the "Plans".

The County bears the ultimate responsibility to meet its pension obligations. The County sets contribution rates sufficient to pay any amounts due to CalPERS, capture the full cost of annual debt service on pension obligation bonds outstanding, collect designated annual contributions that the County has established with its liability management fund and its Section 115 Pension Trust(s) 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.

PARC is comprised of the County Finance Officer (Chair), County Treasurer, Human Resources Director, County Auditor-Controller, and a local safety member department representative. PARC meets at least annually or as necessary upon the call of the Chairperson to address County pension plan topics. Each year, PARC prepares a public report of the status of the Plans and analysis of CalPERS's most recently available actuarial report. PARC reviews proposed changes to benefits or liability amortization schedules, and provides the Board of Supervisors with an analysis of the long-term costs and benefits.

Issuance of pension-related debt is reviewed first by PARC. The County may establish a liability management fund in connection with the initial debt issuance and/or a Section 115 Pension Trust with any future issuance. Such liability management funds and Section 115 Pension Trusts 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 CalPERS pension obligations, and potential savings from such early payment.

Debt Management Policy. Board Policy No. 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 or to refund/pay the unfunded liability of the Plans. 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 refundings. The term of such refunding does not extend the maturity beyond the original debt without compelling justification.

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

The County established the Debt Advisory Committee ("DAC") in 2003. DAC reviews all proposed County-related financings at least once prior to approval by the Board of Supervisors. DAC has seven members, including a representative from the County Executive Office, as chair, the County Treasurer, 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 No. 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 County 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 No. B-22, which was last revised in December 2015 and is used as a guiding strategy to establish funding methods, administration and control, and allowable uses of the CIP funds. The CIP team, led by the Executive Office, evaluates immediate and long-term capital needs, as well as financing and budget requirements, in order to best use the County's limited capital funds.

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

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

Fiscal Year 2021-22 Budget

On June 29, 2021, the Board of Supervisors approved the Fiscal Year 2021-22 Budget (the "Fiscal Year 2021-22 Budget") which includes total General Fund appropriations of approximately $4.0 billion. For Fiscal Year 2021-22, the County estimates that approximately 66% of its General Fund budget revenues in the Fiscal Year 2021-22 Budget will consist of payments from the State and Federal government. Discretionary revenue is budgeted at approximately $921 million for Fiscal Year 2021-22, an increase of approximately 7.6% from the Fiscal Year 2020-21 Budget. The increase is due primarily to modestly rising property-related tax revenues, as well as a court decision regarding the allocation of residual funds related to the Redevelopment Property Tax Trust Fund (RPTTF) distribution. The Fiscal Year 2021-22 Budget includes discretionary spending of approximately $974 million. The $53 million gap between discretionary revenue and discretionary spending is covered by the use of reserves. Property tax revenue is budgeted at approximately $436.2 million (including $130.6 million in redevelopment tax increment pass-through funds) for Fiscal Year 2021-22, and represents approximately 47% of the County's discretionary revenue. Property tax estimates assume an increase in assessed valuation in Fiscal Year 2021-22 of 4.5% from Fiscal Year 2020 21. In addition, the County estimates that sales tax revenue will increase by 13.7% from Fiscal Year 2020-21 to $33.4 million. In addition, the County anticipates approximately $18 million in revenue backfill funds from the American Rescue Plan Act ("ARPA") will be realized in Fiscal Year 2021-22, which will increase fund balance from the amount anticipated in the Fiscal Year 2021-22 Budget.

As part of its ongoing efforts, 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 departmental spending with allocated net County cost. The County's reserve balance at the end of Fiscal Year 2021-22 is projected at approximately $231 million, approximately $1 million above the County's reserve policy.

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.

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TABLE 12

COUNTY OF RIVERSIDE
ADOPTED GENERAL FUND BUDGETS[(1)]
FISCAL YEARS 2017-18 THROUGH 2021-22
(IN MILLIONS)

	2017-18 Budget	*2018-19 Budget[(2)]*	*2019-20 Budget*	*2020-21 Budget*	*2021-22 Budget*
REQUIREMENTS					
General Government	$ 220.4	$ 140.9	$ 156.4	$ 226.7	$ 235.7
Public Protection	1,379.1	1,445.6	1,513.8	1,605.1	1,695.0
Health and Sanitation	601.1	678.8	737.2	764.2	786.4
Public Assistance	996.0	1,002.5	1,049.4	1,156.8	1,211.4
Education	0.7	0.7	0.7	0.6	0.7
Recreation and Cultural	0.5	0.5	2.2	2.1	3.3
Debt Retirement-Capital Leases	10.6	10.5	14.5	14.5	19.1
Contingencies	20.0	14.9	17.6	20.0	20.0
Increase to Reserves	0.0	21.0	19.6	0.0	0.0
Total Requirements[(2)]	$ 3,228.4	$ 3,315.4	$ 3,511.4	$ 3,790.0	$ 3,971.6
AVAILABLE FUNDS					
Use of Fund Balance and Reserves	$ 84.9	$ 0.0	$ 0.0	$ 60.8	$ 73.8
Estimated Revenues:					
Property Taxes	303.0	313.4	333.9	357.0	397.3
Other Taxes	21.0	3.4	4.6	4.2	5.9
Licenses, Permits and Franchises	18.1	19.1	20.8	20.5	21.0
Fines, Forfeitures and Penalties	38.4	60.1	62.5	76.1	62.9
Use of Money and Properties	11.4	26.5	28.2	15.0	15.8
Aid from Other Governmental Agencies:					
State	1,407.1	1,462.5	1,547.9	1,637.0	1,726.1
Federal	627.5	681.6	718.6	780.5	837.9
Charges for Current Services	562.7	596.1	627.3	643.8	640.1
Other Revenues	154.3	152.7	167.6	195.1	190.8
Total Available Funds[(3)]	$ 3,228.4	$ 3,315.4[(3)]	$ 3,511.4[(4)]	$ 3,790.0	$ 3,971.6

(1) Data source is the official budget documents submitted to the State Controller's Office. Figures do not reflect quarterly amendments or adjustments.
(2) Updated to disclose General Government requirement and Increases to Reserves in order to balance discretionary revenues that are reflected as a portion of budgeted General Fund revenue.
(3) Column numbers may not add up to totals due to rounding.
(4) Includes use of reserves of $21.0 million in Fiscal Year 2018-19 and $19.6 million in Fiscal Year 2019-20 to balance discretionary revenue that are reflected as a portion of budgeted General Fund revenue.
Source: County Auditor-Controller.

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 June 30, 2021, the portfolio assets comprising the PIF had a market value of $9,505,561,665.45.

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 (the "Policy Statement"), 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 June 30, 2021 were as follows (numbers may not add up due to rounding of individual components):

	Balance	***% of Pool***
U.S. Treasury Securities	$2,848,703,442.58	29.97%
Federal Agency Securities	3,681,119,958.90	38.73
Cash Equivalent & Money Market Funds	1,315,067,200.84	9.40
Commercial Paper	836,150,272.45	8.80
Negotiable Certificates of Deposits	724,000,000.00	7.62
Medium Term Notes	--	--
Municipal Notes	73,636,384.15	0.77
Certificates of Deposit	--	--
Repurchase Agreements	--	--
Int'l Bank for Reconstruction and Development (IBRD) & Int'l Finance Corp (IFC)	24,980,250.00	0.26
Local Agency Obligations[(1)]	--	
Total Book Value	$9,503,657,508.92	
Book Yield:		0.27%
Weighted Average Maturity:		1.15 Years

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

As of June 30, 2021, the market value of the PIF was 100.00% 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 (the "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 $38.06 preparation of delinquent tax record, a $36.45 per parcel redemption fee (from which the State receives five dollars), and redemption penalty of one and one half percent per month starting July 1 and continuing until date of redemption (collectively, the “Redemption Amount”). If taxes remain unpaid after five years on the default roll, the property becomes subject to a tax sale by the County Treasurer-Tax Collector.

Property taxes on the unsecured roll are due as of January 1 lien date and become delinquent, if unpaid, on August 31. A ten percent penalty attaches to delinquent taxes on property on the unsecured roll and an additional penalty of one and one half percent per month begins to accrue on November 1. The taxing authority has four ways of collecting unsecured personal property taxes: (1) a civil action against the taxpayer; (2) filing a certificate in the office of the County Clerk specifying certain facts in order to obtain a judgment lien on certain property of the taxpayer; (3) filing a certificate of delinquency for recordation in the County Recorder’s office in order to obtain a lien on certain property of the taxpayer; and (4) seizure and sale of personal property, improvements or possessory interests belonging or assessed to the taxpayer.

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The following tables set forth the secured property tax roll and the unsecured property tax roll of the County for Fiscal Year 2011-12 through Fiscal Year 2020-21.

TABLE 13

COUNTY OF RIVERSIDE
***AD VALOREM* PROPERTY TAXES - LEVIES AND COLLECTIONS**
FISCAL YEARS 2011-12 THROUGH 2020-2021
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)]*
2011-12	$2,676,613,483	$70,921,563	2.65%	$2,809,408,918	104.96%
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	3,328,995,827	103.85
2016-17	3,368,109,165	45,522,477	1.35	3,496,857,648	103.82
2017-18	3,565,210,050	42,580,125	1.19	3,679,787,833	103.21
2018-19	3,762,000,301	71,213,196	1.89	3,768,906,901	100.18
2019-20	3,964,853,341	83,339,399	2.10	3,944,201,906	99.48
2020-21	4,185,760,961	70,727,830	1.69	4,201,081,747[(4)]	100.37

(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.

Source: County Auditor-Controller.

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TABLE 14

UNSECURED PROPERTY TAX ROLL[1]

Fiscal Year	*Unsecured Property Tax Levy*	*Total Collections*[2]	*Percentage of Total Collections to Original Levy*[2]
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	105,370,218	102.06
2020-21	108,068,298	108,896,346[3]	100.77

(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) Unsecured Extension for Fiscal Year 2020-21.
Source: County Auditor-Controller.

State legislation enacted in 1984 established the "supplemental roll," which directs the County Assessor to re-assess real property, at market value, on the date the property changes ownership or upon completion of new construction. Property on the supplemental roll is eligible for billing 30 days after the reassessment and notification to the new assessee. The resultant charge (or refund) is a one-time levy on the increase (or decrease) in value for the period between the date of the change in ownership or completion of new construction and the date of the next regular tax roll upon which the assessment is entered.

Supplemental roll billings are made on a monthly basis and are due on the date mailed. If mailed within the months of July through October, the first installment becomes delinquent on December 10 and the second on April 10. If mailed within the months of November through June, the first installment becomes delinquent on the last day of the month following the month of billing. The second installment becomes delinquent on the last day of the fourth month following the date the first installment is delinquent. These assessments are subject to the same penalties and default procedures as the secured and unsecured rolls.

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The following table sets forth the supplemental tax roll of the County for Fiscal Year 2009-10 through Fiscal Year 2020-21:

TABLE 15

COUNTY OF RIVERSIDE
SUMMARY OF SUPPLEMENTAL ROLL
***AD VALOREM* PROPERTY TAXATION**
FISCAL YEARS 2009-10 THROUGH 2020-21

Fiscal Year	*Tax Levy for Increased Assessments*[(1),(2),(3)]	*Refunds for Decreased Assessments*[(1),(3)]	*Net Supplemental Tax Levy*[(2)]	*Collections*[(1),(2)]
2009-10	$27,019,730	$35,212,651	$(8,192,922)[(4)]	$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	48,663,655[(5)]	3,244,119	45,419,536[(5)]	61,852,162[(6)]
2019-20	55,304,570	4,793,074	50,511,496	43,283,527
2020-21[(7)]	133,415,501	9,830,606	123,584,895	117,273,827

(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 refund or negative supplemental taxes less than $10.
(4) The negative tax levy is a result of refunds exceeding the billed amounts.
(5) Tax levy is lower as compared to the prior year due to system stabilization phase for the Assessor, Tax Collector and Auditor which enabled the County to process all supplemental transactions in a timely manner.
(6) Collections are higher than the supplemental levy due to collections from prior year billings.
(7) Amounts are higher than prior years due to the implementation of a new property tax billing system.
Source: County Auditor-Controller/County Treasurer and Tax Collector.

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The following table sets forth the assessed valuation by category and property type for Fiscal Year 2017-18 through Fiscal Year 2021-22:

TABLE 16

COUNTY OF RIVERSIDE
ASSESSED VALUATION HISTORY BY CATEGORY AND PROPERTY TYPE[(1)]
FISCAL YEARS 2017-18 THROUGH 2021-22
(IN MILLIONS)

Category	*2017-18*	*2018-19*	*2019-20*	*2020-21*	*2021-22*
SECURED PROPERTY:					
Land	$ 79,694	$ 83,726	$ 87,392	$ 90,586	$ 93,979
Structures	179,648	192,023	204,416	218,398	232,113
Personal Property	789	898	889	947	947
Utilities	5,327	5,461	5,591	6,305	6,813
Total Secured	$ 265,458	$ 282,108	$ 298,288	$ 316,236	$ 333,852
UNSECURED PROPERTY:					
Land	$ 4	$ 35	$ 2	$ 2	$ 2
Structures	115	109	82	75	62
Fixtures	3,791	4,108	4,225	4,447	5,046
Personal Property	4,166	4,612	4,921	5,076	5,327
Total Unsecured[(2)]	$ 8,076	$ 8,864	$ 9,230	$ 9,600	$ 10,437
GRAND TOTAL	$ 273,534	$ 290,972	$ 307,518	$ 325,836	$ 344,289

(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 2008 recession, the Assessor proactively reviewed all residential properties purchased after January 1, 1999, in each year from Fiscal Year 2010-11 to Fiscal Year 2013-14, which resulted in a net decline in assessed valuation in each of those years. From and after Fiscal Years 2014-15, there were no additional proactive Proposition 8 reductions. Housing prices in the County have been showing increases in recent years. Assessed valuation in the County increased by at least 5% each year from Fiscal Year 2015-16 to 2019-20. Assessed valuation in the County increased by approximately 5.58% in Fiscal Year 2021-22 as compared to Fiscal Year 2020-21.

Property Tax Appeals. The County has received assessment appeals applicable to Fiscal Year 2020-21 totaling approximately $12.3 billion of assessed value. Successful appeals result in either a refund of taxes paid or a reduction to an unpaid tax bill. A total of $384 million of assessed value was reduced from the County tax roll in Fiscal Year 2018-19 and Fiscal Year 2019-20 due to appeals, representing $3,840,000 in general purpose taxes over the two-fiscal year period. Approximately 9% of the Fiscal Year 2020-21 assessment appeals have been completed. The majority of the remaining Fiscal Year 2020-21 assessment appeals are expected to be completed by June 2022.

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.

As part of the COVID-19 related response from the State, on May 6, 2020, Governor Newson signed Executive Order N-61-20 granting county tax collectors the ability to cancel penalties, costs, and interest for taxes not timely paid on certain properties that were not delinquent prior to March 4, 2020. The Order expired May 6, 2021. As of April 2021, approximately 2,615 parcels subject to the Executive Order had the penalties cancelled representing $1.3 million in uncollected penalties, cost and interest.

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 2019-2020, taxing agencies representing approximately 59.17% of the secured roll participated in the Teeter Plan. In Fiscal Year 2020-21, taxing agencies representing approximately 59.16% 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, followed by ten years of reductions. Fiscal Year 2019-20 and Fiscal Year 2020-21 resulted in an aggregate increase of approximately 34% from Fiscal Year 2018-19.

The following table sets forth the aggregate principal amount of the Teeter Plan obligations issued in Fiscal Years 2010-11 through 2020-21.

TABLE 17

COUNTY OF RIVERSIDE
TEETER PLAN OBLIGATIONS ISSUED
FISCAL YEARS 2010-11 THROUGH 2020-21

Fiscal Year	*Principal Amount*
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(1)	84,115,000
2020-21(1)	99,570,000

(1) Year-over-year increases from Fiscal Year 2018-19 through Fiscal Year 2020-21 are a result of increased delinquent taxes.
Source: County of Riverside, Executive Office.

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, 2020 – 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 2020-2021:

TABLE 18

COUNTY OF RIVERSIDE
TWENTY-FIVE LARGEST PROPERTY TAXPAYERS IN FISCAL YEAR 2020-21
BY TAX LEVIED[(1)]

Taxpayer	*Total Taxes Levied*	*Percentage of Total Tax Charge*
DUKE REALTY LTD PARTNERSHIP	$5,285,337.40	0.13%
COSTCO WHOLESALE CORP	4,968,155.92	0.12
TEMECULA HOTEL PARTNERS OLD TOWN HOLDING	4,951,715.74	0.12
USEF CROSSROADS II	4,386,851.90	0.10
CHELSEA GCA REALTY PARTNERSHIP	3,965,296.66	0.09
TYLER MALL LTD PARTNERSHIP	3,537,150.80	0.08
TARPON PROP OWNERSHIP 2	3,407,490.42	0.08
WALGREEN CO	3,335,683.02	0.08
GARDEN OF CHAMPIONS	3,328,618.08	0.08
WAL MART REAL ESTATE BUSINESS TRUST	2,865,823.06	0.07
CASTLE & COOKE CORONA CROSSINGS	2,814,411.60	0.07
ROSS DRESS FOR LESS INC	2,758,808.14	0.07
KB HOME COASTAL INC	2,735,852.72	0.07
LOWES HIW INC	2,651,831.08	0.06
TARGET CORP	2,608,688.88	0.06
FIRST INDUSTRIAL	2,461,304.06	0.06
BRE ICONIC LQR OWNER LLC	2,413,069.72	0.06
LENNAR HOMES OF CALIF INC	2,346,994.04	0.06
RIVERSIDE HEALTHCARE SYSTEM	2,329,475.16	0.06
UNIVERSITY PARK INV	2,268,437.58	0.05
WOODSIDE 05S	2,212,385.38	0.05
PARDEE HOMES	2,141,617.28	0.05
TEMECULA TOWNE CENTER ASSOC	2,119,617.96	0.05
BT OH	2,017,079.30	0.05
SCG ATLAS ASHTON	1,999,667.42	0.05
Total	**$75,911,363.32**	**1.81**
Total Secured Tax Charge for 2020-21	**$4,185,760,960.87**	

(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 2021-22 are shown below:

TABLE 19

COUNTY OF RIVERSIDE
TEN LARGEST PROPERTY OWNERS IN FISCAL YEAR 2021-22
BY ASSESSED VALUE

Assessee	***Assessed Value***
EISENHOWER MEDICAL CENTER	$ 695,314,851
DUKE REALTY LTD PARTNERSHIP	552,120,848
AMAZON COM SERVICES LLC	549,389,523
FIRST INDUSTRIAL	441,397,285
COSTCO WHOLESALE CORP	427,181,515
CALIFORNIA BAPTIST UNIVERSITY	427,035,902
KAISER FOUNDATION HOSPITALS	414,461,261
USEF CROSSROADS II	320,256,321
ROSS DRESS FOR LESS INC	317,058,862
SPECTRUM PACIFIC WEST LLC	303,580,629
Subtotal	$ 4,447,796,997
All Others	333,839,613,216
Total	$ 338,287,410,213[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 Years 2019-20 and 2020-21, the County retained approximately 18% and 19%, respectively, of the total amount collected (and is budgeted to retain 21% in Fiscal Year 2021-22). 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 2011-12 through 2021-22.

TABLE 20

COUNTY OF RIVERSIDE
COMMUNITY REDEVELOPMENT AGENCIES'
FROZEN BASE VALUE, FULL CASH VALUE INCREMENTS
AND TOTAL TAX ALLOCATIONS
FISCAL YEARS 2011-12 THROUGH 2021-22

Fiscal Year	*Frozen Base Value*	*Full Cash Value Increments*[1]	*Total Tax Allocations*[2][3]
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
2020-21	16,352,657,201	90,024,188,096	902,599,217
2021-22	16,352,657,201	95,343,116,420	954,729,434

(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. The County received $12,886,987 in residual funds for Fiscal Year 2019-20. The County estimates that it received approximately $37,588,085 in residual funds for Fiscal Year 2020-21, and the County is budgeting to receive approximately $38,713,954 in residual funds for Fiscal Year 2021-22.

In Fiscal Years 2019-20 the County received approximately $120 million in pass-through payments pursuant to agreements with various city redevelopment agencies. The County estimates that it received $129 million in pass-through payments pursuant to agreements with various city redevelopment agencies in 2021-22 and has budgeted to receive an estimated $130 million in Fiscal Year 2021-22. 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 use the modified accrual basis of accounting. This system recognizes revenues in the accounting period in which they become available and measurable. Expenditures, with the exception of unmatured interest on general long-term debt, are recognized in the accounting period in which the fund liability is incurred. Proprietary funds and fiduciary funds use the accrual basis of accounting, and revenues are recognized in the accounting period in which they are earned and become measurable, while expenses are recognized in the period during which they are incurred.

The County establishes sub-funds to track revenues and expenditures for certain designated programs administered by the County. Revenues held in sub-funds are generally restricted for the related programs. Currently, the County classifies restricted revenues as deferred inflows and recognizes the revenues when the associated expenditures are incurred, which may not be in the year in which the restricted revenues are received. A change in the recognition of the restricted revenues to the year in which the revenues are received rather than in the year in which the related expenditures are incurred would result in the acceleration of certain revenues currently held in the sub-funds. Revenues are reported in accordance with Generally Accepted Accounting Principles, and therefore there is no need to alter the current accounting practice related to the recognition of revenue held in sub-funds.

The State Government Code requires every county to prepare an annual financial report. The County Auditor-Controller prepares the "Annual Financial Report of the County of Riverside." Under the U.S. Single Audit Act of 1984 and State law, independent audits are required on all operating funds under the control of the Board of Supervisors and must be conducted annually. The County's financial statements for Fiscal Year 2019-20 were audited by Brown Armstrong Accountancy Corporation. See APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

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The following table sets forth the County's Statement of Revenues, Expenditures and Change in Unreserved Funds Balances-General Fund for Fiscal Year 2015-16 through 2019-20.

TABLE 21

COUNTY OF RIVERSIDE
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN UNRESERVED FUND BALANCES – GENERAL FUND
FISCAL YEARS 2015-16 THROUGH 2019-20
(In Thousands)

	2015-16	*2016-17*	*2017-18*	*2018-19*	*2019-20*
BEGINNING FUND BALANCE	$ 395,389	$ 371,510	$ 348,231	$ 369,582	$ 410,455
REVENUES					
Taxes	279,945	292,674	303,836	326,991	336,983
Licenses, permits and franchises	19,100	18,400	19,142	19,989	18,939
Fines, forfeiture sand penalties	73,198	67,689	64,525	64,521	54,332
Use of money and property–Interest	6,728	7,893	16,727	41,315	24,881
Use of money and property–Rents and concessions	10,491	13,391	13,552	12,244	15,232
Government Aid–State	1,238,292	1,280,127	1,328,912	1,404,112	1,483,441
Government Aid–Federal	572,267	589,905	596,949	567,753	646,890
Governmental Aid-Other	97,888	104,043	110,656	117,264	126,723
Charges for current services	465,333	460,539	481,245	499,566	510,103
Other revenues	20,069	46,355	44,273	49,682	63,228
TOTAL REVENUES	$2,783,311	$2,881,016	$2,979,817	$3,103,437	$3,280,752
EXPENDITURES					
General government	$ 113,779	$ 133,217	$ 130,989	$ 118,662	$ 120,724
Public protection	1,256,765	1,317,038	1,328,734	1,382,395	1,477,295
Public ways and facilities	-	-	-	-	-
Health and sanitation	468,272	494,771	543,976	558,905	627,950
Public assistance	918,963	920,185	916,191	934,641	1,010,175
Education	669	643	628	678	628
Recreation and cultural	325	354	483	1,959	2,111
Capital Outlay	11,829	64,289[1]	6,486	6,287	24,409
Debt service	20,755	12,558	17,357	23,422	29,400
TOTAL EXPENDITURES	$2,791,357	$2,943,055	$2,944,844	$3,026,949	$3,292,692
Excess (deficit) of revenues over (under) expenditures	(8,046)	(62,039)	34,973	76,488	(11,940)
OTHER FINANCING SOURCES (USES)					
Transfer from other reserves	$ 114,185	$ 113,509	$ 108,979	$114,208	$158,712
Transfer to other funds	(141,847)	(139,043)	(129,087)	(154,164)	(179,954)
Proceeds from sale of capital assets	5	-	-	-	-
Capital Leases	11,829	64,289[3]	6,486	6,287	24,409
Total other Financing Sources (Uses)	$ (15,833)	$ 38,760	$ (13,622)	$ (33,669)	$ 3,167
NET CHANGE IN FUND BALANCES	$ (23,879)	$ (23,279)	$ 21,351	$ 42,819	$ (8,773)
FUND BALANCE, END OF YEAR	$ 371,510	$ 348,231	$ 369,582	$ 412,401	$ 401,682

(1) 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 2015-16 through 2019-20.

TABLE 22

COUNTY OF RIVERSIDE
GENERAL FUND BALANCE SHEETS
AT JUNE 30, 2016 THROUGH JUNE 30, 2020
(In Thousands)

	2015-16	*2016-17*	*2017-18*	*2018-19*	*2019-20*
ASSETS:					
Cash & Marketable Securities	$135,255	$ 94,866	$123,884	$207,950	$308,199
Taxes Receivable	9,772	9,182	9,025	10,499	12,206
Accounts Receivable	14,674	13,865	12,484	15,111	18,686
Interest Receivable	2,002	2,295	6,560	9,624	4,046
Advances to Other Funds	7,369	7,369	4,869	4,869	4,869
Due from Other Funds	9,355	9,489	11,242	9,961	20,597
Due from Other Governments	345,183	363,548	380,479	343,679	360,840
Inventories	2,006	1,981	2,360	2,087	2,075
Prepaid items	--	--	781	-	62
Restricted Assets	332,543	365,394	395,407	411,861	417,867
Total Assets	$858,159	$ 867,989	$947,091	$1,015,641	$1,149,447
LIABILITIES:					
Accounts Payable	$ 28,234	$ 29,801	$ 38,969	$39,870	$77,946
Salaries & Benefits Payable	99,724	104,327	103,293	107,031	126,347
Due To Other Funds	3,247	865	1,551	13,346	51,943
Due to Other Governments	51,497	65,120	76,507	64,974	126,314
Deferred Revenue	–	–	–	–	-
Deposits Payable	52	76	35	28	14
Advances from other funds	--	--	–	–	-
Advances from grantors and third parties	253,740	268,007	305,318	318,534	303,583
Total Liabilities	$436,494	$468,196	$525,673	$543,783	$686,147
Deferred inflows of resources	$ 50,155	$ 51,562	$ 51,836	$ 59,457	$ 61,618
FUND BALANCE:					
Nonspendable	$ 2,369	$ 2,314	$ 3,470	$ 2,416	$ 2,466
Restricted	99,639	95,130	95,881	102,288	112,711
Committed	40,310	21,907	23,290	18,320	14,844
Assigned	11,870	10,989	12,464	14,196	13,702
Unassigned	217,322	217,891	234,477	275,181	257,959
Fund Balance	$ 371,510	$ 348,231	$369,582	$412,401	$401,682
Total Liabilities and Fund Balance	$ 858,159	$ 867,989	$947,091	$1,015,641	$1,149,447

Source: County Auditor-Controller.

The following table sets forth the County's General Fund balances as of June 30 for Fiscal Years 2010-11 through 2019-20 based on classification.

TABLE 23

COUNTY OF RIVERSIDE
GENERAL FUND BALANCES
AT JUNE 30, 2011 THROUGH JUNE 30, 2020
(In Thousands)

June 30,	*Nonspendable*	*Restricted*	*Committed*	*Assigned*	*Unassigned*	*Total*
2011	$ 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
2020	2,466	112,711	14,844	13,702	257,959	401,682

Source: County Auditor-Controller.

Short-Term Obligations of County

On July 1, 2021, the County issued its 2021 Tax and Revenue Anticipation Note (the "2021 TRAN") in the principal amount of $340,000,000 to provide funds to meet the County's Fiscal Year 2021-22 General Fund expenditures, including current expenses, capital expenditures and prepayment of pension plan contributions. The 2021 TRAN is due on June 30, 2022. The 2021 TRAN is payable from taxes, income, revenues, cash receipts and other moneys of the County attributable to the County's 2021-22 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 2021 Teeter Notes (as defined below) and are not available to pay debt service on the 2021 TRAN. The County has issued tax and revenue anticipation notes annually for over twenty consecutive years with timely repayment.

On October 21, 2020, the County issued its $99,570,000 2020 Series A Teeter Obligation Notes (Tax-Exempt) (the "2020 Teeter Notes") to refund the County's 2019 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 2020 Teeter Notes are due on October 21, 2021. The 2020 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, 2020 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.

The County is currently in the process of issuing, in October 2021, approximately $87,375,000 Teeter Obligation Notes (the "2021 Teeter Notes"). The proceeds of the 2021 Teeter Notes are expected to refund the outstanding 2020 Teeter Notes, fund an advance of unpaid property taxes for agencies participating in the Teeter

Plan, and pay costs of issuance related to the 2021 Teeter Notes. The 2021 Teeter Notes are expected to fund approximately $37,621,767.29 representing current delinquent property taxes and, together with other funds of the County, to repay the 2020 Teeter Notes when due.

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 August 1, 2021, the County had $717,525,698 in direct General Fund obligations, which includes several lease revenue bonds being refunded by the Bonds, and $881,575,000 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 August 1, 2021. 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 AUGUST 1, 2021)

2020-21 Assessed Valuation: $319,534,795,859 (includes unitary utility valuation)

	% Applicable	Debt 8/1/21
OVERLAPPING TAX AND ASSESSMENT DEBT:		
Metropolitan Water District	6.399%	$ 1,716,852
Community College Districts	1.180-100.	942,483,916
Unified School Districts	1.167-100.	3,471,870,487
Perris Union High School District	100.	237,603,350
Elementary School Districts	100.	168,915,438
City of Riverside	100.	4,940,000
Eastern Municipal Water District Improvement Districts	100.	29,100,000
Riverside County Flood Control, Zone 4 Benefit Assessment District	100.	10,260,000
San Gorgonio Memorial Hospital District	100.	100,090,000
Community Facilities Districts	50.225-100.	3,238,820,448
Riverside County 1915 Act Bonds	100.	885,000
City and Special District 1915 Act Bonds (Estimated)	100.	149,217,048
TOTAL OVERLAPPING TAX AND ASSESSMENT DEBT		$8,355,902,539
DIRECT AND OVERLAPPING GENERAL FUND DEBT:		
Riverside County General Fund Obligations	**100. %**	**$ 717,525,698**[(1)]
Riverside County Pension Obligations	**100.**	**881,575,000**
School Districts General Fund and Lease Tax Obligations	1.180-100.	433,998,943
City of Corona General Fund Obligations	100.	31,078,491
City of Moreno Valley General Fund Obligations	100.	74,744,000
City of Indio General Fund and Judgment Obligation Bonds	100.	48,125,000
City of Palm Springs Certificates of Participation and Pension Obligation Bonds	100.	127,024,775
City of Riverside Certificates of Participation	100.	196,214,703
City of Riverside Pension Obligation Bonds	100.	469,280,000
Other City General Fund Obligations	100.	100,725,096
Other Special District Certificates of Participation	100.	7,119,600
TOTAL GROSS DIRECT AND OVERLAPPING GENERAL FUND DEBT		$3,087,411,306
OVERLAPPING TAX INCREMENT DEBT (Successor Agencies):		$2,123,904,120
COMBINED TOTAL DEBT		$13,567,217,965[(2)]

Ratios to 2020-21 Assessed Valuation:
Overlapping Tax and Assessment Debt 2.62%
Combined Direct Debt ($1,599,100,698)......................................0.50%
Combined Total Debt..4.25%

Ratios to Successor Agency Redevelopment 2020-21 Incremental Valuation ($90,075,779,228):
Total Overlapping Tax Increment Debt 2.36%

(1) Excludes issue to be sold.
(2) Excludes tax and revenue anticipation notes, enterprise revenue, mortgage revenue and non-bonded capital lease obligations.
Source: California Municipal Statistics, Inc. (Calmuni)

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 August 1, 2021. 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 PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF AUGUST 1, 2021))

	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	$19,477,498	$4,375,947
2012 Series A and B[(1)(13)]	2029	90,530,000	31,135,000	0
County of Riverside Certificates of Participation (2009 Larson Justice Center Refunding)[(2)]	2021	24,680,000	4,860,000	4,860,000
County of Riverside Leasehold Revenue Bonds (Southwest Justice Center Project) 2008 Series A[(3) (13)]	2032	78,895,000	58,630,000	3,620,000
County of Riverside Certificates of Participation (2009 Public Safety Communication and Woodcrest Library Refunding Projects)[(4)]	2039	45,685,000	6,725,000	1,870,000
County of Riverside Certificates of Participation (2012 County Administrative Center Refunding Project)[(5) (13)]	2031	33,360,000	21,610,000	1,530,000
County of Riverside Public Financing Authority (2012 Lease Revenue Refunding Bonds)[(6) (13)]	2033	17,640,000	10,545,000	960,000
County of Riverside Leasehold Revenue Bonds (2013 Series A Public Defender/Probation Bldg. and Riverside County Technology Solution Center Projects)	2043	49,310,000	46,985,000	1,125,000
County of Riverside Lease Revenue Bonds (Courts Facilities Project), Series 2014 A[(13)] & 2014 B (Taxable)[(7)]	2033	18,495,000	7,010,000	415,000
County of Riverside Public Financing Authority (2015 A Lease Revenue Bonds)[(13)]	2045	325,000,000	302,110,000	6,385,000
County of Riverside Infrastructure Financing Authority (2015 A Lease Revenue Refunding Bonds)[(8)]	2037	72,825,000	58,120,000	3,400,000
County of Riverside Infrastructure Financing Authority (2016 A & 2016 A-T Lease Revenue Refunding Bonds)[(9)]	2032	39,985,000	31,465,000	2,325,000
County of Riverside Infrastructure Financing Authority (2017 A Lease Revenue Refunding Bonds)[(10)]	2044	46,970,000	43,560,000	1,135,000
County of Riverside Infrastructure Financing Authority (2017 B & 2017 C Lease Revenue Bonds)[(11)]	2047	22,205,000	19,985,000	625,000
County of Riverside Asset Leasing Corporation (2019 A Technology Refunding Projects)[(12)]	2043	12,875,000	12,475,000	405,000
TOTAL		$919,625,073	$674,692,498	$33,030,947

(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) The 2009 Larson Justice Center Refunding Project Refunded the 1998 Larson Center Refunding Project.
(3) The 2008 Series A refunded the 2000 Series B SWJC Project.
(4) The 2009 Public Safety Communication and Woodcrest Library Refunding Project refunded the 2007B Public Safety Communication Refunding Project and the 2006 Capital Appreciation Notes.
(5) The 2012 County Administrative Refunding Project refunded the 2001 County Administrative Annex Project.
(6) The 2012 Public Financing Authority Lease Revenue Refunding Bonds refunded the 2003A Palm Desert Financing Authority Lease Revenue Bonds.
(7) 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).
(8) 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.
(9) 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.
(10) 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).
(11) 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.
(12) 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).
(12) Expected to be refunded with the net proceeds of the Bonds.

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 August 1, 2021. More information is provided below.

TABLE 26

COUNTY OF RIVERSIDE
SUMMARY OF NON-PUBLICLY OFFERED LEASE RENTAL OBLIGATIONS
(PAYABLE FROM THE COUNTY'S GENERAL FUND — (AS OF AUGUST 1, 2021)

	Year Incurred	*Final Maturity Year*	*Original Obligations**	*Annual Rent*
County and Corona Medical Arts Plaza, LLC (Corona Care Clinic)(1)	2016	2033	$42,573,904	$2,455,656
Jurupa Valley Medical Partners, LLC (Jurupa Valley Care Clinic)(2)	2017	2039	47,575,096	2,053,896
TC Riverside MOB, LLC (RUHS-Medical and Surgical Outpatient Office Bldg)(3)	2017	2044	438,469,834	12,532,476
CFP Riverside, LLC (Libraries)(4)	2019	2051	124,561,024	2,808,000
Sunquitz EMC, LLC (RUHS-Palm Springs Clinic)(5)	2020	2051	73,070,212	1,809,262

(1) Annual payments escalate by 2.75% annually.
(2) Annual payments escalate by 2.00% annually.
(3) Annual payments escalate by 3.00% annually.
(4) Base rent commenced in Fiscal Year 2020-21. The California Enterprise Development Authority Lease Revenue Bonds (Riverside County Library Facilities Project), Series 2019, were publicly issued in the original principal amount of $42,115,000 on behalf of CFP Riverside, LLC, as the lessor of the facilities.
(5) Base rent commenced in Fiscal Year 2020-21.
* As discussed below, the Leases for the Corona Care Clinic, Jurupa Valley Care Clinic, and the Libraries projects are comprised of leases that do not distinguish between principal and interest components, however they include ongoing operating, management and administrative expenses. The Lease for the RUHS Medical and Surgical Center (MSC) Building does not distinguish between principal and interest components. The $438,469,834 figure cited above represents the total expected lease payments for which the County is obligated during the term of the MSC Lease. CFP Riverside lease payments are fixed for ten years and adjust every ten years thereafter. Sunquitz EMC, LLC is subject to a separate ground lease paid for by Sublessor.

Source: Facilities Management.

The County and Corona Medical Arts Plaza, LLC entered into a Lease dated as of September 13, 2016, as supplemented by the First Amendment to Lease (as supplemented, the "Corona Clinic Lease"), dated as of June 20, 2017, in order to fund the construction, operation and maintenance of a 45,204 square-foot medical clinic (the "Corona Care Clinic") for RUHS located in the City of Corona. The principal component of the lease obligation is estimated at $42,573,904. Pursuant to the terms of the Corona Clinic Lease, rental payments commenced upon substantial completion of construction and occupancy of the Corona Care Clinic (in the first quarter of 2018), and the County will continue to pay rental payments for 15 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's lease payment (Fiscal Year 2018-19) was approximately $2.6 million, escalating at 2.75% annually thereafter. Annual lease payments include utilities, one-time technology fees, an allowance for tenant improvements and FF&E, and an ongoing management fee of 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Corona Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Corona Clinic Lease, the County is responsible for lease payments thereunder.

On July 11, 2017, the County and Jurupa Valley Medical Partners, LLC entered into a Lease (the "Jurupa Valley Clinic Lease") in order to fund the proposed construction, operation and maintenance of an approximately 40,000 square-foot medical clinic for RUHS located in the City of Jurupa Valley (the "Jurupa Valley Care Clinic"). Presently, the principal component of the lease obligation is estimated at $47,575,096. Pursuant to the terms of the Jurupa Valley Clinic Lease, it was anticipated that the County would commence rental payments upon substantial completion of construction and occupancy of the Jurupa Valley Care Clinic, and the County achieved substantial completion of construction on January 10, 2019. The County 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 5.28% to Riverside County Facilities Management. While RUHS management presently expects to receive federal funding that will cover the Jurupa Valley Clinic Lease payments, the County may be required to advance monies from its General Fund. Ultimately, as the Lessee and obligor under the Jurupa Valley Clinic Lease, the County is responsible for lease payments thereunder.

On April 18, 2017, the County entered into a Facilities Lease Agreement with TC Riverside MOB, LLC to fund the proposed construction, operation, and maintenance of an approximately 200,000 square foot surgery center and medical office building complex (the "RUHS Medical and Surgical Outpatient Office Building") next to the RUHS Medical Center. The total cost, over the term of the lease, including base rent and additional rent, related to the lease obligation is estimated at $438,469,834. The final project budget and final rent schedule were approved by the County on November 14, 2017. Rental payments commenced upon the substantial completion of construction of the project on December 13, 2019, and the County will continue to pay rental payments for approximately 25 years thereafter, subject to certain early prepayment and purchase option provisions. 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 5.28% to Riverside County Facilities Management. While RUHS management presently expects that the RUHS Medical and Surgical Outpatient Office Building will attract a more favorable payor mix that will enable RUHS to make Facilities Lease Agreement payments from its operating revenues, the County may be required to advance monies from its General Fund. Ultimately, as the Tenant and obligor under the Facilities Lease Agreement, the County is responsible for Facilities Lease Agreement payments.

On August 28, 2019, the County entered into a Facilities Lease Agreement with CFP Riverside, LLC, a Minnesota non-profit limited liability company, for the design, construction, installation, equipping, furnishing, operation and maintenance of three separate public library facilities and related amenities in the cities of Desert Hot Springs and Menifee and in the unincorporated area of French Valley (the "Libraries"). The principal component of the lease obligation is $42,115,000. The construction of the Libraries was completed in May 2021. Upon completion and delivery of the Libraries to the County, the County commenced making rental payments on May 1, 2021. The County's lease obligations with respect to the Libraries will continue for 30 years thereafter, subject to certain early prepayment and purchase option provisions. The initial year's base rent payment in Fiscal Year 2021-22 is approximately $2.036 million, escalating to $3.261 million in Fiscal Year 2050-51.

On November 19, 2019, the County entered into a Facilities Sub-Lease Agreement with Sunquitz EMC, LLC, a California limited liability company for the design, construction and property management services for an approximately 35,000 square community health clinic located in the City of Palm Springs. The principal component of the lease obligation is $73,070,212. The construction of the clinic commenced in July 2020 with completion estimated to be June 2021. Upon completion and delivery of the clinic to the County, the County commenced making rental payments on June 29, 2021. The County's lease obligations with respect to the clinic will continue for 30 years thereafter, subject to County's right to purchase the improvements based upon the pricing provisions specified in the sublease agreement. Annual lease payments include utilities, operating costs, one-time technology fees and an ongoing management fee of 5.28% to Riverside County Facilities Management. The initial year's base rent payment in Fiscal Year 2021-22 is approximately $1.94 million, escalating to $5.95 million in Fiscal Year 2050-51.

Lease Lines of Credit

Lease line of credit agreements are reviewed and approved by the Debt Advisory Committee, and then presented to the Board of Supervisors for their final approval. The County may utilize the lines of credit to finance capital assets for a period of 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 February 4, 2014 the County entered into a $40 million multi-year lease line of credit with Banc of America Public Capital Corporation (in increments of $20 million), to finance various capital equipment needs of County departments. This line of credit was exhausted in March 2016. Following is the remaining outstanding obligation for this lease line of credit:

Principal: $3,089,621
Interest $87,362
Total Obligation: $3,176,983

On December 15, 2015, the County entered into a $40 million multi-year lease line of credit with Banc of America Public Capital Corporation (in increments of $20 million). This line of credit was exhausted in December 2018. Following is the remaining outstanding obligation for this lease line of credit:

Principal: $9,227,652
Interest $492,975
Total Obligation: $9,720,627

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 (in increments of $25 million) for capital purchases. On April 30, 2019, the Board of Supervisors approved an addition of $25 million to the line of credit as a result of needed medical equipment for the new RUHS Medical and Surgical Center. This provided a total of $75 million on the lease line of credit. This line of credit was exhausted on June 3, 2020. Following is the remaining outstanding obligation for this lease line of credit:

Principal: $49,956,771
Interest $2,494,882
Total Obligation: $52,451,653

On June 9, 2020, the County entered into a $40 million multi-year lease line of credit with Banc of America Public Capital Corporation (in increments of $20 million). As of August 31, 2021, the County has drawn down $13.79 million of the $40 million lease line of credit. Following is the remaining outstanding obligation for this lease line of credit:

Principal: $10,177,651
Interest $294,620
Total Obligation: $10,472,271

The total outstanding for the 2014, 2015, 2018 and 2020 lease line of credit obligations including principal and interest through August 31, 2021 is $75,821,534.

Capital Lease Purchase Agreements

On January 29, 2013, the County entered into a Master Equipment Lease Purchase Agreement with Banc of America Capital Corporation 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 July 25, 2017, the County entered into a subsequent Master Equipment Lease Purchase Agreement to finance required equipment in an additional amount of $4,656,084, and which is scheduled to be repaid in full by Fiscal Year 2021-22. As of August 1, 2021, approximately $629,441 principal amount of this Master Equipment Lease Purchase Agreement remained outstanding, with final payment August 31, 2021.

On June 25, 2019, the County entered into a subsequent Master Equipment Lease Purchase Agreement to finance the last of the required equipment in an additional amount of $5,107,584, and which is scheduled to be repaid in full by Fiscal Year 2023-24. As of August 1, 2021, approximately $3,064,551 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 Corporation in the amount of $54,573,300 to finance the purchase and installation of certain solar equipment for the purpose of reducing County energy costs. As of March 31, 2017, the financing was restructured to a principal balance of $57,977,325. As of August 1, 2021, approximately $49,944,151 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 AUGUST 1, 2021

	Final Maturity Year	***Original Lease Amount***	***Outstanding Obligations***	***Annual Base Rental***
Master Equipment Lease Purchase Agreement (7/25/17)	2021	$4,656,084	$629,441	$629,441
Master Equipment Lease Purchase Agreement (6/25/19)	2023	5,107,584	3,064,551	1,021,517
Lease Purchase Agreement – Solar Equipment (3/31/17)	2035	57,977,325[(1)]	49,944,151	3,115,618

[(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 "2008 Series A Bonds"), the County entered into an amended and restated interest rate swap agreement (the "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 2021. 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 July 30, 2021, the swap agreement had a negative fair market value of $16,656,206.56 (based on the quoted market price from the Counterparty at such date). The Swap Agreement will be terminated in connection with the issuance of the Bonds. A portion of the proceeds of the Bonds will be applied to redeem the 2008 Series A Bonds and to pay the swap termination fee required in connection with the termination of the Swap Agreement. See "PLAN OF FINANCE" in the front part of the Official Statement for additional information.

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, 2021, 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 March 2021, the United Kingdom's Financial Conduct Authority (the "LIBOR Regulator") announced that it will discontinue the use of LIBOR by June 30, 2023. 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.

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Employees

The following table sets forth the number of County employees for calendar years 2011 through 2021.

TABLE 28

COUNTY OF RIVERSIDE
REGULAR EMPLOYEES
2011 THROUGH 2021

Year	*Regular Employees*[(1)]
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	20,131
2021	20,053

(1) As of December 31st of each year for years 2011 through 2020; as of August 1 for year 2021. Excludes temporary and per diem employees.
Source: County of Riverside 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[1]. 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.

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

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	1,476	N/A
Law Enforcement Management Unit (LEMU)	449	February 1, 2026
Riverside County Deputy District Attorneys' Association (RCDDAA)	389	December 31, 2025
Riverside Sheriffs' Association (RSA) LEU/Corrections	2,419	December 9, 2024
Riverside Sheriffs' Association Public Safety Unit (RSA)	532	October 26, 2025
Service Employees International Union (SEIU)	7,557	January 27, 2024
Service Employees International Union (SEIU) Per Diem Unit	525	November 30, 2019[3]
Laborers' International Union of North America (LIUNA)	7,231	October 26, 2024
In-Home Supportive Services (IHSS)	N/A[4]	October 7, 2022
Total	20,578	

(1) Includes all County districts.
(2) As of August 1, 2021. Excludes temporary, unrepresented 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. Home care workers are employed by the consumers of the services, who have the right to hire, train, supervise and terminate the home care workers who assist them.

Source: Human Resources Department.

In the most recent contracts, increases of 2% to 8% were offered over a period of years to increase the salary range maximum. Additionally, the County moved units/employee groups from salary steps to broad banding. 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 August 1, 2021)

Tier Level	*Number of Employees in Tier Level*
Tier 1	9,641
Tier 2	778
Tier 3	9,638
Total	20,057

(1) Excludes districts, temporary, per diem, and seasonal employees.
Source: 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, 2020, which are included in APPENDIX B — "COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS FOR THE FISCAL YEAR ENDED JUNE 30, 2020."

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 2020 will dictate what the County contributes in Fiscal Year 2021-22 for CalPERS' Fiscal Year 2018-19). Beginning with Fiscal Year 2017-18, CalPERS collects employer contributions toward the CalPERS Plans' unfunded liability as dollar amounts instead of the prior method of a contribution rate (expressed as a percent of covered payroll). This change 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, 2019, which was prepared in July 2020, is effective for the County's Fiscal Year 2021-22. 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, 2019, 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 2019 valuation sets the FY 2021-22 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, 2019, the County's UAAL has 20 amortization bases with between 11 and 28 years remaining in their contribution schedule of amortization bases.

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

In calculating the plan costs, CalPERS uses many actuarial assumptions. Most significantly, future investment return is assumed to be 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.

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.

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

Contribution Rates. In addition to required County contributions, members are also obligated to make certain payments. For the Miscellaneous Plan, Tier I members' contribution rates are fixed at 8% of salaries. The Tier II and III member contribution rates for the Miscellaneous Plan are 7% and 7.25%, respectively. For the Safety Plan, the Tier I and Tier II member contribution rate is 9%, and the Tier III member contribution rate is 12.50%. Member contribution rates vary based on the terms of the collective bargaining agreements in effect. In addition to making annual contributions to CalPERS in accordance with the applicable actuarial valuation, the County has historically been obligated pursuant to collective bargaining arrangements to pay a portion of the employees' required contribution to CalPERS (these payments by the County are referred to herein as the "County Offsets of Employee Contributions"). Effective as of July 1, 2021, the required Safety Plan PEPRA member contribution rate is 12.50% and the Miscellaneous Plan is 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, 2019, the CalPERS actuary recommended an employer normal cost contribution rate of 11.16% (projected to be $138.7 million) be implemented as the required rate for Fiscal Year 2021-22, and an employer unfunded liability payment of $145.2 million, which the County anticipates will result in a contribution to CalPERS of approximately $283.9 million for that fiscal year. In the actuarial valuation for the Safety Plan as of June 30, 2019, the CalPERS actuary recommended an employer normal cost contribution rate of 20.74% (projected to be $68.5 million) be implemented as the required rate for Fiscal Year 2021-22, and an employer unfunded liability payment of $49.7 million, which the County anticipates will result in a contribution to CalPERS of approximately $118.2 million for that fiscal year. The County's total CalPERS contribution (Miscellaneous Plan and Safety Plan) for Fiscal Year 2021-22 is projected to be approximately $402.2 million. The County generally pays the unfunded liability payments early, at the beginning of each fiscal year, and receives a discount of approximately 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 $191.1 million as of August 1, 2021, with annual debt service payments (principal and interest for Fiscal Year 2021-22) of approximately $40 million. The payment to CalPERS resulted in a net pension asset of $396.9 million, $311.2 million of which was applied to the County's UAAL for the Miscellaneous Plan and $85.7 million of which was applied to the County's UAAL for the Safety Plan. According to Bartel Associates, LLC, the 2005 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately $146.6 million as of February 15, 2021. 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 Pension Trust in each future year.

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

On May 6, 2020, the County issued its Taxable Pension Obligation Bonds, Series 2020 (the "2020 Pension Obligation Bonds") in the original principal amount of $719,995,000, the proceeds of which were used to refund up to approximately 20% of the County's total UAAL. The payments to CalPERS resulted in a net pension asset of $715.8 million, $371.5 million of which was applied to the County's UAAL for the Miscellaneous Plan and $344.3 million of which was applied to the County's UAAL for the Safety Plan. The 2020 Pension Obligations Bonds remain outstanding in the principal amount of $690.5 million as of August 1, 2021, with annual debt service payments (principal and interest for Fiscal Year 2021-22) of approximately $53.4 million. According to Bartel Associates, LLC, the 2020 Pension Obligation Bonds have resulted in a net estimated gain to the County of approximately $13.5 million as of February 15, 2021. As part of the approval process in April 2020 for the sale of the 2020 Pension Obligation Bonds, the Board of Supervisors directed that the payment reductions (savings), estimated at $230.8 million over the eighteen-year life of the bonds, be captured each year and deposited into a dedicated Section 115 Pension Trust. The second Trust account was established in July 2020. Funds have since been dollar-cost averaged over time into the Trust(s) and now total a combined $51.8 million, as of August 1, 2021. Since inception, no funds have been drawn from the Trust(s).

Historical Funding Status. The following two tables, for the Safety Plan and the Miscellaneous Plan, respectively, set forth the UAAL and funded status as of the valuation dates from June 30, 2014 through June 30, 2019 and the total employer contributions of the County for Fiscal Year 2016-17 through Fiscal Year 2021-22. The two tables are based on CalPERS Actuarial Reports for those years:

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TABLE 31

HISTORICAL FUNDING STATUS
(Safety Plan)

Valuation Date June 30	*Unfunded Accrued Liability*[3]	*Funded Status (Market Value)*	*Affects County Contribution for Fiscal Year*	*County Contribution Amount*[1]	*County Offsets of Employee Contributions*
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
2019	1,115,122,032	71.1	2021-22	118,247,426	0

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

(2) 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.

(3) 2019 figure does not reflect the amount of $344,292,469.00 contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2014 through June 30, 2019 (UAAL and Funded Status) and the County (County Contribution Amount and County Offsets of Employee Contributions).

TABLE 32

HISTORICAL FUNDING STATUS[2]
(Miscellaneous Plan)

Valuation Date June 30	*Unfunded Accrued Liability*[2]	*Funded Status (Market Value)*	*Affects County Contribution for Fiscal Year*	*County Contribution Amount*[1]	*County Offsets of Employee Contributions*
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	290,401
2018	2,416,961,672	70.4	2020-21	297,035,219	287,040
2019	2,499,686,250	70.9	2021-22	283,962,428	279,811

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

(2) 2019 figure does not reflect the amount of $371,563,461.00 contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.

Source: CalPERS Actuarial Valuation Reports for June 30, 2014 through June 30, 2019 (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 (a)***	***Market Value of Assets (b)***	***Unfunded Liability (a-b)***[2]	***Funded Status (Market Value) (b/a)***	***Annual Covered Payroll (c)***	***Unfunded Liability as a Percentage of Payroll ((a-b)/c)***
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
2019	3,857,810,725	2,742,688,693	1,115,122,032	71.1	304,732,882	365.9

(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) 2019 figure does not reflect the amount of $344,292,469.00 contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.
Source: CalPERS Actuarial Valuation Reports for June 30, 2014 through June 30, 2019.

TABLE 34

SCHEDULE OF FUNDING PROGRESS
(Miscellaneous Plan)

Valuation Date June 30	*Accrued Liability (a)*	*Market Value of Assets (b)*	*Unfunded Liability (a-b)*[2]	*Funded Status (Actuarial Value) (b/a)*	*Annual Covered Payroll (c)*	*UAAL as a Percentage of Payroll ((a-b)/c)*
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
2019	8,602,935,143	6,103,248,893	2,499,686,250	70.9	1,145,579,094	218.2

(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) 2019 figure does not reflect the amount of $371,563,461.00 contributed by the County from the proceeds of the County of Riverside Taxable Pension Obligation Bonds, Series 2020.
Source: CalPERS Actuarial Valuation Reports for June 30, 2014 through June 30, 2019.

The following table shows the percentage of salary which the County was responsible for contributing to CalPERS from Fiscal Year 2016-17 through Fiscal Year 2021-22 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*
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
2019	2021-22	20.740	49,686,992	11.160	145,275,743

(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 approximately ½ year's interest on the amounts listed above. The plan's normal cost contribution will continue to be collected as a percentage of payroll. See the caption "— The County's CalPERS Contract."

Source: CalPERS Actuarial Valuation Reports for June 30, 2014 through June 30, 2019.

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 2021 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*
2020-21	26.3%	$319,090,000
2021-22	27.6	342,989,000
2022-23	29.0	370,916,000
2023-24	30.1	394,783,000
2024-25	30.3	408,793,000

(1) Projections are based on data from a report prepared by Bartel Associates, LLC dated December 23, 2020 and include debt service on the County's 2005 and 2020 Pension Obligation Bonds.

Source: PARC 2021 Annual Report.

TABLE 37

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

Fiscal Year	*County Rate*	*County Payment*
2020-21	43.4%	$145,676,000
2021-22	46.2	152,689,000
2022-23	48.5	164,599,000
2023-24	50.2	175,180,000
2024-25	51.3	184,013,000

(1) Projections are based on data from a report prepared by Bartel Associates, LLC dated December 23, 2020 and include debt service on the County's 2005 and 2020 Pension Obligation Bonds.
Source: PARC 2021 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, 2020, the County's current required contribution level is 5.58% to maintain a funded ratio of 80%. As of June 30, 2020, the DBPP was funded at 77.7%. The County's contribution to the DBPP was $1,341,340 for Fiscal Year 2017-18, $815,531 for Fiscal Year 2018-19, $831,825 for Fiscal Year 2019-20 and $811,519 for Fiscal Year 2020-21. The DBPP's unfunded liabilities as of June 30, 2020 were approximately $13 million. Overall, the DBPP's plan's funded status and Net Pension Liability remained fairly stable from the prior valuation, with the following offsetting factors: Demographic experience was different than expected, primarily due to fewer terminations than expected, which resulted in a liability loss; Assets were lower than expected due to unfavorable investment return on plan assets (3.72% actual compared to 6.0% assumed); Mortality assumptions were updated to reflect the recent public mortality table Pub-2010 amount weighted for General employees, with generational future improvement scale MP-2020, resulting in a decrease in liabilities.

Other Post-Employment Benefits (OPEB). The County provides certain post-retirement health insurance benefits to qualifying retired employees and their eligible dependents or survivors. Regular employees with a minimum service of five years and who are at least age 50, or age 52 if they became a CalPERS member on or after January 1, 2013, at retirement qualify to receive the post-retirement benefits.

The Board of Supervisors took action on October 25, 2006 to set aside $10 million as a contribution for OPEB. On November 7, 2007 the irrevocable OPEB Trust was established with the California Employers'

Retiree Benefit Trust ("CERBT") and funded with a payment of $10.4 million. As of June 30, 2020, the Trust had a balance of $53 million.

In June 2015, GASB released Statement No. 75, which affects accounting for other post-employment benefit plans. Among other goals, GASB Statement No. 75 seeks to improve accounting and financial reporting by state and local governments for OPEB. The County adopted GASB Statement No. 75 in its audited financial statements for the fiscal year ended June 30, 2018. The changes include moving unfunded liabilities from the footnotes to the balance sheet, the potential for more volatile periodic expense and a change in the discount rate basis.

The County obtains actuarial valuations of its OPEB obligations from Aon, with the most recent calculated as of June 30, 2020. Based on the combination of plans and contribution levels that the County offers, assuming an investment rate of 6.15%, the present value of benefits was estimated to be $329.9 million, the accrued actuarial liability was estimated to be $235.3 million and the annual normal cost was $10.5 million. The County's OPEB funded ratio including the implicit subsidy was 22.5% and excluding the implicit subsidy, 38.2%.

According to the valuation, the County's funding contribution for Fiscal Year 2020-21 is approximately $9.0 million and approximately $16.9 million in Fiscal Year 2021-22. Pursuant to Board Policy No. B-25, Pension Management and Other Post-Employment Benefits, the County will follow a multi-year plan of improving its funded ratio. The current actuarial schedule projects the desired 80% minimum funding level, excluding the implicit subsidy, would be reached in 2027 with $16.9 million to be charged to departments annually beginning in Fiscal Year 2021-22, which currently, as a percentage of payroll, represents approximately 1.1%. Each year the annual required contribution to the Trust is evaluated and adjusted accordingly.

The valuation states that 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, the UAAL and costs are 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 the liability. Furthermore, the increase is also due to: the expected return on assets was reduced in the CERBT Strategy 2 account from 7.01% to 6.15%. As a result, the discount rate similarly decreased, resulting in an increase in the liability. Deferred retirees eligible for CalPERS health plans elected coverage higher than previously assumed, resulting in a liability loss. Investment return was lower than expected, resulting in an asset loss.

In addition to the multi-year plan of adjusting annual required contributions to increase the funded ratio, at its January 2021 meeting, the Pension Advisory Review Committee reviewed and approved a dollar cost average transitioning from CERBT's Strategy 2 account (long-term expected return of 7.01%) into the Strategy 1 account (long-term expected return of 7.59%) over the course of the next twelve months.

Riverside University Health System - Medical Center

Riverside University Health System ("RUHS")—Medical Center 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, digital radiology services, including magnetic resonance imaging (MRI) and computerized tomography (CT), all single-bed rooms, provides support to numerous hospital-based clinics. There are also adult, pediatric and neonatal intensive care units, a birthing center and complete pulmonary services, hyperbaric oxygen treatments, and 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 with suggested changes being implemented. Toward the end of the Huron engagement, the County completed restructuring efforts at RUHS through 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, $3.0 million and $0.1 million in Fiscal Years 2014-15, 2015-16, 2016-17, 2017-18, and 2019-2020 respectively).

The original Huron engagement cost of $26 million was paid for with proceeds of a temporary transfer from the County's Waste Management Enterprise Fund. Currently, there is a deferment for cash flow purposes of the original payment schedule that began in 2016 and will end in 2022. 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. RUHS is required to repay the remaining balance of the loan in the amount of $18.4 million, with interest calculated at the County's pooled investment fund rate, in five annual installments which are to be paid over the period beginning June 2023 and ending in June 2027. If RUHS is unable to repay this loan, any unpaid amounts will be transferred to the County's Department of Waste Resources Enterprise Fund from unencumbered amounts in the County's General Fund.

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 a 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 opened in March 2020. RUHS has partnered with a private developer to lease the buildings over twenty-five years with an estimated initial lease payment of $13.3 million, escalating at 3%. For Fiscal Year 2021-22, it is anticipated that the County will contribute approximately $5 million to assist with the lease payments and anticipates that amount will decline over time. It is expected that, at the end of the lease, ownership of the buildings will transfer to RUHS.

For Fiscal Year 2020-21, consistent with its past practice, the County contributed approximately $10 million to RUHS from its tobacco settlement revenue receipts to pay for operating expenses and debt service on the main RUHS facility. For fiscal years 2021-22 through 2026-27, it is anticipated to increase by $1.5 million to $11.5 million.

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

The PRISM property insurance program provides insurance coverage for all-risk subject to a $50,000 per occurrence deductible; flood coverage is subject to a $100,000 per occurrence deductible within 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 a $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 Indenture, 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 Bonds. 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 in the first case, 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. In the first case, *Heidi Herpel, et al. v. County of Riverside*, the parties 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 did not file a petition for review with the California Supreme Court. As such, this case is closed and the County has prevailed.

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 case proceeded to oral argument in front of the California Court of Appeal on August 4, 2021. The Court questioned why this case should not be resolved in favor of the County in light of the Court's ruling in *Herpel*. The Court of Appeal has taken that matter under submission and will issue a ruling within the next 120 days.

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. BNSF has successfully argued to the District Court via a preliminary injunction motion and the Ninth Circuit Court of Appeal that the benchmark rate must be reduced pending resolution of the litigation. As such, the County has reduced the unitary rate for railroads to the benchmark rate. BNSF has not asked for a refund of monies at this time, but instead has asked that the rate itself be reduced so that it does not have to pay the taxes (and since they are not paying the taxes at a higher rate, the burden would fall to other taxpayers within the County). This case is being remanded to the County for further litigation.

In addition, AT&T, T-Mobile and Sprint (the "Telecommunication Companies") have each filed lawsuits against the County seeking a refund of unitary taxes paid from 2014-2015 to the present. 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 three telecommunication companies are seeking a refund amount, in total, of approximately $25,000,000 to $35,000,000 in taxes.

The unitary tax is collected by the County on behalf of special districts, school districts and water districts who utilize unitary tax revenue to pay for debt service. The County acts as a pass-through for the unitary taxes as set forth above. If the Telecommunication Companies or railways prevail, the County would be responsible for issuing refunds and then collecting or offsetting future amounts of revenue from these special districts. As such, the County has issued notices to said districts pursuant to Revenue and Taxation Code §§ 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 Coachella Valley Water District and Rancho California Water District have intervened in the litigation and the parties are working to litigate the matter in front of the Riverside County Superior Court.

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APPENDIX B

THE COUNTY OF RIVERSIDE AUDITED FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED JUNE 30, 2020

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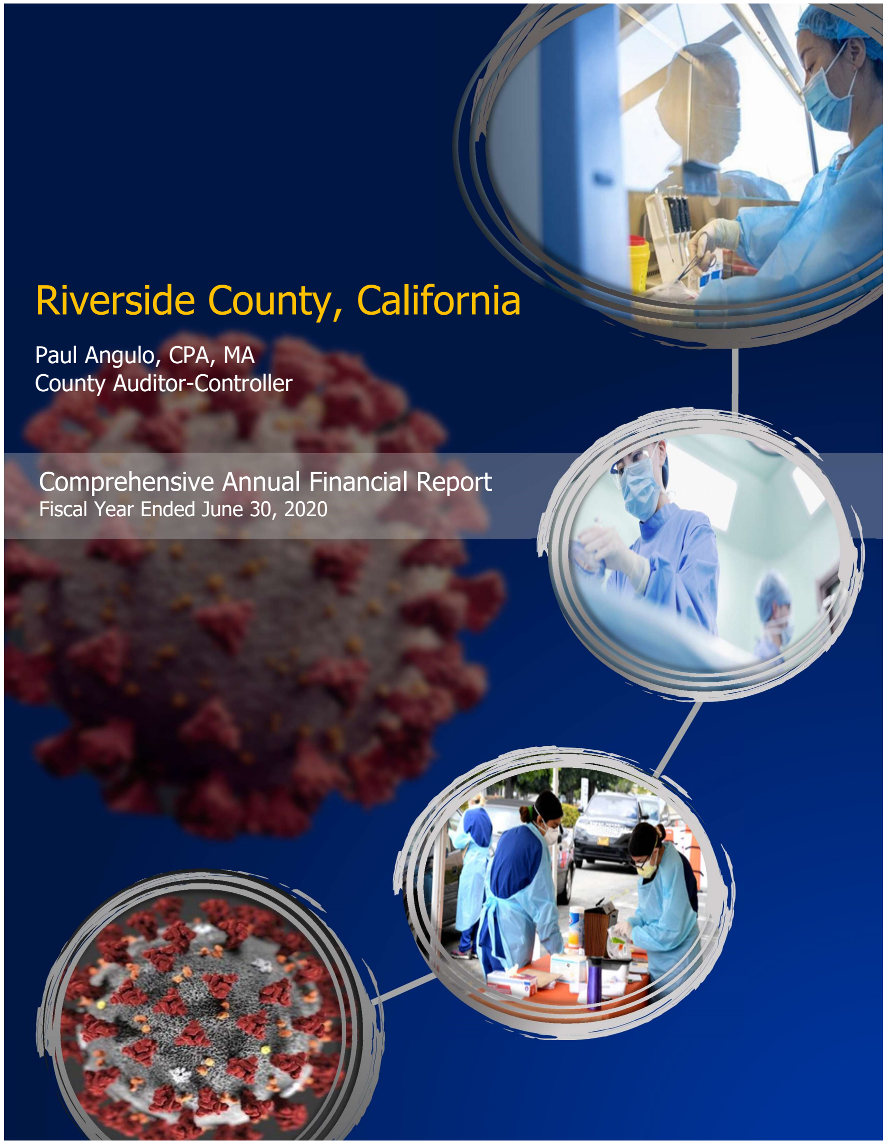

Riverside County, California

Paul Angulo, CPA, MA
County Auditor-Controller

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020

COUNTY OF RIVERSIDE, CALIFORNIA

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED JUNE 30, 2020

PREPARED BY THE OFFICE OF:

PAUL ANGULO, CPA, MA

COUNTY AUDITOR-CONTROLLER

COUNTY OF RIVERSIDE
COMPREHENSIVE ANNUAL FINANCIAL REPORT
June 30, 2020

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INTRODUCTORY SECTION

COUNTY OF RIVERSIDE
OFFICE OF THE
AUDITOR-CONTROLLER

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AUDITOR CONTROLLER
COUNTY OF RIVERSIDE

Paul Angulo, CPA, M.A.
County Auditor-Controller

Tanya S. Harris, DPA, CPA
Assistant Auditor-Controller

December 4, 2020

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, 2020, 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, 2020. 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 328,155, Moreno Valley 208,838, Corona 168,248, Murrieta 115,561, and Temecula 111,970. 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, 2020, was reported as 2,442,304, an increase of 0.8 percent as compared to the revised estimate for January 1, 2019. Approximately 15.8 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.

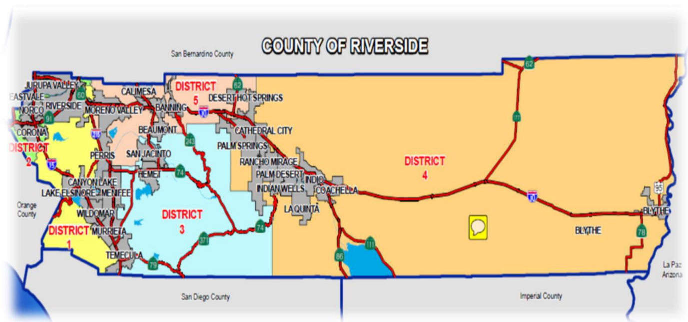
The First District includes areas within the cities of Riverside, Canyon Lake, Lake Elsinore, Wildomar and the unincorporated communities of DeLuz, Gavilan Hills, Good Hope, Lake Hills, Lake Mathews, LaCresta, Mead Valley, Meadowbrook, Spring Hills, Temescal Valley, Tenaja, Warm Springs, and Woodcrest.

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.

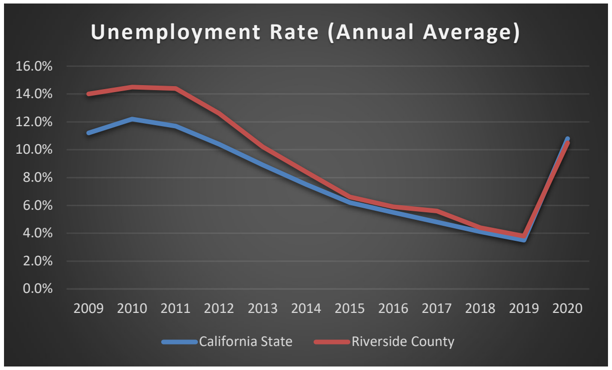
Environment	**Public Works and Services**
Solid waste, liquid waste, medical waste, sewage disposal, water systems, wells, backflow devices, food services, public pools and mobile home parks, vector control, hazardous materials services, fire protection services, waste reduction, and recycling.	Public infrastructure and municipal services including economic development, roads, flood control, waste resources, and code enforcement.
Flood Control	**Public and Official Records**
Flood Control and water conservation.	Official recorded documents, fictitious business names search, grantor/grantee search, vital records, and court records search.
Health	**Roads and Highways**
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.	Road maintenance, land development, engineering services, and survey.
Housing	**Taxes**
First time home buyer programs, low income housing, rental assistance program, homeless shelter, and neighborhood stabilization program.	Property tax portal, tax bills, Assessor-County Clerk Recorder, Treasurer-Tax Collector, and Auditor-Controller.
Senior and Retirement	**Voting**
Aging & disability resource connection program, community outreach, community elderly abuse education, legal assistance, and senior employment.	Polling locations, vote by mail.

FACTORS AFFECTING ECONOMIC CONDITION

State Economy

The Governor's Budget Revision was issued in May 2020. The May Revision projects fiscal year 2020-21 general fund revenues and transfers of approximately $137.15 billion, total expenditures of approximately $133.90 billion and a year-end fund balance of approximately $5.14 billion, of which $3.18 billion would be reserved for liquidation of encumbrances and approximately $1.96 billion would be deposited in a reserve fund for economic uncertainties.

The May Revision includes a projected balance of $8.35 billion in the Budget Stabilization Account/Rainy Day Fund by the end of fiscal year 2020-21. The May Revision provides that the State started with a strong fiscal foundation by eliminating past budgetary debts and deferrals and was making extradionary payments to reduce pension liabilities. However, the Coronavirus (COVID-19) pandemic and resulting recession has changed the fiscal landscape dramatically. Unemployment claims have surged– with increased claims of 4.4 million from mid-March to early May, and a projected 2020 unemployment rate of 18%. The May Revision provides that job losses and business closures are sharply reducing State revenues. Compared to the Proposed fiscal year 2020-21 Budget, General Fund revenues are projected to decline over $41 billion. This revenue drop, combined with increased cost in health and human services programs and the added cost to address COVID-19, leads to a projected budget deficit of approximately $54 billion before implementation of the changes proposed in the May Revision.



The unemployment rate for the State of California and Riverside County displays an unexpected upward surge during the fiscal year 2019-20. During fiscal year 2019-20, the State's average unemployment rate increased from 3.5% to 10.8% and the County's unemployment rate increased from 3.8% to 10.5%. The rise in the number of unemployed workers is a result of the global pandemic, COVID-19.

Source: Employment Development Department, Labor Market Information Division, Preliminary September 2020

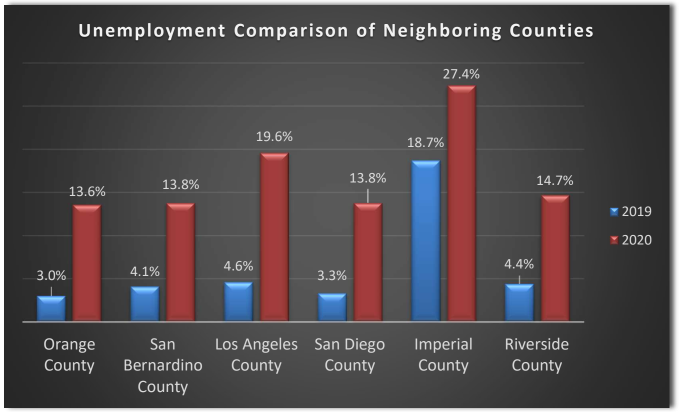
Local Economy

Beacon Economics' current forecast for Riverside County represents three fiscal projections scenarios that provide a positive and negative outlook on the economy as a consequence of COVID-19. The spread of COVID-19 is having a significant impact throughout the world, including in our County. The potential impact to the County related to the COVID-19 outbreak includes, but is not limited to, disruption of the regional and local economy with corresponding decreases in the County's revenue. In order to reduce the negative impact on the County's revenue losses in the current fiscal year, the County has directed all departments to eliminate all non-mission critical, non-essential spending with impact to net County cost.

According to Beacon Economics, the nature of the pandemic makes traditional economic models unsuitable. Therefore, a guided framework was constructed to shape three scenarios that will show projections of revenue predicted on economic theorems. Prior to COVID-19, scenario 1: Baseline, reflected Gross Domestic Product (GDP) growing 2.0% to 2.3% for the 2020 calendar year with unemployment averaging near 3.4% and total nonfarm jobs exceeding 153.8 million by year-end. The following scenario projects a return to Pre-COVID-19 trend by October 1, 2020. Scenario 2 predicts COVID-19 will be contained by the end of the first quarter of fiscal year 2020-21, with the U.S. economy back to pre-COVID 19 employment levels and business activity by the second quarter of 2020-21. The third scenario projects a return to Pre-COVID-19 trend by fourth quarter of calendar year 2021.This scenario assumes that the United States economy will not return to its pre-COVID-19 path during the current fiscal year 2020-21. Despite with no vaccine available in the current calendar year, Riverside County taxable sales will recover throughout the duration of the scenario.

With the COVID-19 pandemic impacting business activities, homebuilding has ceased as construction is deemed non-essential. Homebuyers that planned to visit open houses have placed those plans on hold amid the Coronavirus pandemic. A decline in home buying will slow the growth of property and documentary transfer taxes receipts, and reassessments of property values amid recessionary factors which will hurt revenue. As the current pandemic continues, residents lack the confidence and financial ability to become potential homebuyers. However, there are suggestions once containment has been reached that residents will regain confidence and the housing demand may resurge.

Riverside County revenues that are driven primarily by consumer and business spending will be significantly impacted in the region as a result of the global pandemic. Additionally, the leisure and hospitality industry was hit the hardest in April, sustaining roughly 47% of all job losses. Compared to last fiscal year 2019-20, the unemployment rate increased 11.6% within the State of California and 11.0% in the County. As public health mandates continue and business activities cease operations, consumers and investors may have less confidence in the market even after the containments end, which can result in limited growth when business reopens once again.



The unemployment rate between the surrounding counties exhibits a spike in the unemployment rate between fiscal year 2018-2019 and fiscal year 2019-2020. The COVID-19 outbreak and the economic downturn has produced higher rates of unemployment in the Southern California counties. As a result, the neighboring counties all shot up on average of 6% in fiscal year 2018-2019 to 17% in fiscal year 2019-2020.

Source: Employment Development Department, Labor Market Division, June 2020

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, 2019. This was the thirty-second 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, 2019. This was the fourteenth 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, 2020

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

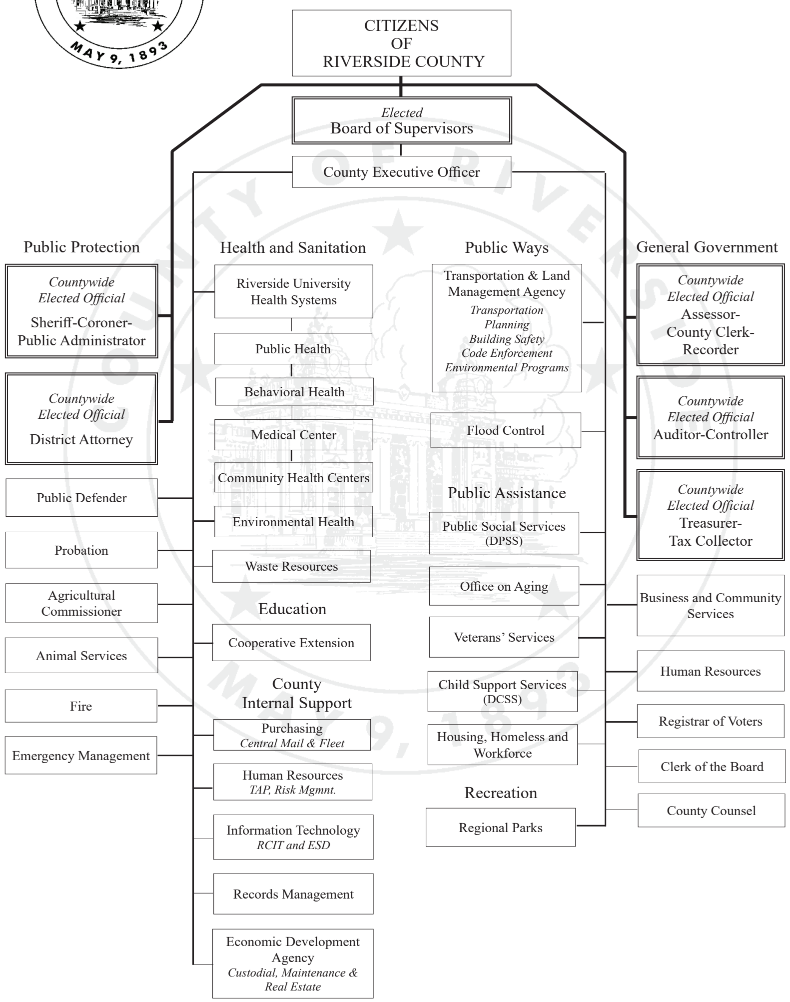
JON
CHRISTENSEN
Treasurer
Tax Collector

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, 2019

Christopher P. Morrill

Executive Director/CEO

FINANCIAL SECTION

BROWN ARMSTRONG

CERTIFIED PUBLIC ACCOUNTANTS

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REGISTERED with the Public Company Accounting Oversight Board and MEMBER of the American Institute of Certified Public Accountants

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, 2020, 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	18%	3%
Business-Type Activities	15%	11%
Aggregate Remaining Fund Information	2%	1%
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, 2020, 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 132-144; 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 145-151 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 4, 2020, 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 4, 2020

MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2020. We encourage readers to consider the information presented here in conjunction with the Letter of Transmittal beginning on page vii and the County's basic financial statements which begin on page 25.

FINANCIAL HIGHLIGHTS

- At the close of fiscal year 2019-20, the County's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $1.36 billion (*net position*). The net position included $3.27 billion of net investment in capital assets, $792.5 million of restricted resources for the County's ongoing obligations related to programs with external restrictions, and $2.71 billion deficit of unrestricted resources.

- As of June 30, 2020, the County's governmental funds reported combined fund balances of $1.19 billion, an increase of $81.5 million in comparison with the prior year. Approximately 21.6% of this amount ($258.0 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 $286.5 million, or approximately 8.7% of total general fund expenditures.

- The change in capital assets net of accumulated depreciation resulted from major increases in structures and improvements.

- During fiscal year 2019-20, the County issued $720.0 million in Taxable Pension Obligation Bonds, Series 2020. The Series 2020 bonds were issued to refund a portion of the County's obligations to the California Public Employee's Retirement System (CalPERS) under the CalPERS Contract, evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to CalPERS and pay the costs of issuance related to the Series 2020 Bonds.

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, twenty-one nonmajor funds, and a representative allocation of the County's internal service funds. The six major governmental funds are the general fund, transportation special revenue fund, flood control special revenue fund, teeter debt service fund, CARES Act Coronavirus Relief special revenue fund, and pension obligation debt service 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 30-48, 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, CARES Act Coronavirus Relief special revenue fund, and pension obligation debt service 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 (PSEC), 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 43-46, 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 custodial funds. The fiduciary fund financial statements, on pages 47-48, 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 49-129 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 132-151 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 153-203 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, 2020, in comparison to the prior fiscal year 2018-19. 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 $1.36 billion, representing a decrease of $855.1 million ($854.9 million changes in net position and a restatement of $225 thousand, see Note 3), or 38.7%. A more detailed statement can be found on page 25 in the government-wide financial statements.

STATEMENT OF NET POSITION
June 30, 2020 and 2019
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	Percentage Change
Assets:								
Current and other assets	$ 2,975,153	$ 2,418,904	$ 573,787	$ 477,346	$ 3,548,940	$ 2,896,250	$ 652,690	22.5%
Capital assets	5,000,676	4,935,151	541,267	335,431	5,541,943	5,270,582	271,361	5.1%
Total assets	7,975,829	7,354,055	1,115,054	812,777	9,090,883	8,166,832	924,051	11.3%
Deferred outflows of resources:	764,006	846,545	109,422	132,874	873,428	979,419	(105,991)	-10.8%
Total deferred outflows of resources	764,006	846,545	109,422	132,874	873,428	979,419	(105,991)	-10.8%
Liabilities:								
Current liabilities	1,210,919	802,583	359,427	242,546	1,570,346	1,045,129	525,217	50.3%
Long-term liabilities	5,824,415	4,935,506	1,066,385	821,739	6,890,800	5,757,245	1,133,555	19.7%
Total liabilities	7,035,334	5,738,089	1,425,812	1,064,285	8,461,146	6,802,374	1,658,772	24.4%
Deferred inflows of resources:	124,935	112,046	21,330	19,815	146,265	131,861	14,404	10.9%
Total deferred inflows of resources	124,935	112,046	21,330	19,815	146,265	131,861	14,404	10.9%
Net position:								
Net investment in capital assets	3,042,172	3,673,404	228,265	224,427	3,270,437	3,897,831	(627,394)	-16.1%
Restricted	735,739	769,225	56,744	40,585	792,483	809,810	(17,327)	-2.1%
Unrestricted	(2,198,345)	(2,092,164)	(507,675)	(403,461)	(2,706,020)	(2,495,625)	(210,395)	-8.4%
Total net position	$ 1,579,566	$ 2,350,465	$ (222,666)	$ (138,449)	$ 1,356,900	$ 2,212,016	$ (855,116)	-38.7%

Analysis of Net Position

Below are the three components of net position and their respective balances as of June 30, 2020:

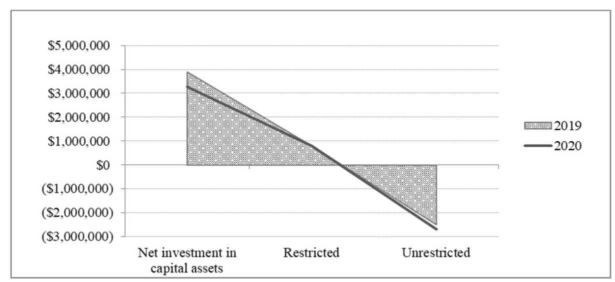
The largest portion of the County's net position reflects its net investment in capital assets of $3.27 billion, a decrease of $627.4 million, or 16.1%, from prior fiscal year. This component consists of capital assets such as land and easements, structures and improvements, infrastructure, and equipment, 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 $792.5 million, a decrease of $17.3 million, or 2.1%, 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 $2.71 billion, a decrease of $210.4 million, or 8.4%, 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 2019-20 was $1.10 billion, an increase of $787.8 million, or 252.2%, from fiscal year 2018-19. The significant increase was due to the issuance of the Taxable Pension Obligation Bonds, Series 2020. The Series 2020 bonds were issued to refund a portion of the County's obligation to the CalPERS under the CalPERS Contract, evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to CalPERS. There were also increased expenditures in public protection of $609.1 million and an increase of $168.7 million in public assistance expenditures. The operating expenses in business-type activities increased by $95.6 million, or 10.1%. There was an increase of $74.8 million, or 11.3%, by RUHS-MC. This was mostly related to increases in personnel salary costs, professional services and supplies. Operating expenses increased by $15.6 million, or 19.5%, for RUHS-CHC. This was mainly due to increases in salaries and benefits, professional services and depreciation expense.

Statement of Net Position
June 30, 2020 and 2019
(In thousands)



The following table provides information from the Statement of Activities of the County for the fiscal year ended June 30, 2020 as compared to the prior year:

CHANGES IN NET POSITION
For the fiscal years ended June 30, 2020 and 2019
(In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	Percentage Change
Revenues:								
Program revenues:								
Charges for services	$ 768,139	$ 759,487	$ 895,026	$ 837,924	$ 1,663,165	$ 1,597,411	$ 65,754	4.1%
Operating grants and contributions	2,291,206	2,010,351	-	-	2,291,206	2,010,351	280,855	14.0%
Capital grants and contributions	32,453	47,530	355	-	32,808	47,530	(14,722)	-31.0%
General revenues:								
Property taxes	424,417	407,895	-	-	424,417	407,895	16,522	4.1%
Sales and use taxes	30,745	33,673	-	-	30,745	33,673	(2,928)	-8.7%
Unrestricted intergovernmental revenue	320,206	281,336	-	-	320,206	281,336	38,870	13.8%
Investment earnings	44,139	69,755	4,841	8,330	48,980	78,085	(29,105)	-37.3%
Other	279,802	285,511	-	-	279,802	285,511	(5,709)	-2.0%
Total revenues	4,191,107	3,895,538	900,222	846,254	5,091,329	4,741,792	349,537	7.4%
Expenses:								
General government	336,802	261,113	-	-	336,802	261,113	75,689	29.0%
Public protection	2,209,120	1,600,054	-	-	2,209,120	1,600,054	609,066	38.1%
Public ways and facilities	239,741	244,547	-	-	239,741	244,547	(4,806)	-2.0%
Health and sanitation	759,480	611,195	-	-	759,480	611,195	148,285	24.3%
Public assistance	1,236,525	1,067,788	-	-	1,236,525	1,067,788	168,737	15.8%
Education	32,607	25,220	-	-	32,607	25,220	7,387	29.3%
Recreation and cultural services	22,939	19,232	-	-	22,939	19,232	3,707	19.3%
Interest on long-term debt	69,034	69,630	-	-	69,034	69,630	(596)	-0.9%
Riverside University Health Systems - Medical Center	-	-	738,306	663,496	738,306	663,496	74,810	11.3%
Waste Resources	-	-	104,445	102,278	104,445	102,278	2,167	2.1%
Housing Authority	-	-	99,066	95,929	99,066	95,929	3,137	3.3%
County Service Areas	-	-	254	233	254	233	21	9.0%
Flood Control	-	-	2,245	2,404	2,245	2,404	(159)	-6.6%
Riverside University Health Systems - Community Health Centers	-	-	95,371	79,792	95,371	79,792	15,579	19.5%
Total expenses	4,906,248	3,898,779	1,039,687	944,132	5,945,935	4,842,911	1,103,024	22.8%
Excess (deficiency) before transfers	(715,141)	(3,241)	(139,465)	(97,878)	(854,606)	(101,119)	(753,487)	745.1%
Transfer in (out)	(55,533)	(28,292)	55,533	28,292	-	-	-	0.0%
Change in net position, before extraordinary items	(770,674)	(31,533)	(83,932)	(69,586)	(854,606)	(101,119)	(753,487)	745.1%
Extraordinary items	-	-	(285)	-	(285)	-	(285)	100.0%
Change in net position	(770,674)	(31,533)	(84,217)	(69,586)	(854,891)	(101,119)	(753,772)	745.4%
Net position, beginning of year, as restated	2,350,240	2,381,998	(138,449)	(68,863)	2,211,791	2,313,135	(101,344)	-4.4%
Net position, end of year	$ 1,579,566	$ 2,350,465	$ (222,666)	$ (138,449)	$ 1,356,900	$ 2,212,016	$ (855,116)	-38.7%

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 2019-20 and 2018-19 as shown in the table on page 9.

Revenues for governmental activities

Total revenues for governmental activities were $4.19 billion, an increase of $295.6 million, or 7.6%, from the previous year. This increase consisted of increases in program revenues of $274.4 million and general revenues of $21.1 million. The largest share of program revenues were operating grants and contributions which accounted for 74.1%. 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 $8.7 million, or 1.1%. An increase of $15.6 million in public protection was due to an increase in contract law enforcement services. This was offset by a decrease in Assembly Bill (AB) 233 Realignment revenue of $2.8 million and an overall decrease of $3.1 million in general government.
- Operating grants and contributions increased by $280.9 million, or 14.0%. There was a significant increase of $148.8 million in federal revenue, which relates to the Coronavirus Aid, Relief, and Economic Security (CARES) Act. There was a $41.3 million increase in federal assistance programs. Finally, a $27.5 million increase was due to Assembly Bill (AB) 118 revenue due to an increase in offsetting expenditures.
- Capital grants and contributions decreased by $15.1 million, or 31.7%. The decrease is related to capital grant funding of Phase I of the newly constructed John J. Benoit Detention Center, which is partially funded through AB 900. Phase I of the state-of-the-art detention center has been completed.

The increase in general revenues was largely attributable to:

- Property tax revenues increased by $16.5 million, or 4.1%. 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.
- Unrestricted intergovernmental revenues increased by $38.9 million, or 13.8%. $23.8 million is due to an increase in realignment revenue from vehicle license fees (VLF) and $15.1 million due to an increase in motor vehicle in-lieu taxes.
- Investment earnings decreased by $25.6 million, or 36.7%. The decrease was due to actions taken by the Federal Reserve which have caused interest earnings to decline.

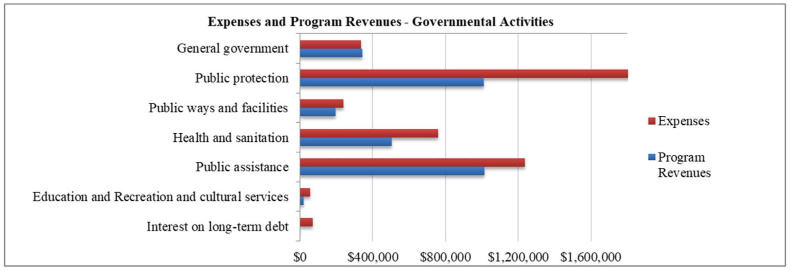
Expenses for governmental activities

Total expenses for governmental activities were $4.91 billion for the current fiscal year, an increase of $1.00 billion, or 25.8% (the $1.00 billion increase is related to functional expenses and only a $596 thousand increase in interest expense), as compared to prior fiscal year. The following are the key components accounting for the variances:

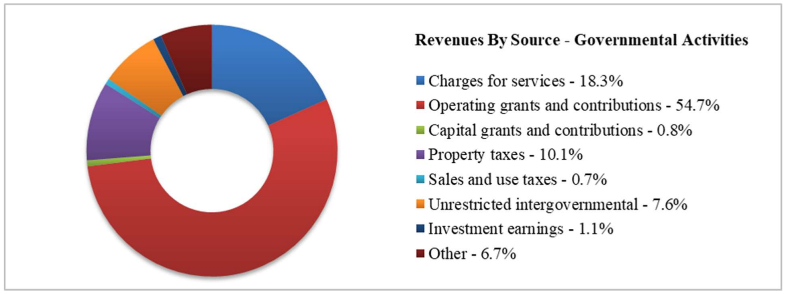
- The expenses in general government increased by $75.7 million, or 29.0%. %. An increase of $36.5 million was due to a payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. There was an $11.4 million dollar increase in the Community Services fund related to federal funding received in response to the COVID-19 pandemic. This funding was used to provide grant assistance to small businesses in the County.
- The expenses in public protection increased by $609.1 million, or 38.1%. This was mainly due to an increase of $517.4 million due to a payment to CalPERS to pay a portion of the County's unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020.

- The expenses in health and sanitation increased by $148.3 million, or 24.3%. An increase of $63.4 million was due to a payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. There was also a $69.0 million increase in the general fund, mainly related to an increase in mental health treatment services.
- Of the $168.7 million, or 15.8%, increase in public assistance, $76.5 million was due to a payment to CalPERS to pay a portion of the unfunded accrued actuarial liability that was funded by the Taxable Pension Obligation Bonds, Series 2020. There was an additional $55.7 million increase related to mandated public services that were provided through the Department of Public Social Services (DPSS).

The following chart displays expenses and the associated program revenues by function for the governmental activities for the fiscal year ended June 30, 2020 (In thousands):



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



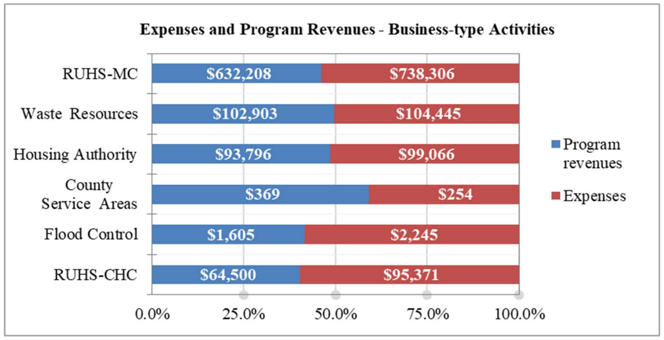
Business-type Activities

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.

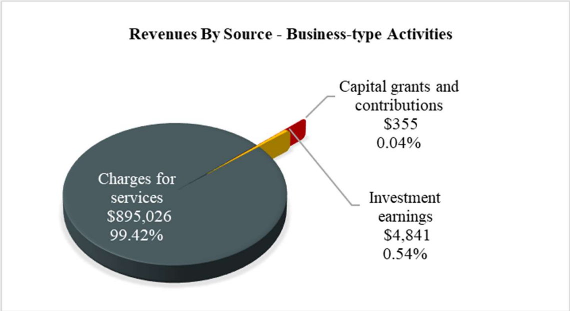
Revenues: For the current year, $895.0 million, or 99.4%, of business-type activities program revenue was received from charges for services, a percentage consistent with the prior fiscal year. The majority of this revenue, $631.9 million, was received by RUHS-MC as compared to $585.8 million for the 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.

Expenses: Total expenses for business-type activities were $1.04 billion for the fiscal year compared to $944.1 million for the prior fiscal year. This represents an increase of $95.6 million, or 10.1%. The majority of the increase in expenses was incurred by RUHS-MC with an increase of $74.8 million and RUHS-CHC with $15.6 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 was 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, 2020 (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, 2020, the County's governmental funds reported combined fund balances of $1.19 billion, an increase of $81.5 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 – $9.8 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 – $791.4 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 – $35.7 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 – $96.7 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 – $258.0 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 $317.2 million, or 8.5%, from the prior fiscal year with $4.04 billion being recognized for the fiscal year ended June 30, 2020. Expenditures increased by $987.7 million, or 26.9%, from the prior fiscal year with $4.65 billion being expended for governmental functions during fiscal year 2019-20. Overall, governmental fund balance increased by $76.4 million, or 6.9%. In comparison, fiscal year 2018-19 had an increase in governmental fund balance of $26.3 million, or 2.4%, over fiscal year 2017-18.

The general fund is the primary operating fund of the County. At the end of fiscal year 2019-20, the general fund's total fund balance was $401.7 million, as compared to $412.4 million in fiscal year 2018-19. 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 $2.5 million, and the spendable portion was $399.2 million. The current year unassigned fund balance is 7.8% of the total general fund expenditures of $3.30 billion, as compared to 9.1% of the prior year expenditures total of $3.03 billion. The total fund balance of the general fund for the current year is 12.2% of the total general fund expenditures as compared to 13.6% for the prior year.

The fund balance of the County's general fund decreased by $10.7 million during the current fiscal year. The overall decrease in net position was due to an increase in expenditures for public protection, health and sanitation, and public assistance. Other factors contributing to the decrease 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 $7.0 million, or 6.7%, due mainly to an increase in funding related to Senate Bill (SB) 1 and SB132. There was also a $4.7 million restatement, see Note 3 – Restatements of Beginning Fund Balances/Net Position for additional information.

Flood control fund balance increased by $16.3 million, or 6.3%. The increase in fund balance is primarily a result of an increase in property taxes and redevelopment revenues received during the current fiscal year.

CARES Act Coronavirus Relief fund increased by $1.8 million, or 100.0%. The increase is due to the establishment of the special revenue fund in fiscal year 2019-20 to account for federal assistance received in response to the coronavirus pandemic.

Pension Obligation fund increased by $5.9 million, or 82.9%. The increase is due to the issuance of the Taxable Pension Obligation Bonds, Series 2020.

Other Governmental Funds

The $54.2 million, or 16.1%, increase in nonmajor governmental funds fund balance was primarily due to federal funding received in the special revenue funds in response to the coronavirus pandemic. In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major 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 $52.2 million, compared to a negative $29.9 million from prior fiscal year; this represents a decrease of $22.2 million, or 74.5%. The funds accounting for the majority of the variance were RUHS-MC, Internal Service Funds, and Other. The total decrease in net position for RUHS-MC and Other were $54.4 million and $7.3 million, respectively. Factors concerning the finances of these two funds have been previously discussed in the business-type activities on page 12. These decreases were offset by an increase of $40.3 million in the Internal Service funds. This was mainly due mainly to the Risk Management fund with an increase in net position of $40.1 million.

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, 2020 and 2019
(In thousands)

	2020		2019		Increase / (Decrease)	
Revenues by Source	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
Taxes	$ 336,983	9.7%	$ 326,991	10.1%	$ 9,992	3.1%
Intergovernmental revenues	2,257,054	65.2%	2,089,129	64.8%	167,925	8.0%
Charges for services	510,103	14.7%	499,566	15.5%	10,537	2.1%
Other revenue	176,612	5.1%	187,751	5.8%	(11,139)	-5.9%
Other financing sources	183,121	5.3%	120,495	3.8%	62,626	52.0%
Total	$ 3,463,873	100.0%	$ 3,223,932	100.0%	$ 239,941	7.4%

General fund revenues had an overall increase of $239.9 million, or 7.4%, from the prior year. The increase was due primarily to the changes in the following:

- The increase in *Taxes* of $10.0 million during the current fiscal year was due to the increase on the assessment roll value for fiscal year 2019-20 with the main increase noted for secured property taxes.

- The increase of $167.9 million in *Intergovernmental revenues* was primarily attributed to increases of $79.3 million in additional State funding which includes increases for mandated reimbursement in motor vehicle in lieu taxes of approximately $15.0 million, increases in mental health services of $14.2 million, additional realignment revenue for family support services $8.7 million, revenue increases in child welfare services of $21.8 million, and an increase of $23.8 million in realignment revenue from vehicle license fees (VLF). Another major increase in intergovernmental revenues of approximately $79.1 million was in Federal funding which included increases of $8.3 million in additional grants to fund the substance abuse and prevention treatment programs, $18.5 million increase in Medi-Cal Part A funding, $3.4 million in additional funding in block grants, $41.3 million increase in public assistance programs along with a $3.4 million increase to administer the programs that are provided by the DPSS.

- *Charges for services* increased by $10.5 million primarily due to increases in contract law enforcement service revenues.

- The decrease in *Other revenue* of approximately $11.1 million relates to the decrease in investment earnings during the current fiscal year as interest rates declined.

- The increase in *Other financing sources* of approximately $62.6 million was primarily related to the purchase of a helicopter by the Sheriff Department that is being financed through a capital lease and transfers received to help with COVID-19 related costs.

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, 2020 and 2019
(In thousands)

	2020		2019		Increase / (Decrease)	
Expenditures by Function	Amount	Percent of Total	Amount	Percent of Total	Amount	Percentage of Change
General government	$ 120,724	3.5%	$ 118,662	3.7%	$ 2,062	1.7%
Public protection	1,477,295	42.5%	1,382,395	43.5%	94,900	6.9%
Health and sanitation	627,950	18.1%	558,905	17.6%	69,045	12.4%
Public assistance	1,010,175	29.1%	934,641	29.4%	75,534	8.1%
Other expenditures	56,548	1.6%	32,346	1.0%	24,202	74.8%
Other financing uses	179,954	5.2%	154,164	4.8%	25,790	16.7%
Total	$ 3,472,646	100.0%	$ 3,181,113	100.0%	$ 291,533	9.2%

General fund expenditures had an overall increase of $291.5 million, or 9.2%, from the prior year. Significant changes are as follows:

- The increase in *Public protection* of $94.9 million was due to increases in salaries and employee benefits of $69.4 million and service and supplies of $28.0 million. The increases in salaries and employee benefits were noted in the Sheriff and District Attorney Departments to pay for the hiring of new employees, pay for overtime salaries, and pay for pension benefits. The expenditure increases in services and supplies were mainly incurred to combat COVID-19 related costs.

- The increase in *Health and sanitation* of $69.0 million was attributed to a $7.0 million increase in salaries and employee benefit costs, $9.5 million increase in intergovernmental activity and $47.9 million in other charges of which $35.8 million related to mental health treatment expenditures.

- The increase in *Public assistance* of $75.5 million relates to a $16.7 million increase in salaries and employee benefit costs, $58.5 million increase in other charges of which $55.7 million related to mandated public services that were provided through DPSS.

- The increase in *Other expenditures* of $24.2 million was due to an increase of approximately $3.8 million in interest on long-term debt as the Tax and Revenue Anticipation Notes (TRANS) carried a higher interest rate. Additionally, an increase of approximately $18.1 million in capital outlay related to the purchase of a helicopter by the Sherriff Department.

- The increase in *Other financing uses* of $25.8 million was mainly due to contributions of $13.3 million for construction cost of capital projects, $11.2 million for financing debt service payments according to the debt service schedules for the various outstanding bonds of the County, and $2.1 million to fund increases in pension obligations.

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 $34.9 million, or 1.0%, from $3.60 billion to the final revenue budget of $3.57 billion. The major estimated revenue variances are described as follows:

Aid from other governmental agencies: Increased by $99.7 million or 4.2%, from $2.39 billion to $2.49 billion. The primary increase of $50.2 million was from the Department of Public Social Services (DPSS) as a result of a $17.2 million increase related to a Memorandum of Understanding (MOU) between the Riverside County In-Home Supportive Services (IHSS) Public Authority and United Domestic Workers Union (UDW) to receive additional funding to cover provider wages and health benefits. Due to the COVID-19 pandemic, DPSS anticipated significant caseload increases and as a result a $26.5 million budget increase was necessary to operate the child welfare services program. Also, an additional $13.7 million in Foster Care Assistance, Emergency Assistance and Adoptions Assistance was necessary to operate the programs. Realignment budget revenues for the Mental Health Department increased by $31.2 million to account for the additional funding. Finally, the Sheriff Department budget increased by $7.4 million to account for a grant award received for the purchase of body worn cameras for the officers and other capital asset purchases.

Charges for current services: Decreased by $79.1 million, or 12.4%, from $638.1 million to $559.1 million. The primary decrease was due to intergovernmental activities of $92.0 million. Additionally, a decrease of $2.3 million from the Animal Control Department was recorded to account for rate changes to city contracts. The previously mentioned decreases were offset by a budget increase related to sheriff patrol services of approximately $15.0 million from contracts with cities.

Other revenue: Decreased by $56.9 million, or 53.3%, from $106.7 million to $49.8 million. The primary decrease was due to intergovernmental activities of $66.7 million, which was offset by $2.8 million increase to account for a higher premium related to the Tax and Revenue Anticipation Notes. Also, the Sheriff Department received CARES ACT funding through contributions from another fund in the amount of $7.1 million.

Expenditure Appropriation Variances

The original adopted general fund appropriation budget increase by $11.7 million, or 0.3%, from $3.65 billion to the final appropriation budget of $3.66 billion. The major expenditure appropriation variances are described as follows:

General government: The original recommended appropriation budget for General government decreased by $53.4 million, or 21.3%, from $251.4 million to the final appropriation budget of $198.0 million. The major appropriation variances are described below.

- *Services and supplies* increased by $5.7 million or 6.8%, from $83.8 million to $89.5 million. An increase of $1.9 million was due to the Registrar of Voters upgrading its system for the elections. Also, an increase of $1.4 million was noted related to the County 2020 census activities.

- *Other charges* decreased by $54.4 million, or 49.8%, from $109.2 million to $54.8 million. The primary decrease of $61.8 million was due to intergovernmental activities, which was offset by an increase of $7.0 million in contributions to other County departments and of which $2.9 million was for a facility renewal project; $3.2 million to pay for software costs related to an upgrade for HCM PeopleSoft, and $1.0 million was provided to pay for the financing of a helicopter.

- *Appropriation for contingencies* decreased by $4.6 million or 26.2%, from $17.6 million to $13.0 million. Contingency budgets are established to cover urgent, unforeseeable budget overrun and mission-critical issues. The primary decrease was due to the current COVID-19 pandemic that the Executive Office advance of contingency funding to the Emergency Management Department to cover COVID-19 related expenditures.

Public protection: The original recommended appropriation budget for Public protection increased by $57.1 million or 3.8%, from $1.51 billion to the final appropriation budget of $1.56 billion. The major appropriation variances are described below.

- *Salaries and employee benefits* increased by $25.6 million, or 2.7% from $966.4 million to $992.0 million. There was an increase in salaries and employee benefits in the Sheriff and District Attorney to pay for the hiring of new employees, pay for overtime salaries, and pay for pension benefits.

- *Services and supplies* increased by $24.1 million, or 4.9%, from $494.8 million to $519.0 million. The primary increase of $14.3 million by the Emergency Management Department was for the purchase of additional personal protective equipment (PPE) related to the pandemic virus COVID-19. An increase of $2.1 million relates to the Sheriff Department to purchase body-worn cameras (BWC) as a promising tool to improve law enforcement interaction with the public. The Fire Department increased its budget by $2.9 million to account for unfinished projects from the prior fiscal year. Finally, District Attorney increased $1.5 million due to the department upgrading laptops and software to be on track with current technology.

- *Other charges* decreased by $4.5 million, or 8.8%, from $51.3 million to $46.8 million. The main decrease was due to $14.1 million from intergovernmental activities relating to operating transfers in and out of the same fund group. This was offset by an increase of $4.5 million from the Sheriff and Fire Department for lease payments. Finally, $5.3 million of the variance related to year end encumbrances for various general fund departments.

- *Capital assets* increased by $11.9 million, or 140.7%, from $8.5 million to $20.4 million. The primary increase of $11.5 million came from the Sheriff Department related to a software system upgrade and costs to purchase a training mobile unit.

Public assistance: The original recommended appropriation budget for Public assistance increased by $50.1 million, or 4.8%, from $1.05 billion to the final appropriation budget of $1.10 billion. The major appropriation variances are described below.

- *Salaries and employee benefits* increased by $25.5 million, or 6.8% from $372.7 million to $398.2 million. The primary increase of $25.5 million is due to DPSS increased staffing to operate a child welfare services program.

- *Other charges* increased by $23.7 million, or 4.3% from $547.0 million to $570.7 million. The primary increase of $18.4 million from DPSS is to cover the costs of health care benefits. Additionally, DPSS had an increase of $14.9 million to support the Foster Care Assistance, Adoptions Assistance, and Emergency Assistance programs. These increases were offset by a decrease of $9.6 million in 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 $84.5 million resulting from unexpended appropriations of $372.1 million, or 10.2%, and revenues were below budget by $287.6 million, or 8.1%. The following contributed to the variance:

Revenue Variances

General fund actual revenues of $3.28 billion were 8.1%, or $287.6 million, less than the final revenue budget of $3.57 billion. The major revenue variances are described as follows:

Fine, forfeitures, and penalties: Actual revenues of $54.3 million were $10.2 million, or 15.7%, less than the final budget of $64.5 million. The primary decrease of $9.7 million is due to lower trial court revenue collections and the decrease of Teeter overflow revenue collection due to the COVID-19 pandemic.

Investment earnings: Actual revenues of $24.9 million were $6.7 million, or 36.5%, more than the final budget of $18.2 million. The primary increase of $3.4 million was due to the Treasurer-Tax Collector Office optimizing the investment selections and strategies which resulted in additional interest earnings.

Rents and concessions: Actual revenues of $15.2 million were $20.2 million, or 57.0%, less than final budget of $35.4 million mainly due to intergovernmental activities of $19.9 million.

Federal: Actual revenues of $646.9 million were $102.5 million, or 13.7%, less than the final budget of $749.4 million. A large revenue decrease of $63.8 million from came from the Behavior Health Department due to fluctuations of less expenditures related to reimbursable grant revenues. DPSS also experience a $45.8 million decrease due to a decline in CalWORKs and Foster Care caseloads.

State: Actual revenues of $1.48 billion were $133.7 million, or 8.3%, less than the final budget of $1.62 billion. The two largest contributors to this variance was a decrease of $51.5 million due to a shifting in mental health program services in the Behavior Health Department to fight the COVID-19 pandemic. DPSS also experienced a $55.9 million decrease due to a decline in categorical aid funding and for administrative funding related to their programs.

Charges for services: Actual revenues of $510.1 million were $49.0 million, or 8.8%, less than the final budget of $559.1 million. A decrease of $21.9 million was noted in the Fire Department budget related to their fire protection service contract revenues with cities and other agencies. There was also a $18.4 million decrease in intergovernmental activities

Expenditure Variances

General fund actual expenditures of $3.29 billion were $372.1 million, or 10.2%, less than the final appropriation budget of $3.66 billion. The major appropriation variances are described as follows:

General government: Actual expenditures of $120.7 million were $77.3 million, or 39.0%, less than the final budget of $198.0 million.

- *Salaries and employee benefits* decreased by $9.0 million, or 8.0%, mainly due to budget cuts requested by the Executive Office/Board of Supervisors.
- *Services and supplies* decreased by $8.6 million, or 9.6%. During the COVID-19 pandemic restrictions, the Assessor had a decrease of $1.3 million from departmental cost saving reductions in administrative, mailing and information technology support services. The Economic Development Agency (EDA) had a decrease in utility costs of $1.7 million due to telecommuting options of employees. The Executive Office had a decrease of $1.2 million in court services. The Human Resources Department had a decrease of $1.3 million in travel and training savings.
- *Other charges* decreased by $48.2 million, or 87.9%, mainly due to decreases in contributions to other funds as directed by the Executive Office and intergovernmental activities.
- *Appropriation for contingencies* were $13.0 million, or 100.0% less than budgeted. This budget is established to assist general fund departments with unforeseen shortfalls, but the transactions are recorded under the actual general fund department.

Public protection: Actual expenditures of $1.48 billion were $86.8 million, or 5.6%, less than the final budget of $1.56 billion.

- *Salaries and employee benefits* decreased by $28.4 million, or 2.9% the primary decrease was due to hiring freezes.

- *Services and supplies* were $33.2 million, or 6.4%, less than the final budget of $520.0 million. The primary decrease was due to COVID-19, as departments began noticing a decrease in their revenue sources, they immediately implemented decreasing on their expenditures to ensure they were going to be aligned with the revenues received during the fiscal year.
- *Other charges* decreased by $11.9 million, or 25.5%, mainly due to decreased intergovernmental activities.
- *Capital assets* were $10.3 million, or 50.6%, less than the final budget of $20.4 million due to postponed capital projects by the Assessor, Fire and Sheriff Departments.
- *Intrafund transfers* were $3.0 million, or 21.4%, more than the final budget mainly due to the Emergency Management Department (EMD) receipt of $2.7 million related to COVID-19 emergency response expenditures.

Health and sanitation: Actual expenditures of $628.0 million were $118.4 million, or 15.9%, less than the final budget of $746.3 million.

- *Salaries and employee benefits* were $48.2 million, or 14.2%, less than the final budget mainly due to hiring freezes. Behavioral Health Department had salary savings of $39.9 million. Correction Health Department had $2.0 million, Public Health Department had $4.6 million in savings, and Environmental Health Department had $1.2 million in salary savings.
- *Services and supplies* were $14.9 million, or 9.1%, less than the final budget, the Behavioral Health Department had a decrease of approximately $11.1 million due to a shifting in mental health program services to combat COVID-19.
- *Other charges* were $65.6 million, or 20.7%, less than the final budget primary due to the decrease of $6.8 million in vehicle license fees revenue. The Behavior Health Department decreased by $57.5 million as several contract programs were not fully operational during the fiscal year.
- *Intrafund transfers* were $11.2 million, or 15.1%, less than the final budget mainly due to a decrease of $8.3 million in the Behavior Health Department related to the allocation of administration costs and a decrease of $4.4 million in correctional health claim costs.

Public assistance: Actual expenditures of $1.01 billion were $89.4 million, or 8.1%, less than the final budget of $1.10 billion.

- *Salaries and employee benefits* actual expenditures of $350.6 million were $47.6 million, or 11.9%, less than the final budget of $398.2 million. This is primarily due to a decrease of $47.4 million from the Department of Public Social Services salaries due to the Countywide hiring freeze.
- *Services and supplies* were $17.3 million, or 13.2%, less than the final budget of $130.8 million primarily due to the DPSS decrease of $17.2 million in reductions related to IT (Information Technology) services, $2.0 million reduction in training expenditures due to COVID-19, and $8.1 million decrease related to space occupancy reductions and cancellation of various facilities projects.
- *Other charges* were $24.6 million, or 4.3%, less than the final budget primary due to decreases in DPSS childcare services as this program was transferred to a State agency.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

As of June 30, 2020, the County's capital assets for both its governmental and business-type activities amounted to $5.54 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 5.3%, or $276.5 million, from $5.27 billion in fiscal year 2018-19 to $5.54 billion in fiscal year 2019-20.

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

- Land easements increased approximately $9.7 million. The major increase was due to the Flood Control District land valuation. The value is primarily comprised of 110 acres for use as a Flood Control Basin known as the Potrero Creek Debris Basin.
- During the current fiscal year, construction in progress experienced additions in the amount of $217.3 million related to existing and new projects. The major increases were noted as follows: the Transportation and Land Management Agency incurred an additional $117.0 million for projects related to roads, bridges, sidewalks and signal lights; the Economic Development Agency incurred $29.7 million in costs for existing projects such as the construction and street improvements of the John J. Benoit Detention Center and Roy's Desert Resource Center; the Riverside County Information Technology incurred $13.7 million in new costs for the PSEC Microwave Network Replacement, Motorola System upgrade and PeopleSoft Human Capital Management System upgrade; the RUHS-MC incurred an additional $12.9 million for existing projects such as the Emergency Room Expansion, Lobby/Cafe Entry Connection, Medical & Surgical Center (MSC) Telecom/Cisco Network System and bridge connection to MSC Building; the Sheriff's Department incurred $11.6 million for the Airbus H145 helicopter; the Crest project incurred an additional $10.6 million towards the new integrated property management system; the County Airports incurred an additional $3.2 million for pavement projects such the French Valley Airport and Jacqueline Cochran Airport; the Flood Control District incurred $2.8 million for storm drains and channels; the Waste Management incurred an additional cost of $2.7 million for projects such as the Lamb Canyon (LC) Fleet Maintenance Structure and LC Flare Station Number 2; and the Park District incurred an additional $2.6 million towards constructing new regional trails and continued work on the Santa Ana River Trail. During the current year, approximately $67.9 million of completed projects were transferred out of construction in progress to other capital asset classifications and $5.9 million were adjusted cost and retired due to cancelled projects. Overall, the construction in progress increased approximately $143.5 million.
- Infrastructure decreased approximately $35.1 million. The overall decrease was attributed to depreciation expense for the current fiscal year.
- Structures and improvements increased approximately $151.2 million as a result of the following acquisitions: the Riverside University Health Systems incurred additional costs of $191.5 million for the new Medical Office Building; the Park District incurred an additional $4.6 million to the completion of the District Headquarters Building E expansion; the Sheriff's Department incurred an additional $2.9 million for the 53 modular buildings; and the Probation Department incurred approximately $2.0 million towards the Palm Springs Probation Services Expansion project. The overall total depreciation expense for the year was about $49.9 million.
- Equipment increased approximately $7.9 million. The primary increase was due to the Riverside University Health Systems acquisition of various equipment for the new Medical Office Building and Waste Management acquisition of various vehicles.

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)
As of June 30, 2020 and 2019 (In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	Percentage Change
Land and easements	$ 597,379	$ 587,652	$ 21,524	$ 21,524	$ 618,903	$ 609,176	$ 9,727	1.6%
Construction in progress	898,168	762,613	57,008	49,089	955,176	811,702	143,474	17.7%
Concession	-	-	8,830	8,830	8,830	8,830	-	0.0%
Infrastructure	1,998,202	2,037,710	49,521	45,099	2,047,723	2,082,809	(35,086)	-1.7%
Land improvements	79	80	5,178	5,904	5,257	5,984	(727)	-12.1%
Structures and improvements	1,266,138	1,298,668	330,063	146,321	1,596,201	1,444,989	151,212	10.5%
Equipment	240,710	243,278	69,143	58,664	309,853	301,942	7,911	2.6%
Total outstanding	$ 5,000,676	$ 4,930,001	$ 541,267	$ 335,431	$ 5,541,943	$ 5,265,432	$ 276,511	5.3%

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 $773.0 thousand as of June 30, 2020. The calculated legal debt limit for the County is $3.72 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, 2020.

COUNTY’S OUTSTANDING DEBT OBLIGATIONS
As of June 30, 2020 and 2019 (In thousands)

	Governmental Activities		Business-type Activities		Total		Total	
	2020	2019	2020	2019	2020	2019	Dollar Change	Percentage Change
Bonds from direct placement	$ 330	$ 980	$ -	$ -	$ 330	$ 980	$ (650)	-66.3%
Bonds payable	1,854,575	1,189,065	58,873	64,254	1,913,448	1,253,319	660,129	52.7%
Certificates of participation	41,669	60,265	-	-	41,669	60,265	(18,596)	-30.9%
Capital leases	129,287	102,905	242,102	34,724	371,389	137,629	233,760	169.8%
Total outstanding	$ 2,025,861	$ 1,353,215	$ 300,975	$ 98,978	$ 2,326,836	$ 1,452,193	$ 874,643	60.2%

The County of Riverside’s total debt increased by 60.2%, or $874.6 million, during the current fiscal year. The increase was primarily due to the issuance of the Taxable Pension Obligation Bonds, Series 2020. In addition, there was an increase in the finance of capital leases. Additional information on the County’s long-term debt can be found in Note 14 on pages 84-93 of this report.

ECONOMIC FACTORS AND THE FISCAL YEAR 2020-21 BUDGET OUTLOOK

Beacon Economics’ current forecast for Riverside County represents three fiscal projection scenarios that provide a positive and negative outlook on the economy as a consequence of COVID-19. The spread of COVID-19 is having a significant impact throughout the world, including in our County. The potential impact to the County related to the COVID-19 outbreak includes, but is not limited to, disruption of the regional and local economy with corresponding decreases in the County’s revenue. In order to reduce the negative impact on the County’s revenue losses in the current fiscal year, the County has directed all departments to eliminate all non-mission critical, non-essential spending with impact to net County cost.

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

Source	Final Budget Estimate (In millions)
Taxes	$ 409,600
Other taxes	60,500
Licenses, permits, franchise taxes	6,900
Fines, forfeitures, penalties	10,800
Use of money and property	4,000
State	291,100
Federal	3,400
Miscellaneous	55,800
Total	$ 842,100

The County’s employee retirement benefit contribution rate for fiscal year 2019-20 for miscellaneous members is 21.6% and the safety contribution rate is 37.4%. 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 2020-21 rates are projected at 24.5% (Miscellaneous) and 43.0% (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.aspx

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BASIC FINANCIAL STATEMENTS – GOVERNMENT-WIDE FINANCIAL STATEMENTS

COUNTY OF RIVERSIDE
Statement of Net Position
June 30, 2020
(Dollars in Thousands)

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Children and Families Commission
ASSETS:				
Cash and investments (Note 4)	$ 1,785,261	$ 191,389	$ 1,976,650	$ 27,949
Receivables, net (Notes 1 and 6)	480,132	274,431	754,563	5,014
Internal balances (Note 7)	173,031	(173,031)	-	-
Inventories	5,778	10,260	16,038	-
Prepaid items and deposits	8,449	8,076	16,525	-
Restricted cash and investments (Notes 4 and 5)	498,185	127,737	625,922	-
Other noncurrent receivables (Note 6)	24,174	-	24,174	-
Loans receivable (Note 6)	-	98,305	98,305	-
OPEB asset, net (Note 22)	143	-	143	-
Land held for resale	-	36,620	36,620	-
Capital assets (Note 8):				
Nondepreciable assets	1,495,547	87,362	1,582,909	373
Depreciable assets, net	3,505,129	453,905	3,959,034	1,575
Total assets	7,975,829	1,115,054	9,090,883	34,911
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	764,006	109,422	873,428	1,311
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	36,300	36,300	-
Accounts payable	190,144	55,087	245,231	300
Salaries and benefits payable	146,198	34,891	181,089	306
Due to other governments	126,871	224,832	351,703	-
Interest payable	9,676	205	9,881	-
Deposits payable	1,034	183	1,217	-
Advances from grantors and third parties (Note 12)	628,781	-	628,781	-
Notes payable (Note 13)	84,342	-	84,342	-
Other liabilities	2,545	7,929	10,474	-
Interest rate swap (Notes 14 and 15)	21,328	-	21,328	-
Noncurrent liabilities:				
Due within one year				
Long-term liabilities (Note 14)	331,285	48,297	379,582	191
Landfill closure/post-closure care costs (Note 10)	-	1,024	1,024	-
Pollution remediation (Note 23)	977	868	1,845	-
Due more than one year:				
Long-term liabilities (Note 14)	2,405,203	380,063	2,785,266	151
Landfill closure/post-closure care costs (Note 10)	-	101,444	101,444	-
Pollution remediation (Note 23)	1,341	42,544	43,885	-
Net pension liability (Notes 20 and 21)	3,036,124	481,280	3,517,404	5,065
OPEB liabilities (Note 22)	49,485	10,865	60,350	-
Total liabilities	7,035,334	1,425,812	8,461,146	6,013
DEFERRED INFLOWS OF RESOURCES (Note 15)	124,935	21,330	146,265	970
NET POSITION:				
Net investment in capital assets	3,042,172	228,265	3,270,437	1,948
Restricted for:				
Children's programs	-	-	-	27,291
Endowment care - nonexpendable	1,017	-	1,017	-
Community development	172,052	-	172,052	-
Debt service	46,441	36,046	82,487	-
Health and sanitation	30,812	10,971	41,783	-
Public protection	66,125	-	66,125	-
Public ways and facilities	392,404	-	392,404	-
Other programs	26,888	9,727	36,615	-
Unrestricted	(2,198,345)	(507,675)	(2,706,020)	-
Total net position	$ 1,579,566	$ (222,666)	$ 1,356,900	$ 29,239

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, 2020
(Dollars in Thousands)

		Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
FUNCTION/PROGRAM ACTIVITIES:				
Primary government:				
Governmental activities:				
General government	$ 336,802	$ 167,806	$ 175,964	$ -
Public protection	2,209,120	461,197	549,153	-
Public ways and facilities	239,741	90,253	73,903	31,850
Health and sanitation	759,480	38,649	466,843	-
Public assistance	1,236,525	1,669	1,014,474	-
Education	32,607	249	9,952	-
Recreation and cultural services	22,939	8,316	917	603
Interest on long-term debt	69,034	-	-	-
Total governmental activities	4,906,248	768,139	2,291,206	32,453
Business-type activities:				
Riverside University Health Systems - Medical Center	738,306	631,853	-	355
Waste Resources Department	104,445	102,903	-	-
Housing Authority	99,066	93,796	-	-
Flood Control	2,245	1,605	-	-
Riverside University Health Systems - Community Health Centers	95,371	64,500	-	-
County Service Areas	254	369	-	-
Total business-type activities	1,039,687	895,026	-	355
Total primary government	$ 5,945,935	$ 1,663,165	$ 2,291,206	$ 32,808
Component unit:				
Children and Families Commission	$ 28,996	$ -	$ 24,475	$ -
Total component unit	$ 28,996	$ -	$ 24,475	$ -

General revenues:
Taxes:
Property taxes
Sales and use taxes
Other taxes
Unrestricted intergovernmental revenue
Investment earnings
Other
Transfers
Total general revenues and transfers
Changes in net position before extraordinary item
Extraordinary item
Extraordinary item
Changes in net position
NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)
NET POSITION, END OF YEAR

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

	Net (Expenses) Revenues and Changes in Net Position			
	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	Children and Families Commission
FUNCTION/PROGRAM ACTIVITIES:				
Primary government:				
Governmental activities:				
General government	$ 6,968	$ -	$ 6,968	
Public protection	(1,198,770)	-	(1,198,770)	
Public ways and facilities	(43,735)	-	(43,735)	
Health and sanitation	(253,988)	-	(253,988)	
Public assistance	(220,382)	-	(220,382)	
Education	(22,406)	-	(22,406)	
Recreation and cultural services	(13,103)	-	(13,103)	
Interest on long-term debt	(69,034)	-	(69,034)	
Total governmental activities	(1,814,450)	-	(1,814,450)	
Business-type activities:				
Riverside University Health Systems - Medical Center	-	(106,098)	(106,098)	
Waste Resources Department	-	(1,542)	(1,542)	
Housing Authority	-	(5,270)	(5,270)	
Flood Control	-	(640)	(640)	
Riverside University Health Systems - Community Health Centers	-	(30,871)	(30,871)	
County Service Areas	-	115	115	
Total business-type activities	-	(144,306)	(144,306)	
Total primary government	(1,814,450)	(144,306)	(1,958,756)	
Component unit:				
Children and Families Commission				$ (4,521)
Total component unit				$ (4,521)
General revenues:				
Taxes:				
Property taxes	424,417	-	424,417	-
Sales and use taxes	30,745	-	30,745	-
Other taxes	30,996	-	30,996	-
Unrestricted intergovernmental revenue	320,206	-	320,206	-
Investment earnings	44,139	4,841	48,980	573
Other	248,806	-	248,806	1,391
Transfers	(55,533)	55,533	-	-
Total general revenues and transfers	1,043,776	60,374	1,104,150	1,964
Changes in net position before extraordinary item	(770,674)	(83,932)	(854,606)	(2,557)
Extraordinary item				
Extraordinary item	-	(285)	(285)	-
Changes in net position	(770,674)	(84,217)	(854,891)	(2,557)
NET POSITION, BEGINNING OF YEAR, AS RESTATED (Note 3)	2,350,240	(138,449)	2,211,791	31,796
NET POSITION, END OF YEAR	$ 1,579,566	$ (222,666)	$ 1,356,900	$ 29,239

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, 2020

(Dollars in Thousands)

ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:	General	Transportation	Flood Control	Teeter Debt Service	CARES Act Coronavirus Relief	Pension Obligation	Other Governmental Funds	Total Governmental Funds
Assets:								
Cash and investments (Note 4)	$ 308,199	$ 156,300	$ 276,355	$ -	$ 283,487	$ -	$ 394,414	$ 1,418,755
Accounts receivable (Notes 1 and 6)	18,686	6,101	112	-	-	4,393	1,032	30,324
Interest receivable (Note 6)	4,046	228	511	44	593	9	485	5,916
Taxes receivable (Note 6)	12,206	16	1,462	54,541	-	-	1,904	70,129
Due from other governments (Note 6)	360,840	13,899	1,396	-	-	-	12,849	388,984
Due from other funds (Note 7)	20,597	-	288	1,446	-	-	1,229	23,560
Inventories	2,075	1,244	-	-	-	-	-	3,319
Prepaid items and deposits	62	2,264	-	-	-	-	5,367	7,693
Restricted cash and investments (Notes 4 and 5)	417,867	-	1,866	35,025	-	8,711	34,716	498,185
Advances to other funds (Note 7)	4,869	-	-	-	-	-	-	4,869
Total assets	1,149,447	180,052	281,990	91,056	284,080	13,113	451,996	2,451,734
Deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 1,149,447	$ 180,052	$ 281,990	$ 91,056	$ 284,080	$ 13,113	$ 451,996	$ 2,451,734
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:								
Liabilities:								
Accounts payable	$ 77,946	$ 40,317	$ 4,434	$ -	$ -	$ 126	$ 34,376	$ 157,199
Salaries and benefits payable	126,347	3,799	1,564	-	-	-	5,465	137,175
Due to other governments	126,314	2	448	-	-	-	100	126,864
Due to other funds (Note 7)	51,943	143	-	6,714	-	-	1,928	60,728
Interest payable	-	-	-	-	-	-	-	-
Deposits payable	14	501	-	-	-	-	519	1,034
Advances from grantors and third parties (Note 12)	303,583	24,193	532	-	282,306	-	18,167	628,781
Teeter notes payable (Note 13)	-	-	-	84,342	-	-	-	84,342
Advances from other funds (Note 7)	-	-	-	-	-	-	1,000	1,000
Total liabilities	686,147	68,955	6,978	91,056	282,306	126	61,555	1,197,123
Deferred inflows of resources (Note 15)	61,618	-	1,462	-	-	-	6	63,086
Fund balances (Note 16):								
Nonspendable	2,466	1,245	1	-	-	-	6,073	9,785
Restricted	112,711	89,403	273,549	-	1,774	5,057	308,886	791,380
Committed	14,844	4,587	-	-	-	-	16,221	35,652
Assigned	13,702	15,862	-	-	-	7,930	59,255	96,749
Unassigned	257,959	-	-	-	-	-	-	257,959
Total fund balances	401,682	111,097	273,550	-	1,774	12,987	390,435	1,191,525
Total liabilities, deferred inflows of resources, and fund balances	$ 1,149,447	$ 180,052	$ 281,990	$ 91,056	$ 284,080	$ 13,113	$ 451,996	$ 2,451,734

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, 2020
(Dollars in Thousands)

Fund balances - total governmental funds (page 31)		$ 1,191,525
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.		4,919,647
Net other postemployment benefits (OPEB) assets are not current financial resources and, therefore, are not reported in the governmental funds.		143
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	$ 46,159	
Deferred Outflows of Resources Related to Pensions	662,148	708,307
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.		35,599
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	(1,854,575)	
Capital lease obligations	(90,809)	
Certificates of participation	(41,669)	
Loans payable	(330)	
Accrued interest payable	(9,676)	
Accreted interest payable	(219,686)	
Accrued remediation cost	(2,208)	
Compensated absences	(220,683)	
Net OPEB liability	(46,801)	
Net Pension liability	(2,866,326)	(5,352,763)
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	(385)	
Deferred Inflows of Resources Related to Pensions	(92,962)	(93,347)
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.		170,455
Net position of governmental activities (page 25)		$ 1,579,566

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, 2020

(Dollars in Thousands)

	General	Transportation	Flood Control	Teeter Debt Service
REVENUES:				
Taxes	$ 336,983	$ 7,775	$ 61,726	$ -
Licenses, permits, and franchise fees	18,939	3,328	-	-
Fines, forfeitures, and penalties	54,332	26	-	-
Use of money and property:				
Investment earnings	24,881	1,939	4,311	244
Rents and concessions	15,232	-	289	-
Aid from other governmental agencies:				
Federal	646,890	14,199	5,399	-
State	1,483,441	80,623	581	-
Other	126,723	7,238	-	-
Charges for services	510,103	71,747	5,632	-
Other revenue	63,228	2,872	15,503	-
Total revenues	3,280,752	189,747	93,441	244
EXPENDITURES:				
Current:				
General government	120,724	-	-	-
Public protection	1,477,295	5,346	-	-
Public ways and facilities	-	182,331	74,329	-
Health and sanitation	627,950	-	-	-
Public assistance	1,010,175	-	-	-
Education	628	-	-	-
Recreation and cultural services	2,111	-	-	-
Debt service:				
Principal	9,682	927	-	-
Interest	19,388	40	-	2,968
Cost of issuance	330	-	-	305
Capital outlay	24,409	-	-	-
Total expenditures	3,292,692	188,644	74,329	3,273
Excess (deficiency) of revenues over (under) expenditures	(11,940)	1,103	19,112	(3,029)
OTHER FINANCING SOURCES (USES):				
Transfers in	158,712	9,329	133	3,032
Transfers out	(179,954)	(3,409)	(2,964)	(3)
Issuance of debt	-	-	-	-
Issuance of refunding bonds	-	-	-	-
Redemption of bonds	-	-	-	-
Capital leases	24,409	-	-	-
Total other financing sources (uses)	3,167	5,920	(2,831)	3,029
NET CHANGE IN FUND BALANCES	(8,773)	7,023	16,281	-
Fund balances, beginning of year, as previously reported	412,401	108,791	257,269	-
Adjustments to beginning fund balances (Note 3)	(1,946)	(4,717)	-	-
Fund balances, beginning of year, as restated	410,455	104,074	257,269	-
FUND BALANCES, END OF YEAR	$ 401,682	$ 111,097	$ 273,550	$ -

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

	CARES Act Coronavirus Relief	Pension Obligation	Other Governmental Funds	Total Governmental Funds
REVENUES:				
Taxes	$ -	$ -	$ 78,841	$ 485,325
Licenses, permits, and franchise fees	-	-	899	23,166
Fines, forfeitures, and penalties	-	-	745	55,103
Use of money and property:				
Investment earnings	1,774	1,328	4,858	39,335
Rents and concessions	-	-	12,801	28,322
Aid from other governmental agencies:				
Federal	148,786	-	65,930	881,204
State	-	-	9,272	1,573,917
Other	-	-	58,724	192,685
Charges for services	-	4,563	68,576	660,621
Other revenue	-	-	23,140	104,743
Total revenues	150,560	5,891	323,786	4,044,421
EXPENDITURES:				
Current:				
General government	-	46,379	96,001	263,104
Public protection	128	517,386	13,282	2,013,437
Public ways and facilities	-	11,048	20,026	287,734
Health and sanitation	-	63,376	2,475	693,801
Public assistance	-	76,515	65,750	1,152,440
Education	-	350	23,767	24,745
Recreation and cultural services	-	927	17,502	20,540
Debt service:				
Principal	-	25,020	48,128	83,757
Interest	-	12,065	34,509	68,970
Cost of issuance	-	3,882	296	4,813
Capital outlay	-	-	16,698	41,107
Total expenditures	128	756,948	338,434	4,654,448
Excess (deficiency) of revenues over (under) expenditures	150,432	(751,057)	(14,648)	(610,027)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	36,948	234,483	442,637
Transfers out	(148,658)	-	(165,988)	(500,976)
Issuance of debt	-	719,995	-	719,995
Issuance of refunding bonds	-	-	12,875	12,875
Redemption of bonds	-	-	(12,559)	(12,559)
Capital leases	-	-	-	24,409
Total other financing sources (uses)	(148,658)	756,943	68,811	686,381
NET CHANGE IN FUND BALANCES	1,774	5,886	54,163	76,354
Fund balances, beginning of year, as previously reported	-	7,101	324,469	1,110,031
Adjustments to beginning fund balances (Note 3)	-	-	11,803	5,140
Fund balances, beginning of year, as restated	-	7,101	336,272	1,115,171
FUND BALANCES, END OF YEAR	$ 1,774	$ 12,987	$ 390,435	$ 1,191,525

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, 2020
(Dollars in Thousands)

Net change in fund balances - total governmental funds (page 35)		$ 76,354
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	$ 248,203	
Less loss on disposal of capital assets	(3,916)	
Less current year depreciation	(191,608)	52,679
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	97,167	
Issuance of long-term debt	(757,279)	(660,112)
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.		(1,856)
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	418	
Change in accreted interest	(24,112)	
Change in long-term compensated absences	(6,752)	
Change in pollution remediation obligation	(420)	
OPEB expense	2,388	
Pension expense	(271,190)	(299,668)
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.		61,929
Change in net position of governmental activities (page 27)		$ (770,674)

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, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 333,852	$ 333,852	$ 336,983	$ 3,131
Licenses, permits, and franchise fees	20,778	19,825	18,939	(886)
Fines, forfeitures, and penalties	62,488	64,487	54,332	(10,155)
Use of money and property:				
Investment earnings	18,227	18,227	24,881	6,654
Rents and concessions	35,080	35,394	15,232	(20,162)
Aid from other governmental agencies:				
Federal	714,989	749,388	646,890	(102,498)
State	1,551,852	1,617,165	1,483,441	(133,724)
Other	121,086	121,086	126,723	5,637
Charges for services	638,148	559,098	510,103	(48,995)
Other revenue	106,694	49,820	63,228	13,408
Total revenues	3,603,194	3,568,342	3,280,752	(287,590)
EXPENDITURES:				
Current:				
General government:				
Salaries and employee benefits	113,305	113,198	104,178	(9,020)
Services and supplies	83,773	89,475	80,870	(8,605)
Other charges	109,233	54,849	6,645	(48,204)
Capital assets	2,791	2,768	2,644	(124)
Intrafund transfers	(75,305)	(75,305)	(73,613)	1,692
Appropriation for contingencies	17,638	13,016	-	(13,016)
Total general government	251,435	198,001	120,724	(77,277)
Public protection:				
Salaries and employee benefits	966,383	992,043	963,662	(28,381)
Services and supplies	494,840	518,952	485,798	(33,154)
Other charges	51,322	46,814	34,873	(11,941)
Capital assets	8,494	20,443	10,103	(10,340)
Intrafund transfers	(14,036)	(14,118)	(17,141)	(3,023)
Total public protection	1,507,003	1,564,134	1,477,295	(86,839)
Health and sanitation:				
Salaries and employee benefits	339,115	339,627	291,383	(48,244)
Services and supplies	159,406	163,117	148,261	(14,856)
Other charges	311,491	316,356	250,803	(65,553)
Capital assets	1,171	1,165	270	(895)
Intrafund transfers	(73,963)	(73,963)	(62,767)	11,196
Total health and sanitation	737,220	746,302	627,950	(118,352)

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, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance With Final Budget
	Original	Final	Amounts	Over(Under)
Public assistance:				
Salaries and employee benefits	$ 372,720	$ 398,176	$ 350,594	$ (47,582)
Services and supplies	129,861	130,834	113,561	(17,273)
Other charges	547,033	570,703	546,128	(24,575)
Capital assets	80	130	53	(77)
Intrafund transfers	(295)	(295)	(161)	134
Total public assistance	1,049,399	1,099,548	1,010,175	(89,373)
Education:				
Salaries and employee benefits	337	326	296	(30)
Services and supplies	337	343	332	(11)
Total education	674	669	628	(41)
Recreation and cultural services:				
Salaries and employee benefits	318	273	267	(6)
Services and supplies	1,832	1,950	1,928	(22)
Other charges	159	7	-	(7)
Capital assets	1	1	-	(1)
Intrafund transfers	(71)	(84)	(84)	-
Total recreation and cultural services	2,239	2,147	2,111	(36)
Debt service:				
Principal	90,545	23,067	9,682	(13,385)
Interest	14,516	30,548	19,388	(11,160)
Cost of issuance	-	330	330	-
Total debt service	105,061	53,945	29,400	(24,545)
Capital outlay	-	-	24,409	24,409
Total expenditures	3,653,031	3,664,746	3,292,692	(372,054)
Excess (deficiency) of revenues over (under) expenditures	(49,837)	(96,404)	(11,940)	84,464
OTHER FINANCING SOURCES (USES):				
Transfers in	-	158,712	158,712	-
Transfers out	-	(179,954)	(179,954)	-
Capital leases	-	-	24,409	24,409
Total other financing sources (uses)	-	(21,242)	3,167	24,409
NET CHANGE IN FUND BALANCE	(49,837)	(117,646)	(8,773)	108,873
Fund balance, beginning of year, as previously reported	412,401	412,401	412,401	-
Adjustment to beginning fund balance (Note 3)	-	-	(1,946)	(1,946)
Fund balance, beginning of year, as restated	412,401	412,401	410,455	(1,946)
FUND BALANCE, END OF YEAR	$ 362,564	$ 294,755	$ 401,682	$ 106,927

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, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 8,493	$ 8,493	$ 7,775	$ (718)
Licenses, permits, and franchise fees	3,433	3,433	3,328	(105)
Fines, forfeitures, and penalties	16	16	26	10
Use of money and property:				
Investment earnings	1,517	1,517	1,939	422
Aid from other governmental agencies:				
Federal	33,184	33,184	14,199	(18,985)
State	80,539	80,539	80,623	84
Other	9,496	9,496	7,238	(2,258)
Charges for services	126,374	117,337	71,747	(45,590)
Other revenue	9,116	8,824	2,872	(5,952)
Total revenues	272,168	262,839	189,747	(73,092)
EXPENDITURES:				
Current:				
Public protection	8,826	8,697	5,346	(3,351)
Public ways and facilities	267,806	269,674	182,331	(87,343)
Debt service:				
Principal	1,243	1,243	927	(316)
Interest	102	102	40	(62)
Total expenditures	277,977	279,716	188,644	(91,072)
Excess (deficiency) of revenues over (under) expenditures	(5,809)	(16,877)	1,103	17,980
OTHER FINANCING SOURCES (USES):				
Transfers in	-	9,329	9,329	-
Transfers out	-	(3,409)	(3,409)	-
Total other financing sources (uses)	-	5,920	5,920	-
NET CHANGE IN FUND BALANCE	(5,809)	(10,957)	7,023	17,980
Fund balance, beginning of year, as previously reported	108,791	108,791	108,791	-
Adjustment to beginning fund balance (Note 3)	-	-	(4,717)	(4,717)
Fund balance, beginning of year, as restated	108,791	108,791	104,074	(4,717)
FUND BALANCE, END OF YEAR	$ 102,982	$ 97,834	$ 111,097	$ 13,263

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, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 60,616	$ 60,616	$ 61,726	$ 1,110
Use of money and property:				
Investment earnings	2,065	2,065	4,311	2,246
Rents and concessions	167	167	289	122
Aid from other governmental agencies:				
Federal	-	-	5,399	5,399
State	599	599	581	(18)
Charges for services	4,654	4,654	5,632	978
Other revenue	16,594	16,461	15,503	(958)
Total revenues	84,695	84,562	93,441	8,879
EXPENDITURES:				
Current:				
Public ways and facilities	140,218	137,254	74,329	(62,925)
Total expenditures	140,218	137,254	74,329	(62,925)
Excess (deficiency) of revenues over (under) expenditures	(55,523)	(52,692)	19,112	71,804
OTHER FINANCING SOURCES (USES):				
Transfers in	-	133	133	-
Transfers out	-	(2,964)	(2,964)	-
Total other financing sources (uses)	-	(2,831)	(2,831)	-
NET CHANGE IN FUND BALANCE	(55,523)	(55,523)	16,281	71,804
Fund balance, beginning of year	257,269	257,269	257,269	-
FUND BALANCE, END OF YEAR	$ 201,746	$ 201,746	$ 273,550	$ 71,804

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

COUNTY OF RIVERSIDE

Budgetary Comparison Schedule
CARES Act Coronavirus Relief Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES				
Use of money and property:				
Investment earnings	$ -	$ -	$ 1,774	$ 1,774
Aid from other governmental agencies:				
Federal	-	150,000	148,786	(1,214)
Total revenues	-	150,000	150,560	560
EXPENDITURES				
Current:				
Public protection	-	1,342	128	(1,214)
Total expenditures	-	1,342	128	(1,214)
Excess (deficiency) of revenues over (under) expenditures	-	148,658	150,432	1,774
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(148,658)	(148,658)	-
Total other financing sources (uses)	-	(148,658)	(148,658)	-
NET CHANGE IN FUND BALANCE	-	-	1,774	1,774
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 1,774	$ 1,774

COUNTY OF RIVERSIDE

Statement of Net Position
Proprietary Funds
June 30, 2020
(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)	$ 64,745	$ 119,869	$ 5,485	$ 1,290	$ 191,389	$ 366,506
Accounts receivable - net (Notes 1 and 6)	39,526	11,249	1,734	852	53,361	7,346
Interest receivable (Note 6)	-	370	3	14	387	602
Taxes receivable (Note 6)	-	-	-	12	12	-
Due from other governments (Note 6)	218,456	200	-	2,015	220,671	1,005
Due from other funds (Note 7)	25,307	-	-	40,115	65,422	1,254
Advances to other funds (Note 7)	-	19,469	-	-	19,469	-
Inventories	9,673	348	-	239	10,260	2,459
Land held for sale	-	-	36,620	-	36,620	-
Prepaid items and deposits	7,698	-	24	354	8,076	756
Restricted cash and investments (Notes 4 and 5)	36,238	74,540	10,504	6,455	127,737	-
Total current assets	401,643	226,045	54,370	51,346	733,404	379,928
Noncurrent assets:						
Loans receivable (Note 6)	-	2,000	96,305	-	98,305	-
Capital assets (Note 8):						
Nondepreciable assets	58,083	25,648	3,631	-	87,362	17,464
Depreciable assets	348,617	72,191	8,921	24,176	453,905	63,565
Total noncurrent assets	406,700	99,839	108,857	24,176	639,572	81,029
Total assets	808,343	325,884	163,227	75,522	1,372,976	460,957
DEFERRED OUTFLOWS OF RESOURCES (Note 15)	92,739	8,749	2,702	5,232	109,422	34,372
LIABILITIES:						
Current liabilities:						
Cash overdrawn	-	-	-	36,300	36,300	-
Accounts payable	34,409	8,384	109	12,185	55,087	32,945
Salaries and benefits payable	28,457	1,702	728	4,004	34,891	9,023
Due to other governments	216,104	254	-	8,474	224,832	7
Due to other funds (Note 7)	28,465	-	14	288	28,767	741
Interest payable	150	-	-	55	205	-
Deposits payable	12	38	-	133	183	-
Other liabilities	4,937	275	2,546	171	7,929	2,545
Accreted interest payable (Note 14)	1,236	-	-	-	1,236	-
Accrued closure and post-closure care costs (Note 10)	-	1,024	-	-	1,024	-
Accrued remediation costs (Note 23)	-	868	-	-	868	47
Compensated absences (Notes 1 and 14)	23,865	1,387	154	2,489	27,895	9,613
Capital lease obligations (Note 14)	12,801	-	-	1,701	14,502	11,781
Bonds payable (Note 14)	4,664	-	-	-	4,664	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	60,864
Total current liabilities	355,100	13,932	3,551	65,800	438,383	127,566
Noncurrent liabilities:						
Compensated absences (Note 2)	11,754	2,080	1,388	1,280	16,502	5,259
Advances from other funds (Note 7)	18,469	-	1,527	-	19,996	3,342
Accreted interest payable (Note 14)	70,702	-	-	-	70,702	-
Accrued closure and post-closure care costs (Note 10)	-	101,444	-	-	101,444	-
Accrued remediation costs (Note 23)	-	42,544	-	-	42,544	63
Capital lease obligations (Notes 1 and 2)	204,950	-	-	22,650	227,600	26,697
Bonds payable (Note 14)	54,209	-	-	-	54,209	-
Estimated claims liabilities (Notes 14 and 17)	-	-	-	-	-	194,522
Net OPEB liability (Notes 14 and 22)	7,848	497	-	1,040	9,385	2,684
Total OPEB liability (Notes 14 and 22)	-	1,480	-	-	1,480	-
Net pension liability (Notes 14 and 20)	406,221	40,794	15,277	18,988	481,280	169,798
Other long-term liabilities (Note 14)	-	-	11,050	-	11,050	-
Total noncurrent liabilities	774,153	188,839	29,242	43,958	1,036,192	402,365
Total liabilities	1,129,253	202,771	32,793	109,758	1,474,575	529,931
DEFERRED INFLOWS OF RESOURCES (Note 15)	11,979	6,777	922	1,652	21,330	4,102
NET POSITION:						
Net investment in capital assets	130,076	97,839	525	(175)	228,265	42,551
Restricted for debt service	36,046	-	-	-	36,046	-
Restricted for health and sanitation	-	10,971	-	-	10,971	-
Restricted other	193	-	9,534	-	9,727	-
Unrestricted	(406,465)	16,275	122,155	(30,481)	(298,516)	(81,255)
Total net position	$ (240,150)	$ 125,085	$ 132,214	$ (30,656)	(13,507)	$ (38,704)
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds					(209,159)	
Net position of business-type activities					$ (222,666)	

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, 2020

(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)	$ 576,732	$ -	$ -	$ 16,909	$ 593,641	$ -
Charges for services	3,087	97,406	2,929	15,452	118,874	342,164
Other revenue	52,034	5,497	90,867	34,113	182,511	36,977
Total operating revenues	631,853	102,903	93,796	66,474	895,026	379,141
OPERATING EXPENSES:						
Cost of materials used	-	224	-	-	224	1,680
Personnel services	430,578	28,350	14,105	53,599	526,632	135,577
Communications	1,030	227	1	279	1,537	8,788
Insurance	10,848	1,167	-	718	12,733	33,764
Maintenance of building and equipment	16,965	3,494	2,648	1,962	25,069	39,228
Insurance claims	-	-	-	-	-	145,306
Supplies	78,304	2,298	-	3,002	83,604	22,210
Purchased services	114,693	6,090	2,872	24,543	148,198	32,668
Depreciation and amortization	26,041	7,274	1,088	2,959	37,362	19,284
Rents and leases of equipment	6,907	2,358	161	7,224	16,650	73,219
Public assistance	-	8	77,180	-	77,188	-
Utilities	4,235	318	712	592	5,857	2,767
Closure and post-closure care costs	-	5,627	-	-	5,627	-
Remediation costs	-	768	-	-	768	-
Other	20,019	44,574	18	346	64,957	6,712
Total operating expenses	709,620	102,777	98,785	95,224	1,006,406	521,203
Operating income (loss)	(77,767)	126	(4,989)	(28,750)	(111,380)	(142,062)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	553	3,663	970	(345)	4,841	4,803
Interest expense	(8,651)	-	(4)	(1,288)	(9,943)	(481)
Gain (loss) on disposal of capital assets	(1,812)	93	2	-	(1,717)	287
Total nonoperating revenues (expenses)	(9,910)	3,756	968	(1,633)	(6,819)	4,609
Income (loss) before capital contributions and transfers	(87,677)	3,882	(4,021)	(30,383)	(118,199)	(137,453)
Capital contributions	355	-	-	-	355	174,955
Transfers in (Note 7)	38,614	45	25	23,854	62,538	8,480
Transfers out (Note 7)	(5,661)	(362)	(170)	(812)	(7,005)	(5,674)
Change in net position before extraordinary item	(54,369)	3,565	(4,166)	(7,341)	(62,311)	40,308
Extraordinary item	-	-	(285)	-	(285)	-
CHANGE IN NET POSITION	(54,369)	3,565	(4,451)	(7,341)	(62,596)	40,308
Net position, beginning of year, as previously reported	(185,781)	121,520	136,665	(23,315)		(78,797)
Adjustments to beginning net position (Note 3)	-	-	-	-		(215)
Net position, beginning of year, as restated	(185,781)	121,520	136,665	(23,315)		(79,012)
NET POSITION, END OF YEAR	$ (240,150)	$ 125,085	$ 132,214	$ (30,656)		$ (38,704)
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					(21,621)	
Change in net position of business-type activities					$ (84,217)	

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, 2020

(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	$ 604,071	$ 99,405	$ 93,731	$ 66,388	$ 863,595	$ 71
Cash receipts (payments due) from other funds	(20,053)	-	-	(24,116)	(44,169)	382,906
Cash paid to suppliers for goods and services	(149,057)	(58,282)	(81,805)	(24,620)	(313,764)	(382,688)
Cash paid to employees for services	(372,899)	(23,100)	(12,269)	(45,314)	(453,582)	(119,634)
Program loans	-	-	229	-	229	-
Net cash provided by (used in) operating activities	62,062	18,023	(114)	(27,662)	52,309	(119,345)
Cash flows from noncapital financing activities						
Advances to other funds	-	2,000	-	-	2,000	-
Transfers received	38,614	45	25	23,854	62,538	8,265
Transfers paid	(5,661)	(362)	(170)	(812)	(7,005)	(5,674)
Net cash provided by (used in) noncapital financing activities	32,953	1,683	(145)	23,042	57,533	2,591
Cash flows from capital and related financing activities						
Proceeds (loss) from sale of capital assets	(1,812)	93	(283)	-	(2,002)	287
Acquisition and construction of capital assets	(225,068)	(16,566)	(57)	(1,507)	(243,198)	(22,464)
Principal proceeds of (payments on) capital leases	208,645	-	-	(1,267)	207,378	(2,284)
Capital contributions	355	-	-	-	355	174,955
Principal paid on bonds payable	(13,365)	-	-	-	(13,365)	-
Interest paid on long-term debt	(8,614)	-	(4)	(1,392)	(10,010)	(481)
Net cash provided by (used in) capital and related financing activities	(39,859)	(16,473)	(344)	(4,166)	(60,842)	150,013
Cash flows from investing activities						
Investment income (loss)	553	4,192	972	(321)	5,396	5,603
Net cash provided by (used in) investing activities	553	4,192	972	(321)	5,396	5,603
Net increase (decrease) in cash and cash equivalents	55,709	7,425	369	(9,107)	54,396	38,862
Cash and cash equivalents, beginning of year	45,274	186,984	15,620	(19,448)	228,430	327,644
Cash and cash equivalents, end of year	$ 100,983	$ 194,409	$ 15,989	$ (28,555)	$ 282,826	$ 366,506
Reconciliation of cash and cash equivalents to the Statement of Net Position						
Cash and investments per Statement of Net Position	$ 64,745	$ 119,869	$ 5,485	$ (35,010)	$ 155,089	$ 366,506
Restricted cash and investments per Statement of Net Position	36,238	74,540	10,504	6,455	127,737	-
Total cash and cash equivalents per Statement of Net Position	$ 100,983	$ 194,409	$ 15,989	$ (28,555)	$ 282,826	$ 366,506

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, 2020
(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)	$ (77,767)	$ 126	$ (4,989)	$ (28,750)	$ (111,380)	$ (142,062)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities						
Depreciation and amortization	26,041	7,274	1,088	2,959	37,362	19,284
Decrease (Increase) accounts receivable	6,784	(3,397)	(1,300)	477	2,564	4,502
Decrease (Increase) taxes receivable	-	-	-	(1)	(1)	-
Decrease (Increase) due from other funds	(20,053)	-	-	(24,115)	(44,168)	(737)
Decrease (Increase) due from other governments	(34,566)	(101)	1,235	(563)	(33,995)	71
Decrease (Increase) inventories	(2,014)	(1)	-	(25)	(2,040)	(109)
Decrease (Increase) prepaid items and deposits	(1,750)	-	(18)	(247)	(2,015)	35
Increase (Decrease) accounts payable	(1,449)	3,074	(322)	7,873	9,176	(9,631)
Increase (Decrease) due to other funds	24,943	-	(15)	273	25,201	(947)
Increase (Decrease) due to other governments	81,438	200	(19)	6,139	87,758	(133)
Increase (Decrease) deposits payable	7	-	-	(13)	(6)	-
Increase (Decrease) accrued closure costs	-	5,627	-	-	5,627	-
Increase (Decrease) accrued remediation costs	-	768	-	-	768	(48)
Increase (Decrease) other liabilities	2,769	(363)	2,161	46	4,613	(789)
Increase (Decrease) estimated claims liability	-	-	-	-	-	(4,724)
Increase (Decrease) net pension liability	28,152	2,708	772	3,769	35,401	4,734
Increase (Decrease) net OPEB liability	4,257	1,148	-	569	5,974	1,400
Increase (Decrease) deferred OPEB	(4,644)	(769)	-	(618)	(6,031)	-
Increase (Decrease) deferred pensions	25,322	1,522	1,182	3,406	31,432	8,178
Increase (Decrease) service concession arrangement	-	(434)	-	-	(434)	-
Increase (Decrease) salaries and benefits payable	2,216	360	(10)	888	3,454	1,076
Increase (Decrease) compensated absences	2,376	281	(108)	271	2,820	555
Decrease (Increase) loans receivable	-	-	229	-	229	-
Net cash provided by (used in) operating activities	$ 62,062	$ 18,023	$ (114)	$ (27,662)	$ 52,309	$ (119,345)
Noncash investing, capital, and financing activities:						
Capital lease obligations	$ 215,594			$ 14	$ 215,608	$ 26,708

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, 2020
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private-Purpose Trust	Custodial Funds	Total
ASSETS:					
Cash and investments	$ 2,146	$ 405	$ 76,697	$ 461,920	$ 541,168
Receivables:					
Accounts receivable	748	-	-	16,259	17,007
Interest receivable	-	20	30	9,117	9,167
Taxes receivable	-	-	-	47,434	47,434
Investment at fair value:					
Short-term investments	-	360	-	220,801	221,161
Federal agency	-	4,803	-	2,949,708	2,954,511
Mutual funds	72,896	-	-	-	72,896
Commercial paper	-	270	-	165,739	166,009
Negotiable CDs	-	162	-	99,453	99,615
Medium term notes	-	92	-	56,226	56,318
Municipal bonds	-	141	-	86,611	86,752
Bonds - U.S. Treasury	-	2,194	-	1,347,170	1,349,364
Prepaid items and deposits	-	-	3,649	-	3,649
Due from other governments	-	-	1,694	-	1,694
Land held for sale	-	-	13,450	-	13,450
Total assets	75,790	8,447	95,520	5,460,438	5,640,195
DEFERRED OUTFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	34,597	-	34,597
LIABILITIES:					
Cash overdrawn	-	-	-	16,253	16,253
Accounts payable	-	6,996	6	119,736	126,738
Due to other governments	511	-	-	137,243	137,754
Interest payable	-	-	6,747	-	6,747
Accreted interest payable	-	-	12,428	-	12,428
Bonds payable	-	-	673,151	-	673,151
Total liabilities	511	6,996	692,332	273,232	973,071
DEFERRED INFLOWS OF RESOURCES					
Deferred charge on refunding	-	-	1,669	-	1,669
NET POSITION:					
Restricted for:					
Pensions	75,279	-	-	-	75,279
Pool participants	-	1,451	-	5,183,282	5,184,733
Individuals, organizations & other governments	-	-	(563,884)	3,924	(559,960)
Total net position (deficit)	$ 75,279	$ 1,451	$ (563,884)	$ 5,187,206	$ 4,700,052

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, 2020
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private-Purpose Trust	Custodial Funds	Total
ADDITIONS					
Contributions:					
Members	$ 1,680	$ -	$ -	$ -	$ 1,680
Employer	854	-	-	-	854
Contributions to pooled investments	-	-	-	1,047,718	1,047,718
Contributions to private-purpose trust	-	-	-	-	-
Total contributions	2,534	-	-	1,047,718	1,050,252
Property taxes-Successor Agency Redevelopment Property Tax Trust Fund Distirbution	-	-	39,704	-	39,704
Investment earnings:					
Net increase in fair value of investments	1,740	211	517	78,479	80,947
Interest, dividends, and other	1,286	-	716	4	2,006
Total investment earnings	3,026	211	1,233	78,483	82,953
Less investment costs:					
Investment activitiy costs	-	-	-	-	-
Net investment earnings	3,026	211	1,233	78,483	82,953
Property tax collection other governments	-	-	-	5,969,287	5,969,287
Other custodial fund collections	-	-	-	2,285,650	2,285,650
Gain or (loss) on sale of property	-	-	(41)	-	(41)
Miscellaneous	9	-	45	35	89
Total additions	5,569	211	40,941	9,381,173	9,427,894
DEDUCTIONS					
Benefit paid to participants or beneficiaries	2,225	-	-	-	2,225
Administrative expense	382	-	4,947	1	5,330
Distributions to shareholders	-	27,227	-	668,925	696,152
Beneficiary payments to individuals, organizatons and other governments	-	-	-	2,548,567	2,548,567
Property taxes distributed to other governments	-	-	-	6,098,014	6,098,014
Interest expense	-	-	29,202	-	29,202
Loss on bond refunding	-	-	2,758	-	2,758
Debt issuance cost	-	-	505	-	505
Other expense	-	-	181	-	181
Total deductions	2,607	27,227	37,593	9,315,507	9,382,934
Net increase (decrease) in fiduciary net position	2,962	(27,016)	3,348	65,666	44,960
Net position, beginning of the year	72,317	4,757,540	(569,178)	-	4,260,679
Adjustments to beginning net position (Note 3)	-	(4,729,073)	1,946	5,121,540	394,413
Net position beginning of the year, as restated	-	28,467	(567,232)	5,121,540	4,655,092
Net position, end of the year	$ 75,279	$ 1,451	$ (563,884)	$ 5,187,206	$ 4,700,052

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

BASIC FINANCIAL STATEMENTS – NOTES TO THE BASIC FINANCIAL STATEMENTS

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 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 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 IFA 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)

Presentation of Financial Information Related to County Fiduciary Responsibilities (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, 41.2%, or $31.2 million, of the County's $74.0 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

CARES Act Coronavirus Relief fund accounts for revenues and expenditures related to the federal funding from the Coronavirus Relief Fund in response to Coronavirus (COVID-19) pandemic.

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.

Pension obligation debt service fund accounts for revenues and expenditures related to the funding of unfunded pension liability through the issuance of pension obligation bonds.

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 held in trust, as defined by GASB Statement No. 84, *Fiduciary Activities*. 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 accounts for the resources held and administered by the County in a fiduciary capacity for the Redevelopment Successor Agency. The County's private purpose trust fund uses the economic resources measurement focus and accrual basis of accounting.

Custodial funds account for assets held by the County in a custodial capacity. The funds reported as custodial funds are not required to be reported in pension (and other employee benefit) trust funds or investment trust funds, or private-purpose trust funds. The external portion of investment pools that are not held in trust, as defined by GASB Statement No. 84, *Fiduciary Activities,* are reported in a separate external investment pool column, under the custodial fund classification. These funds account for 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 custodial funds use the economic resources measurement focus and accrual basis of accounting.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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, 2020, 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.

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 78.9% of the funds on deposit in the County treasury. In addition, the Auditor-Controller determined districts and agencies constituting approximately 21.1% 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 $122.3 million and $217.1 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 2019-20 gross assessed valuation (for tax purposes) of the County was $308.94 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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 and delinquent taxes was 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 2019-20, $18.4 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 items 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		

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

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, 2020, the amount of accrued vacation, holiday pay, and sick leave reported in the government-wide statement of net position was $280.3 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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation (Continued)

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.

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 $258.0 million is 30.8% 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. 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, 2019.

Governmental Accounting Standards Board Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for reporting periods beginning after June 15, 2018, and later.

Future Governmental Accounting Standards Board Statements

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

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 June 15, 2021. 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, 2020. 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, 2019.

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, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 92

In January 2020, GASB Statement 92, *Omnibus 2020*. The objectives of this statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. GASB Statement No. 92 is effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB Statement 93, *Replacement of Interbank Offered Rates***.** Some governments have entered into agreements in which variable payments made or received depend on an interbank offered rate (IBOR)—most notably, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. GASB Statement No. 93 is effective for reporting periods beginning after June 15, 2021. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB Statement 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements.* The primary objective of this statement is to improve financial reporting by addressing issues related

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Future Governmental Accounting Standards Board Statements (Continued)

to public-private and public-public partnership arrangements (PPPs). As used in this statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which 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; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. GASB Statement No. 94 is effective for reporting periods beginning after June 15, 2022. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB Statement 96, *Subscription-Based Information Technology Arrangements.* This statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). GASB Statement No. 96 is effective for reporting periods beginning after June 15, 2022. The County has elected not to early implement this statement.

Governmental Accounting Standards Board Statement No. 97

In May 2020, GASB Statement 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32.* The primary objectives of this statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a potential component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. GASB Statement No. 97 for paragraphs 6-9 is effective for reporting periods beginning after June 15, 2021. All other requirements of this statement are effective for reporting periods beginning after June 15, 2021. 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, 2020, 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	$ 240,150
EF - Flood Control	$ 1,495
EF - Riverside University Health Systems - Community Health Centers	$ 29,760
ISF - Information Services	$ 34,623
ISF - Central Mail	$ 175
ISF - Supply	$ 130
ISF - Risk Management	$ 1,223
ISF - EDA Facilities Management	$ 28,867

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, 2020, expenditures exceeded appropriations in capital outlay by $24.4 million in the general fund. This excess of expenditures resulted from the acquisition of $24.4 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, 2020 is as follows (In thousands):

Government-wide:

	Primary Government	
Description	Governmental Activities	Business-type Activities
Government-wide net position as of June 30, 2019, as previously reported	$ 2,350,465	$ (138,449)
Government-wide financial statements:		
Prior period adjustments:		
Capital assets adjustment (1)	(5,150)	-
Fund financial statements:		
Prior period adjustments:		
GASB Statement No. 84 Implementation (2)	4,925	-
Net position as of June 30, 2019, as restated	$ 2,350,240	$ (138,449)

Fund Financials:

	Governmental Funds				Proprietary Funds
	Major Funds		Nonmajor Fund		Internal Service Funds
Description	General Fund	Transportation	Public Facilities Improvements Capital	Other Special Revenue	Risk Management
Fund balances or net position as of June 30, 2019, as previously reported	$ 412,401	$ 108,791	$ 164,816	$ 19,137	$ (41,092)
Prior Period Adjustments:					
GASB Statement No. 84 Implementation (2)	(1,946)	-	-	7,086	(215)
Fund type correction (3)	-	(4,717)	4,717	-	-
Fund balances or net position as of June 30, 2019, as restated	$ 410,455	$ 104,074	$ 169,533	$ 26,223	$ (41,307)

	Fiduciary Funds		Custodial Funds			
Description	Investment Trust	Private Purpose Trust	External Investment Pool	Property Tax Assessment	Payroll Deductions	Other Custodial Fund
Fund balances or net position as of June 30, 2019, as previously reported	$ 4,757,540	$ (569,178)	$ -	$ -	$ -	$ -
Prior Period Adjustments:						
GASB Statement No. 84 Implementation (2)	(4,729,073)	1,946	4,726,908	128,727	10,646	255,259
Fund balances or net position as of June 30, 2019, as restated	$ 28,467	$ (567,232)	$ 4,726,908	$ 128,727	$ 10,646	$ 255,259

(1) The prior period adjustment was made to correct an overstatement in construction in progress and record prior period costs previously not reported for land and easements.

(2) The adjustment was made to reflect the prior period cost related to the implementation of GASB Statement No. 84 for Fiduciary Activities.

(3) A prior period adjustment of $4.7 million was made to restate the beginning balance of Transportation Fund by reimbursing the Public Facilities Improvements Capital Projects Fund for expenditures erroneously recorded which results in net to zero.

NOTE 4 – CASH AND INVESTMENTS

As of June 30, 2020, 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	$ 1,785,261	$ 191,389	$ 27,949	$ 5,547,794	$ 7,552,393
Restricted cash and investments	498,185	127,737	-	-	625,922
Total cash and investments	$ 2,283,446	$ 319,126	$ 27,949	$ 5,547,794	$ 8,178,315

As of June 30, 2020, cash and investments consist of the following (In thousands):

Deposits	$ 166,631
Investments	8,011,684
Total cash and investments	$ 8,178,315

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 value valuation of the pooled investment program portfolio and a monthly fair value valuation of all securities held against carrying cost. The quarterly report on the resources Pooled Money Investment Account is 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, 2020, reported under investments, CORAL had $2.5 million and RUHS-Medical Center had $11.6 million for a total amount of $14.1 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 fair 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 $324 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.countytreasurer.org/.

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%	N/A
Local agency investment fund (LAIF)	Daily Liquidity	Max $50M	N/A
Cash/deposit account	N/A	N/A	N/A
Supra-national agency bond (SUPRA)	4 Years	20%	10%

* 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, 2020, the County and Component Units had the following investments (In thousands):

	June 30, 2020	Interest Rate Range	Maturity	Weighted Average Maturity (Years)	Minimum Legal Rating (I)
County treasurer investments					
Investments by fair value level					
U.S. treasuries	$ 2,031,874	0.07 - 2.63%	07/20 - 11/24	0.47	N/A
Federal home loan mortgage corporation	1,325,088	0.12 - 3.00%	07/20 - 06/25	2.77	N/A
Federal national mortgage association	359,415	0.20 - 2.88%	07/20 - 06/25	2.09	N/A
Federal home loan bank	1,817,332	0.05 - 2.70%	07/20 - 03/25	0.73	N/A
Federal farm credit bank	766,106	0.20 - 2.70%	08/20 - 06/25	1.71	N/A
Farmer mac	155,965	0.19 - 2.96%	03/21 - 06/23	0.24	N/A
Municipal notes	130,631	1.37 - 4.00%	07/20 - 04/22	1.06	AA-/Aa3/AA-
Commercial paper	249,977	0.14 - 1.63%	07/20 - 09/20	0.07	A1/P1/F1
Corporate notes	84,803	1.65 - 2.25%	09/20 - 03/21	0.46	AA/Aa2/AA
Total County treasurer investments by fair value level	6,921,191				
Investments measured at amortized cost					
Farmer mac	25,003	0.72%	03/21	0.10	N/A
Certificates of deposit	100,000	1.62 - 1.65%	11/20	0.39	AA/Aa2/AA
Negotiable certificates of deposit	50,000	1.85%	07/20	0.00	A1/P1/F1
Managed rate accounts	375,000	0.09 - 0.50%	07/20	0.00	N/A
CalTRUST short term fund	4,024	1.09%	07/20	0.00	N/A
Money market mutual funds (II)	329,000	0.10 - 0.16%	07/20	0.00	AAA
Total investments measured at amortized cost	883,027				
Total County treasurer investments	7,804,218				
Investments measured at amortized cost					
Money market funds	100,145	0.00 - 0.16%		N/A	AAA/Aaa
Certificates of deposit	1,000	0.30%	10/19 - 10/20		
Local agency investment fund	14,139	1.89%	07/20	N/A	N/A
Money market mutual funds (II)	87,764	0.01 - 5.92%			
Investment agreements	4,418	4.83%	02/35		
Total blended component unit investments measured at amortized cost	207,466				
Total blended component unit investments	207,466				
Total investments	$ 8,011,684				

(I) Investment ratings are from Standard and Poor's (S&P) and Moody's Investor Service (Moody's).
(II) Government Code requires money market mutual funds to be rated.
N/A — Not Applicable
N/R — Not Required

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 4 – CASH AND INVESTMENTS (Continued)

Fair Value Measurements

The County has the following recurring fair value measurements as of June 30, 2020 (In thousands):

		Fair Value Measurements Using				
Rating (1) June 30, 2020	% 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, 2020	
						County treasurer investments
						Investments by fair value level
	26.04%	$ 2,031,874			$ 2,031,874	U.S. treasuries
AA+/Aaa	16.98%		$ 1,325,088		1,325,088	Federal home loan mortgage corporation
AA+/Aaa	4.61%		359,415		359,415	Federal national mortgage association
AA+/Aaa	23.29%		1,817,332		1,817,332	Federal home loan bank
AA+/Aaa	9.82%		766,106		766,106	Federal farm credit bank
N/R	2.00%		155,965		155,965	Farmer mac
AAA/Aaa	1.67%		130,631		130,631	Municipal notes
AAA/Aaa	3.20%		249,977		249,977	Commercial paper
AAA/Aaa	1.09%		84,803		84,803	Corporate notes
	88.69%	2,031,874	4,889,317	-	6,921,191	Total County treasurer investments by fair value level
						Investments measured at amortized cost
N/A	0.32%				25,003	Farmer mac
AAA/Aaa	1.28%				100,000	Certificates of deposit
AA-/Aa2	0.64%				50,000	Negotiable certificates of deposit
N/R	4.81%				375,000	Managed rate accounts
AAA/Aaa	0.05%				4,024	CalTRUST short term fund
AAA/Aaa	4.22%				329,000	Money market mutual funds (II)
	11.31%				883,027	Total investments measured at amortized cost
	100.00%	2,031,874	4,889,317	-	7,804,218	Total County treasurer investments
						Investments measured at amortized cost
AAA/Aaa	48.27%				100,145	Money market funds
	0.48%				1,000	Certificates of deposit
N/R	6.82%				14,139	Local agency investment fund
N/R/Aaa	42.30%				87,764	Money market mutual funds (II)
	2.13%				4,418	Investment agreements
	100.00%				207,466	Total blended component unit investments measured at amortized cost
	100.00%	-	-	-	207,466	Total blended component unit investments
		$ 2,031,874	$ 4,889,317	$ -	$ 8,011,684	Total investments

(I) Investment ratings are from Standard and Poor's (S&P) and Moody's Investor Service (Moody's).
(II) Government Code requires money market mutual funds to be rated.
N/A — Not Applicable
N/R — Not Required

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 developed based on the best information available in the circumstances and may include the County's own data.

NOTE 5 – RESTRICTED CASH AND INVESTMENTS

The amount of assets restricted by legal and contractual requirements at June 30, 2020, is as follows (In thousands):

Governmental Activities			
General Fund			$ 417,867
Flood Control			1,866
Teeter Debt Service			35,025
Pension Obligation			8,711
Other Governmental Funds			
CORAL			
Local Agency Investment Fund	2,538		
Restricted Cash and Other Investments	9,816	12,354	
District Court Financing Corporation		840	
Infrastructure Financing Authority		7,157	
Inland Empire Tobacco Securitization		12,541	
Public Financing Authority		1,824	
Total Other Governmental Funds			34,716
Total Governmental Activities			**498,185**
Business-type Activities			
Riverside University Health Systems - Medical Center			
Local Agency Investment Fund		11,601	
Restricted Cash and Other Investments		24,637	
Total Riverside University Health Systems - Medical Center			36,238
Waste Resources			74,540
Housing Authority			10,504
Flood Control			6,455
Total Business-type Activities			**127,737**
Total Restricted Cash and Investments			**$ 625,922**

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	$ 18,686	$ 4,046	$ 12,206	$ 360,840	$ 395,778
Transportation	6,101	228	16	13,899	20,244
Flood Control	112	511	1,462	1,396	3,481
Teeter debt service	-	44	54,541	-	54,585
CARES Act Cornavirus Relief	-	593	-	-	593
Pension Obligation	4,393	9	-	-	4,402
Other governmental funds	1,032	485	1,904	12,849	16,270
Internal service funds	7,346	602	-	1,005	8,953
Total receivables	$ 37,670	$ 6,518	$ 70,129	$ 389,989	$ 504,306

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	$ 378,935	$ -	$ -	$ -	$ 218,456	$ (339,409)	$ 257,982
Waste Resources	11,249	370	-	2,000	200	-	13,819
Housing Authority	2,129	3	-	96,305	-	(395)	98,042
Other	10,709	14	12	-	2,015	(9,857)	2,893
Total receivables	$ 403,022	$ 387	$ 12	$ 98,305	$ 220,671	$ (349,661)	$ 372,736

NOTE 7 – INTERFUND TRANSACTIONS

(a) Interfund Receivables/ Payables

The composition of interfund balances as of June 30, 2020 is as follows (In thousands):

Due to/from other funds :

	Receivable Fund							
Payable Fund	General Fund	Flood Control	Teeter Debt Service	Other Governmental Funds	Riverside University Health Systems-Medical Center	Other Enterprise Funds	Internal Service Funds	Total Payable
General Fund								
Delinquent property tax	$ -	$ -	$ 1,446	$ -	$ -	$ -	$ -	$ 1,446
Operating contribution	-	-	-	-	17,706	15,729	-	33,435
Interfund activity	-	-	-	1,089	7,601	7,873	499	17,062
Total General Fund								51,943
Transportation								
Interfund activity	143	-	-	-	-	-	-	143
Total Transportation								143
Teeter Debt Service								
Interfund activity	6,714	-	-	-	-	-	-	6,714
Total Teeter Debt Service								6,714
Other Governmental Funds								
Interfund activity	1,023	-	-	140	-	10	755	1,928
Total Other Governmental Funds								1,928
Riverside University Health Systems-Medical Center								
Interfund activity	11,962	-	-	-	-	16,503	-	28,465
Total Riverside University Health Systems-Medical Center								28,465
Housing Authority								
Interfund activity	14	-	-	-	-	-	-	14
Total Housing Authority								14
Other Enterprise Funds								
Interfund activity	-	288	-	-	-	-	-	288
Total Other Enterprise Funds								288
Internal Service Funds								
Interfund activity	741	-	-	-	-	-	-	741
Total Internal Service Funds								741
Total Receivable	$ 20,597	$ 288	$ 1,446	$ 1,229	$ 25,307	$ 40,115	$ 1,254	$ 90,236

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)

Advances to/from other funds (Continued):

Waste Resources advanced $1.0 million to Public Facilities Capital Project Improvement Fund for East County Detention Cent

Waste Resources advanced $18.5 million to RUHS-MC for Huron Consulting Services.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers

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

Transfer Out	General Fund	Transportation	Flood Control	Teeter Debt Service	Pension Obligation	Other Governmental Funds
	Transfer In					
General Fund						
*To finance capital projects	$ -	$ -	$ -	$ -	$ -	$ 23,938
*For debt service payments	-	-	-	3,032	-	66,968
*Operating contribution	-	75	-	-	-	21,196
*For professional services	-	3,056	-	-	-	6,693
*To fund pension obligation	-	-	-	-	26,371	-
Total general fund						
Transportation						
*To finance capital projects	-	-	-	-	-	18
*For professional services	2,438	-	-	-	-	4
*To fund pension obligation	-	-	-	-	949	-
Total transportation						
CARES Act Coronavirus Relief						
*Operating contribution	36,590	217	-	-	-	77,142
Total cares act coronavirus relief						
Flood Control						
*For debt service payments	-	-	-	-	-	2,963
*To fund pension obligation	-	-	-	-	1	-
Total Flood Control						
Teeter Debt Service						
*For debt service payments	3	-	-	-	-	-
Total teeter debt service						
Other Governmental Funds						
*To finance capital projects	33,114	3,495	-	-	-	14,162
*For debt service payments	-	-	-	-	-	12,084
*For Fire protection services	69,683	-	-	-	-	-
*For professional services	15,562	2,486	-	-	-	7,425
*Operating contribution	1,134	-	-	-	-	1,890
*To fund pension obligation	152	-	-	-	580	-
Total other governmental funds						
Riverside University Health System-Medical Center						
*To fund pension obligation	-	-	-	-	5,661	-
Total Riverside University Health System-Medical Center						
Waste Resources						
*To fund pension obligation	-	-	-	-	362	-
Total Waste Resources						
Housing Authority						
*To fund pension obligation	-	-	-	-	170	-
Total Housing Authority						
Other Enterprise Funds						
*To fund pension obligation	-	-	-	-	812	-
Total other enterprise funds						
Internal Service Funds						
* Business Services	-	-	-	-	-	-
*Operating contribution	36	-	133	-	-	-
*To fund pension obligation	-	-	-	-	2,042	-
Total Internal Service Funds						
Total transfers in	$ 158,712	$ 9,329	$ 133	$ 3,032	$ 36,948	$ 234,483

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

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 7 – INTERFUND TRANSACTIONS (Continued)

Transfers (Continued)

(b) Between Governmental and Business-type Activities:

Riverside University Health Systems Medical Center	Waste Resources	Housing Authority	Other Enterprise Funds	Internal Service Funds	Total Transfers Out	*Principal purpose for transfer
Transfers In						
						General Fund
$ -	$ -	$ -	$ -	$ -	$ 23,938	*To finance capital projects
10,000	-	-	-	-	80,000	*For debt service payments
7,601	-	-	7,873	3,151	39,896	*Operating contribution
-	-	-	-	-	9,749	*For professional services
-	-	-	-	-	26,371	*To fund pension obligation
					179,954	**Total general fund**
						Transportation
-	-	-	-	-	18	*To finance capital projects
-	-	-	-	-	2,442	*For professional services
-	-	-	-	-	949	*To fund pension obligation
					3,409	**Total transportation**
						CARES Act Coronavirus Relief
17,705	45	25	15,729	1,205	148,658	*Operating contribution
					148,658	**Total cares act coronavirus relief**
						Flood Control
-	-	-	-	-	2,963	*For debt service payments
-	-	-	-	-	1	*To fund pension obligation
					2,964	**Total Flood Control**
						Teeter Debt Service
-	-	-	-	-	3	*For debt service payments
					3	**Total teeter debt service**
						Other Governmental Funds
3,277	-	-	-	-	54,048	*To finance capital projects
-	-	-	-	-	12,084	*For debt service payments
-	-	-	-	-	69,683	*For Fire protection services
-	-	-	-	-	25,473	*For professional services
-	-	-	252	692	3,968	*Operating contribution
-	-	-	-	-	732	*To fund pension obligation
					165,988	**Total other governmental funds**
						Riverside University Health System-Medical Center
-	-	-	-	-	5,661	*To fund pension obligation
					5,661	**Total Riverside University Health System-Medical Center**
						Waste Resources
-	-	-	-	-	362	*To fund pension obligation
					362	**Total Waste Resources**
						Housing Authority
-	-	-	-	-	170	*To fund pension obligation
					170	**Total Housing Authority**
						Other Enterprise Funds
-	-	-	-	-	812	*To fund pension obligation
					812	**Total other enterprise funds**
						Internal Service Funds
-	-	-	-	3,432	3,432	* Business Services
31	-	-	-	-	200	*Operating contribution
-	-	-	-	-	2,042	*To fund pension obligation
					5,674	**Total Internal Service Funds**
$ 38,614	$ 45	$ 25	$ 23,854	$ 8,480	$ 513,655	**Total transfers in**

NOTE 8 – CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows (In thousands):

	Balance June 30, 2019 as Restated	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2020
Governmental activities:					
Capital assets, not being depreciated:					
Land & easements	$ 587,652	$ 11,329	$ (1,602)	$ -	$ 597,379
Construction in progress	762,613	201,657	(1,542)	(64,560)	898,168
Total capital assets, not being depreciated	1,350,265	212,986	(3,144)	(64,560)	1,495,547
Capital assets, being depreciated:					
Infrastructure	3,736,104	27,814	-	49,805	3,813,723
Land improvements	110	-	-	-	110
Structures and improvements	1,879,416	5,635	(887)	10,019	1,894,183
Equipment	616,025	40,157	(26,989)	4,727	633,920
Total capital assets, being depreciated	6,231,655	73,606	(27,876)	64,551	6,341,936
Less accumulated depreciation for:					
Infrastructure	(1,698,394)	(117,160)	-	33	(1,815,521)
Land improvements	(30)	(1)	-	-	(31)
Structures and improvements	(580,748)	(47,823)	526	-	(628,045)
Equipment	(372,747)	(45,908)	25,469	(24)	(393,210)
Total accumulated depreciation	(2,651,919)	(210,892)	25,995	9	(2,836,807)
Total capital assets, being depreciated, net	3,579,736	(137,286)	(1,881)	64,560	3,505,129
Governmental activities capital assets, net	$ 4,930,001	$ 75,700	$ (5,025)	$ -	$ 5,000,676

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 8 – CAPITAL ASSETS (Continued)

Capital asset activity for the year ended June 30, 2020, was as follows (In thousands):

	Balance July 1, 2019	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2020
Business-type activities:					
Capital assets, not being depreciated:					
Land & easements	$ 21,524	$ 12	$ (12)	$ -	$ 21,524
Construction in progress	49,089	15,645	(4,406)	(3,320)	57,008
Concession arrangements	8,830	-	-	-	8,830
Total capital assets, not being depreciated	79,443	15,657	(4,418)	(3,320)	87,362
Capital assets, being depreciated:					
Infrastructure	105,537	3,768	4,394	-	113,699
Land improvements	21,402	1	-	-	21,403
Structures and improvements	285,609	192,146	(68)	1,839	479,526
Equipment	206,319	34,701	(7,543)	1,495	234,972
Total capital assets, being depreciated	618,867	230,616	(3,217)	3,334	849,600
Less accumulated depreciation for:					
Infrastructure	(60,438)	(3,740)	-	-	(64,178)
Land improvements	(15,498)	(727)	-	-	(16,225)
Structures and improvements	(139,288)	(10,175)	-	-	(149,463)
Equipment	(147,655)	(22,720)	4,560	(14)	(165,829)
Total accumulated depreciation	(362,879)	(37,362)	4,560	(14)	(395,695)
Total capital assets, being depreciated, net	255,988	193,254	1,343	3,320	453,905
Business-type activities capital assets, net	$ 335,431	$ 208,911	$ (3,075)	$ -	$ 541,267

Depreciation

Depreciation expense was charged to governmental functions as follows (In thousands):

General government	$ 48,735
Public protection	13,476
Health and sanitation	1,147
Public assistance	200
Public ways and facilities	117,561
Recreation and cultural services	3,004
Education	7,485
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	19,284
Total depreciation expense – governmental functions	$ 210,892

NOTE 8 – CAPITAL ASSETS (Continued)

Depreciation expense was charged to business-type functions as follows (In thousands):

RUHS-Medical Center	$ 26,041
Waste Resources	7,274
Housing Authority	1,088
RUHS-CHC	2,927
Flood Control	21
County Service Areas	11
Total depreciation expense – business-type functions	$ 37,362

Capital Leases

Leased property under capital leases by major class (In thousands):

	Governmental Activities	Business-type Activities
Land	$ 488	$ -
Structures and improvements	62,124	190,733
Equipment	127,917	43,979
Less: Accumulated amortization	(76,536)	(22,902)
Total leased property, net	$ 113,993	$ 211,810

Discretely Presented Component Unit

Activity for the Riverside County Children and Families Commission for the year ended June 30, 2020, was as follows (In thousands):

	Balance July 1, 2019	Additions	Deletions/ Adjustments	Transfers	Balance June 30, 2020
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	107	-	-	-	107
Total capital assets, being depreciated	2,005	-	-	-	2,005
Less accumulated depreciation for:					
Building and improvements	(275)	(54)	-	-	(329)
Machinery and equipment	(91)	(10)	-	-	(101)
Total accumulated depreciation	(366)	(64)	-	-	(430)
Total capital assets, being depreciated, net	1,639	(64)	-	-	1,575
Total capital assets, net	$ 2,012	$ (64)	$ -	$ -	$ 1,948

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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.

Cove 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 Resort 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, 2018, 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.	$ -
Cove 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	2/7/2018	3 years	2/7/2021	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.	-
					$ -

NOTE 9 – SERVICE CONCESSION ARRANGEMENTS (SCA) (Continued)

Capital assets balance for the SCAs for the fiscal year ended June 30, 2020, and over the terms of the agreements are as follows (In thousands):

	Land, Structures, & Structure Improvements
McIntyre Park Campground	$ 52
Cove RV Resort	131
Lake Skinner Recreation Area	-
Gopher Hole Camp Store	-
Edom Hill Transfer Station	8,830
Cove and Dropzone Waterparks	44,419
	$ 53,432

The deferred inflows of resources activity for the SCA for the year ended June 30, 2020 are as follows (In thousands):

SCA Capital Assets	Balance July 1, 2019	Additions/ Restatements	Amortization[1]	Balance June 30, 2020
McIntyre Park Campground[2]	$ -	$ -	$ -	$ -
Cove RV Resort[2]	-	-	-	-
Lake Skinner Recreation Area[2]	-	-	-	-
Gopher Hole Camp Store[2]	-	-	-	-
Edom Hill Transfer Station	5,790	-	(434)	5,356
Cove and Dropzone Waterparks[2]	-	-	-	-
Total deferred inflows	$ 5,790	$ -	$ (434)	$ 5,356

[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 $9.6 million as the remaining estimated capacity of 14.8 million tons is filled. Waste Resources expects all currently permitted landfill capacities to be filled by 2107. The total estimated closure liability of $23.0 million and post-closure care costs of $45.5 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 the 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, 2020, the post-closure liability is estimated at $33.9 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, 2020	Outstanding Recognized Liability	Estimated Years Remaining
Badlands (Moreno Valley)	$ 10,811	77.1%	$ 8,336	2
Blythe (Blythe)	5,219	35.3%	1,843	27
Edom Hill (Cathedral City)	5,808	100.0%	5,808	0
Lamb Canyon (Beaumont)	8,470	59.3%	5,024	9
Desert Center (Desert Center)	451	59.1%	267	67
Mecca II (Mecca)	1,020	98.8%	1,007	78
Oasis (Oasis)	886	84.7%	752	43
Total Closure Estimate	$ 32,665		$ 23,037	

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 10 - LANDFILL CLOSURE AND POST-CLOSURE CARE COSTS (Continued)

Post-Closure Escrow Fund Landfill Sites

Facility Name (City)	Estimated Liability
Badlands (Moreno Valley)	$ 8,596
Blythe (Blythe)	2,667
Coachella (Coachella)	2,603
Double Butte (Winchester)	6,605
Edom Hill (Cathedral City)	3,915
Highgrove (Riverside)	4,433
Lamb Canyon (Beaumont)	6,144
Mead Valley (Perris)	3,557
Anza (Anza)	2,690
Desert Center (Desert Center)	1,297
Mecca II (Mecca)	1,603
Oasis (Oasis)	1,431
Total Post-Closure Estimate	$ 45,541

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 the six active landfills and the 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, 2020 (In thousands):

Year Ending June 30	
2021	$ 47,267
2022	40,834
2023	34,902
2024	27,732
2025	19,025
2026 - 2030	41,228
2031 - 2035	9,710
2036 - 2040	775
2041 - 2045	279
2046 - 2050	108
Total Minimum Payments	$ 221,860

Total rental expenditure/expense for the year ended June 30, 2020, was $141.4 million, of which $16.7 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, 2020, of advances from grantors and third parties is as follows (In thousands):

	Balance June 30, 2020
General Fund:	
Advances on state and federal grants for mental health services	$ 138,264
Advances on state funding for social services	95,637
Advances on state grants and third party advances for public health services	25,232
Advances on state grants for probation services	21,391
Advances on state and federal grants for sheriff services	7,289
Advances on state grants and other federal grants for environmental health services	4,015
Advances on state and federal grants for 2020 census and homeless assistance	3,555
Advances on state grants and third party advances for emergency management services	2,461
Advances on state grants for district attorney services	1,931
Advances on state grants for public safety	1,803
Advances on state grants for planning and engineering services	654
Advances on state grants for public defender services	348
Advances on state grants for veteran services	318
Advances on state grants and third party advances for animal services	297
Advances on state and federal grants for fire protection services	208
Advances for election services	115
Other advances	65
Total general fund	303,583
Transportation Special Revenue Fund:	
Developer fees	12,387
Utility relocation	6,556
Advances from developers for road and construction projects	3,870
Survey fees	861
Deposit based fees	410
Advances for community facilities districts improvement projects	109
Total transportation special revenue fund	24,193
Flood Control Special Revenue Fund:	
Advances for flood control projects	532
Total flood special revenue fund	532
CARES Act Coronavirus Relief Fund:	
Advances from the federal government for COVID-19 related expenditures	282,306
Total CARES act fund	282,306
Other Governmental Funds:	
Advances on state grant for homeless housing relief programs	11,922
Advances on state grant for bio-terrorism programs	2,145
Advances on state grant for health care services	1,434
Advances for facility renewal projects	1,241
Camping and recreation fees	553
Advances on state grant for community service block grant	542
Developer impact fees	306
Advances for aviation projects	19
Advances from third parties for recreational events	1
Other advances	4
Total other governmental funds	18,167
Grand total of advances from grantors and third parties	$ 628,781

NOTE 13 – SHORT-TERM DEBT

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2019, the County issued $340.0 million of tax exempt Tax and Revenue Anticipation Notes (TRANs), which was paid by June 30, 2020. The notes were issued with a yield rate of 1.25% and a stated interest rate of 5.0%. 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 Commercial Paper 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 2019-20, the County retired $75.8 million and issued $84.3 million 2019 Series A teeter obligation notes (tax-exempt) which includes a premium of $228.0 thousand, leaving an outstanding balance of $84.3 million at June 30, 2020.

Short-term debt activity for the year ended June 30, 2020, was as follows (In thousands):

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
TRANs	$ -	$ 340,000	$ (340,000)	$ -
Teeter notes	75,754	84,342	(75,754)	84,342
Total	$ 75,754	$ 424,342	$ (415,754)	$ 84,342

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 $3.72 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 capital asset.

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, 2020 (In thousands):

Year Ending June 30	Governmental Activities	Business-type Activities
2021	$ 26,546	$ 15,712
2022	20,624	14,771
2023	16,041	13,964
2024	10,852	13,628
2025	9,862	11,934
2026-2030	36,735	45,618
2031-2035	33,265	38,064
2036-2040	1,104	39,976
2041-2045	-	56,665
Total minimum payments	155,029	250,332
Less amount representing interest	(25,742)	(8,230)
Present value of net minimum lease payments	$ 129,287	$ 242,102

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

The following is a summary of governmental activities long-term liabilities transactions for the year ended June 30, 2020 (In thousands):

	Balance June 30, 2019	New Additions	Payments / Reclass	Balance June 30, 2020	Amounts Due Within One Year
Governmental activities:					
Debt long-term liabilities:					
Bonds payable	$ 1,189,065	$ 732,870	$ (67,360)	$ 1,854,575	$ 87,905
Capital lease obligations	102,905	51,117	(24,735)	129,287	22,571
Certificates of participation	60,265	-	(18,596)	41,669	18,570
Bonds from Direct Placement	980	-	(650)	330	330
Total debt long-term liabilities	1,353,215	783,987	(111,341)	2,025,861	129,376
Other long-term liabilities:					
Accreted interest payable	195,574	25,117	(1,005)	219,686	-
Compensated absences (a)	228,248	7,389	(82)	235,555	141,045
Estimated claims liabilities (b)	260,110	53,055	(57,779)	255,386	60,864
Total other long-term liabilities	683,932	85,561	(58,866)	710,627	201,909
Total governmental activities –	$ 2,037,147	$ 869,548	$ (170,207)	$ 2,736,488	$ 331,285

(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.

The following is a summary of business-type and discretely presented component unit activities long-term liabilities transactions for the year ended June 30, 2020 (In thousands):

	Balance June 30, 2019	New Additions	Payments / Reclass	Balance June 30, 2020	Amounts Due Within One Year
Business-type activities:					
Debt long-term liabilities:					
Bonds payable, net of un-amortized discount and losses	$ 64,254	$ -	$ (5,381)	$ 58,873	$ 4,664
Capital lease	34,724	215,414	(8,036)	242,102	14,502
Total debt long-term liabilities	98,978	215,414	(13,417)	300,975	19,166
Other long-term liabilities:					
Accreted interest payable	79,922	6,540	(14,524)	71,938	1,236
Compensated absences	41,577	2,959	(139)	44,397	27,895
Other long-term liabilities (a)	11,007	43	-	11,050	-
Total other long-term liabilities	132,506	9,542	(14,663)	127,385	29,131
Total business-type activities – long-term liabilities	$ 231,484	$ 224,956	$ (28,080)	$ 428,360	$ 48,297

(a) For Business-type Activities under Other long-term liabilities consists of the following:
Housing Authority has three notes payable, totaling $11.0 million.

	Balance June 30, 2019	Additions	Payments	Balance June 30, 2020	Amounts Due Within One Year
Discretely Presented Component Unit					
Other long-term liabilities:					
Compensated absences	$ 304	$ 50	$ (12)	$ 342	$ 191
Total discretely presented component unit – long-term liabilities	$ 304	$ 50	$ (12)	$ 342	$ 191

The County has an unused line of credit in the amount of $17.1 million.

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, 2020 (In thousands):

Type of Indebtedness	Original Borrowing	Interest Rates to Maturity	Final Maturity	Outstanding at June 30, 2020
Governmental activities:				
Certificates of Participation				
CORAL				
1990 Monterey Avenue: Serial Certificates	$ 8,800	Variable	2020	$ 800
2009 Series A - Public Safety Communication				
and Woodcrest Library Refunding Projects	45,685	Variable	2039	19,955
2009 Larson Justice Center Refunding:				
Serial Certificates	24,680	2.00% - 5.00%	2021	7,172
Total CORAL	79,165			27,927
Flood Control				
Zone 4 - 2015 Negotiable Promissory Note	21,000	2.00% - 5.00%	2025	13,742
Total Flood Control	21,000			13,742
Total certificates of participations	$ 100,165			$ 41,669
Bonds payable				
CORAL				
2012 CAC Annex Refunding Project	$ 33,360	2.00% - 5.00%	2031	$ 24,369
2008 A Southwest Justice Center: Term Certificates	78,895	5.16%	2032	62,040
2013 Probation & RCIT: Term Bonds (Series A)	66,015	5.00% - 5.25%	2043	48,440
2014 Lease Refunding Court Facilities Project, Series A	10,890	2.00% - 5.00%	2033	7,711
2019 Taxable Lease Revenue Refunding Series A	12,875	1.87% - 3.40%	2044	12,875
Total CORAL	202,035			155,435
Taxable Pension Obligation Bonds				
Pension Obligation Bonds (Series 2005-A)	400,000	4.91% - 5.04%	2035	218,830
Pension Obligation Bonds (Series 2020)	719,995	2.17% - 3.17%	2038	719,995
Total Taxable Pension Obligation Bonds	1,119,995			938,825
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	23,458	7.00%	2057	23,457
Series 2007 E	18,948	7.63%	2057	18,949
Series 2007 F	27,076	8.00%	2057	27,076
Series 2019	100,000	3.68%	2028	91,970
Total Inland Empire Tobacco Securitization Authority	252,677			244,647

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Bonds payable (continued)				
Riverside County Public Financing Authority				
Series 2012	17,640	3.00% - 5.00%	2021	11,470
Series 2015	325,000	2.00% - 5.00%	2046	330,122
Total Riverside County Public Financing Authority	342,640			341,592
Riverside County Infrastructure Financing Authority				
Series 2015 A	72,825	2.00% - 5.00%	2054	67,251
Series 2016 A	36,740	2.00% - 4.00%	2032	37,815
Series 2017 A	46,970	3.00% - 4.00%	2045	47,067
Series 2017 B	11,595	3.00% - 5.00%	2038	11,272
Series 2017 C	10,610	3.125% - 5.00%	2047	10,671
Total Riverside Infrastructure Financing Authority	178,740			174,076
Total bonds payable	$ 2,096,087			$ 1,854,575
Bonds from direct placement				
CORAL				
2011 Monroe Park Building Refunding	$ 5,535	3.54%	2021	$ 330
Total 2011 Monroe Park Building Refunding	5,535			330
Total bonds from direct placement	$ 5,535			$ 330
Total governmental activities	$ 2,201,787			$ 1,896,574
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	$ 24,142
2012 Term bonds (Series A)	87,510	2.00% - 5.00%	2029	34,731
Total RUHS-MC	128,680			58,873
Total bonds payable	$ 128,680			$ 58,873
Total business-type activities	$ 128,680			$ 58,873

As of June 30, 2020, 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
2021	$ 330	$ 6	$ 18,570	$ 1,407
2022	-	-	9,110	784
2023	-	-	2,660	513
2024	-	-	2,795	378
2025	-	-	2,935	241
2026 - 2030	-	-	1,060	768
2031 - 2035	-	-	1,405	523
2036 - 2040	-	-	1,880	196
Total requirements	330	6	40,415	4,810
Bond discount/premium, net	-	-	1,254	-
Total	$ 330	$ 6	$ 41,669	$ 4,810

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Annual debt service requirements of governmental activities (Continued)

Governmental	Bonds Payable	
Fiscal Year Ending June 30	Principal	Interest
2021	$ 87,905	$ 61,238
2022	92,305	63,155
2023	103,610	59,573
2024	111,210	55,592
2025	102,565	51,199
2026 - 2030	486,898	200,934
2031 - 2035	454,005	108,860
2036 - 2040	140,200	47,337
2041 - 2045	131,101	22,325
2046 - 2050	37,592	596
2051 - 2055	22,331	-
2056 - 2060	47,150	4,671
Total requirements	1,816,872	675,480
Bond discount/premium, net	37,703	-
Total	$ 1,854,575	$ 675,480

As of June 30, 2020, 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
2021	$ 4,664	$ 16,086	$ -	$ -
2022	4,376	16,374	-	-
2023	4,125	16,626	-	-
2024	3,878	16,873	-	-
2025	3,655	17,096	-	-
2026 - 2030	34,579	19,758	6,795	-
2031 - 2035	-	-	551	-
2036 - 2040	-	-	-	-
2041 - 2045	-	-	-	-
2046 - 2050	-	-	-	-
2051 - 2055	-	-	-	-
2056 - 2060	-	-	-	-
2061 - 2065	-	-	-	-
2066 - 2070	-	-	3,704	-
Total requirements	55,277	102,813	11,050	-
Bond discount/premium, net	3,596	-	-	-
Total	$ 58,873	$ 102,813	$ 11,050	$ -

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, 2020 (In thousands):

	Balance June 30, 2019	Additions	Reductions	Balance June 30, 2020
Governmental Activities:				
Certificates of Participation:				
Court Financing (U.S. District Court Project)	$ 1,005	$ -	$ (1,005)	$ -
Bonds:				
Inland Empire Tobacco Securitization Authority	194,569	25,117	-	219,686
Total governmental-type activities	$ 195,574	$ 25,117	$ (1,005)	$ 219,686
Business-type Activities:				
Lease Revenue Bonds:				
Riverside University Health Systems - Medical Center (1997A Hosp)	$ 79,922	$ 6,540	$ (14,524)	$ 71,938
Total business-type activities	$ 79,922	$ 6,540	$ (14,524)	$ 71,938

The accreted interest payable balances at June 30, 2020, represent accreted interest on the 2007 Inland Empire Tobacco Securitization Authority Bonds and the 1997 A Hospital Serial Capital Appreciation Bonds. The original issues were $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 upon maturity will be $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 $25.1 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 was $71.9 million at June 30, 2020. The accumulated accretion for the Inland Empire Tobacco Securitization Authority in governmental activities was $219.7 million. The un-accreted balances at June 30, 2020 are $21.0 million for the 1997-A Hospital RUHS-MC project, and $3.25 billion for the Inland Empire Tobacco Securitization Authority Bonds.

Bonds, Certificates of Participation / Refunding

In September 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 refunding a portion of the outstanding 2013 Series A Bonds (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) and pay the cost incurred in connection with the issuance of the bonds. The transaction resulted in an economic gain of $513.0 thousand.

In April 2020, the County issued $720.0 million in taxable pension obligation bonds, Taxable Pension Obligation Bonds, Series 2020. The Series 2020 bonds were issued under a Trust Agreement, dated as of February 1, 2005, as supplemented by a First Supplemental Trust Agreement, dated as of May 1, 2020 between the County and Wells Fargo Bank, National Association, as Trustee, to refund a portion of the County's obligations to the California Public Employee's Retirement System (CalPERS) under the CalPERS Contract, evidencing a portion of the County's obligation to pay the County's unfunded accrued actuarial liability to CalPERS and pay the costs of issuance related to the Series 2020 Bonds.

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 $11.0 million in lease revenue bonds (2014 A 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 $36.7 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,

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Defeasance of Debt (continued)

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 carry amount of $41.3 million. 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 $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 (the 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.

In September 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 refunding a portion of the outstanding 2013 Series A Bonds (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects) and pay the cost incurred in connection with the issuance of the bonds. The transaction resulted in an economic gain of $513.0 thousand.

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 $16.3 million is outstanding as of June 30, 2020. 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

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Single Family and Multi-Family Mortgage Revenue Bonds (continued)

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 $83.3 million at June 30, 2020, to provide financing or improvements benefiting certain property owners. Special assessment bonds consist of Community Facilities District Bonds and Assessment District Bonds. 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 $234.3 thousand for the year ended June 30, 2020.

Fair Value: As of June 30, 2020 and 2019, the swap had a negative fair value of $21.3 million and $18.6 million, respectively, a decrease in fair value of $2.7 million occurred during the fiscal year 2019-20. 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, 2020.

NOTE 14 – LONG-TERM OBLIGATIONS (Continued)

Interest Swap Rate (continued)

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.

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, 2020, 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, 2020 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 swaps' fair value.

Changes in Long-term Liabilities

Swap Payment and Associated Debt: Using rates as of June 30, 2020, 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, 2020	Principal	Interest	Net Swap Payments	Total Interest
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	4,035	703	1,814	2,517
2025	4,135	644	1,662	2,306
2026-2030	20,270	2,215	5,714	7,929
2031-2033	6,100	382	981	1,363
	$ 45,395	$ 6,383	$ 16,463	$ 22,846

As rates vary, variable-rate bond interest payments and net swap payments will vary.

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, 2020, $21.5 million was received by the Inland Empire Tobacco Securitization Authority; $10.0 million, or 46.4 %, was distributed to the County per the above agreement, leaving $11.5 million, or 53.6 %, of the specific tobacco settlement revenues available to be pledged (see page 173). 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, 2020 were as follows (In thousands):

	Balance June 30, 2020
Government-wide deferred outflows of resources:	
Governmental activities:	
Interest rate swap	$ 21,328
OPEB	48,780
Pension	693,898
Total governmental activities	764,006
Business-type activities:	
OPEB	9,715
Pension	99,707
Total business-type activities	109,422
Total government-wide deferred outflows of resources	$ 873,428
Discretely presented component unit deferred outflows of resources:	
Pension	$ 1,311
Total discretely presented component unit deferred outflows of resources	$ 1,311

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, 2020 were as follows (In thousands):

	Balance June 30, 2020
Government-wide deferred inflows of resources:	
Governmental activities:	
Teeter tax loss reserve	$ 27,487
OPEB	403
Pension	97,045
Total governmental activities	124,935
Business-type activities:	
Service concession arrangement	5,356
OPEB	53
Housing Opportunities for Persons with Aids (HOPWA) grant	587
Pension	15,334
Total business-type activities	21,330
Total government-wide deferred inflows of resources	$ 146,265
Governmental funds deferred inflows of resources:	
General Fund:	
SB 90	$ 24,174
Teeter tax loss reserve	27,487
Property tax	5,899
Miscellaneous unavailable revenue	4,058
Total general fund	61,618
Flood Control Special Revenue Fund:	
Property tax	1,372
Special assessments	90
Total flood control special revenue fund	1,462
Other Governmental Funds:	
Property tax	6
Total other governmental funds	6
Total governmental funds deferred inflows of resources	$ 63,086
Discretely presented component unit deferred inflows of resources:	
Pension	$ 970
Total discretely presented component unit deferred inflows of resources	$ 970

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, 2020 is as follows (In thousands):

	Major Funds					
	General Fund	Transportation	Flood Control	CARES Act Coronavirus Relief	Pension Obligation	Total Major Governmental Funds
Fund balances:						
Nonspendable						
Inventory	$ 2,075	$ 1,244	$ -	$ -	$ -	$ 3,319
Prepaid items	62	-	-	-	-	62
Imprest cash	329	1	1	-	-	331
Permanent fund	-	-	-	-	-	-
Total nonspendable	**2,466**	**1,245**	**1**	**-**	**-**	**3,712**
Restricted						
Aging	-	-	-	-	-	-
Air quality planning	105	-	-	-	-	105
Airport	-	-	-	-	-	-
Auto theft interdiction	1,272	-	-	-	-	1,272
CAP local initiative program	-	-	-	-	-	-
CARES Act	-	-	-	1,774	-	1,774
Construction & capital projects	3,086	-	-	-	-	3,086
Court services	11,197	-	-	-	-	11,197
Debt services	2,070	-	-	-	5,057	7,127
District attorney	14,854	-	-	-	-	14,854
Domestic violence	2,599	-	-	-	-	2,599
Emergency medical services	7,296	-	-	-	-	7,296
Emergency preparedness	-	-	-	-	-	-
Environmental health	381	-	-	-	-	381
Public ways and facilities	-	-	273,549	-	-	273,549
Fire protection	-	-	-	-	-	-
Geographical info system	-	-	-	-	-	-
Hazmat	1,495	-	-	-	-	1,495
Humane services	134	-	-	-	-	134
Landscape maintenance	-	4,091	-	-	-	4,091
Libraries	-	-	-	-	-	-
Mental health	14,227	-	-	-	-	14,227
Modernization	9,511	-	-	-	-	9,511
Other purposes	16,101	-	-	-	-	16,101
Parks and recreation	-	-	-	-	-	-
Public assistance	4,666	-	-	-	-	4,666
Public health	2,079	-	-	-	-	2,079
Public protection	4,637	-	-	-	-	4,637
Roads	-	85,312	-	-	-	85,312
Sheriff patrol	10,317	-	-	-	-	10,317
Teeter tax losses	6,684	-	-	-	-	6,684
Total restricted	**112,711**	**89,403**	**273,549**	**1,774**	**5,057**	**482,494**

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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
$ -	$ -	$ -	$ -	$ -	$ 3,319	Inventory
5,007	-	-	-	5,007	5,069	Prepaid items
49	-	-	-	49	380	Imprest cash
-	-	-	1,017	1,017	1,017	Permanent fund
5,056	**-**	**-**	**1,017**	**6,073**	**9,785**	**Total nonspendable**
						Restricted
355	-	-	-	355	355	Aging
917	-	-	-	917	1,022	Air quality planning
685	-	-	-	685	685	Airport
-	-	-	-	-	1,272	Auto theft interdiction
2,059	-	-	-	2,059	2,059	CAP local initiative program
-	-	-	-	-	1,774	CARES Act
-	-	123,732	-	123,732	126,818	Construction & capital projects
-	-	-	-	-	11,197	Court services
-	26,221	1,667	-	27,888	35,015	Debt services
-	-	-	-	-	14,854	District attorney
-	-	-	-	-	2,599	Domestic violence
-	-	-	-	-	7,296	Emergency medical services
1,403	-	-	-	1,403	1,403	Emergency preparedness
-	-	-	-	-	381	Environmental health
-	-	13,693	-	13,693	287,242	Public ways and facilities
8,857	-	-	-	8,857	8,857	Fire protection
2,116	-	-	-	2,116	2,116	Geographical info system
-	-	-	-	-	1,495	Hazmat
-	-	-	-	-	134	Humane services
29,328	-	-	-	29,328	33,419	Landscape maintenance
25,096	-	-	-	25,096	25,096	Libraries
-	-	-	-	-	14,227	Mental health
-	-	-	-	-	9,511	Modernization
-	-	-	-	-	16,101	Other purposes
4,718	-	12,092	-	16,810	16,810	Parks and recreation
35,257	-	-	-	35,257	39,923	Public assistance
7,400	-	-	-	7,400	9,479	Public health
792	-	-	-	792	5,429	Public protection
609	-	-	-	609	85,921	Roads
11,889	-	-	-	11,889	22,206	Sheriff patrol
-	-	-	-	-	6,684	Teeter tax losses
131,481	**26,221**	**151,184**	**-**	**308,886**	**791,380**	**Total restricted**

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 16 – FUND BALANCES (Continued)

	Major Funds					
	General Fund	Transportation	Flood Control	CARES Act Coronavirus Relief	Pension Obligation	Total Major Governmental Funds
Fund balances:						
Committed						
Code enforcement	$ -	$ 4,236	$ -	$ -	$ -	$ 4,236
Construction & capital projects	-	-	-	-	-	-
EDA special projects	-	-	-	-	-	-
Environmental programs	1,260	351	-	-	-	1,611
Legal services	300	-	-	-	-	300
Other purposes	613	-	-	-	-	613
Parks	-	-	-	-	-	-
Sheriff correction	12,331	-	-	-	-	12,331
Solar program	-	-	-	-	-	-
Youth protection	340	-	-	-	-	340
Total committed	**14,844**	**4,587**	**-**	**-**	**-**	**19,431**
Assigned						
Airports	-	-	-	-	-	-
Capital improvement projects	313	-	-	-	-	313
Construction & capital projects	-	-	-	-	-	-
Debt service	-	-	-	-	7,930	7,930
Equipment	-	7,326	-	-	-	7,326
Other purposes	84	-	-	-	-	84
Probation	2,415	-	-	-	-	2,415
Professional services	304	-	-	-	-	304
Public health	229	-	-	-	-	229
Public protection	1,647	-	-	-	-	1,647
Roads	-	8,536	-	-	-	8,536
Sheriff correction	8,710	-	-	-	-	8,710
Small business assistance grant program	-	-	-	-	-	-
Total assigned	**13,702**	**15,862**	**-**	**-**	**7,930**	**37,494**
Unassigned	**257,959**	**-**	**-**	**-**	**-**	**257,959**
Total fund balances	**$ 401,682**	**$ 111,097**	**$ 273,550**	**$ 1,774**	**$ 12,987**	**$ 801,090**

Note: Encumbrances - see Note 23 – Contingencies and Commitments

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

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
$ -	$ -	$ -	$ -	$ -	$ 4,236	Code enforcement
-	-	9,358	-	9,358	9,358	Construction & capital projects
190	-	-	-	190	190	EDA special projects
-	-	-	-	-	1,611	Environmental programs
-	-	-	-	-	300	Legal services
128	-	-	-	128	741	Other purposes
5,433	-	-	-	5,433	5,433	Parks
-	-	-	-	-	12,331	Sheriff correction
1,112	-	-	-	1,112	1,112	Solar program
-	-	-	-	-	340	Youth protection
6,863	**-**	9,358	-	**16,221**	**35,652**	**Total committed**
						Assigned
1,804	-	-	-	1,804	1,804	Airports
-	-	-	-	-	313	Capital improvement projects
-	-	19,727	-	19,727	19,727	Construction & capital projects
-	-	-	-	-	7,930	Debt service
-	-	-	-	-	7,326	Equipment
2,204	-	-	-	2,204	2,288	Other purposes
-	-	-	-	-	2,415	Probation
-	-	-	-	-	304	Professional services
-	-	-	-	-	229	Public health
-	-	-	-	-	1,647	Public protection
-	-	-	-	-	8,536	Roads
-	-	-	-	-	8,710	Sheriff correction
35,520	-	-	-	35,520	35,520	Small business assistance grant program
39,528	**-**	**19,727**	**-**	**59,255**	**96,749**	**Total assigned**
-	-	-	-	-	**257,959**	**Unassigned**
$ 182,928	**$ 26,221**	**$ 180,269**	**$ 1,017**	**$ 390,435**	**$ 1,191,525**	**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 Public Risk Innovation, Solutions, and Management (PRISM) formerly known as 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 PRISM, for a total limit of $21.5 million in excess of the County's self-insured retention. Workers' compensation claims are self-insured to $2 million for each occurrence and the balance of statutory limits (unlimited) is insured through PRISM. Long-term disability income claims are fully insured by an independent carrier.

The 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, 2020 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 2019-20, 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, 2020, plus revenues to be collected during fiscal year 2020-21, are $255.4 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 2018-19	$ 121,256	$ 16,335	$ 122,519	$ 260,110
Increase in provision for insured events of prior years	8,907	1,021	386	10,314
Incurred claims for current year	4,403	(230)	38,568	42,741
Claim payments	(28,237)	(1,525)	(28,017)	(57,779)
Unpaid claims, end of FY 2019-20	$ 106,329	$ 15,601	$ 133,456	$ 255,386

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, 2018 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 to 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, 2020, RUHS-MC recognized $44.9 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 $24.0 million in PRIME for fiscal year ending June 30, 2020.

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 $4.9 million in revenue for the fiscal year ending June 30, 2020 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, 2020 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 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 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	No*	50	N/A	12 months	N/A
County Safety	3.0% at 50	No	50	N/A	12 months	N/A
Flood Control Miscellaneous	3.0% at 60	No	50	N/A	12 months	N/A
Park District Miscellaneous	3.0% at 60	No	50	N/A	12 months	N/A
Waste Resources Miscellaneous	3.0% at 60	No	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

*Riverside County Deputy District Attorneys Association Employee Contributions to the Retirement System: Classic Member Employees (as defined by the PEPRA) subject to the 3% at 60 Formula: Per Government Code Sec. 20692 the County has elected to pay the entire required member contribution (currently 8% of compensation earnable

NOTE 20 – RETIREMENT PLAN (Continued)

General Information about the Pension Plans (Continued)

of pensionable income) as Employer Paid Member Contributions ("EPMC"). Pursuant to Government Code Section 20636(c)(4) the County has agreed to report the value of the EPMC to PERS as compensation earnable.

Employees covered by benefit terms. At June 30, 2020, 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	11,438	2,739	263	92	113
Inactive employees entitled to but yet receiving benefits	13,459	1,313	140	210	43
Active employees	16,817	3,296	220	110	17
	41,714	7,348	623	412	173

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 2020, 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	21.6%	37.4%	33.9%	15.2%	15.2%
County Tier II	21.6%	37.4%	33.9%	8.7%	N/A
County Tier III	21.6%	37.4%	33.9%	7.1%	7.1%
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%	11.8% *	6.3%	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, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 20 – RETIREMENT PLAN (Continued)

Actuarial assumptions. For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2018 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	The lessor of contract COLA or 2.5% 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 probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of assumptions. None in 2019. In 2018, 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 equivalent rate calculated above and adjusted to account for assumed administrative expenses.

NOTE 20 – RETIREMENT PLAN (Continued)

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, 2019	County Miscellaneous	County Safety	Flood Control Miscellaneous	Total
Total pension liability				
Service cost	$ 211,449	$ 93,738	$ 3,114	$ 308,301
Interest	567,030	255,679	14,237	836,946
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	41,592	(3,563)	2,633	40,662
Changes of assumptions	-	-	-	-
Benefit payments, including refunds of employee contributions	(321,474)	(145,095)	(10,190)	(476,759)
Net change in total pension liability	498,597	200,759	9,794	709,150
Total pension liability - beginning (a)	7,702,999	3,605,172	200,031	11,508,202
Total pension liability - ending (c)	$ 8,201,596	$ 3,805,931	$ 209,825	$ 12,217,352
Plan fiduciary net position				
Contributions - employer	$ 216,533	$ 104,161	$ 5,020	$ 325,714
Contributions - employee	87,918	30,029	1,240	119,187
Net investment income	377,088	169,980	8,617	555,685
Benefit payments, including refunds of employee contributions	(321,474)	(145,095)	(10,190)	(476,759)
Administrative expense	(4,088)	(1,845)	(94)	(6,027)
Other miscellaneous expense	220	(200)	-	20
Net change in plan fiduciary net position	356,197	157,030	4,593	517,820
Plan fiduciary net position - beginning (b)	5,496,528	2,584,843	131,710	8,213,081
Plan fiduciary net position - ending (d)	$ 5,852,725	$ 2,741,873	$ 136,303	$ 8,730,901
Net pension liability - beginning (a) - (b)	2,206,471	1,020,329	68,321	3,295,121
Net pension liability - ending (c) - (d)	$ 2,348,871	$ 1,064,058	$ 73,522	$ 3,486,451

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 06/30/2018	$ 45,782	$ 35,276	$ 10,506	$ 51,692	$ 37,823	$ 13,869	$ 24,375
Balance at 06/30/2019	$ 48,241	$ 36,707	$ 11,534	$ 53,935	$ 38,998	$ 14,937	$ 26,471
Net changes during 2018-19	$ 2,459	$ 1,431	$ 1,028	$ 2,243	$ 1,175	$ 1,068	$ 2,096

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	$ 1,879,812	$ 463,994	$ 5,065	2,348,871
County Safety	1,064,058	-	-	1,064,058
Flood Control Miscellaneous	71,173	2,349	-	73,522
Park District Miscellaneous	11,534	-	-	11,534
Waste Resources Miscellaneous	-	14,937	-	14,937
Total:	$ 3,026,577	$ 481,280	$ 5,065	3,512,922

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	$ 3,580,908	$ 2,348,871	$ 1,352,855
County Safety	1,643,165	1,064,058	593,998
Flood Control Miscellaneous	95,171	73,522	46,150
Park District Miscellaneous	18,023	11,534	6,178
Waste Resources Miscellaneous	23,959	14,937	7,489
Total:	$ 5,361,227	$ 3,512,922	$ 2,006,670

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 2018-19 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, 2019, the Park District and Waste Resources reported a liability of $11.5 million and $14.9 million, respectively, for their proportionate share of net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018. 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, 2019, the Park District's and Waste Resources' proportions were 0.28803 percent and 0.37300 percent, respectively, which was an increase of 0.00926 percent and 0.00499 percent, respectively, from their proportion measured as of June 30, 2018.

For the year-ended June 30, 2020, the County recognized pension expense of $738.0 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.

COUNTY OF RIVERSIDE
Notes to the Basic Financial Statements (Continued)
June 30, 2020

NOTE 20 – RETIREMENT PLAN (Continued)

At June 30, 2020, 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	$ -	$ -	$ -	$ -	$ -	$ -
Difference between expected and actual experience	119,358	27,772	2,641	550	1,037	151,358
Change of assumptions	136,073	107,512	1,843	801	712	246,941
Adjustment due to differences in proportions	-	-	-	412	117	529
Sub-total	255,431	135,284	4,484	1,763	1,866	398,828
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	243,748	126,333	12,731	1,515	1,141	385,468
Total	$ 499,179	$ 261,617	$ 17,215	$ 3,278	$ 3,007	$ 784,296

$385.5 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, 2021.

	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 greater than projected	$ (29,655)	$ (13,532)	$ (759)	$ (202)	$ (261)	$ (44,409)
Difference between expected and actual experience	-	(12,754)	(418)	(62)	(80)	(13,314)
Change of assumptions	(32,430)	(20,065)	(476)	(195)	(252)	(53,418)
Adjustment due to differences in proportions	-	-	-	-	(165)	(165)
Difference in employer contributions and proportionate share of contributions	-	-	-	(364)	-	(364)
Total	$ (62,085)	$ (46,351)	$ (1,653)	$ (823)	$ (758)	$ (111,670)

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	$ 683,278	$ 99,707	$ 1,311	$ 784,296
Deferred Inflows of Resources	$ (95,366)	$ (15,334)	$ (970)	$ (111,670)

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
2021	$ 180,620	$ 43,819	$ 3,273	$ 908	$ 1,034	$ 229,654
2022	2,085	17,808	(843)	(107)	(136)	18,807
2023	690	30,100	272	99	157	31,318
2024	9,951	(2,530)	129	40	53	7,643
2025	-	(264)	-	-	-	(264)
Thereafter	-	-	-	-	-	-
	$ 193,346	$ 88,933	$ 2,831	$ 940	$ 1,108	$ 287,158

Payable to the Pension Plan

At June 30, 2020, there is no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2020.

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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefits	321
Inactive employees entitled to but yet receiving benefits	7,488
Active employees	1,503
	9,312

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, 2019 valuation, the County's current required contribution rate is 4.02%. Overall, the Plan's Net Pension Liability increased 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; and 4) assets were lower than expected due to unfavorable investment return on plan assets (4.66% actual compared to 6.0% assumed); 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. The Plan's current funded ratio is 76.6%. 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, 2019, 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, 2019 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 PUB-2010 amount-weighted tables for general employees of all income levels, projected using improvement scale MP-2019 from 2010.

The actuarial assumption used in the June 30, 2019 valuation was based on the results of an actuarial experience study for the period July 1, 2018 - June 30, 2019.

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	1.77%	2.2%	0.2%
Domestic Equity	55.06%	5.9%	15.5%
Developed International Equity	11.97%	7.4%	17.1%
Aggregate Fixed Income	31.21%	1.5%	3.0%

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Net Pension Liability (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, 2018	**$ 45,798**	**$ 41,576**	**$ 4,222**
Changes of the year:			
Service cost	1,082	-	1,082
Interest cost	2,747	-	2,747
Differences between expected and actual experience	2,732	-	2,732
Change of assumptions	2,985	-	2,985
Contributions - employer	-	832	(832)
Contributions - employee	-	1,701	(1,701)
Net investment income (loss)	-	1,939	(1,939)
Benefit payments, including refunds of employee contributions	(2,222)	(2,222)	-
Administrative expense	-	(251)	251
Net changes	7,324	1,999	5,325
Measurement Period June 30, 2019	**$ 53,122**	**$ 43,575**	**$ 9,547**

Change of assumptions. The base mortality assumptions were updated to reflect the most recent public mortality table from RP-2006 to PUB-2010 amount-weighted for general employees. The mortality improvement scale was updated from MP-2018 to MP-2019.

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	$ 18,504	$ 9,547	$ 2,546

NOTE 21 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension plan fiduciary net position

Statement of Fiduciary Net Position
June 30, 2020

ASSETS	Pension Trust
Cash and investments	$ 45,120
Accounts receivable	237
Total assets	45,357
LIABILITIES	
Accounts payable	-
Total liabilities	-
NET POSITION	
Restricted for pension benefits	$ 45,357

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020

ADDITIONS:	
Contributions to pension trust:	
Employer	$ 867
Employee	1,667
Investment income	1,740
Total additions	4,274
DEDUCTIONS:	
Benefits paid to participants	2,225
Administrative and other expenses	257
Total deductions	2,482
Net position, beginning of the year	43,565
Net position, end of the year	$ 45,357

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 2018-19 measurement period is 8.78 years, which was obtained by dividing the total service years of 81,759 (the sum of remaining service lifetimes of the active employees) by 9,312 (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, 2020, the County recognized pension expense of $1,685.0 thousand. At June 30, 2020, 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	$ 5,928	$ -
Changes of assumptions	3,891	(761)
Net difference between projected and actual earnings on pension plan investments	-	(918)
Sub-total	9,819	(1,679)
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	801	-
Total	$ 10,620	$ (1,679)

$801.0 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, 2021.

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
2021	$ 1,415
2022	1,007
2023	1,341
2024	1,403
2025	943
Thereafter	2,031
	$ 8,140

Payable to the Pension Plan

At June 30, 2020, there was no outstanding amount of contributions payable to the pension plan required for the year ended June 30, 2020.

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. In fiscal year 2019-20, management and SEIU employees are offered medical benefits through CalPERS.

Employees covered by benefit terms. For the measurement date June 30, 2019, 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	2,282	36	8	23
Inactive employees entitled to but not yet receiving benefit payments	-	-	-	-
Active employees	18,910	212	107	12
	21,192	248	115	35

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)

	Monthly Contribution			
Bargaining Unit	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	$ 139.00	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
Management (128)	N/A	$ 139.00	N/A	$ 139.00
District Attorneys	$ 256.00	N/A	N/A	N/A
RSA Law Enforcement	$ 25.00	N/A	N/A	N/A
RSA Public Safety	$ 139.00	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, 2019, and the total OPEB (asset)/liability used to calculate the net OPEB (asset)/liability was determined by an actuarial valuation as of July 1, 2019.

Actuarial assumptions. The total OPEB liability in the July 1, 2019 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%	2.50%
Salary Increases	2.75%	2.75%	2.75%
Investment Rate of Return*	7.01%	6.22%	7.59%

*Net of Plan Investment Expenses, including inflation

County Miscellaneous and Safety Plan: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2020 and later years.

Flood Control: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2020 and later years.

Park District Miscellaneous: The healthcare cost trend rate for the Pre Medicare Plan was 7.0 percent, decreasing 0.3 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.2 percent, decreasing 0.5 percent per year to an ultimate rate of 4.5 percent for 2020 and later years.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Net OPEB (Asset)/Liability (Continued)

Mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvements scale MP-2019.

The actuarial assumptions used in the July 1, 2019 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, 2019 were based on the results of an actuarial experience study period for the period of July 1, 2018 to June 30, 2019.

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%	59.0%	5.98%
Fixed Income	43.0%	49.0%	25.0%	2.62%
Treasury Inflation-Protected Securities	5.0%	16.0%	5.0%	1.46%
Real Estate Investment Trust	8.0%	8.0%	8.0%	5.00%
Commodities	4.0%	5.0%	3.0%	2.87%
Total	100.0%	100.0%	100.0%	

Discount rate. The discount rate used to measure the total OPEB liability was 7.01 percent (County Miscellaneous and Safety), 6.22 percent (Flood Control Miscellaneous), and 7.59 (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 $1.5 million was measured as of June 30, 2019, and was determined by the most recent actuarial valuation as of July 1, 2019. 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:

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Total OPEB Liability (Continued)

	Waste Resources Miscellaneous
Inflation	2.50%
Salary Increases	2.75%
Discount rate	3.51%
Healthcare cost trend rates	All benefits are assumed to decrease by 0.3% per year for the Pre Medicare Plan and 0.5% per year for the Post Medicare Plan to an ultimate rate of 4.5 percent for 2020 and later years.
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, 2019.

Mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvements using scale MP-2019.

The actuarial assumptions used in the most recent actuarial valuation as of July 1, 2019 were based on the assumptions developed in the 2017 CalPERS Experience Study.

Changes in the Net OPEB (Asset)/Liability for Agent Multiple-Employer Defined Benefit OPEB Plan Administered Through Trusts

Measurement Period June 30, 2019	County Miscellaneous and Safety	Flood Control Miscellaneous	Park District Miscellaneous	Total
Total OPEB liability				
Service cost	$ 1,434	$ 3	$ 1	$ 1,438
Interest on the total OPEB liability	4,581	32	10	4,623
Changes of benefit terms	-	-	-	-
Differences between expected and actual experience	2,528	37	(43)	2,522
Changes of assumptions	29,676	683	118	30,477
Benefit payments	(3,500)	(39)	(8)	(3,547)
Net change in total OPEB liability	34,719	716	78	35,513
Total OPEB liability - beginning (a)	68,378	536	140	69,054
Total OPEB liability - ending (c)	$ 103,097	$ 1,252	$ 218	$ 104,567
Plan fiduciary net position				
Contributions - employer	$ 5,500	$ -	$ -	$ 5,500
Contributions - employee	-	-	-	-
Net investment income	2,821	41	21	2,883
Benefit payments	(3,500)	(39)	(8)	(3,547)
Administrative expense	(20)	-	-	(20)
Net change in plan fiduciary net position	4,801	2	13	4,816
Plan fiduciary net position - beginning (b)	40,104	572	348	41,024
Plan fiduciary net position - ending (d)	$ 44,905	$ 574	$ 361	$ 45,840
Net OPEB (asset)/liability - beginning (a) - (b)	28,274	(36)	(208)	28,030
Net OPEB (asset)/liability - ending (c) - (d)	$ 58,192	$ 678	$ (143)	$ 58,727

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Changes in the Net OPEB (Asset)/Liability for Agent Multiple-Employer Defined Benefit OPEB Plan Administered Through Trusts (Continued)

The assumptions were changed from the prior valuation as follow:

For County Miscellaneous and Safety Plan: 1) Discount rate was updated from 6.73% to 7.01% due to change in CERBT expected return on assets, 2) Mortality rates were updated from the 2017 CalPERS Experience Study to the Pub-2010 headcount-weighted tables for General employees of all income levels, 3) Mortality improvement was updated from scale MP-2018 to scale MP-2019, 4) The claims table was updated to reflect most recent CalPERS monthly premiums available for 2019, 5) Participation rates for CalPERS and RSA (immediate) health plan participants were updated from 40% to 60% to reflect the more recent experience.

Flood Control Miscellaneous Plan: 1) Discount rate was updated from 6.12% to 6.22% due to change in CERBT expected return on assets, 2) Mortality rates were updated from the 2017 CalPERS Experience Study to the Pub-2010 headcount-weighted tables for General employees of all income levels, 3) Mortality improvement was updated from scale MP-2018 to scale MP-2019.

Park District Miscellaneous Plan: 1) Discount rate was updated from 7.28% to 7.59% due to change in CERBT expected return on assets, 2) Demographic assumptions (i.e. termination rates, retirement rates, and disability rates) were updated to reflect the assumptions developed in the 2017 CalPERS Experience Study, 3) Payroll growth rate was updated from 3.00% to 2.75% to reflect the recent experience from the 2017 CalPERS Experience Study, 4) Mortality rates were updated from the 2011 CalPERS Experience Study to the Pub-2010 headcount-weighted tables for General employees of all income levels, 5) Mortality improvement was updated from scale MP-2017 to scale MP-2019.

The introduction of CalPERS plans to certain retirees introduced a number of new assumptions to be included in the valuation as follows:

Flood Control and Park District Miscellaneous Plans: 1) Premium table and age rating assumption to develop anticipated CalPERS Costs, 2) Medical trends to reflect the current long term expected growth of medical benefits, 3) Participation rates for CalPERS health plans participants were set based on recent County experience of other CalPERS eligible retirees.

There were no new assumptions resulting from the introduction of CalPERS plans to certain retirees for the County Miscellaneous and Safety Plan.

Changes in the Total OPEB Liability for Agent Multiple-Employer Defined Benefit OPEB Plan Not Administered Through Trusts

Measurement Period June 30, 2019	Business-type Activities Waste Resources Miscellaneous
Changes for the year:	
Service cost	$ 2
Interest	21
Changes of benefit terms	-
Differences between expected and actual experience	64
Changes in assumptions or other inputs	835
Benefit payments	(40)
Net changes	882
Total OPEB liability - beginning	598
Total OPEB liability - ending	$ 1,480

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

Changes in the Total OPEB Liability for Agent Multiple-Employer Defined Benefit OPEB Plan Not Administered Through Trusts (Continued)

As of July 1, 2019, the discount rate was changed from 3.87 percent to 3.51 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, 2019.

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)	$ (143)	$ -	$ (143)
Net OPEB Liability	$ 49,485	$ 9,385	$ 58,870
Total OPEB Liability	$ -	$ 1,480	$ 1,480

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 (6.01%)	Discount Rate (7.01%)	1% Increase (8.01%)
County Miscellaneous and Safety	$ 73,554	$ 58,192	$ 45,769

	Net OPEB (Asset)/Liability		
	1% Decrease (5.22%)	Discount Rate (6.22%)	1% Increase (7.22%)
Flood Control Miscellaneous	$ 860	$ 678	$ 531

	Net OPEB (Asset)/Liability		
	1% Decrease (6.59%)	Discount Rate (7.59%)	1% Increase (8.59%)
Park District Miscellaneous	$ (112)	$ (143)	$ (168)

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 (2.51%)	Discount Rate (3.51%)	1% Increase (4.51%)
Waste Resources Miscellaneous	$ 1,701	$ 1,480	$ 1,302

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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 (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
County Miscellaneous and Safety (Pre Medicare Plan)	$ 45,038	$ 58,192	$ 74,775

	Net OPEB (Asset)/Liability		
	1% Decrease (7.2% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.2% decreasing to 4.5%)	1% Increase (9.2% decreasing to 5.5%)
County Miscellaneous and Safety (Post Medicare Plan)	$ 45,038	$ 58,192	$ 74,775

	Net OPEB (Asset)/Liability		
	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Flood Control Miscellaneous (Pre Medicare Plan)	$ 526	$ 678	$ 869

	Net OPEB (Asset)/Liability		
	1% Decrease (7.2% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.2% decreasing to 4.5%)	1% Increase (9.2% decreasing to 5.5%)
Flood Control Miscellaneous (Post Medicare Plan)	$ 526	$ 678	$ 869

	Net OPEB (Asset)/Liability		
	1% Decrease (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Park District Miscellaneous (Pre Medicare Plan)	$ (169)	$ (143)	$ (109)

	Net OPEB (Asset)/Liability		
	1% Decrease (7.2% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.2% decreasing to 4.5%)	1% Increase (9.2% decreasing to 5.5%)
Park District Miscellaneous (Post Medicare Plan)	$ (169)	$ (143)	$ (109)

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 (6.0% decreasing to 3.5%)	Healthcare Cost Trend Rates (7.0% decreasing to 4.5%)	1% Increase (8.0% decreasing to 5.5%)
Waste Resources Miscellaneous (Pre Medicare Plan)	$ 1,301	$ 1,480	$ 1,702

	Total OPEB Liability		
	1% Decrease (7.2% decreasing to 3.5%)	Healthcare Cost Trend Rates (8.2% decreasing to 4.5%)	1% Increase (9.2% decreasing to 5.5%)
Waste Resources Miscellaneous (Post Medicare Plan)	$ 1,301	$ 1,480	$ 1,702

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, 2020, $7.3 million was recognized as OPEB expense. At June 30, 2020, 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	$ 9,456	$ 55	$ 15	$ 29	$ 9,555
Difference between expected and actual earnings on OPEB plan investments	-	2	-	-	2
Changes of assumptions	37,990	619	106	381	39,096
Sub-total	47,446	676	121	410	48,653
Contributions subsequent to measurement date recognized as deferred outflows of resources (GASB Statement No. 71)	9,247	593	-	2	9,842
Total	$ 56,693	$ 1,269	$ 121	$ 412	$ 58,495

$9.8 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, 2021.

NOTE 22 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (Continued)

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	$ -	$ -	$ (38)	$ -	$ (38)
Difference between expected and actual earnings on OPEB plan investments	(410)	-	(3)	-	(413)
Changes of assumptions	-	(2)	(2)	(1)	(5)
Total	$ (410)	$ (2)	$ (43)	$ (1)	$ (456)

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	$ 48,780	$ 9,715	$ 58,495
Deferred Inflows of Resources	$ (403)	$ (53)	$ (456)

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
2021	$ 5,402	$ 80	$ 8	$ 409	$ 5,899
2022	5,402	80	8	-	5,490
2023	5,635	78	10	-	5,723
2024	5,601	77	11	-	5,689
2025	5,613	78	10	-	5,701
Thereafter	19,383	281	31	-	19,695
Total	$ 47,036	$ 674	$ 78	$ 409	$ 48,197

Payable to the OPEB Plan

At June 30, 2020, there was no outstanding amount of contributions payable to the OPEB plan required for the year ended June 30, 2020.

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, 2019, indicated no items found of noncompliance with Federal grants and regulations. The fiscal year 2019-20 Single Audit of federal awards report is expected to be submitted to the Federal Audit Clearinghouse on or before March 31, 2021.

Commitments

At June 30, 2020, 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. $75.1 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 $2.4 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, 2020, the accrued remediation liability is $2.3 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 $36.0 million are held for these purposes at June 30, 2020 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 $39.5 million as of June 30, 2020.

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)

Remediation 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, 2020, 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 purchase 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, 2020, the encumbrance balances for the governmental funds are reported as follows (In thousands):

	Restricted	Committed	Assigned	Total
Major Governmental Funds				
General Fund:				
Energy projects	$ -	$ -	$ 75	$ 75
Facilities maintenance	-	-	296	296
Fire protection	-	-	1,443	1,443
General government	-	-	23	23
Health care programs	-	-	229	229
Human resources	-	-	281	281
Probation programs	-	-	2,416	2,416
Public protection	21	-	274	295
Purchasing projects	-	-	9	9
Sheriff correction	-	-	4,057	4,057
Sheriff court services	-	-	342	342
Sheriff patrol	34	-	3,915	3,949
Sheriff support	-	-	343	343
Transportation:				
Construction projects	122	-	-	122
Equipment	673	-	-	673
Land surveying activities	1	-	-	1
Roads	299	-	-	299
Nonmajor Governmental Funds				
Special Revenue Funds:				
Community services	8	-	-	8
Education	111	-	-	111
Parks projects	18	-	-	18
Pubic assistance	99	-	-	99
Public protection	7	-	-	7
Public ways and facilities	64	-	-	64
Recreation & cultural services	51	-	-	51
Small business assistance grant program	-	-	35,520	35,520
Capital Projects Funds:				
Parks projects	133	-	-	133
Total Encumbrances	**$ 1,641**	**$ -**	**$ 49,223**	**$ 50,864**

NOTE 24 – SUBSEQUENT EVENTS

Tax and Revenue Anticipation Notes (TRANs)

On July 1, 2020, the County issued $340.0 million in Tax and Revenue Anticipation Notes in the form of a 2021 Maturity bond due June 30, 2021. The stated interest rate for the bond is set at 4.0% per annum with a yield of 0.3%. 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 2021 and legally available for payment thereof. Proceeds for the bonds will be used for fiscal year 2021 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 September 2020, 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, and lease revenue bonds (LRBs), Series 2013A) at 'A+'.
- Riverside County Public Financing Authority (LRBs) (Series 2012 and 2015) at 'A+'.
- Riverside County 2020 tax and revenue anticipation notes (TRANS) AT 'F1+'

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.

Growth in total general fund revenues has been above inflation but below that of the U.S. Economy, and Fitch expects that trend to continue. State law limits the County's independent ability to raise revenues as tax rate increases require voter approval. The County maintains very strong gap-closing capacity as evidenced by sound reserve levels relative to solid spending flexibility and moderate expected revenue volatility. Given only moderate ability to raise revenues relative to expected volatility, the County's ability to manage its expenditure growth and maintain solid reserves is critical to maintaining its very strong financial resilience.

The recent coronavirus outbreak and related government containment measures worldwide create an uncertain global environment for U.S. state and local governments and related entities in the near term. While the County of Riverside's most recently available fiscal and economic data may not fully reflect impairment, material changes in revenues and expenditures are occurring across the country and are likely to worsen in the coming weeks and months as economic activity suffers and public health spending increases.

Fitch considers liquidity to be the most significant and immediate risk to state and local government financial operations presented by the pandemic. The County received $431.0 million for COVID-19 expenses from the Coronavirus Aid, Relief, and Economic Security (CARES) Act and estimated it had $278.0 million in general fund cash as of June 30, 2020 and $2.20 billion in available cash, including borrowable resources. By June 30, 2021, the County expects to have $216.0 million in general fund cash and $1.10 billion in available liquidity, including borrowable resources. This is equal to about 126 days spending based on fiscal year 2019 expenditures. These borrowable resources provide sufficient liquidity for its near-term operating needs.

NOTE 24 – SUBSEQUENT EVENTS (Continued)

Riverside County Bonds and Certificates of Participation (Continued)

The vast majority of the County's discretionary revenues are derived from property taxes, which to date have remained steady. For fiscal year 2020, the County's third quarter budget report estimated revenues below budget by about $30.0 million, which included a roughly $10.0 million loss of discretionary revenue related to sales taxes, fines and penalties and documentary transfer taxes, and approximately $19.6 million from Proposition 172 sales tax revenues (approximating a 10% revenue loss of these sales taxes). To offset these revenue losses, the County suspended training and travel and other discretionary spending for roughly $14.0 million in savings and used about $45.0 million in reserves. The County ended fiscal year 2020 with an estimated $284.0 million in unrestricted fund balance, equal to about 9.0% of spending.

Given moderate reserve draws in fiscal year 2020 and 2021, it is expected that the County will retain very strong gap closing capacity. The County ended fiscal year 2019 with a $42.8 million surplus (about 1.3% of fiscal year 2019 expenditures and transfers out), most of which was added to the available fund balance, bringing its total to $307.7 million, equal to almost 10.0% of fiscal year 2019 expenditures and transfers out. The County's available fund balance has been fairly steady over the last several years at about 8.0% - 9.0% of general fund spending with the largest surplus in fiscal year 2019.

Fitch believes the County has sufficient reserves and spending flexibility to withstand the potential revenue losses through fiscal year 2021. Should the revenue impact be materially larger or if the County is unable to offset the revenue loss without reducing reserves substantially, there could be downward rating pressure. There is no indication at this time that property values have been affected by the coronavirus pandemic (home sale prices have continued to increase), but that remains a risk, particularly in Fitch's downside scenario.

Teeter Obligation Notes, Series A

On October 21, 2020, the County issued $99.6 million in 2020 Teeter Obligation Notes, Series A (Tax-Exempt) to refund a portion of the outstanding 2019 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 2020 Notes bear an interest rate of 0.5% for 2020 Teeter Obligation Note, Series A and a maturity date of October 21, 2021, 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 2020-21 will be 24.5% and 43.0%, respectively. Fiscal year 2021-22 contribution rates for miscellaneous and safety are estimated at 22.9% and 35.7%, respectively. They will be accounted for in fiscal year 2020-21 and future budget years.

COVID-19 Pandemic

On March 11, 2020, the World Health Organization declared the strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. In response, The County of Riverside, followed by the Governor of California, issued a Shelter a Home order effective March 19, 2020, requiring non-essential business to temporarily close to the public. Measures taken to contain the virus have significantly affected economic activity, which in turn will have implications on revenue sources and stock market volatility. At the current time, management is unable to quantify the potential effects of this pandemic on its future financial statements.

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REQUIRED SUPPLEMENTARY INFORMATION

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COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

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	**2018-19** (1)	**2017-18** (1)	**2016-17** (1)
Total pension liability			
Service cost	$ 211,449	$ 215,186	$ 211,842
Interest on total pension liability	567,030	532,726	501,855
Changes of benefit terms	-	-	-
Differences between expected and actual experience	41,592	51,597	151,001
Changes of assumptions	-	(58,382)	450,226
Benefit payments, including refunds of employee contributions	(321,474)	(291,902)	(259,302)
Net change in total pension liability	498,597	449,225	1,055,622
Total pension liability - beginning	7,702,999	7,253,774	6,198,152
Total pension liability - ending (a)	$ 8,201,596	$ 7,702,999	$ 7,253,774
Plan fiduciary net position			
Contributions - employer	$ 216,533	$ 185,512	$ 164,307
Contributions - employee	87,918	87,471	87,201
Net investment income	377,088	449,040	540,579
Benefit payments, including refunds of employee contributions	(321,474)	(291,902)	(259,302)
Administrative expense	(4,088)	(8,297)	(7,122)
Other miscellaneous expense	220	(15,755)	-
Net change in plan fiduciary net position	356,197	406,069	525,663
Plan fiduciary net position - beginning	5,496,528	5,090,459	4,564,796
Plan fiduciary net position - ending (b)	$ 5,852,725	$ 5,496,528	$ 5,090,459
Plan's net pension liability - ending (a) - (b)	$ 2,348,871	$ 2,206,471	$ 2,163,315
Plan fiduciary net position as a percentage of the total pension liability	71.4%	71.4%	70.2%
Covered payroll (2)	$ 1,144,873	$ 1,068,222	$ 1,056,636
Plan's net pension liability as a percentage of covered payroll	205.2%	206.6%	204.7%

(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, 2020

SCHEDULE OF CHANGES IN NET PENSION LIABILITY AND RELATED RATIOS DURING THE MEASUREMENT PERIOD (Continued)
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple Employer Plan

2015-16 (1)	**2014-15** (1)	**2013-14** (1)	**Measurement Period**
			Total pension liability
$ 175,662	$ 162,257	$ 158,164	Service cost
457,630	418,860	377,221	Interest on total pension liability
-	-	-	Changes of benefit terms
141,472	15,756	-	Differences between expected and actual experience
-	(109,320)	-	Changes of assumptions
(234,668)	(217,701)	(195,420)	Benefit payments, including refunds of employee contributions
540,096	269,852	339,965	**Net change in total pension liability**
5,658,056	5,388,204	5,048,239	**Total pension liability - beginning**
$ 6,198,152	$ 5,658,056	$ 5,388,204	**Total pension liability - ending (a)**
			Plan fiduciary net position
$ 157,639	$ 98,867	$ 134,673	Contributions - employer
82,884	76,078	69,872	Contributions - employee
24,832	104,069	666,911	Net investment income
(234,668)	(217,701)	(195,420)	Benefit payments, including refunds of employee contributions
(2,894)	(5,345)	-	Administrative expense
-	-	-	Other miscellaneous expense
27,793	55,968	676,036	**Net change in plan fiduciary net position**
4,537,003	4,481,035	3,804,999	**Plan fiduciary net position - beginning**
$ 4,564,796	$ 4,537,003	$ 4,481,035	**Plan fiduciary net position - ending (b)**
$ 1,633,356	$ 1,121,053	$ 907,169	**Plan's net pension liability - ending (a) - (b)**
73.6%	80.2%	83.2%	**Plan fiduciary net position as a percentage of the total pension liability**
$ 1,010,690	$ 909,644	$ 842,865	**Covered payroll** (2)
161.6%	123.2%	107.6%	**Plan's net pension liability as a percentage of covered payroll**

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	2018-19 (1)	2017-18 (1)	2016-17 (1)
Total pension liability			
Service cost	$ 93,738	$ 99,309	$ 101,987
Interest on total pension liability	255,679	241,592	229,003
Changes of benefit terms	-	-	-
Differences between expected and actual experience	(3,563)	(14,902)	13,324
Changes of assumptions	-	(15,727)	215,024
Benefit payments, including refunds of employee contributions	(145,095)	(129,977)	(115,929)
Net change in total pension liability	200,759	180,295	443,409
Total pension liability - beginning	3,605,172	3,424,877	2,981,468
Total pension liability - ending (a)	$ 3,805,931	$ 3,605,172	$ 3,424,877
Plan fiduciary net position			
Contributions - employer	$ 104,161	$ 92,283	$ 85,091
Contributions - employee	30,029	30,586	33,623
Net investment income	169,980	202,786	243,597
Benefit payments, including refunds of employee contributions	(145,095)	(129,977)	(115,929)
Administrative expense	(1,845)	(3,760)	(3,184)
Other miscellaneous expense	(200)	(7,102)	-
Net change in plan fiduciary net position	157,030	184,816	243,198
Plan fiduciary net position - beginning	2,584,843	2,400,027	2,156,829
Plan fiduciary net position - ending (b)	$ 2,741,873	$ 2,584,843	$ 2,400,027
Plan's net pension liability - ending (a) - (b)	$ 1,064,058	$ 1,020,329	$ 1,024,850
Plan fiduciary net position as a percentage of the total pension liability	72.0%	71.7%	70.1%
Covered payroll (2)	$ 300,890	$ 322,749	$ 340,897
Plan's net pension liability as a percentage of covered payroll	353.6%	316.1%	300.6%

(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.*

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

2015-16 (1)	2014-15 (1)	2013-14 (1)	Measurement Period
			Total pension liability
$ 86,039	$ 80,457	$ 77,706	Service cost
212,548	195,332	181,393	Interest on total pension liability
-	-	-	Changes of benefit terms
47,893	22,825	-	Differences between expected and actual experience
-	(53,617)	-	Changes of assumptions
(105,002)	(97,869)	(91,921)	Benefit payments, including refunds of employee contributions
241,478	147,128	167,178	**Net change in total pension liability**
2,739,990	2,592,862	2,425,684	**Total pension liability - beginning**
$ 2,981,468	$ 2,739,990	$ 2,592,862	**Total pension liability - ending (a)**
			Plan fiduciary net position
$ 76,363	$ 65,364	$ 72,947	Contributions - employer
32,073	30,313	28,396	Contributions - employee
10,790	46,730	312,502	Net investment income
(105,002)	(97,869)	(91,921)	Benefit payments, including refunds of employee contributions
(1,306)	(2,398)	-	Administrative expense
-	-	-	Other miscellaneous expense
12,918	42,140	321,924	**Net change in plan fiduciary net position**
2,143,911	2,101,771	1,779,847	**Plan fiduciary net position - beginning**
$ 2,156,829	$ 2,143,911	$ 2,101,771	**Plan fiduciary net position - ending (b)**
$ 824,639	$ 596,079	$ 491,091	**Plan's net pension liability - ending (a) - (b)**
72.3%	78.2%	81.1%	**Plan fiduciary net position as a percentage of the total pension liability**
$ 341,419	$ 320,550	$ 279,508	**Covered payroll** (2)
241.5%	186.0%	175.7%	**Plan's net pension liability as a percentage of covered payroll**

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

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	**2018-19** (1)	**2017-18** (1)	**2016-17** (1)
Total pension liability			
Service cost	$ 3,114	$ 3,239	$ 3,196
Interest on total pension liability	14,237	13,568	13,182
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,633	(883)	4,317
Changes of assumptions	-	(1,005)	11,057
Benefit payments, including refunds of employee contributions	(10,190)	(9,835)	(8,387)
Net change in total pension liability	9,794	5,084	23,365
Total pension liability - beginning	200,031	194,947	171,582
Total pension liability - ending (a)	$ 209,825	$ 200,031	$ 194,947
Plan fiduciary net position			
Contributions - employer	$ 5,020	$ 4,253	$ 3,899
Contributions - employee	1,240	1,269	1,343
Net investment income	8,617	10,586	12,842
Benefit payments, including refunds of employee contributions	(10,190)	(9,835)	(8,387)
Administrative expense	(94)	(196)	(171)
Other miscellaneous expense	-	(373)	-
Net change in plan fiduciary net position	4,593	5,704	9,526
Plan fiduciary net position - beginning	131,710	126,006	116,480
Plan fiduciary net position - ending (b)	$ 136,303	$ 131,710	$ 126,006
Plan's net pension liability - ending (a) - (b)	$ 73,522	$ 68,321	$ 68,941
Plan fiduciary net position as a percentage of the total pension liability	65.0%	65.8%	64.6%
Covered payroll (2)	$ 17,305	$ 17,581	$ 17,428
Plan's net pension liability as a percentage of covered payroll	424.9%	388.6%	395.6%

(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.*

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 with 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, 2020

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

2015-16 (1)	**2014-15** (1)	**2013-14** (1)	**Measurement Period**
			Total pension liability
$ 2,736	$ 2,606	$ 2,659	Service cost
12,356	11,562	10,889	Interest on total pension liability
-	-	-	Changes of benefit terms
3,136	1,641	-	Differences between expected and actual experience
-	(2,831)	-	Changes of assumptions
(7,290)	(6,729)	(6,007)	Benefit payments, including refunds of employee contributions
10,938	6,249	7,541	**Net change in total pension liability**
160,644	154,395	146,854	**Total pension liability - beginning**
$ 171,582	$ 160,644	$ 154,395	**Total pension liability - ending (a)**
			Plan fiduciary net position
$ 3,445	$ 2,918	$ 2,793	Contributions - employer
1,356	1,276	1,394	Contributions - employee
666	2,660	17,670	Net investment income
(7,290)	(6,729)	(6,007)	Benefit payments, including refunds of employee contributions
(73)	(133)	-	Administrative expense
-	-	-	Other miscellaneous expense
(1,896)	(8)	15,850	**Net change in plan fiduciary net position**
118,376	118,384	102,534	**Plan fiduciary net position - beginning**
$ 116,480	$ 118,376	$ 118,384	**Plan fiduciary net position - ending (b)**
$ 55,102	$ 42,268	$ 36,011	**Plan's net pension liability - ending (a) - (b)**
67.9%	73.7%	76.7%	**Plan fiduciary net position as a percentage of the total pension liability**
$ 16,643	$ 15,838	$ 15,385	**Covered payroll** (2)
331.1%	266.9%	234.1%	**Plan's net pension liability as a percentage of covered payroll**

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous, Agent Multiple Employer Plan

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	$ 126,838	$ (132,619)	$ (5,781)	$ 909,644	14.6%
2015-16	$ 143,300	$ (159,154)	$ (15,854)	$ 1,010,690	15.7%
2016-17	$ 160,437	$ (178,196)	$ (17,759)	$ 1,056,636	16.9%
2017-18	$ 184,572	$ (182,070)	$ 2,502	$ 1,068,222	17.0%
2018-19	$ 224,862	$ (207,080)	$ 17,782	$ 1,144,873	18.1%
2019-20	$ 243,748	$ (243,748)	$ -	$ 1,168,452	20.9%

* 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	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	$ 62,624	$ (71,228)	$ (8,604)	$ 320,550	22.2%
2015-16	$ 69,936	$ (83,166)	$ (13,230)	$ 341,419	24.4%
2016-17	$ 85,699	$ (91,330)	$ (5,631)	$ 340,897	26.8%
2017-18	$ 98,314	$ (91,224)	$ 7,090	$ 322,749	28.3%
2018-19	$ 117,149	$ (98,581)	$ 18,568	$ 300,890	32.8%
2019-20	$ 126,333	$ (126,333)	$ -	$ 311,708	40.5%

* 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 OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS (Continued)
(Dollar amounts in thousands)

Flood Control Miscellaneous, Agent Multiple Employer Plan

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	$ 2,918	$ (2,918)	$ -	$ 15,838	18.4%
2015-16	$ 3,442	$ (3,442)	$ -	$ 16,643	20.7%
2016-17	$ 3,896	$ (3,896)	$ -	$ 17,428	22.4%
2017-18	$ 4,252	$ (4,252)	$ -	$ 17,581	24.2%
2018-19	$ 5,019	$ (5,019)	$ -	$ 17,305	29.0%
2019-20	$ 6,015	$ (12,731)	$ (6,716)	$ 17,824	71.4%

* 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 2019-20 were derived from the June 30, 2018 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	2.75%	2.75%	2.75%
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 Rate 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, 2020

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 (1)	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll (2)	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2013-14	0.09946%	$ 6,189	$ 4,992	124.0%	81.8%
2014-15	0.25620%	$ 7,029	$ 5,799	121.2%	80.2%
2015-16	0.26345%	$ 9,151	$ 6,791	134.8%	75.9%
2016-17	0.27243%	$ 10,739	$ 6,201	173.2%	75.3%
2017-18	0.27877%	$ 10,506	$ 5,415	194.0%	77.1%
2018-19	0.28803%	$ 11,534	$ 5,439	212.1%	76.1%

(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 (1)	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered payroll (2)	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	Pension plan's fiduciary net position as a percentage of the total pension liability
2013-14	0.13583%	$ 8,452	$ 3,082	274.2%	79.8%
2014-15	0.35266%	$ 9,675	$ 2,298	421.0%	77.4%
2015-16	0.35378%	$ 12,290	$ 2,339	525.4%	72.9%
2016-17	0.35839%	$ 14,128	$ 1,981	713.2%	72.1%
2017-18	0.36801%	$ 13,869	$ 1,816	763.7%	73.2%
2018-19	0.37300%	$ 14,937	$ 1,615	924.9%	72.3%

(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.*

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Park District Miscellaneous, Cost Sharing Multiple Employer Plan

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	$ 950	$ (950)	$ -	$ 5,799	16.4%
2015-16	$ 1,062	$ (1,062)	$ -	$ 6,791	15.6%
2016-17	$ 1,094	$ (1,094)	$ -	$ 6,201	17.6%
2017-18	$ 1,094	$ (1,094)	$ -	$ 5,415	20.2%
2018-19	$ 1,229	$ (1,229)	$ -	$ 5,439	22.6%
2019-20	$ 1,515	$ (1,515)	$ -	$ 5,464	27.7%

* 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.*

Waste Resources Miscellaneous, Cost Sharing Multiple Employer Plan

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	$ 623	$ (189)	$ 434	$ 2,298	8.2%
2015-16	$ 863	$ (411)	$ 452	$ 2,339	17.6%
2016-17	$ 905	$ (832)	$ 73	$ 1,981	42.0%
2017-18	$ 1,020	$ (900)	$ 120	$ 1,816	49.6%
2018-19	$ 1,166	$ (1,022)	$ 144	$ 1,615	63.3%
2019-20	$ 1,141	$ (1,141)	$ -	$ 1,356	84.1%

* 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.

** 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 with 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, 2020

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	2018-19 (1)	2017-18 (1)	2016-17 (1)
Total pension liability			
Service cost	$ 1,082	$ 1,300	$ 1,914
Interest cost	2,747	2,548	2,358
Changes of benefit terms	-	-	-
Differences between expected and actual experience	2,732	1,621	1,457
Changes of assumptions	2,985	40	(746)
Benefit payments, including refunds of employee contributions	(2,222)	(1,726)	(1,757)
Net change in total pension liability	7,324	3,783	3,226
Total pension liability - beginning	45,798	42,015	38,789
Total pension liability - ending (a)	$ 53,122	$ 45,798	$ 42,015
Plan fiduciary net position			
Contributions - employer	$ 832	$ 816	$ 1,341
Contributions - employee	1,701	1,633	1,674
Net investment income (expense)	1,939	3,648	4,289
Benefit payments, including refunds of employee contributions	(2,222)	(1,726)	(1,757)
Administrative expense	(251)	(347)	(128)
Other	-	-	-
Net change in plan fiduciary net position	1,999	4,024	5,419
Plan fiduciary net position - beginning	41,576	37,552	32,133
Plan fiduciary net position - ending (b)	$ 43,575	$ 41,576	$ 37,552
Net pension liability (asset) - ending (a) - (b)	$ 9,547	$ 4,222	$ 4,463
Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)	82.0%	90.8%	89.4%
Covered payroll (2)	$ 43,593	$ 43,357	$ 44,525
Net pension liability (asset) as a percentage of covered payroll	21.9%	9.7%	10.0%

(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, 2020

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

2015-16 (1)	2014-15 (1)	2013-14 (1)	Measurement Period
			Total pension liability
$ 1,718	$ 1,512	$ 1,557	Service cost
2,186	1,983	1,800	Interest cost
-	-	-	Changes of benefit terms
1,524	795	1,146	Differences between expected and actual experience
(594)	2,939	-	Changes of assumptions
(1,507)	(1,511)	(1,762)	Benefit payments, including refunds of employee contributions
3,327	5,718	2,741	**Net change in total pension liability**
35,462	29,744	27,003	**Total pension liability - beginning**
$ 38,789	$ 35,462	$ 29,744	**Total pension liability - ending (a)**
			Plan fiduciary net position
$ 668	$ 607	$ 956	Contributions - employer
1,399	1,267	1,394	Contributions - employee
(117)	131	4,437	Net investment income (expense)
(1,507)	(1,511)	(1,762)	Benefit payments, including refunds of employee contributions
(189)	(217)	(228)	Administrative expense
-	-	-	Other
254	277	4,797	**Net change in plan fiduciary net position**
31,879	31,602	26,805	**Plan fiduciary net position - beginning**
$ 32,133	$ 31,879	$ 31,602	**Plan fiduciary net position - ending (b)**
$ 6,656	$ 3,583	$ (1,858)	**Net pension liability (asset) - ending (a) - (b)**
82.8%	89.9%	106.2%	**Plan fiduciary net position as a percentage of the total pension liability (asset) - (b)/(a)**
$ 39,761	$ 32,963	$ 29,517	**Covered payroll** (2)
16.7%	10.9%	6.3%	**Net pension liability (asset) as a percentage of covered payroll**

COUNTY OF RIVERSIDE
Required Supplementary Information
June 30, 2020

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

Riverside County – Part-time and Temporary Help Retirement

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	**Covered payroll	Contributions as a percentage of covered payroll
2014-15	$ 252	$ (529)	$ (277)	$ 32,963	1.6%
2015-16	$ 122	$ (639)	$ (517)	$ 39,761	1.6%
2016-17	$ 727	$ (1,365)	$ (638)	$ 44,525	3.1%
2017-18	$ 657	$ (773)	$ (116)	$ 43,357	1.8%
2018-19	$ 475	$ (833)	$ (358)	$ 43,593	1.9%
2019-20	$ 801	$ (801)	$ -	$ 39,633	2.0%

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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, 2020

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	2018-19 (1)	2017-18 (1)	2016-17 (1)
Total OPEB liability			
Service cost	$ 1,434	$ 882	$ 700
Interest cost	4,581	3,445	3,010
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	2,528	4,061	5,814
Changes of assumptions	29,676	11,334	3,186
Benefit payments	(3,500)	(3,262)	(2,841)
Net change in total OPEB liability	34,719	16,460	9,869
Total OPEB liability - beginning	68,378	51,918	42,049
Total OPEB liability - ending (a)	$ 103,097	$ 68,378	$ 51,918
Plan fiduciary net position			
Contributions - employer	$ 5,500	$ 4,262	$ 1,909
Contributions - employee	-	-	-
Net investment income	2,821	2,342	3,612
Benefit payments	(3,500)	(3,262)	(2,841)
Administrative expense	(20)	(17)	(17)
Net change in plan fiduciary net position	4,801	3,325	2,663
Plan fiduciary net position - beginning	40,104	36,779	34,116
Plan fiduciary net position - ending (b)	$ 44,905	$ 40,104	$ 36,779
County's net OPEB liability - ending (a) - (b)	$ 58,192	$ 28,274	$ 15,139
Plan fiduciary net position as a percentage of the total OPEB liability	43.6%	58.7%	70.8%
Covered payroll (2)	$ 1,445,763	$ 1,390,971	$ 1,382,037
County's net OPEB liability as a percentage of covered payroll	4.0%	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.

(2) Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

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, 2020

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (Continued)
(Dollar amounts in thousands)

Flood Control Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2018-19 (1)	2017-18 (1)	2016-17 (1)
Total OPEB liability			
Service cost	$ 3	$ 4	$ 4
Interest cost	32	30	30
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	37	13	19
Changes of assumptions	683	8	(2)
Benefit payments	(39)	(36)	(32)
Net change in total OPEB liability	716	19	19
Total OPEB liability - beginning	536	517	498
Total OPEB liability - ending (a)	$ 1,252	$ 536	$ 517
Plan fiduciary net position			
Contributions - employer	$ -	$ 36	$ -
Contributions - employee	-	-	-
Net investment income	41	26	23
Benefit payments	(39)	(36)	(32)
Administrative expense	-	-	-
Net change in plan fiduciary net position	2	26	(9)
Plan fiduciary net position - beginning	572	546	555
Plan fiduciary net position - ending (b)	$ 574	$ 572	$ 546
District's net OPEB (asset)/liability - ending (a) - (b)	$ 678	$ (36)	$ (29)
Plan fiduciary net position as a percentage of the total OPEB (asset)/liability	45.8%	106.7%	105.6%
Covered payroll (2)	$ 16,956	$ 17,354	$ 17,545
District's net OPEB (asset)/liability as a percentage of covered	4.0%	-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.

(2) Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

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, 2020

SCHEDULE OF CHANGES IN NET OPEB LIABILITY AND RELATED RATIOS (Continued)
(Dollar amounts in thousands)

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

Measurement Period	2018-19 (1)	2017-18 (1)	2016-17 (1)
Total OPEB liability			
Service cost	$ 1	$ 1	$ 3
Interest cost	10	10	8
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	(43)	-	23
Changes of assumptions	118	-	(2)
Benefit payments	(8)	(11)	(8)
Net change in total OPEB liability	78	-	24
Total OPEB liability - beginning	140	140	116
Total OPEB liability - ending (a)	$ 218	$ 140	$ 140
Plan fiduciary net position			
Contributions - employer	$ -	$ -	$ -
Contributions - employee	-	-	-
Net investment income	21	26	33
Benefit payments	(8)	(11)	(8)
Administrative expense	-	-	-
Net change in plan fiduciary net position	13	15	25
Plan fiduciary net position - beginning	348	333	308
Plan fiduciary net position - ending (b)	$ 361	$ 348	$ 333
District's net OPEB (asset)/liability - ending (a) - (b)	$ (143)	$ (208)	$ (193)
Plan fiduciary net position as a percentage of the total OPEB (asset)/liability	165.6%	248.6%	237.9%
Covered payroll (2)	$ 5,853	$ 5,683	$ 6,201
District's net OPEB (asset)/liability as a percentage of covered	-2.4%	-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.

(2) Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

Notes to Schedule:

Changes of assumptions: There was no change in assumptions from the prior valuation.

SCHEDULE OF PLAN CONTRIBUTIONS
(Dollar amounts in thousands)

County Miscellaneous and Safety, Agent Multiple Employer Plan Administered Through Trusts

*Fiscal Year	Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	$ 1,288	$ (3,457)	$ (2,169)	$ 1,390,971	0.2%
2018-19	$ 2,141	$ (3,469)	$ (1,328)	$ 1,445,763	0.2%
2019-20	$ 9,247	$ (9,247)	$ -	$ 1,480,160	0.6%

* 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	(1) Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	$ -	$ (36)	$ (36)	$ 17,354	0.2%
2018-19	$ -	$ -	$ -	$ 16,956	0.0%
2019-20	$ 5	$ (550)	$ (545)	$ 17,422	3.2%

(1) No actuarially determined contribution due to assets being greater than the Present Value of Benefits.

* 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.

Park District Miscellaneous, Agent Multiple Employer Plan Administered Through Trusts

*Fiscal Year	(1) Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	$ -	$ -	$ -	$ 5,683	0.0%
2018-19	$ -	$ -	$ -	$ 5,853	0.0%
2019-20	$ -	$ -	$ -	$ 5,464	0.0%

(1) No actuarially determined contribution due to assets being greater than the Present Value of Benefits.

* 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)

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%	2.50%
Salary increases	2.75%	2.75%	2.75%
Investment rate of return	7.01%	6.22%	7.59%

The retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvement scale MP-2019.

The healthcare cost trend rate for the Pre Medicare Plan was 6.99 percent, decreasing 0.34 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.22 percent, decreasing 0.51 percent per year to an ultimate rate of 4.5 percent for 2020 and later years

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	**2018-19** (1)	**2017-18** (1)	**2016-17** (1)
Total OPEB liability			
Service cost	$ 2	$ 2	$ 4
Interest cost	21	22	25
Changes of benefit terms	-	-	-
Differences between expected and actual experiences	64	(19)	(183)
Changes of assumptions	835	-	(81)
Benefit payments	(40)	(37)	(40)
Net change in total OPEB liability	$ 882	(32)	(275)
Total OPEB liability - beginning	598	630	905
Total OPEB liability - ending	$ 1,480	$ 598	$ 630
Covered payroll (2)	$ 1,615	$ 1,816	$ 1,931
Total OPEB liability as a percentage of covered payroll	91.6%	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.

(2) Covered payroll represents compensation on which contributions to an OPEB plan are based in accordance with GASB Statement No. 85, *Omnibus 2017*.

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 assumptions, 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	(1) Actuarially determined contribution	Contributions in relation to the actuarially determined contribution	Contribution deficiency (excess)	Covered payroll	Contributions as a percentage of covered payroll
2017-18	$ -	$ -	$ -	$ 1,816	0.0%
2018-19	$ -	$ -	$ -	$ 1,615	0.0%
2019-20	$ -	$ -	$ -	$ 1,356	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.

* 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)

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	2.50%
Salary increases	2.75%
Investment rate of return	3.51%

The retirement rates were developed in the 2017 CalPERS Experience Study and the mortality rates are based on the Pub-2010 headcount-weighted tables for general employees of all income levels, with generational future improvement scale MP-2019.

The healthcare cost trend rate for the Pre Medicare Plan was 6.99 percent, decreasing 0.34 percent per year to an ultimate rate of 4.5 percent for 2020 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.22 percent, decreasing 0.51 percent per year to an ultimate rate of 4.5 percent for 2020 and later years

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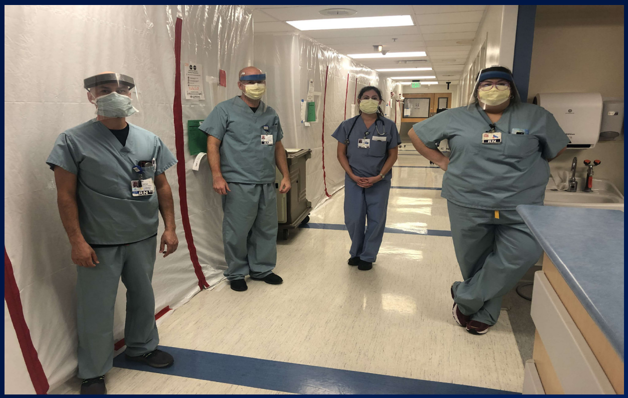
COMBINING AND INDIVIDUAL FUND STATEMENTS AND BUDGETARY SCHEDULES



COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Teeter Debt Service Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ -	$ -	$ 244	$ 244
Other revenue	3,264	232	-	(232)
Total revenues	3,264	232	244	12
EXPENDITURES:				
Current:				
General government	36	-	-	-
Debt service:				
Interest	2,968	2,968	2,968	-
Cost of issuance	260	305	305	-
Capital outlay	-	-	-	-
Total expenditures	3,264	3,273	3,273	-
Excess (deficiency) of revenues over (under) expenditures	-	(3,041)	(3,029)	12
OTHER FINANCING SOURCES (USES):				
Transfers in	-	3,032	3,032	-
Transfers out	-	(3)	(3)	-
Total other financing sources (uses)	-	3,029	3,029	-
NET CHANGE IN FUND BALANCE	-	(12)	-	12
Fund balance, beginning of year	-	-	-	-
FUND BALANCE, END OF YEAR	$ -	$ (12)	$ -	$ 12

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Pension Obligation Debt Service Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ 150	$ 150	$ 1,328	$ 1,178
Charges for services	40,436	3,488	4,563	1,075
Total revenues	40,586	3,638	5,891	2,253
EXPENDITURES:				
Current:				
General government	3,501	49,755	46,379	(3,376)
Public protection	-	517,386	517,386	-
Public ways and facilities	-	11,048	11,048	-
Health and sanitation	-	63,376	63,376	-
Public assistance	-	76,515	76,515	-
Education	-	350	350	-
Recreation and cultural services	-	927	927	-
Debt service:				
Principal	25,020	25,020	25,020	-
Interest	12,065	12,065	12,065	-
Cost of issuance	-	4,139	3,882	(257)
Total expenditures	40,586	760,581	756,948	(3,633)
Excess (deficiency) of revenues over (under) expenditures	-	(756,943)	(751,057)	5,886
OTHER FINANCING SOURCES (USES):				
Transfers in	-	36,948	36,948	-
Issuance of refunding bonds		719,995	719,995	-
Total other financing sources (uses)	-	756,943	756,943	-
NET CHANGE IN FUND BALANCE	-	-	5,886	5,886
Fund balance, beginning of year	-	-	7,101	-
FUND BALANCE, END OF YEAR	$ -	$ -	$ 12,987	$ 5,886

NONMAJOR GOVERNMENTAL FUNDS

COUNTY OF RIVERSIDE
Combining Balance Sheet
Nonmajor Governmental Funds
June 30, 2020
(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	$ 205,251	$ 2	$ 188,146	$ 1,015	$ 394,414
Accounts receivable	1,032	-	-	-	1,032
Interest receivable	173	12	298	2	485
Taxes receivable	1,904	-	-	-	1,904
Due from other governments	11,481	-	1,368	-	12,849
Due from other funds	949	-	280	-	1,229
Prepaid items and deposits	5,001	-	366	-	5,367
Restricted cash and investments	-	27,047	7,669	-	34,716
Total assets	225,791	27,061	198,127	1,017	451,996
Deferred outflows of resources	-	-	-	-	-
Total assets and deferred outflows of resources	$ 225,791	$ 27,061	$ 198,127	$ 1,017	$ 451,996
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:					
Liabilities:					
Accounts payable	$ 19,133	$ 840	$ 14,403	$ -	$ 34,376
Salaries and benefits payable	5,284	-	181	-	5,465
Due to other governments	100	-	-	-	100
Due to other funds	896	-	1,032	-	1,928
Deposits payable	519	-	-	-	519
Advances from grantors and third parties	16,925	-	1,242	-	18,167
Advance from other funds	-	-	1,000	-	1,000
Total liabilities	42,857	840	17,858	-	61,555
Deferred inflows of resources	6	-	-	-	6
Fund balances:					
Nonspendable	5,056	-	-	1,017	6,073
Restricted	131,481	26,221	151,184	-	308,886
Committed	6,863	-	9,358	-	16,221
Assigned	39,528	-	19,727	-	59,255
Total fund balances	182,928	26,221	180,269	1,017	390,435
Total liabilities, deferred inflows of resources, and fund balances	$ 225,791	$ 27,061	$ 198,127	$ 1,017	$ 451,996

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Nonmajor Governmental Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Permanent Fund	Total
REVENUES:					
Taxes	$ 78,841	$ -	$ -	$ -	$ 78,841
Licenses, permits and franchise fees	899	-	-	-	899
Fines, forfeitures and penalties	745	-	-	-	745
Use of money and property:					
Investment earnings	1,695	425	2,722	16	4,858
Rents and concessions	8,904	3,518	379	-	12,801
Aid from other governmental agencies:					
Federal	65,930	-	-	-	65,930
State	8,555	-	717	-	9,272
Other	24,106	-	34,618	-	58,724
Charges for services	36,840	-	31,614	122	68,576
Other revenue	8,873	11,817	2,450	-	23,140
Total revenues	235,388	15,760	72,500	138	323,786
EXPENDITURES:					
Current:					
General government	31,192	5,462	59,347	-	96,001
Public protection	13,282	-	-	-	13,282
Public ways and facilities	19,770	-	256	-	20,026
Health and sanitation	2,475	-	-	-	2,475
Public assistance	65,750	-	-	-	65,750
Education	23,767	-	-	-	23,767
Recreation and cultural services	14,804	-	2,698	-	17,502
Debt service:					
Principal	-	48,128	-	-	48,128
Interest	-	34,475	34	-	34,509
Cost of issuance	-	296	-	-	296
Capital outlay	-	-	16,698	-	16,698
Total expenditures	171,040	88,361	79,033	-	338,434
Excess (deficiency) of revenues over (under) expenditures	64,348	(72,601)	(6,533)	138	(14,648)
OTHER FINANCING SOURCES (USES):					
Transfers in	102,693	81,883	49,907	-	234,483
Transfers out	(100,574)	(12,084)	(53,330)	-	(165,988)
Issuance of refunding bonds	-	12,875	-	-	12,875
Redemption of bonds	-	(12,559)	-	-	(12,559)
Total other financing sources (uses)	2,119	70,115	(3,423)	-	68,811
NET CHANGE IN FUND BALANCES	66,467	(2,486)	(9,956)	138	54,163
Fund balances, beginning of year, as previously reported	109,375	28,707	185,508	879	324,469
Adjustments to beginning fund balances	7,086	-	4,717	-	11,803
Fund balances, beginning of year, as restated	116,461	28,707	190,225	879	336,272
FUND BALANCES, END OF YEAR	$ 182,928	$ 26,221	$ 180,269	$ 1,017	$ 390,435

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SPECIAL REVENUE FUNDS

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, 2020
(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	$ 123,826	$ 29,702	$ 11,003	$ 804	$ 697	$ 1,231	$ 37,988	$ 205,251
Accounts receivable	806	-	50	-	-	-	176	1,032
Interest receivable	48	53	17	1	-	2	52	173
Taxes receivable	1,422	333	127	-	-	6	16	1,904
Due from other governments	7,978	-	236	125	614	-	2,528	11,481
Due from other funds	140	-	19	-	-	-	790	949
Prepaid items and deposits	5,001	-	-	-	-	-	-	5,001
Total assets	139,221	30,088	11,452	930	1,311	1,239	41,550	225,791
Deferred outflows of resources	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 139,221	$ 30,088	$ 11,452	$ 930	$ 1,311	$ 1,239	$ 41,550	$ 225,791
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:								
Liabilities:								
Accounts payable	$ 6,688	$ 470	$ 359	$ -	$ 4	$ 19	$ 11,593	$ 19,133
Salaries and benefits payable	1,740	220	491	-	291	-	2,542	5,284
Due to other governments	78	-	5	13	-	-	4	100
Due to other funds	186	-	-	-	-	-	710	896
Deposits payable	-	63	-	-	-	456	-	519
Advances from grantors and third parties	16,352	-	553	-	-	-	20	16,925
Total liabilities	25,044	753	1,408	13	295	475	14,869	42,857
Deferred inflows of resources	-	-	-	-	-	6	-	6
Fund balances (Note 16):								
Nonspendable	5,033	1	10	-	-	-	12	5,056
Restricted	72,193	29,328	4,601	917	1,016	758	22,668	131,481
Committed	190	-	5,433	-	-	-	1,240	6,863
Assigned	36,761	6	-	-	-	-	2,761	39,528
Total fund balances	114,177	29,335	10,044	917	1,016	758	26,681	182,928
Total liabilities, deferred inflows of resources, and fund balances	$ 139,221	$ 30,088	$ 11,452	$ 930	$ 1,311	$ 1,239	$ 41,550	$ 225,791

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Special Revenue Funds
For the Fiscal Year Ended June 30, 2020
(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	$ 70,386	$ 1,046	$ 6,371	$ -	$ -	$ 292	$ 746	$ 78,841
Licenses, permits, and franchise fees	-	-	-	-	-	-	899	899
Fines, forfeitures, and penalties	132	-	-	91	-	-	522	745
Use of money and property:								
Investment earnings	625	431	149	11	-	19	460	1,695
Rents and concessions	915	-	1,330	-	-	-	6,659	8,904
Aid from other governmental agencies:								
Federal	60,803	-	-	-	1,852	-	3,275	65,930
State	5,396	9	128	505	2,279	3	235	8,555
Other	21,279	227	583	-	-	26	1,991	24,106
Charges for services	1,115	16,517	5,440	-	-	419	13,349	36,840
Other revenue	3,638	30	308	-	-	-	4,897	8,873
Total revenues	164,289	18,260	14,309	607	4,131	759	33,033	235,388
EXPENDITURES:								
Current:								
General government	22,932	-	-	131	-	-	8,129	31,192
Public protection	1,985	195	626	-	-	188	10,288	13,282
Public ways and facilities	5	8,316	-	-	-	-	11,449	19,770
Health and sanitation	1,523	952	-	-	-	-	-	2,475
Public assistance	60,414	-	-	-	5,336	-	-	65,750
Education	23,767	-	-	-	-	-	-	23,767
Recreation and cultural services	-	861	13,943	-	-	-	-	14,804
Total expenditures	110,626	10,324	14,569	131	5,336	188	29,866	171,040
Excess (deficiency) of revenues over (under) expenditures	53,663	7,936	(260)	476	(1,205)	571	3,167	64,348
OTHER FINANCING SOURCES (USES):								
Transfers in	93,643	4,006	1,170	-	963	1	2,910	102,693
Transfers out	(85,584)	(7,476)	(1,111)	(107)	(283)	(394)	(5,619)	(100,574)
Total other financing sources (uses)	8,059	(3,470)	59	(107)	680	(393)	(2,709)	2,119
NET CHANGE IN FUND BALANCES	61,722	4,466	(201)	369	(525)	178	458	66,467
Fund balances, beginning of year, as previously reported	52,455	24,869	10,245	548	1,541	580	19,137	109,375
Adjustments to beginning fund balances	-	-	-	-	-	-	7,086	7,086
Fund balances, beginning of year, as restated	52,455	24,869	10,245	548	1,541	580	26,223	116,461
FUND BALANCES, END OF YEAR	$ 114,177	$ 29,335	$ 10,044	$ 917	$ 1,016	$ 758	$ 26,681	$ 182,928

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Community Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 65,823	$ 65,895	$ 70,386	$ 4,491
Fines, forfeitures, and penalties	334	334	132	(202)
Use of money and property:				
Investment earnings	64	64	625	561
Rents and concessions	425	511	915	404
Aid from other governmental agencies:				
Federal	79,365	57,362	60,803	3,441
State	4,374	8,126	5,396	(2,730)
Other	23,343	23,343	21,279	(2,064)
Charges for services	11,078	2,951	1,115	(1,836)
Other revenue	13,916	5,621	3,638	(1,983)
Total revenues	198,722	164,207	164,289	82
EXPENDITURES:				
Current:				
General government	18,473	65,474	22,932	(42,542)
Public protection	73,187	5,728	1,985	(3,743)
Public ways and facilities	289	288	5	(283)
Health and sanitation	2,000	2,755	1,523	(1,232)
Public assistance	84,268	84,051	60,414	(23,637)
Education	32,835	31,137	23,767	(7,370)
Total expenditures	211,052	189,433	110,626	(78,807)
Excess (deficiency) of revenues over (under) expenditures	(12,330)	(25,226)	53,663	78,889
OTHER FINANCING SOURCES (USES):				
Transfers in	-	93,643	93,643	-
Transfers out	-	(85,584)	(85,584)	-
Total other financing sources (uses)	-	8,059	8,059	-
NET CHANGE IN FUND BALANCE	(12,330)	(17,167)	61,722	78,889
Fund balance, beginning of year	52,455	52,455	52,455	-
FUND BALANCE, END OF YEAR	$ 40,125	$ 35,288	$ 114,177	$ 78,889

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COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
County Service Areas Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 1,401	$ 1,397	$ 1,046	$ (351)
Use of money and property:				
Investment earnings	225	220	431	211
Rents and concessions	1	1	-	(1)
Aid from other governmental agencies:				
State	9	9	9	-
Other	196	196	227	31
Charges for services	18,072	14,262	16,517	2,255
Other revenue	91	71	30	(41)
Total revenues	19,995	16,156	18,260	2,104
EXPENDITURES:				
Current:				
Public protection	929	801	195	(606)
Public ways and facilities	18,666	12,158	8,316	(3,842)
Health and sanitation	1,233	1,233	952	(281)
Recreation and cultural services	2,141	1,505	861	(644)
Total expenditures	22,969	15,697	10,324	(5,373)
Excess (deficiency) of revenues over (under) expenditures	(2,974)	459	7,936	7,477
OTHER FINANCING SOURCES (USES):				
Transfers in	-	4,006	4,006	-
Transfers out	-	(7,476)	(7,476)	-
Total other financing sources (uses)	-	(3,470)	(3,470)	-
NET CHANGE IN FUND BALANCE	(2,974)	(3,011)	4,466	7,477
Fund balance, beginning of year	24,869	24,869	24,869	-
FUND BALANCE, END OF YEAR	$ 21,895	$ 21,858	$ 29,335	$ 7,477

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COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 5,598	$ 5,598	$ 6,371	$ 773
Use of money and property:				
Investment earnings	183	183	149	(34)
Rents and concessions	1,849	1,474	1,330	(144)
Aid from other governmental agencies:				
State	239	634	128	(506)
Other	816	816	583	(233)
Charges for services	6,561	5,867	5,440	(427)
Other revenue	1,007	46	308	262
Total revenues	16,253	14,618	14,309	(309)
EXPENDITURES:				
Current:				
Public protection	768	1,141	626	(515)
Recreation and cultural services	16,363	16,378	13,943	(2,435)
Total expenditures	17,131	17,519	14,569	(2,950)
Excess (deficiency) of revenues over (under) expenditures	(878)	(2,901)	(260)	2,641
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1,170	1,170	-
Transfers out	-	(1,111)	(1,111)	-
Total other financing sources (uses)	-	59	59	-
NET CHANGE IN FUND BALANCE	(878)	(2,842)	(201)	2,641
Fund balance, beginning of year	10,245	10,245	10,245	-
FUND BALANCE, END OF YEAR	$ 9,367	$ 7,403	$ 10,044	$ 2,641

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Air Quality Improvement Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Fines, forfeitures and penalties	$ 125	$ 125	$ 91	$ (34)
Use of money and property:				
Investment earnings	2	2	11	9
Aid from other governmental agencies:				
State	477	477	505	28
Total revenues	604	604	607	3
EXPENDITURES:				
Current:				
General government	603	496	131	(365)
Total expenditures	603	496	131	(365)
Excess (deficiency) of revenues over (under) expenditures	1	108	476	368
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(107)	(107)	-
Total other financing sources (uses)	-	(107)	(107)	-
NET CHANGE IN FUND BALANCE	1	1	369	368
Fund balance, beginning of year	548	548	548	-
FUND BALANCE, END OF YEAR	$ 549	$ 549	$ 917	$ 368

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
In-Home Support Services Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over(Under)
REVENUES:				
Aid from other governmental agencies:				
Federal	$ 2,799	$ 2,799	$ 1,852	$ (947)
State	2,408	2,408	2,279	(129)
Charges for services	1,087	124	-	(124)
Total revenues	6,294	5,331	4,131	(1,200)
EXPENDITURES:				
Current:				
Public assistance	6,837	6,554	5,336	(1,218)
Total expenditures	6,837	6,554	5,336	(1,218)
Excess (deficiency) of revenues over (under) expenditures	(543)	(1,223)	(1,205)	18
OTHER FINANCING SOURCES (USES):				
Transfers in	-	963	963	-
Transfers out	-	(283)	(283)	-
Total other financing sources (uses)	-	680	680	-
NET CHANGE IN FUND BALANCE	(543)	(543)	(525)	18
Fund balance, beginning of year	1,541	1,541	1,541	-
FUND BALANCE, END OF YEAR	$ 998	$ 998	$ 1,016	$ 18

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Perris Valley Cemetery District Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over(Under)
REVENUES:				
Taxes	$ 277	$ 277	$ 292	$ 15
Use of money and property:				
Investment earnings	5	5	19	14
Aid from other governmental agencies:				
State	3	3	3	-
Other	26	26	26	-
Charges for services	283	282	419	137
Total revenues	594	593	759	166
EXPENDITURES:				
Current:				
Public protection	680	286	188	(98)
Total expenditures	680	286	188	(98)
Excess (deficiency) of revenues over (under) expenditures	(86)	307	571	264
OTHER FINANCING SOURCES (USES):				
Transfers in	-	1	1	-
Transfers out	-	(394)	(394)	-
Total other financing sources (uses)	-	(393)	(393)	-
NET CHANGE IN FUND BALANCE	(86)	(86)	178	264
Fund balance, beginning of year	580	580	580	-
FUND BALANCE, END OF YEAR	$ 494	$ 494	$ 758	$ 264

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Other Special Revenue Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Taxes	$ 695	$ 695	$ 746	$ 51
Licenses, permits, and franchise fees	774	774	899	125
Fines, forfeitures, and penalties	3	406	522	116
Use of money and property:				
Investment earnings	133	385	460	75
Rents and concessions	6,468	6,468	6,659	191
Aid from other governmental agencies:				
Federal	5,232	5,232	3,275	(1,957)
State	89	89	235	146
Other	1,807	2,029	1,991	(38)
Charges for services	13,814	13,658	13,349	(309)
Other revenue	2,193	5,638	4,897	(741)
Total revenues	31,208	35,374	33,033	(2,341)
EXPENDITURES:				
Current:				
General government	10,006	9,690	8,129	(1,561)
Public protection	5,662	10,668	10,288	(380)
Public ways and facilities	16,219	13,952	11,449	(2,503)
Total expenditures	31,887	34,309	29,866	(4,443)
Excess (deficiency) of revenues over (under) expenditures	(679)	1,065	3,167	2,102
OTHER FINANCING SOURCES (USES):				
Transfers in	-	2,910	2,910	-
Transfers out	-	(5,619)	(5,619)	-
Total other financing sources (uses)	-	(2,709)	(2,709)	-
NET CHANGE IN FUND BALANCE	(679)	(1,644)	458	2,102
Fund balance, beginning of year, as previously reported	19,137	19,137	19,137	-
Adjustments to beginning fund balance	-	-	7,086	7,086
Fund balance, beginning of year, as restated	19,137	19,137	26,223	7,086
FUND BALANCE, END OF YEAR	$ 18,458	$ 17,493	$ 26,681	$ 9,188

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DEBT SERVICE FUNDS

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.

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 control 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, 2020
(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:							
Assets:							
Cash and investments	$ -	$ -	$ -	$ -	$ -	$ 2	$ 2
Accounts receivable	-	-	-	-	-	-	-
Interest receivable	11	-	-	1	-	-	12
Restricted cash and investments	12,108	840	158	12,541	1,400	-	27,047
Total assets	12,119	840	158	12,542	1,400	2	27,061
Deferred outflows of resources	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ 12,119	$ 840	158	$ 12,542	$ 1,400	$ 2	$ 27,061
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:							
Liabilities:							
Accounts payable	$ -	$ 840	$ -	$ -	$ -	$ -	$ 840
Total liabilities	-	840	-	-	-	-	840
Deferred inflows of resources	-	-	-	-	-	-	-
Fund balances (Note 16):							
Restricted	12,119	-	158	12,542	1,400	2	26,221
Total fund balances	12,119	-	158	12,542	1,400	2	26,221
Total liabilities, deferred inflows of resources, and fund balances	$ 12,119	$ 840	$ 158	$ 12,542	$ 1,400	$ 2	$ 27,061

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Debt Service Funds

For the Fiscal Year Ended June 30, 2020

(Dollars in Thousands)

	CORAL	District Court Financing Corporation	Infrastructure Financing Authority	Inland Empire Tobacco Securitization Authority	Public Financing Authority	Flood Control	Total
REVENUES:							
Use of money and property:							
Investment earnings	$ 219	$ 22	$ 7	$ 151	$ 25	$ 1	$ 425
Rents and concessions	2,109	1,409	-	-	-	-	3,518
Other revenue	281	-	-	11,536	-	-	11,817
Total revenues	2,609	1,431	7	11,687	25	1	15,760
EXPENDITURES:							
Current:							
General government	3,810	1,173	-	479	-	-	5,462
Debt service:							
Principal	23,145	1,228	6,820	8,030	6,745	2,160	48,128
Interest	7,760	96	6,763	3,686	15,499	671	34,475
Cost of issuance	296	-	-	-	-	-	296
Total expenditures	35,011	2,497	13,583	12,195	22,244	2,831	88,361
Excess (deficiency) of revenues over (under) expenditures	(32,402)	(1,066)	(13,576)	(508)	(22,219)	(2,830)	(72,601)
OTHER FINANCING SOURCES (USES):							
Transfers in	31,188	-	13,575	12,084	22,205	2,831	81,883
Transfers out	-	-	-	(12,084)	-	-	(12,084)
Issuance of refunding bonds	12,875	-	-	-	-	-	12,875
Redemption of bonds	(12,559)	-	-	-	-	-	(12,559)
Total other financing sources (uses)	31,504	-	13,575	-	22,205	2,831	70,115
NET CHANGE IN FUND BALANCES	(898)	(1,066)	(1)	(508)	(14)	1	(2,486)
Fund balances, beginning of year	13,017	1,066	159	13,050	1,414	1	28,707
FUND BALANCES, END OF YEAR	$ 12,119	$ -	$ 158	$ 12,542	$ 1,400	$ 2	$ 26,221

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CAPITAL PROJECT FUNDS

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.

PUBLIC FACILITIES IMPROVEMENT CAPITAL PROJECTS

The Public Facilities Improvement Capital Projects Fund was established to account for capital acquisitions and/or improvements.

PUBLIC FINANCING AUTHORITY

The Public Financing Authority was formed for the purpose of assisting in acquiring equipment and facilities for public improvements of the County, the Riverside County Redevelopment Successor Agency and other local agencies.

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 formed for the purpose of assisting in acquiring equipment and facilities for public capital improvements of the County.

COUNTY OF RIVERSIDE
Combining Balance Sheet
Capital Projects Funds
June 30, 2020
(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space	CREST	Public Facilities Improvement Capital Projects	Public Financing Authority	Infrastructure Financing Authority	Total
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:									
Assets:									
Cash and investments	$ -	$ -	$ 19	$ 2,818	$ 7,789	$ 177,520	$ -	$ -	$ 188,146
Interest receivable	-	-	-	6	7	252	1	32	298
Due from other governments	-	-	-	1,368	-	-	-	-	1,368
Due from other funds	-	-	-	-	280	-	-	-	280
Prepaid items and deposits	-	-	-	366	-	-	-	-	366
Restricted cash and investments	-	246	-	-	-	-	424	6,999	7,669
Total assets	-	246	19	4,558	8,076	177,772	425	7,031	198,127
Deferred outflows of resources	-	-	-	-	-	-	-	-	-
Total assets and deferred outflows of resources	$ -	$ 246	$ 19	$ 4,558	$ 8,076	$ 177,772	$ 425	$ 7,031	$ 198,127
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES:									
Liabilities:									
Accounts payable	$ -	$ -	$ -	$ 169	$ 4,972	$ 9,262	$ -	$ -	$ 14,403
Salaries and benefits payable	-	-	-	-	181	-	-	-	181
Due to other funds	-	-	-	19	1,013	-	-	-	1,032
Advances from grantors and third parties	-	-	-	-	-	1,242	-	-	1,242
Advances from other funds	-	-	-	-	-	1,000	-	-	1,000
Total liabilities	-	-	-	188	6,166	11,504	-	-	17,858
Deferred inflows of resources	-	-	-	-	-	-	-	-	-
Fund balances (Note 16):									
Restricted	-	246	19	4,370	-	139,093	425	7,031	151,184
Committed	-	-	-	-	-	9,358	-	-	9,358
Assigned	-	-	-	-	1,910	17,817	-	-	19,727
Total fund balances	-	246	19	4,370	1,910	166,268	425	7,031	180,269
Total liabilities, deferred inflows of resources, and fund balances	$ -	$ 246	$ 19	$ 4,558	$ 8,076	$ 177,772	$ 425	$ 7,031	$ 198,127

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Capital Projects Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	PSEC	CORAL	Flood Control	Regional Park and Open-Space	CREST	Public Facilities Improvement Capital Projects	Public Financing Authority	Infrastructure Financing Authority	Total
REVENUES:									
Use of money and property:									
Investment earnings	$ -	$ 4	$ -	$ 41	$ 89	$ 2,241	$ 123	$ 224	$ 2,722
Rents and concessions	-	-	-	-	-	379	-	-	379
Aid from other governmental agencies:									
State	-	-	-	717	-	-	-	-	717
Other	-	-	-	-	-	34,618	-	-	34,618
Charges for services	-	-	-	-	2,073	29,541	-	-	31,614
Other revenue	-	-	-	852	-	1,598	-	-	2,450
Total revenues	-	4	-	1,610	2,162	68,377	123	224	72,500
EXPENDITURES:									
Current:									
General government	19	-	-	-	-	59,328	-	-	59,347
Public ways and facilities	-	-	-	-	-	256	-	-	256
Recreation and cultural services	-	-	-	2,698	-	-	-	-	2,698
Debt service:									
Interest	-	-	-	-	-	34	-	-	34
Capital outlay	-	-	-	-	11,631	-	516	4,551	16,698
Total expenditures	19	-	-	2,698	11,631	59,618	516	4,551	79,033
Excess (deficiency) of revenues over (under) expenditures	(19)	4	-	(1,088)	(9,469)	8,759	(393)	(4,327)	(6,533)
OTHER FINANCING SOURCES (USES):									
Transfers in	-	-	-	708	10,000	39,199	-	-	49,907
Transfers out	(443)	-	-	(180)	(1,484)	(51,223)	-	-	(53,330)
Total other financing sources (uses)	(443)	-	-	528	8,516	(12,024)	-	-	(3,423)
NET CHANGE IN FUND BALANCES	(462)	4	-	(560)	(953)	(3,265)	(393)	(4,327)	(9,956)
Fund balances, beginning of year, as previously reported	462	242	19	4,930	2,863	164,816	818	11,358	185,508
Adjustments to beginning fund balances	-	-	-	-	-	4,717	-	-	4,717
Fund balances, beginning of year	462	242	19	4,930	2,863	169,533	818	11,358	190,225
FUND BALANCES, END OF YEAR	$ -	$ 246	$ 19	$ 4,370	$ 1,910	$ 166,268	$ 425	$ 7,031	$ 180,269

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
PSEC Capital Projects Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES				
Total revenues	$ -	$ -	$ -	$ -
EXPENDITURES				
Current:				
General government	-	19	19	-
Total expenditures	-	19	19	-
Excess (deficiency) of revenues over (under) expenditures	-	(19)	(19)	-
OTHER FINANCING SOURCES (USES):				
Transfers out	-	(443)	(443)	-
Total other financing sources (uses)	-	(443)	(443)	-
NET CHANGE IN FUND BALANCE	-	(462)	(462)	-
Fund balance, beginning of year	462	462	462	-
FUND BALANCE, END OF YEAR	$ 462	$ -	$ -	$ -

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Flood Control Capital Projects Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ 1	$ 1	$ -	$ (1)
Other revenue	1,640	1,640	-	(1,640)
Total revenues	1,641	1,641	-	(1,641)
EXPENDITURES:				
Capital outlay	1,640	1,640	-	(1,640)
Total expenditures	1,640	1,640	-	(1,640)
Excess (deficiency) of revenues over (under) expenditures	1	1	-	(1)
NET CHANGE IN FUND BALANCE	1	1	-	(1)
Fund balance, beginning of year	19	19	19	-
FUND BALANCE, END OF YEAR	$ 20	$ 20	$ 19	$ (1)

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Regional Park and Open-Space Capital Projects Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ 55	$ 55	$ 41	$ (14)
Aid from other governmental agencies:				
State	2,081	2,331	717	(1,614)
Other revenue	292	2,206	852	(1,354)
Total revenues	2,428	4,592	1,610	(2,982)
EXPENDITURES:				
Current:				
Recreation and cultural services	3,700	6,466	2,698	(3,768)
Total expenditures	3,700	6,466	2,698	(3,768)
Excess (deficiency) of revenues over (under) expenditures	(1,272)	(1,874)	(1,088)	786
OTHER FINANCING SOURCES (USES):				
Transfers in	-	708	708	-
Transfers out	-	(180)	(180)	-
Total other financing sources (uses)	-	528	528	-
NET CHANGE IN FUND BALANCE	(1,272)	(1,346)	(560)	786
Fund balance, beginning of year	4,930	4,930	4,930	-
FUND BALANCE, END OF YEAR	$ 3,658	$ 3,584	$ 4,370	$ 786

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
CREST Capital Projects Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ 70	$ 70	$ 89	$ 19
Charges for services	3,926	3,926	2,073	(1,853)
Other revenue	10,000	-	-	-
Total revenues	13,996	3,996	2,162	(1,834)
EXPENDITURES:				
Current:				
Capital outlay	11,035	9,551	11,631	2,080
Total expenditures	13,896	12,412	11,631	(781)
Excess (deficiency) of revenues over (under) expenditures	100	(8,416)	(9,469)	(1,053)
OTHER FINANCING SOURCES (USES):				
Transfers in	-	10,000	10,000	-
Transfers out	-	(1,484)	(1,484)	-
Total other financing sources (uses)	-	8,516	8,516	-
NET CHANGE IN FUND BALANCE	100	100	(953)	(1,053)
Fund balance, beginning of year	2,863	2,863	2,863	-
FUND BALANCE, END OF YEAR	$ 2,963	$ 2,963	$ 1,910	$ (1,053)

COUNTY OF RIVERSIDE
Budgetary Comparison Schedule
Public Facilities Improvement Capital Projects Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final	Amounts	Over(Under)
REVENUES:				
Use of money and property:				
Investment earnings	$ 797	$ 797	$ 2,241	$ 1,444
Rents and concessions	360	360	379	19
Aid from other governmental agencies:				
State	-	-	-	-
Other	35,316	35,316	34,618	(698)
Charges for services	63,326	32,980	29,541	(3,439)
Other revenue	5,666	1,151	1,598	447
Total revenues	105,465	70,604	68,377	(2,227)
EXPENDITURES:				
Current:				
General government	170,474	130,274	59,328	(70,946)
Public ways and facilities	18,544	10,791	256	(10,535)
Debt service:				
Interest	-	-	34	34
Total expenditures	189,018	141,065	59,618	(81,447)
Excess (deficiency) of revenues over (under) expenditures	(83,553)	(70,461)	8,759	79,220
OTHER FINANCING SOURCES (USES):				
Transfers in	-	39,199	39,199	-
Transfers out	-	(51,223)	(51,223)	-
Total other financing sources (uses)	-	(12,024)	(12,024)	-
NET CHANGE IN FUND BALANCE	(83,553)	(82,485)	(3,265)	79,220
Fund balance, beginning of year, as previously reported	164,816	164,816	164,816	-
Adjustments to beginning fund balance	-	-	4,717	4,717
Fund balance, beginning of year	164,816	164,816	169,533	4,717
FUND BALANCE, END OF YEAR	$ 81,263	$ 82,331	$ 166,268	$ 83,937

PERMANENT FUNDS

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, 2020
(Dollars in Thousands)

		Perris Valley Cemetery Endowment Fund
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES:		
Assets:		
Cash and investments	$	1,015
Interest receivable		2
Total assets		1,017
Deferred outflows of resources		-
Total assets and deferred outflows of resources	$	1,017
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCE:		
Liabilities:		
Total liabilities	$	-
Deferred inflows of resources		-
Fund balance (Note 16):		
Nonspendable		1,017
Total fund balance		1,017
Total liabilities, deferred inflows of resources, and fund balance	$	1,017

COUNTY OF RIVERSIDE
Statement of Revenues, Expenditures, and Changes in Fund Balance
Permanent Fund
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

		Perris Valley Cemetery Endowment Fund
REVENUES:		
Use of money and property:		
Investment earnings	$	16
Charges for services		122
Total revenues		138
EXPENDITURES:		
Total expenditures		-
Excess (deficiency) of revenues over (under) expenditures		138
NET CHANGE IN FUND BALANCE		138
Fund balance, beginning of year		879
FUND BALANCE, END OF YEAR	$	1,017

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NONMAJOR ENTERPRISE FUNDS

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 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 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, 2020
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
ASSETS:				
Current assets:				
Cash and investments	$ 693	$ 597	$ -	$ 1,290
Accounts receivable - net	-	304	548	852
Interest receivable	1	13	-	14
Taxes receivable	12	-	-	12
Due from other governments	-	7	2,008	2,015
Due from other funds	-	-	40,115	40,115
Inventories	-	-	239	239
Restricted cash and investments	-	6,455	-	6,455
Prepaid items and deposits	-	-	354	354
Total current assets	706	7,376	43,264	51,346
Noncurrent assets:				
Capital assets:				
Depreciable assets	43	138	23,995	24,176
Total noncurrent assets	43	138	23,995	24,176
Total assets	749	7,514	67,259	75,522
DEFERRED OUTFLOWS OF RESOURCES	-	491	4,741	5,232
LIABILITIES:				
Current liabilities:				
Cash overdrawn	-	-	36,300	36,300
Accounts payable	19	6,523	5,643	12,185
Salaries and benefits payable	-	61	3,943	4,004
Due to other governments	-	-	8,474	8,474
Due to other funds	-	288	-	288
Interest payable	-	-	55	55
Deposits payable	131	-	2	133
Other liabilities	-	171	-	171
Compensated absences	-	6	2,483	2,489
Capital lease obligations	-	-	1,701	1,701
Total current liabilities	150	7,049	58,601	65,800
Noncurrent liabilities:				
Compensated absences	-	57	1,223	1,280
Capital lease obligations	-	-	22,650	22,650
Net OPEB liability	-	-	1,040	1,040
Net pension liability	-	2,349	16,639	18,988
Total noncurrent liabilities	-	2,406	41,552	43,958
Total liabilities	150	9,455	100,153	109,758
DEFERRED INFLOWS OF RESOURCES	-	45	1,607	1,652
NET POSITION:				
Net investment in capital assets	43	138	(356)	(175)
Unrestricted	556	(1,633)	(29,404)	(30,481)
Total net position	$ 599	$ (1,495)	$ (29,760)	$ (30,656)

COUNTY OF RIVERSIDE
Combining Statement of Revenues, Expenses, and Changes in Net Position
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020
(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)	$ -	$ -	$ 16,909	$ 16,909
Charges for services	345	1,579	13,528	15,452
Other revenue	24	26	34,063	34,113
Total operating revenues	369	1,605	64,500	66,474
OPERATING EXPENSES:				
Personnel services	-	1,194	52,405	53,599
Communications	7	-	272	279
Insurance	5	-	713	718
Maintenance of building and equipment	97	-	1,865	1,962
Supplies	7	10	2,985	3,002
Purchased services	30	1,005	23,508	24,543
Depreciation and amortization	11	21	2,927	2,959
Rents and leases of equipment	-	-	7,224	7,224
Utilities	86	-	506	592
Other	11	15	320	346
Total operating expenses	254	2,245	92,725	95,224
Operating income (loss)	115	(640)	(28,225)	(28,750)
NONOPERATING REVENUES (EXPENSES):				
Investment income (loss)	11	117	(473)	(345)
Interest expense	-	-	(1,288)	(1,288)
Total nonoperating revenues (expenses)	11	117	(1,761)	(1,633)
Income (loss) before capital contributions and transfers	126	(523)	(29,986)	(30,383)
Transfers in	-	-	23,854	23,854
Transfers out	-	-	(812)	(812)
CHANGE IN NET POSITION	126	(523)	(6,944)	(7,341)
Net position, beginning of year	473	(972)	(22,816)	(23,315)
NET POSITION, END OF YEAR	$ 599	$ (1,495)	$ (29,760)	$ (30,656)

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	County Service Areas	Flood Control	Riverside University Health Systems - Community Health Centers	Total
Cash flows from operating activities				
Cash receipts (payments due) from customers	$ 369	$ 1,594	$ 64,425	$ 66,388
Cash receipts (payments due) from other funds	(1)	-	(24,115)	(24,116)
Cash paid to suppliers for goods and services	(237)	2,360	(26,743)	(24,620)
Cash paid to employees for services	-	(1,257)	(44,057)	(45,314)
Net cash provided by (used in) operating activities	131	2,697	(30,490)	(27,662)
Cash flows from noncapital financing activities				
Transfers received	-	-	23,854	23,854
Transfers paid	-	-	(812)	(812)
Net cash provided by (used in) noncapital financing activities	-	-	23,042	23,042
Cash flows from capital and related financing activities				
Acquisition and construction of capital assets	(8)	(83)	(1,416)	(1,507)
Principal proceeds of (payments on) capital leases	-	-	(1,267)	(1,267)
Interest paid on long-term debt	-	-	(1,392)	(1,392)
Net cash provided by (used in) capital and related financing activities	(8)	(83)	(4,075)	(4,166)
Cash flows from investing activities				
Investment income (loss)	13	139	(473)	(321)
Net cash provided by (used in) investing activities	13	139	(473)	(321)
Net increase (decrease) in cash and cash equivalents	136	2,753	(11,996)	(9,107)
Cash and cash equivalents, beginning of year	557	4,299	(24,304)	(19,448)
Cash and cash equivalents, end of year	$ 693	$ 7,052	$ (36,300)	$ (28,555)
Reconciliation of cash and cash equivalents to the Statement of Net Position				
Cash and investments per Statement of Net Position	$ 693	$ 597	$ (36,300)	$ (35,010)
Restricted cash and investments per Statement of Net Position	-	6,455	-	6,455
Total cash and cash equivalents per Statement of Net Position	$ 693	$ 7,052	$ (36,300)	$ (28,555)
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities				
Operating income (loss)	$ 115	$ (640)	$ (28,225)	$ (28,750)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities				
Depreciation and amortization	11	21	2,927	2,959
Decrease (Increase) accounts receivable	-	(36)	513	477
Decrease (Increase) taxes receivable	(1)	-	-	(1)
Decrease (Increase) due from other funds	-	-	(24,115)	(24,115)
Decrease (Increase) due from other governments	-	25	(588)	(563)
Decrease (Increase) inventories	-	-	(25)	(25)
Decrease (Increase) prepaid items and deposits	-	-	(247)	(247)
Increase (Decrease) accounts payable	4	3,071	4,798	7,873
Increase (Decrease) due to other funds	-	273	-	273
Increase (Decrease) due to other governments	-	-	6,139	6,139
Increase (Decrease) deposits payable	2	-	(15)	(13)
Increase (Decrease) other liabilities	-	46	-	46
Increase (Decrease) net pension liability	-	87	3,682	3,769
Increase (Decrease) net OPEB liability	-	-	569	569
Increase (Decrease) deferred OPEB	-	-	(618)	(618)
Increase (Decrease) deferred pensions	-	(69)	3,475	3,406
Increase (Decrease) salaries and benefits payable	-	(50)	938	888
Increase (Decrease) compensated absences	-	(31)	302	271
Net cash provided by (used in) operating activities	$ 131	$ 2,697	$ (30,490)	$ (27,662)

There were no significant noncash investing, financing, or capital activities.

Noncash investing, capital, and financing activities			$ 14	$ 14

INTERNAL SERVICE FUNDS

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, 2020
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services	Human Resources	Risk Management	Temporary Assignment Pool	EDA Facilities Management	Flood Control Equipment	Total
ASSETS:											
Current assets:											
Cash and investments	$ -	$ 5,302	$ 34,750	$ 360	$ 439	$ -	$ 300,065	$ 3,399	$ 15,480	$ 6,711	$ 366,506
Accounts receivable - net	-	19	202	-	27	-	7,038	-	59	1	7,346
Interest receivable	-	2	44	-	2	-	528	-	12	14	602
Due from other governments	-	68	171	56	12	-	-	-	698	-	1,005
Due from other funds	-	-	-	-	-	-	580	-	674	-	1,254
Inventories	-	664	1,031	116	238	-	-	-	128	282	2,459
Prepaid items and deposits	-	-	443	-	-	-	313	-	-	-	756
Total current assets	-	6,055	36,641	532	718	-	308,524	3,399	17,051	7,008	379,928
Noncurrent assets:											
Capital assets:											
Nondepreciable assets	-	2,310	15,154	-	-	-	-	-	-	-	17,464
Depreciable assets	-	35,717	24,397	222	143	-	-	5	33	3,048	63,565
Total noncurrent assets	-	38,027	39,551	222	143	-	-	5	33	3,048	81,029
Total assets	-	44,082	76,192	754	861	-	308,524	3,404	17,084	10,056	460,957
DEFERRED OUTFLOWS OF RESOURCES	-	1,434	17,386	224	212	-	6,044	776	8,296	-	34,372
LIABILITIES:											
Current liabilities:											
Accounts payable	-	1,378	2,487	14	40	-	25,681	211	2,936	198	32,945
Salaries and benefits payable	-	345	4,262	54	29	-	1,863	192	2,134	144	9,023
Due to other governments	-	1	-	-	6	-	-	-	-	-	7
Due to other funds	-	-	-	-	-	-	22	-	719	-	741
Other liabilities	-	-	-	-	-	-	388	-	2,157	-	2,545
Accrued remediation costs	-	47	-	-	-	-	-	-	-	-	47
Compensated absences	-	457	4,726	61	27	-	1,888	135	2,307	12	9,613
Capital lease obligations	-	7,398	4,383	-	-	-	-	-	-	-	11,781
Estimated claims liabilities	-	-	-	-	-	-	60,864	-	-	-	60,864
Total current liabilities	-	9,626	15,858	129	102	-	90,706	538	10,253	354	127,566
Noncurrent liabilities:											
Compensated absences	-	87	2,688	33	50	-	1,447	63	777	114	5,259
Advances from other funds	-	-	-	-	-	-	-	-	3,342	-	3,342
Capital lease obligations	-	12,572	14,125	-	-	-	-	-	-	-	26,697
Accrued remediation costs	-	63	-	-	-	-	-	-	-	-	63
Estimated claims liabilities	-	-	-	-	-	-	194,522	-	-	-	194,522
Net OPEB liability	-	127	1,190	21	11	-	452	69	814	-	2,684
Net pension liability	-	6,391	92,254	945	1,026	-	27,921	3,196	38,065	-	169,798
Total noncurrent liabilities	-	19,240	110,257	999	1,087	-	224,342	3,328	42,998	114	402,365
Total liabilities	-	28,866	126,115	1,128	1,189	-	315,048	3,866	53,251	468	529,931
DEFERRED INFLOWS OF RESOURCES	-	157	2,086	25	14	-	743	81	996	-	4,102
NET POSITION:											
Net investment in capital assets	-	18,057	21,043	222	143	-	-	5	33	3,048	42,551
Unrestricted	-	(1,564)	(55,666)	(397)	(273)	-	(1,223)	228	(28,900)	6,540	(81,255)
Total net position	$ -	$ 16,493	$ (34,623)	$ (175)	$ (130)	$ -	$ (1,223)	$ 233	$ (28,867)	$ 9,588	$ (38,704)

COUNTY OF RIVERSIDE

Combining Statement of Revenues, Expenses, and Changes in Net Position

Internal Service Funds

For the Fiscal Year Ended June 30, 2020

(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services
OPERATING REVENUES:					
Charges for services	$ -	$ 30,374	$ 113,631	$ 1,166	$ 2,779
Other revenue	-	360	42	1,723	153
Total operating revenues	-	30,734	113,673	2,889	2,932
OPERATING EXPENSES:					
Cost of materials used	-	1,642	-	-	-
Personnel services	-	5,521	66,512	861	464
Communications	-	110	8,478	5	14
Insurance	-	206	536	15	24
Maintenance of building and equipment	-	4,415	18,180	32	202
Insurance claims	-	-	-	-	-
Supplies	-	7,486	2,226	1,483	2,257
Purchased services	-	1,527	3,579	667	333
Depreciation and amortization	-	11,684	6,680	36	10
Rents and leases of equipment	-	1,092	5,171	-	-
Utilities	-	66	1,096	8	28
Other	-	161	1,187	101	116
Total operating expenses	-	33,910	113,645	3,208	3,448
Operating income (loss)	-	(3,176)	28	(319)	(516)
NONOPERATING REVENUES (EXPENSES):					
Investment income (loss)	-	34	333	4	13
Interest expense	-	(274)	(207)	-	-
Gain (loss) on disposal of capital assets	-	114	83	-	13
Total nonoperating revenues (expenses)	-	(126)	209	4	26
Income (loss) before capital contributions and transfers	-	(3,302)	237	(315)	(490)
Capital contributions	-	-	14	-	-
Transfers in	-	7	2,845	-	8
Transfers out	(67)	(85)	(1,053)	(13)	(7)
CHANGE IN NET POSITION	(67)	(3,380)	2,043	(328)	(489)
Net position, beginning of year	67	19,873	(36,666)	153	359
Adjustments to beginning net position (Note 3)	-	-	-	-	-
Net position, beginning of year, as restated	67	19,873	(36,666)	153	359
NET POSITION, END OF YEAR	$ -	$ 16,493	$ (34,623)	$ (175)	$ (130)

	Human Resources	Risk Management	Temporary Assignment Pool	EDA Facilities Management	Flood Control Equipment	Total
OPERATING REVENUES:						
Charges for services	$ -	$ 66,149	$ 6,938	$ 120,048	$ 1,079	$ 342,164
Other revenue	-	11,669	-	14,170	8,860	36,977
Total operating revenues	-	77,818	6,938	134,218	9,939	379,141
OPERATING EXPENSES:						
Cost of materials used	-	-	-	-	38	1,680
Personnel services	-	22,707	3,137	34,245	2,130	135,577
Communications	-	78	-	103	-	8,788
Insurance	-	32,258	54	671	-	33,764
Maintenance of building and equipment	-	95	32	15,464	808	39,228
Insurance claims	-	145,306	-	-	-	145,306
Supplies	-	4,878	152	2,632	1,096	22,210
Purchased services	1,753	6,490	1,429	14,448	2,442	32,668
Depreciation and amortization	-	1	-	10	863	19,284
Rents and leases of equipment	-	1,586	416	64,944	10	73,219
Utilities	-	30	-	1,539	-	2,767
Other	-	3,080	73	1,737	257	6,712
Total operating expenses	1,753	216,509	5,293	135,793	7,644	521,203
Operating income (loss)	(1,753)	(138,691)	1,645	(1,575)	2,295	(142,062)
NONOPERATING REVENUES (EXPENSES):						
Investment income (loss)	-	4,183	-	114	122	4,803
Interest expense	-	-	-	-	-	(481)
Gain (loss) on disposal of capital assets	-	-	5	-	72	287
Total nonoperating revenues (expenses)	-	4,183	5	114	194	4,609
Income (loss) before capital contributions and transfers	(1,753)	(134,508)	1,650	(1,461)	2,489	(137,453)
Capital contributions	-	174,941	-	-	-	174,955
Transfers in	1,753	3,565	-	302	-	8,480
Transfers out	-	(3,914)	(44)	(491)	-	(5,674)
CHANGE IN NET POSITION	-	40,084	1,606	(1,650)	2,489	40,308
Net position, beginning of year	-	(41,092)	(1,373)	(27,217)	7,099	(78,797)
Adjustments to beginning net position (Note 3)	-	(215)	-	-	-	(215)
Net position, beginning of year, as restated	-	(41,307)	(1,373)	(27,217)	7,099	(79,012)
NET POSITION, END OF YEAR	$ -	$ (1,223)	$ 233	$ (28,867)	$ 9,588	$ (38,704)

COUNTY OF RIVERSIDE
Combining Statement of Cash Flows
Internal Service Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	Records Management and Archives	Fleet Services	Information Services	Central Mail Services	Supply Services	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	$ -	$ 69	$ (64)	$ 9	$ (12)	$ -	$ -	$ -	$ 69	$ -	$ 71
Cash receipts (payments due) from other funds	-	30,797	113,748	2,889	2,932	-	81,330	6,938	133,815	10,457	382,906
Cash paid to suppliers for goods and services	-	(17,074)	(40,291)	(2,271)	(3,045)	(1,753)	(207,634)	(2,067)	(103,876)	(4,677)	(382,688)
Cash paid to employees for services	-	(4,698)	(56,286)	(749)	(404)	-	(19,344)	(2,746)	(29,548)	(5,859)	(119,634)
Net cash provided by (used in) operating activities	-	9,094	17,107	(122)	(529)	(1,753)	(145,648)	2,125	460	(79)	(119,345)
Cash flows from noncapital financing activities											
Transfers received	-	7	2,845	-	8	1,753	3,350	-	302	-	8,265
Transfers paid	(67)	(85)	(1,053)	(13)	(7)	-	(3,914)	(44)	(491)	-	(5,674)
Net cash provided by (used in) noncapital financing activities	(67)	(78)	1,792	(13)	1	1,753	(564)	(44)	(189)	-	2,591
Cash flows from capital and related financing activities											
Proceeds (loss) from sale of capital assets	-	114	83	-	13	-	-	5	-	72	287
Acquisition and construction of capital assets	-	(4,658)	(16,161)	-	(50)	-	-	(5)	-	(1,590)	(22,464)
Principal proceeds of (payment on) capital leases	-	(6,485)	4,201	-	-	-	-	-	-	-	(2,284)
Capital contributions	-	-	14	-	-	-	174,941	-	-	-	174,955
Interest paid on long-term debt	-	(274)	(207)	-	-	-	-	-	-	-	(481)
Net cash provided by (used in) capital and related financing activities	-	(11,303)	(12,070)	-	(37)	-	174,941	-	-	(1,518)	150,013
Cash flows from investing activities											
Investment income (loss)	-	46	383	5	18	-	4,869	-	139	143	5,603
Net cash provided by (used in) investing activities	-	46	383	5	18	-	4,869	-	139	143	5,603
Net increase (decrease) in cash and cash equivalents	(67)	(2,241)	7,212	(130)	(547)	-	33,598	2,081	410	(1,454)	38,862
Cash and cash equivalents, beginning of year	67	7,543	27,538	490	986	-	266,467	1,318	15,070	8,165	327,644
Cash and cash equivalents, end of year	$ -	$ 5,302	$ 34,750	$ 360	$ 439	$ -	$ 300,065	$ 3,399	$ 15,480	$ 6,711	$ 366,506
Reconciliation of cash and cash equivalents to the Statement of Net Position											
Cash and investments per Statement of Net Position	$ -	$ 5,302	$ 34,750	$ 360	$ 439	$ -	$ 300,065	$ 3,399	$ 15,480	$ 6,711	$ 366,506
Total cash and cash equivalents per Statement of Net Position	$ -	$ 5,302	$ 34,750	$ 360	$ 439	$ -	$ 300,065	$ 3,399	$ 15,480	$ 6,711	$ 366,506
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities											
Operating income (loss)	$ -	$ (3,176)	$ 28	$ (319)	$ (516)	$ (1,753)	$ (138,691)	$ 1,645	$ (1,575)	$ 2,295	$ (142,062)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities											
Depreciation and amortization	-	11,684	6,680	36	10	-	1	-	10	863	19,284
Decrease (Increase) accounts receivable	-	63	75	-	-	-	4,092	-	271	1	4,502
Decrease (Increase) due from other funds	-	-	-	-	-	-	(580)	-	(674)	517	(737)
Decrease (Increase) due from other governments	-	69	(64)	9	(12)	-	-	-	69	-	71
Decrease (Increase) inventories	-	(137)	27	39	(85)	-	-	-	42	5	(109)
Decrease (Increase) prepaid items and deposits	-	-	(10)	-	-	-	45	-	-	-	35
Increase (Decrease) accounts payable	-	588	145	1	14	-	(9,157)	89	(1,423)	112	(9,631)
Increase (Decrease) due to other funds	-	-	-	-	-	-	(74)	-	(861)	(12)	(947)
Increase (Decrease) due to other governments	-	-	-	-	-	-	(1)	-	(1)	(131)	(133)
Increase (Decrease) accrued remediation costs	-	(48)	-	-	-	-	-	-	-	-	(48)
Increase (Decrease) other liabilities	-	(772)	-	-	-	-	78	-	(95)	-	(789)
Increase (Decrease) estimated claims liability	-	-	-	-	-	-	(4,724)	-	-	-	(4,724)
Increase (Decrease) net pension liability	-	384	4,788	57	32	-	1,583	200	2,231	(4,541)	4,734
Increase (Decrease) net OPEB liability	-	64	663	10	6	-	233	33	391	-	1,400
Increase (Decrease) deferred pensions	-	250	3,771	44	26	-	1,439	126	1,764	758	8,178
Increase (Decrease) salaries and benefits payable	-	45	668	5	3	-	38	36	223	58	1,076
Increase (Decrease) compensated absences	-	80	336	(4)	(7)	-	70	(4)	88	(4)	555
Net cash provided by (used in) operating activities	$ -	$ 9,094	$ 17,107	$ (122)	$ (529)	$ (1,753)	$ (145,648)	$ 2,125	$ 460	$ (79)	$ (119,345)
Noncash investing, capital, and financing activities:											
Capital lease obligations		$ 26,708	$ -								$ 26,708

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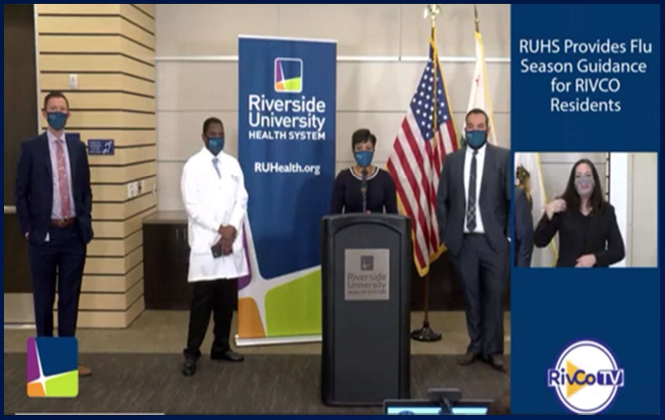
FIDUCIARY FUNDS



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.

EXTERNAL INVESTMENT POOL

The External Investment Pool Funds are the external portion of the investment pool not held in a trust that meets the criteria in paragraph 18 of GASB Statement No. 84 which are required to be reported in a single column within the custodial funds classification.

PROPERTY TAX COLLECTION

The Property Tax Collection Funds were set up to help Riverside County account for apportioned taxes clearing, delinquent mobile home fees, property tax refunds, special assessments, and Teeter Plan collections.

PAYROLL DEDUCTIONS

The purpose of these funds 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.

OTHER CUSTODIAL

These funds were 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, family support clearing, and clearing fund for various categories of warrants issued by Riverside County.

COUNTY OF RIVERSIDE
Statement of Fiduciary Net Position
Custodial Funds
June 30, 2020
(Dollars in Thousands)

	External Investment Pool	Property Tax Collection	Payroll Deductions	Other Custodial	Total
ASSETS:					
Cash and investments	$ 248,632	$ 63,398	$ 11,068	$ 138,822	$ 461,920
Receivables:					
Accounts receivable	-	-	16,253	6	16,259
Interest receivable	8,942	97	-	78	9,117
Taxes receivable	-	39,005	-	8,429	47,434
Investment at fair value:					
Short-term investments	220,801	-	-	-	220,801
Federal agency	2,949,708	-	-	-	2,949,708
Mutual funds	-	-	-	-	-
Commercial paper	165,739	-	-	-	165,739
Negotiable CDs	99,453	-	-	-	99,453
Medium term notes	56,226	-	-	-	56,226
Municipal bonds	86,611	-	-	-	86,611
Bonds - U.S. Treasury	1,347,170	-	-	-	1,347,170
Total assets	5,183,282	102,500	27,321	147,335	5,460,438
DEFERRED OUTFLOWS OF RESOURCES					
Deferred outflows of resources	-	-	-	-	-
LIABILITIES:					
Cash overdrawn	-	-	16,253	-	16,253
Accounts payable	-	6,122	5,643	107,971	119,736
Due to other governments	-	95,999	5,425	35,819	137,243
Total liabilities	-	102,121	27,321	143,790	273,232
DEFERRED INFLOWS OF RESOURCES					
Deferred inflows of resources	-	-	-	-	-
NET POSITION:					
Restricted for:					
Pool participants	5,183,282	-	-	-	5,183,282
Individuals, organizations & other governments	-	379	-	3,545	3,924
Total net position	$ 5,183,282	$ 379	$ -	$ 3,545	$ 5,187,206

COUNTY OF RIVERSIDE
Statement of Changes in Fiduciary Net Position
Custodial Funds
For the Fiscal Year Ended June 30, 2020
(Dollars in Thousands)

	External Investment Pool	Property Tax Collection	Payroll Deductions	Other Custodial	Total
ADDITIONS					
Contributions:					
Contributions to pooled investments	$ 1,047,718	$ -	$ -	$ -	$ 1,047,718
Total contributions	1,047,718	-	-	-	1,047,718
Investment earnings:					
Net increase in fair value of investments	77,437	379	-	663	78,479
Interest, dividends, and other	4	-	-	-	4
Total investment earnings	77,441	379	-	663	78,483
Less investment costs:					
Investment activity costs	-	-	-	-	-
Net investment earnings	77,441	379	-	663	78,483
Property tax collection other governments	-	5,969,287	-	-	5,969,287
Other custodial fund collections		-	2,285,622	28	2,285,650
Miscellaneous		-	-	35	35
Total additions	1,125,159	5,969,666	2,285,622	726	9,381,173
DEDUCTIONS					
Administrative expense	-	-	-	1	1
Distributions to shareholders	668,785	-	-	140	668,925
Beneficiary payments to individuals, organizatons and other governments	-	-	2,296,268	252,299	2,548,567
Property taxes distributed to other governments	-	6,098,014	-	-	6,098,014
Total deductions	668,785	6,098,014	2,296,268	252,440	9,315,507
Net increase (decrease) in fiduciary net position	456,374	(128,348)	(10,646)	(251,714)	65,666
Net position, beginning of the year	-	-	-	-	-
Adjustments to beginning net position (Note 3)	4,726,908	128,727	10,646	255,259	5,121,540
Net position beginning of the year, as restated	4,726,908	128,727	10,646	255,259	5,121,540
Net position, end of the year	$ 5,183,282	$ 379	$ -	$ 3,545	$ 5,187,206

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STATISTICAL SECTION

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.

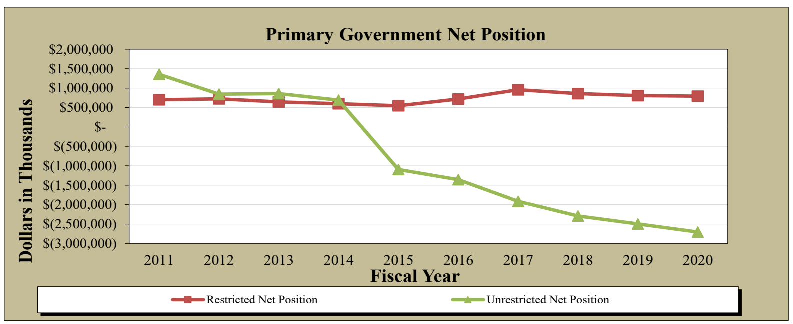
Full-time Equivalent County Government Employees by Function/Program
Operating Indicators by Function
Capital Asset Statistics by Function

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, 2020

	Fiscal Year Ending June 30 2020	2019	2018	2017	2016
Governmental activities					
Net investment in capital assets	$ 3,042,172	$ 3,673,404	$ 3,505,380	$ 3,355,072	$ 3,240,888
Restricted	735,739	769,225	799,830	911,249	667,696
Unrestricted	(2,198,345)	(2,092,164)	(1,947,282)	(1,689,770)	(1,242,905)
Governmental activities, total net position	$ 1,579,566	$ 2,350,465	$ 2,357,928	$ 2,576,551	$ 2,665,679
Business-type activities					
Net investment in capital assets	$ 228,265	$ 224,427	$ 218,159	$ 202,150	$ 112,906
Restricted	56,744	40,585	58,136	47,468	49,241
Unrestricted	(507,675)	(403,461)	(344,312)	(225,964)	(113,124)
Business-type activities, total net position	$ (222,666)	$ (138,449)	$ (68,017)	$ 23,654	$ 49,023
Primary government					
Net investment in capital assets	$ 3,270,437	$ 3,897,831	$ 3,723,539	$ 3,557,222	$ 3,353,794
Restricted	792,483	809,810	857,966	958,717	716,937
Unrestricted	(2,706,020)	(2,495,625)	(2,291,594)	(1,915,734)	(1,356,029)
Primary government, total net position	$ 1,356,900	$ 2,212,016	$ 2,289,911	$ 2,600,205	$ 2,714,702



Source: Auditor-Controller, County of Riverside

Table 1

	Fiscal Year Ending June 30 2015	2014	2013	2012	2011
Governmental activities					
Net investment in capital assets	$ 3,009,048	$ 3,165,319	$ 2,998,987	$ 2,740,429	$ 1,687,128
Restricted	489,359	499,463	550,326	683,835	656,347
Unrestricted	(971,969)	718,105	771,883	851,269	1,295,657
Governmental activities, total net position	$ 2,526,438	$ 4,382,887	$ 4,321,196	$ 4,275,533	$ 3,639,132
Business-type activities					
Net investment in capital assets	$ 95,160	$ 147,806	$ 118,594	$ 130,510	$ 113,489
Restricted	56,569	96,904	94,346	41,103	43,086
Unrestricted	(122,341)	(27,903)	88,852	(5,456)	59,550
Business-type activities, total net position	$ 29,388	$ 216,807	$ 301,792	$ 166,157	$ 216,125
Primary government					
Net investment in capital assets	$ 3,104,208	$ 3,313,125	$ 3,117,581	$ 2,870,939	$ 1,800,617
Restricted	545,928	596,367	644,672	724,938	699,433
Unrestricted	(1,094,310)	690,202	860,735	845,813	1,355,207
Primary government, total net position	$ 2,555,826	$ 4,599,694	$ 4,622,988	$ 4,441,690	$ 3,855,257

Table 2

COUNTY OF RIVERSIDE
Changes in Net Position
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2020

	Fiscal Year Ending June 30									
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Program revenues										
Governmental activities:										
Charges for services:										
General government	$ 167,806	$ 170,904	$ 192,894	$ 230,767	$ 201,495	$ 164,830	$ 162,926	$ 138,851	$ 147,510	$ 159,570
Public protection	461,197	448,722	434,301	417,682	398,070	371,237	352,178	339,379	316,778	326,237
Other activities	139,136	139,861	89,778	118,140	135,204	109,773	100,791	110,231	116,509	105,931
Operating grants and contributions	2,291,206	2,010,351	1,951,911	1,912,480	1,907,919	1,800,158	1,593,627	1,503,390	1,447,694	1,393,016
Capital grants and contributions	32,453	47,530	77,352	49,088	54,134	31,579	29,890	27,695	27,909	32,114
Governmental activities program revenues	3,091,798	2,817,368	2,746,236	2,728,157	2,696,822	2,477,577	2,239,412	2,119,546	2,056,400	2,016,868
Business-type activities:										
Charges for services:										
Riverside University Health Systems - Medical Center	631,853	585,761	560,187	544,060	511,666	504,811	400,630	450,340	371,827	386,533
Other activities	263,173	252,163	227,588	172,851	164,860	161,008	155,336	150,407	133,838	140,327
Capital grants and contributions	355	-	87	552	2,234	536	450	698	335	-
Business-type activities program revenues	895,381	837,924	787,862	717,463	678,760	666,355	556,416	601,445	506,000	526,860
Primary government program revenues	3,987,179	3,655,292	3,534,098	3,445,620	3,375,582	3,143,932	2,795,828	2,720,991	2,562,400	2,543,728
Expenses										
Governmental activities:										
General government	336,802	261,113	275,973	277,276	283,081	179,575	228,146	194,641	270,474	298,032
Public protection	2,209,120	1,600,054	1,606,348	1,465,762	1,328,608	1,217,731	1,191,438	1,065,373	1,047,202	1,021,288
Public ways and facilities	239,741	244,547	215,360	199,023	149,768	177,870	108,380	89,469	84,797	87,424
Health and sanitation	759,480	611,195	611,960	559,906	468,382	499,669	460,963	422,982	374,950	369,984
Public assistance	1,236,525	1,067,788	1,067,151	1,024,047	980,550	970,415	851,246	807,611	827,092	907,202
Education	32,607	25,220	23,560	24,603	23,283	23,409	24,420	18,998	10,376	15,816
Recreation and cultural services	22,939	19,232	17,345	17,980	20,758	18,335	20,077	12,274	15,806	9,364
Interest on long-term debt	69,034	69,630	63,685	69,874	46,306	45,904	47,236	29,453	39,098	88,998
Governmental activities expenses	4,906,248	3,898,779	3,881,382	3,638,471	3,300,736	3,132,908	2,931,906	2,640,801	2,669,795	2,798,108
Business-type activities:										
Riverside University Health Systems - Medical Center	738,306	663,496	636,169	582,419	506,338	468,562	482,240	473,916	417,074	401,120
Waste Resources Department	104,445	102,278	88,964	87,115	75,358	56,299	62,721	53,069	57,272	56,688
Housing Authority	99,066	95,929	98,591	91,783	88,166	90,903	94,716	90,678	91,469	86,027
Flood Control	2,245	2,404	5,183	3,903	3,591	3,056	2,561	2,472	2,306	3,711
Riverside University Health Systems - Community Health Centers	95,371	79,792	56,247	-	-	-	-	-	-	-
County Service Areas	254	233	243	370	413	390	429	459	456	383
Business-type activities expenses	1,039,687	944,132	885,397	765,590	673,866	619,210	642,667	620,594	568,577	547,929
Primary government expenses	5,945,935	4,842,911	4,766,779	4,404,061	3,974,602	3,752,118	3,574,573	3,261,395	3,238,372	3,346,037
Net (expense)/revenue										
Governmental activities	(1,814,450)	(1,081,411)	(1,135,146)	(910,314)	(603,914)	(655,331)	(692,494)	(521,255)	(613,395)	(781,240)
Business-type activities	(144,306)	(106,208)	(97,535)	(48,127)	4,894	47,145	(86,251)	(19,149)	(62,577)	(21,069)
Primary government, net (expense) / revenue	$ (1,958,756)	$ (1,187,619)	$ (1,232,681)	$ (958,441)	$ (599,020)	$ (608,186)	$ (778,745)	$ (540,404)	$ (675,972)	$ (802,309)

Source: Auditor-Controller, County of Riverside

Continued

Table 2

Table 2

COUNTY OF RIVERSIDE
Changes in Net Position (Continued)
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)

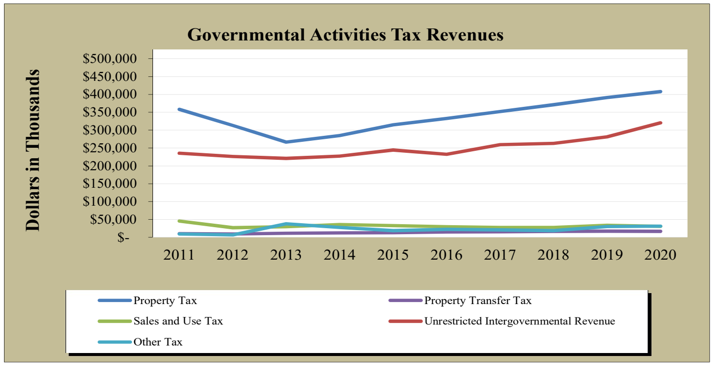
June 30, 2020

	Fiscal Year Ending June 30									
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Continued:										
Primary government, net (expense) / revenue	$ (1,958,756)	$ (1,187,619)	$ (1,232,681)	$ (958,441)	$ (599,020)	$ (608,186)	$ (778,745)	$ (540,404)	$ (675,972)	$ (802,309)
General revenues and other changes in net position										
Governmental activities:										
Taxes:										
Property taxes	424,417	407,895	387,305	367,937	346,851	327,504	297,107	277,417	322,337	367,867
Sales and use tax	30,745	33,673	27,557	27,881	29,573	32,851	35,443	29,751	26,744	45,489
Other taxes	30,996	29,941	18,634	20,844	22,005	18,632	27,764	37,883	6,715	9,004
Intergovernmental revenue - not restricted to programs:										
Unrestricted intergovernmental revenue	320,206	281,336	262,745	258,999	232,453	244,003	227,303	220,811	226,384	235,153
Investment earnings	44,139	69,755	26,613	12,918	12,948	8,700	11,317	2,035	11,801	19,494
Other	248,806	255,570	238,724	164,297	160,521	164,177	167,992	168,454	169,399	142,966
Transfers	(55,533)	(28,292)	(15,036)	(19,916)	(22,478)	(11,250)	(9,644)	(1,049)	(11,702)	(10,355)
Extraordinary item	-	-	-	-	-	-	-	(158,337)	502,638	-
Governmental activities	1,043,776	1,049,878	946,542	832,960	781,873	784,617	757,282	576,965	1,254,316	809,618
Business-type activities:										
Investment earnings	4,841	8,330	3,228	2,182	2,720	895	1,319	(33)	907	538
Other	-	-	-	-	-	-	-	-	-	6,617
Transfers	55,533	28,292	15,036	19,916	22,478	11,250	9,645	1,049	11,702	10,355
Extraordinary item	(285)	-	78	1,152	(2,803)	(905)	(9,698)	154,589	-	-
Business-type activities	60,089	36,622	18,342	23,250	22,395	11,240	1,266	155,605	12,609	17,510
Total primary government	1,103,865	1,086,500	964,884	856,210	804,268	795,857	758,548	732,570	1,266,925	827,128
Change in net position										
Governmental activities	(770,674)	(31,533)	(188,604)	(77,354)	177,959	129,286	64,788	55,710	640,921	28,378
Business-type activities	(84,217)	(69,586)	(79,193)	(24,877)	27,289	58,385	(84,985)	136,456	(49,968)	(3,559)
Primary government change in net position	$ (854,891)	$ (101,119)	$ (267,797)	$ (102,231)	$ 205,248	$ 187,671	$ (20,197)	$ 192,166	$ 590,953	$ 24,819

Table 3

COUNTY OF RIVERSIDE
Governmental Activities Tax Revenues By Source
Last Ten Fiscal Years
(Accrual basis of accounting)
(Dollars in Thousands)
June 30, 2020

Fiscal Year Ending June 30	Property Tax	Property Transfer Tax	Sales and Use Tax	Unrestricted Intergovernmental Revenue	Other Tax	Total
2020	$ 407,675	$ 16,742	$ 30,745	$ 320,206	$ 30,996	$ 806,364
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



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, 2020

	Fiscal Year Ending June 30				
	2020	**2019**	**2018**	**2017**	**2016**
General Fund					
Nonspendable	$ 2,466	$ 2,416	$ 3,470	$ 2,314	$ 2,369
Restricted	112,711	102,288	95,881	95,130	99,639
Committed	14,844	18,320	23,290	21,907	40,310
Assigned	13,702	14,196	12,464	10,989	11,870
Unassigned	257,959	275,181	234,477	217,891	217,322
Total general fund	401,682	412,401	369,582	348,231	371,510
Transportation					
Nonspendable	1,245	1,278	1,223	1,113	3,654
Restricted	89,403	87,536	65,359	61,357	68,191
Committed	4,587	4,519	3,828	3,092	2,847
Assigned	15,862	15,458	15,119	15,256	12,578
Total transportation	111,097	108,791	85,529	80,818	87,270
Flood Control					
Nonspendable	1	1	1	68	366
Restricted	273,549	257,268	236,080	225,328	205,957
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total Flood Control	273,550	257,269	236,081	225,396	206,323
CARES Act Coronavirus Relief					
Restricted	1,774	-	-	-	-
Total CARES Act Coronavirus Relief	1,774	-	-	-	-
Pension Obligation					
Restricted	5,057	-	-	-	-
Assigned	7,930	-	-	-	-
Total Pension Obligation	12,987	-	-	-	-
Redevelopment Capital Projects					
Nonspendable	-	-	-	-	-
Committed	-	-	-	-	-
Assigned	-	-	-	-	-
Total redevelopment capital projects	-	-	-	-	-
Nonmajor Governmental Funds					
Nonspendable	6,073	1,320	1,337	1,263	1,225
Restricted	308,886	146,731	165,986	167,975	168,868
Committed reported in:					
Special revenue funds	6,863	6,492	6,360	4,906	2,830
Debt service funds	-	-	-	-	-
Capital projects funds	9,358	165,634	204,048	253,737	364,878
Assigned	59,255	11,393	14,776	17,453	29,186
Total nonmajor governmental funds	390,435	331,570	392,507	445,334	566,987
Total all governmental funds	$ 1,191,525	$ 1,110,031	$ 1,083,699	$ 1,099,779	$ 1,232,090

Note: In fiscal year 2011, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. In fiscal year 2012, Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2013, Transportation became a major fund, therefore only fiscal years 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 are presented for comparison purposes. In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Capital Projects Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major funds. The balances for the Public Facilities Improvement and Public Financing Authority Capital Projects Funds have been reclassified to Nonmajor Governmental Funds under Committed - Capital Projects Funds.

Source: Auditor-Controller, County of Riverside

Table 4

COUNTY OF RIVERSIDE
Fund Balances of Governmental Funds (Continued)
Last Ten Fiscal Years
(Modified accrual basis of accounting)
(Dollars in Thousands)
June 30, 2020

	Fiscal Year Ending June 30				
	2015	**2014**	**2013**	**2012**	**2011**
General Fund					
Nonspendable	$ 2,001	$ 2,045	$ 3,247	$ 1,834	$ 2,214
Restricted	122,967	117,595	101,440	101,651	98,552
Committed	39,422	32,820	42,183	52,439	50,097
Assigned	5,144	7,772	10,460	8,764	3,463
Unassigned	225,855	203,444	199,919	171,910	189,236
Total general fund	395,389	363,676	357,249	336,598	343,562
Transportation					
Nonspendable	3,776	1,101	1,044	1,014	-
Restricted	49,875	62,767	79,127	95,805	-
Committed	2,719	2,244	1,310	1,811	-
Assigned	14,782	14,063	12,821	4,935	-
Total transportation	71,152	80,175	94,302	103,565	-
Flood Control					
Nonspendable	731	1	1	1	1
Restricted	236,749	-	-	-	-
Committed	-	258,580	253,117	252,368	237,211
Assigned	3,174	-	1,807	3,890	13,741
Total Flood Control	240,654	258,581	254,925	256,259	250,953
CARES Act Coronavirus Relief					
Restricted	-	-	-	-	-
Total CARES Act Coronavirus Relief	-	-	-	-	-
Pension Obligation					
Restricted	-	-	-	-	-
Assigned	-	-	-	-	-
Total Pension Obligation	-	-	-	-	-
Redevelopment Capital Projects					
Nonspendable	-	-	-	-	72,055
Committed	-	-	-	-	115,617
Assigned	-	-	-	-	83,881
Total redevelopment capital projects	-	-	-	-	271,553
Nonmajor Governmental Funds					
Nonspendable	1,181	1,208	1,168	1,241	84,769
Restricted	168,472	182,139	174,552	354,214	410,787
Committed reported in:					
Special revenue funds	4,402	9,750	15,763	12,973	21,381
Debt service funds	-	-	-	-	1,206
Capital projects funds	441,119	134,663	199,711	242,831	294,792
Assigned	34,552	32,370	17,088	25,763	86,572
Total nonmajor governmental funds	649,726	360,130	408,282	637,022	899,507
Total all governmental funds	$ 1,356,921	$ 1,062,562	$ 1,114,758	$ 1,333,444	$ 1,765,575

Note: In fiscal year 2011, the County implemented GASB Statement No. 54 under which governmental fund balances are reported as nonspendable, restricted, committed, assigned, and unassigned. In fiscal year 2012, Redevelopment Capital Projects are reported under the Successor Agency. In fiscal year 2013, Transportation became a major fund, therefore only fiscal years 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, and 2020 are presented for comparison purposes. In fiscal year 2020, the Public Facilities Improvement and Public Financing Authority Capital Projects Funds became nonmajor funds and the CARES Act Coronavirus Relief Fund and the Pension Obligation Fund became major funds. The balances for the Public Facilities Improvement and Public Financing Authority Capital Projects Funds have been reclassified to Nonmajor Governmental Funds under Committed - Capital Projects Funds.

Table 5

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, 2020

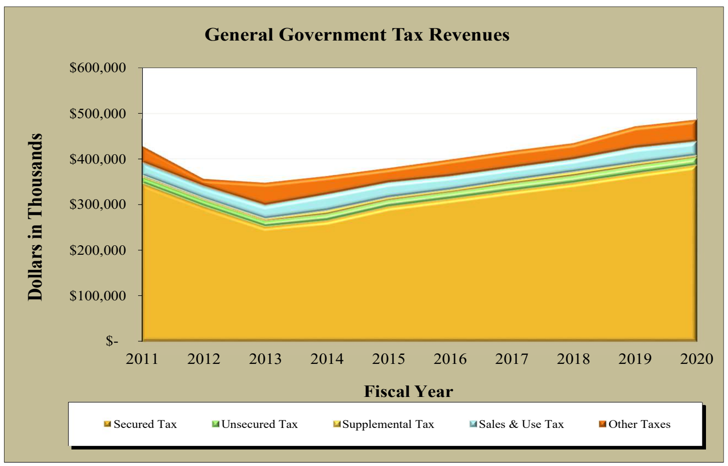
	Fiscal Year Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Revenues										
Taxes	$ 485,325	$ 470,567	$ 433,684	$ 416,940	$ 398,139	$ 379,358	$ 361,900	$ 347,166	$ 355,796	$ 427,892
Licenses, permits, and franchise fees	23,166	24,116	23,219	22,251	22,782	21,893	20,377	18,798	19,513	20,294
Fines, forfeitures, and penalties	55,103	65,497	65,833	71,196	74,349	79,059	82,290	86,381	90,163	95,290
Use of money and property:										
Investments earnings	39,335	61,620	24,449	12,234	11,736	7,989	10,187	2,370	10,827	18,305
Rents and concessions	28,322	25,890	25,318	24,990	51,695	25,548	29,925	19,246	19,588	17,659
Aid from other governmental agencies:										
Federal	881,204	637,639	675,110	691,080	686,964	634,269	544,478	569,330	577,654	609,531
State	1,573,917	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
Other	192,685	186,613	176,556	171,474	163,165	153,687	136,461	132,120	156,678	130,362
Charges for services	660,621	643,080	602,835	635,236	585,977	519,382	483,346	464,274	449,888	458,744
Other revenue	104,743	103,272	104,119	102,294	49,934	119,337	88,055	91,329	95,119	95,279
Total revenues	4,044,421	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
Expenditures										
General government	263,104	217,106	241,946	231,308	219,333	190,209	214,212	208,242	291,227	311,025
Public protection	2,013,437	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
Public ways and facilities	287,734	274,237	217,851	226,388	299,431	292,096	177,965	177,467	168,015	176,184
Health and sanitation	693,801	561,127	545,785	538,734	470,022	482,545	421,494	393,557	375,668	353,904
Public assistance	1,152,440	996,260	977,633	988,773	983,963	928,098	851,061	798,850	802,104	824,471
Education	24,745	25,145	21,456	21,449	20,003	20,755	19,470	18,819	18,942	19,282
Recreation and cultural services	20,540	22,305	16,544	21,042	24,232	23,716	15,911	16,590	15,220	18,755
Debt service:										
Principal	83,757	68,828	70,419	48,711	68,951	83,928	70,840	55,363	65,002	80,928
Interest	68,970	69,177	63,295	63,899	44,091	44,005	45,953	27,988	49,041	83,902
Cost of issuance	4,813	2,298	1,431	1,074	895	950	623	378	15	5,212
Capital outlay	41,107	34,405	94,975	220,006	92,800	103,211	58,046	25,427	22,583	30,439
Total expenditures	4,654,448	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
Revenues over (under) expenditures	(610,027)	60,458	(22,012)	(188,774)	(104,757)	(127,284)	(133,349)	(61,579)	(118,375)	(190,906)
Other financing sources (uses)										
Transfers in	442,637	282,999	269,388	280,223	350,235	550,783	248,448	231,574	323,052	267,985
Transfers out	(500,976)	(312,577)	(287,143)	(299,908)	(373,384)	(559,368)	(253,012)	(233,809)	(332,724)	(277,943)
Issuance of debt	719,995	-	10,610	-	-	346,000	64,000	-	-	170,481
Issuance of refunding bonds	12,875	100,000	58,565	39,985	72,825	-	20,510	19,140	33,360	-
Discount on long-term debt	-	-	-	-	-	-	-	-	-	-
Premium on long-term debt	-	-	4,096	5,216	7,612	28,699	1,338	759	2,840	-
Redemption of bonds	(12,559)	(110,835)	-	-	-	-	-	-	-	-
Redemption of refunded debt	-	-	-	-	(89,345)	-	-	(18,155)	(32,797)	-
Contribution to governmental agency	-	-	-	(33,353)	-	-	-	-	-	-
Payment to escrow agent	-	-	(64,285)	-	-	-	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	11	-	-	-	-	-	6
Capital leases	24,409	6,287	6,486	64,289	11,829	54,529	2,965	1,721	2,671	8,321
Total other financing sources (uses)	686,381	(34,126)	(2,283)	56,463	(20,228)	420,643	84,249	1,230	(3,598)	168,850
Net change in fund balances	$ 76,354	$ 26,332	$ (24,295)	$ (132,311)	$ (124,985)	$ 293,359	$ (49,100)	$ (60,349)	$ (121,973)	$ (22,056)
Debt service as a % of non-capital expenditures	3.47%	4.07%	4.08%	3.36%	3.63%	4.27%	4.21%	3.35%	4.50%	6.17%

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, 2020

Fiscal Year Ending June 30	Secured Tax	Unsecured Tax	Supplemental Tax	Sales & Use Tax	Other Taxes	Total
2020	$ 385,696	$ 16,586	$ 4,560	$ 30,745	$ 47,738	$ 485,325
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



Source: Auditor-Controller, County of Riverside

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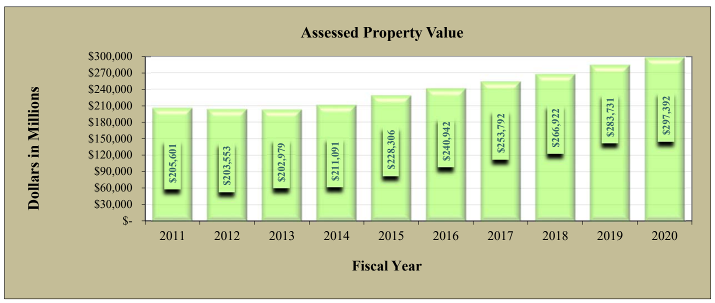
Table 7

Table 7

COUNTY OF RIVERSIDE
Assessed Value and Estimated Actual Value of Taxable Property
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2020

	Fiscal Year Ending June 30									
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Real property										
Secured property	$ 299,750,052	$ 283,711,524	$ 267,148,195	$ 253,728,054	$ 240,984,595	$ 228,131,826	$ 210,523,063	$ 201,971,552	$ 202,313,851	$ 204,153,163
Unsecured property	9,193,355	9,113,732	8,320,830	8,200,349	7,717,964	7,676,875	7,868,150	8,123,443	8,057,242	8,121,065
Total gross assessed value	308,943,407	292,825,256	275,469,025	261,928,403	248,702,559	235,808,701	218,391,213	210,094,995	210,371,093	212,274,228
Less:										
Tax-exempt real property	11,551,305	9,093,789	8,546,894	8,136,300	7,760,338	7,502,942	7,300,462	7,116,048	6,818,361	6,673,229
Total taxable assessed value	$ 297,392,102	$ 283,731,467	$ 266,922,131	$ 253,792,103	$ 240,942,221	$ 228,305,759	$ 211,090,751	$ 202,978,947	$ 203,552,732	$ 205,600,999
Total direct tax rate	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Estimated actual taxable value	$ 396,522,803	$ 378,308,623	$ 355,896,174	$ 338,389,470	$ 321,256,295	$ 304,407,678	$ 281,454,335	$ 270,638,596	$ 271,403,643	$ 274,134,665
Assessed value as a % of actual value	77.91%	77.40%	77.40%	77.40%	77.42%	77.46%	77.59%	77.63%	77.51%	77.43%



Source: Auditor-Controller, County of Riverside

Table 8

COUNTY OF RIVERSIDE
Property Tax Rates
Direct and Overlapping Governments
Last Ten Fiscal Years
June 30, 2020

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
2020	1.00000%	0.11638%	0% to .00543%	0% to .14876%	0% to .50000%	1.11638% to 1.50000%
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%

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, 2020

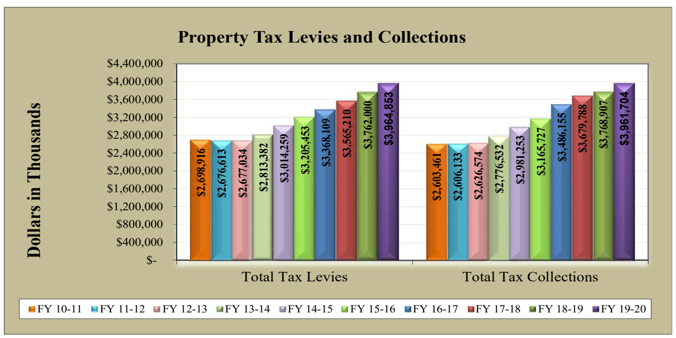
Tax payer	2020 Taxable Assessed Value	2020 Percentage of Total County Taxable Assessed Value	2011 Taxable Assessed Value	2011 Percentage of Total County Taxable Assessed Value
Southern California Edison Company	$ 56,868	1.40%	$ 18,359	0.65%
Centex Homes	-	0.00%	3,434	0.12%
Deutsche Bank National Trust Co.	-	0.00%	2,851	0.10%
Southern California Gas Company	17,349	0.43%	6,372	0.22%
Verizon California, Inc.	8,373	0.21%	8,072	0.28%
CPV Sentinel, LLC	6,287	0.15%	-	0.00%
Inland Empire Energy Center LLC	-	0.00%	7,342	0.26%
Federal Natl Mortgage Assn	-	0.00%	3,461	0.12%
Abott Vascular Inc.	-	0.00%	3,171	0.11%
Costco Wholesale Group	4,273	0.10%	-	0.00%
Amazon Services Inc.	4,125	0.10%	-	0.00%
Chelsea GCA Realty Partnership	3,909	0.10%	-	0.00%
Woodside 05S	3,658	0.09%	-	0.00%
Duke Realty LTD Partnership	3,654	0.09%	-	0.00%
Riverside Healthcare System	3,590	0.09%	-	0.00%
Tyler Mall Ltd Partnership	3,406	0.08%	2,880	0.10%
Blythe Energy LLC	-	0.00%	2,852	0.10%
Total	$ 115,492	2.84%	$ 58,794	2.06%

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, 2020

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
2020	$ 3,964,853	$ 3,881,514	97.90%	$ 80,190	$ 3,961,704	99.92%
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%



*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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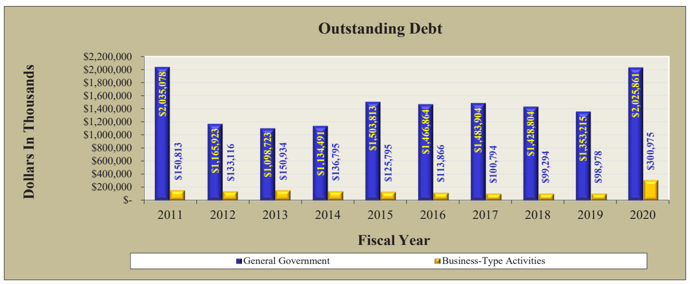
COUNTY OF RIVERSIDE
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2020

Table 11

	Fiscal Year Ending June 30									
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
General government										
Bonds	$ 1,854,575	$ 1,189,065	$ 1,232,234	$ 1,206,942	$ 1,195,027	$ 1,141,497	$ 810,186	$ 744,460	$ 750,492	$ 1,551,323
Certificates of participation	41,669	60,265	78,128	94,467	108,937	211,688	240,593	282,095	309,511	367,272
Notes and loans	330	980	1,600	2,205	2,790	3,350	3,890	4,420	4,925	5,355
Capital leases	129,287	102,905	116,842	180,290	160,110	147,278	79,822	67,748	100,995	111,128
Business-type activities										
Bonds	58,873	64,254	77,773	92,371	106,428	119,917	132,941	143,710	121,061	134,983
Capital leases	242,102	34,724	21,521	8,423	7,438	5,878	3,854	7,224	12,055	15,830
Total primary government	$ 2,326,836	$ 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
Percentage of personal income	2.51%	1.61%	1.75%	1.88%	1.95%	2.23%	1.65%	1.66%	1.78%	3.07%
Per capita	$ 953	$ 595	$ 633	$ 665	$ 673	$ 765	$ 558	$ 554	$ 583	$ 986



Note: Per Capita is an estimate for fiscal years 2018-19 and 2019-20

Source: California State Department of Finance
Auditor-Controller, County of Riverside
Bureau of Economic Analysis

Table 12

COUNTY OF RIVERSIDE
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years
(Dollars in Thousands, Except Per Capita Amount)
June 30, 2020

	Fiscal Year Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
Bonds	$ 1,913,448	1,253,319	1,310,007	$ 1,299,313	$ 1,301,455	$ 1,261,414	$ 943,127	$ 888,170	$ 871,553	$ 1,686,306
Less:										
Amounts available in debt service fund	26,221	35,808	48,823	63,634	67,680	71,947	80,405	79,951	78,236	151,405
Total net obligation bonds outstanding	$ 1,887,227	$ 1,217,511	$ 1,261,184	$ 1,235,679	$ 1,233,775	$ 1,189,467	$ 862,722	$ 808,219	$ 793,317	$ 1,534,901
Percentage of estimated										
Actual taxable value of property	0.48%	0.32%	0.35%	0.37%	0.38%	0.39%	0.31%	0.30%	0.30%	0.56%
Per capita	$ 773	$ 499	$ 522	$ 518	$ 525	$ 515	$ 378	$ 358	$ 356	$ 692

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, 2020
(Dollars in Thousands)

Governmental Unit	Debt Outstanding	Estimated Applicable Percentage	Estimated Share of Overlapping Debt
Debt repaid with property taxes: County	$ 12,920,260	84.32028%	$ 10,894,399
Subtotal, overlapping debt			10,894,399
County of Riverside direct debt			2,025,861
Total direct and overlapping debt			$ 12,920,260

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, 2020

	Fiscal Year Ending June 30									
	2020	**2019**	**2018**	**2017**	**2016**	**2015**	**2014**	**2013**	**2012**	**2011**
Debt limit	$ 3,717,401	$ 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
Total net debt applicable to limit	(1,887,227)	(1,217,511)	(1,261,184)	(1,235,679)	(1,233,775)	(1,189,467)	(862,722)	(808,219)	(793,317)	(1,534,901)
Legal debt margin	$ 1,830,174	$ 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
Total net debt applicable to the limit as a percentage of debt limit	50.8%	34.3%	37.8%	39.0%	41.0%	41.7%	32.7%	31.8%	31.2%	59.7%

Legal Debt Margin Calculated for Fiscal Year 2020

Assessed value	$ 299,405,040
Less: Homeowners exemptions	2,012,937
Total assessed value	297,392,102
Debt limit (1.25% of total assessed value)	3,717,401
Debt applicable to limit:	
General obligation bonds (Governmental & Business-type)	1,913,448
Less: Amount set aside for repayment of general obligation debt	26,221
Total net debt applicable to limit	1,887,227
Legal debt margin	$ 1,830,174

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 15

COUNTY OF RIVERSIDE
Pledged-Revenue Coverage
Last Ten Fiscal Years
(Dollars in Thousands)
June 30, 2020

	Lease Revenue Bonds					
Fiscal Year Ending June 30	Revenue from Lease Payments	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage
2020	$ 17,740	$ 3,660	$ 14,080	$ 12,541	$ 15,534	50.15%
2019	18,866	2,248	16,618	22,195	16,444	43.01%
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%

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

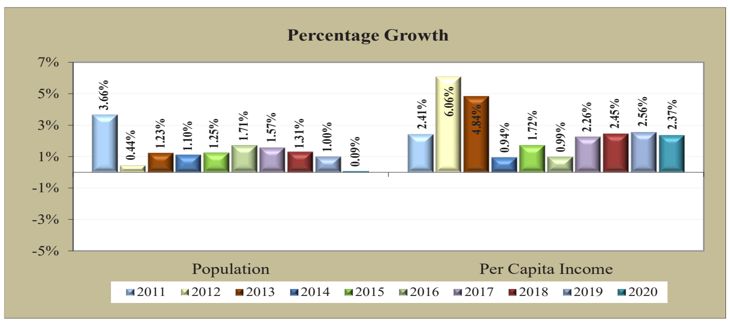
Table 15

Inland Empire Tobacco Securitization Bonds						
Revenue from Tobacco Settlement	Less: Operating Expenses	Net Available Revenue	Debt Service Principal	Debt Service Interest	Coverage	Fiscal Year Ending June 30
$ 11,687	$ 479	$ 11,208	$ 8,030	$ 3,686	95.66%	**2020**
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**

Table 16

COUNTY OF RIVERSIDE
Demographic and Economic Statistics
Last Ten Fiscal Years
June 30, 2020

Fiscal Year Ending June 30	Population	Personal Income (thousands of dollars)	Per Capita Personal Income	School Enrollment	Unemployment Rate
2020	2,442,304	$ 98,654,000 [1]	$ 37,951 [1]	431,521	14.70%
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%



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, 2020

Employer	Fiscal Year 2020 Employees	2020 Percentage of Total County Employment	Fiscal Year 2011 Employees	2011 Percentage of Total County Employment
County of Riverside	21,672	2.31%	18,000	2.34%
Amazon	10,500	1.12%	-	0.00%
University of California, Riverside	9,770	1.04%	4,907	0.64%
March Air Reserve Base	9,600	1.02%	8,525	1.11%
Stater Brothers Markets	8,304	0.88%	6,902	0.90%
Kaiser Permanente Riverside Medical Center	5,700	0.61%	3,500	0.45%
Pechanga Resort & Casino	5,078	0.54%	4,000	0.52%
Wal-Mart	4,931	0.52%	-	0.00%
Corona-Norco Unified School District	4,903	0.52%	4,400	0.57%
Ross Dress for Less	4,321	0.46%	-	0.00%
Riverside Unified School District	-	0.00%	3,900	0.51%
Riverside Community College	-	0.00%	3,141	0.41%
Abbott Vascular	-	0.00%	3,000	0.39%
Total	84,779	9.02%	60,275	7.84%

Source: Economic Development Agency

Table 18

COUNTY OF RIVERSIDE
Full-time Equivalent County Government Employees by Function/Program
Last Ten Fiscal Years
June 30, 2020

	Fiscal Year Ending June 30				
Function/Program	**2020**	**2019**	**2018**	**2017**	**2016**
General government					
Legislative and administrative	95	91	85	85	88
Finance	395	387	395	407	422
Counsel	75	77	73	73	72
Personnel	a 1,881	574	184	185	185
Elections	36	31	30	30	31
Communication	31	40	-	-	-
Property management	430	427	414	424	398
Promotion	64	67	51	43	51
Other general	30	28	29	30	28
Public protection					
Judicial	1,403	1,309	1,175	1,161	1,214
Police protection	2,238	2,183	2,193	2,293	2,470
Detention and correction	2,296	2,215	2,205	2,321	2,419
Fire protection	251	239	239	226	227
Protection/inspection	81	82	79	77	82
Other protection	388	366	924	942	639
Administration	-	-	73	81	68
Public ways and facilities					
Public ways	401	361	353	345	384
Parking facilities	10	10	18	15	19
Health and sanitation					
Health	2,744	2,691	2,640	2,559	2,640
Hospital care	214	179	33	32	33
Public health ambulatory care	-	-	-	-	-
California children's services	148	137	143	145	141
Public assistance					
Aid programs	3,894	3,856	3,859	4,006	4,199
Veterans' services	20	17	16	16	14
Other assistance	435	296	174	185	207
Education, recreation and culture					
Library services	4	9	17	17	4
Agricultural extension	3	5	3	3	5
Cultural services	4	2	2	2	2
County business-type functions					
Hospital care	2,997	2,864	2,650	2,587	2,482
Sanitation	238	248	180	174	163
Internal service	566	543	655	2,037	3,213
Special districts/Component units	455	410	587	611	993
Total	b 21,827	19,744	19,479	21,112	22,893

Note: a - Increased TAP employees in fiscal year 2019-20 due to Covid-19 Pandemic and Presidential Election year.
b - Temporary employees, 2,009, filled as of June 1, 2020 are included in the total number employees.

Source: County of Riverside, fiscal year 2020-21 Recommended Budget

Fiscal Year Ending June 30					
2015	**2014**	**2013**	**2012**	**2011**	**Function/Program**
					General government
84	86	89	81	87	Legislative and administrative
408	415	399	405	411	Finance
70	66	65	65	64	Counsel
180	157	154	159	172	Personnel
23	24	25	34	39	Elections
-	-	-	11	11	Communication
404	394	397	507	531	Property management
54	43	45	117	139	Promotion
27	85	32	31	32	Other general
					Public protection
1,202	1,239	1,221	1,294	1,345	Judicial
2,466	2,410	2,351	2,304	2,408	Police protection
2,389	2,216	2,169	2,085	2,067	Detention and correction
227	212	212	200	198	Fire protection
76	83	86	86	87	Protection/inspection
554	830	544	600	615	Other protection
68	81	82	75	62	Administration
					Public ways and facilities
387	375	370	411	413	Public ways
17	17	20	18	18	Parking facilities
					Health and sanitation
2,236	2,075	1,959	2,118	2,063	Health
32	35	37	34	31	Hospital care
267	-	266	-	-	Public health ambulatory care
142	139	134	140	138	California children's services
					Public assistance
3,980	3,610	3,484	3,334	3,089	Aid programs
14	13	13	12	12	Veterans' services
270	271	291	289	355	Other assistance
					Education, recreation and culture
5	7	7	10	1	Library services
5	5	5	5	5	Agricultural extension
2	2	2	3	3	Cultural services
					County business-type functions
2,399	2,517	2,581	2,351	2,295	Hospital care
164	153	153	160	174	Sanitation
2,876	2,763	2,641	2,775	2,315	**Internal service**
739	719	693	660	591	**Special districts/Component units**
21,767	21,042	20,527	20,374	19,771	**Total**

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function
Last Ten Fiscal Years
June 30, 2020

Function/Program	Note	2020	2019	2018	2017	2016
		Fiscal Year Ending June 30				
Agricultural Commissioner						
Export phytosanitary certificates	c	18,456	19,143	14,450	13,478	13,546
Pesticide use inspections	d	2,070	2,154	1,291	800	1,211
Weights and measures regulated		214,467	140,721	142,684	141,939	141,092
Agriculture quality inspections		1,188	472	678	605	350
Plant pest inspections		16,745	7,247	5,479	7,468	9,846
Nursery acreage inspected		9,438	9,650	6,082	6,727	7,708
Weights and measures inspected		31,466	43,318	61,513	60,197	75,508
Assessor-Clerk-Recorder						
Assessments		935,096	934,810	931,922	925,405	919,810
Official records recorded		591,809	478,622	543,816	587,906	555,870
Vital records copies issued		77,499	90,788	88,278	89,691	86,597
Official records copies issued		17,315	19,905	21,251	23,093	23,014
Auditor-Controller						
Invoices paid		378,727	370,388	367,557	280,498	359,917
Vendor warrants (checks) issued		201,304	200,693	220,965	234,781	227,037
Active vendors		34,314	30,820	24,487	35,198	28,697
Payroll warrants (checks) issued		573,150	541,369	549,902	568,689	564,546
Average payroll warrants (checks) per pay period		21,228	20,822	21,150	21,873	21,713
Audits per fiscal year		29	28	54	55	35
Tax bills levied		1,010,613	929,514	1,029,621	1,019,903	1,008,147
Tax refunds/roll changes processed		26,789	30,607	34,098	53,234	19,561
Community Action Partnership						
Utility assistance (households)		16,855	19,583	16,724	18,017	15,743
Weatherization (households)		376	445	1,100	1,260	997
Energy education attendees	a	17,231	20,028	17,834	7,428	10,398
Disaster relief (residents)		27,892	27,734	22,305	13,400	13,734
Income tax returns prepared		5,002	4,450	4,412	5,239	4,545
After school programs (students)		2,414	3,452	3,400	2,703	2,198
Leadership program enrollment	b	-	-	-	-	-
Mediation (cases)		1,839	2,231	2,101	2,009	2,579
Environmental Health						
Facilities inspections		11,541	30,528	34,571	28,205	30,919
Public Health						
Patient visits		186,236	159,386	161,578	124,031	143,956
Patient services	e	-	363,417	322,763	242,554	299,048
Animal Control Services						
Animal impounds (live animals)		29,781	39,780	36,442	38,858	41,773
Spays and neuters completed		10,221	14,411	14,601	15,337	14,508
Animal licenses sold		22,507	23,841	21,843	58,995	76,157
Service calls fielded		28,616	35,248	37,193	40,039	41,614

Note:
a - Number of pamphlets mailed
b - Program not yet started / not tracked
c - Phytosanitary = Plant pest cleanliness
d - Pesticide Use Inspections = Environmental monitoring
e - No longer tracked starting in fiscal year 2019-20

Source: Various County Departments

2015	2014	2013	2012	2011	Note	Function/Program
		Fiscal Year Ending June 30				
						Agricultural Commissioner
14,825	16,067	18,346	19,875	-	c	Export phytosanitary certificates
1,025	834	783	793	764	d	Pesticide use inspections
139,701	138,321	138,547	137,727	134,290		Weights and measures regulated
497	524	456	553	693		Agriculture quality inspections
10,792	11,635	10,361	11,931	9,584		Plant pest inspections
7,020	7,064	6,156	6,920	6,338		Nursery acreage inspected
63,695	80,461	63,653	51,074	56,751		Weights and measures inspected
						Assessor-Clerk-Recorder
914,886	909,432	906,467	904,706	904,040		Assessments
540,589	530,777	648,812	592,531	612,804		Official records recorded
75,708	85,309	78,405	78,768	80,391		Vital records copies issued
18,307	22,329	32,792	26,153	28,990		Official records copies issued
						Auditor-Controller
368,001	425,003	426,660	389,798	412,374		Invoices paid
228,750	232,034	259,458	255,463	265,979		Vendor warrants (checks) issued
30,604	84,680	80,011	78,887	65,090		Active vendors
541,390	524,990	509,376	509,468	506,870		Payroll warrants (checks) issued
20,823	20,192	19,591	19,595	19,495		Average payroll warrants (checks) per pay period
26	34	25	26	26		Audits per fiscal year
1,003,952	998,203	984,268	972,577	999,241		Tax bills levied
47,556	22,435	63,500	79,606	123,476		Tax refunds/roll changes processed
						Community Action Partnership
15,115	16,087	13,911	21,912	22,207		Utility assistance (households)
967	479	179	842	1,375		Weatherization (households)
6,395	4,991	6,368	14,950	13,807	a	Energy education attendees
13,387	24,274	11,316	13,968	12,058		Disaster relief (residents)
4,325	3,453	3,111	2,711	3,006		Income tax returns prepared
2,114	20,700	19,200	20,700	18,400		After school programs (students)
-	-	-	166	593	b	Leadership program enrollment
2,527	2,723	1,905	2,181	2,178		Mediation (cases)
						Environmental Health
31,897	35,325	32,045	36,201	31,801		Facilities inspections
						Public Health
134,481	124,099	135,795	109,870	106,532		Patient visits
290,900	363,442	353,269	392,621	390,607	e	Patient services
						Animal Control Services
37,644	37,037	35,201	36,518	49,408		Animal impounds (live animals)
13,216	13,690	11,908	9,771	8,305		Spays and neuters completed
65,020	122,105	-	-	-		Animal licenses sold
40,251	-	-	-	-		Service calls fielded

Table 19

COUNTY OF RIVERSIDE
Operating Indicators by Function (Continued)
Last Ten Fiscal Years
June 30, 2020

Function/Program		Fiscal Year Ending June 30 2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
County Library											
Total circulation - books		2,029,938	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
Reference questions answered		287,312	445,397	499,590	479,917	478,827	487,093	371,953	434,057	441,269	404,913
Patron door count		2,117,219	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
Programs offered		8,756	7,510	9,626	9,680	10,423	9,547	6,819	6,521	8,382	7,624
Program attendance		127,493	162,126	154,031	163,198	176,502	154,391	139,223	143,053	163,692	163,416
Riverside University Health Systems - Medical Center											
Emergency room treatments		77,196	79,604	76,654	77,963	88,780	84,697	88,853	119,606	101,952	99,706
Emergency room services - MH		10,199	11,162	11,749	12,854	12,896	12,989	13,531	14,275	16,750	15,376
Clinic visits		110,419	121,087	119,033	99,309	116,277	104,693	124,255	125,471	127,546	129,041
Admissions		19,822	20,151	19,143	17,826	19,863	19,404	22,738	24,260	23,949	23,638
Patient days		110,969	114,239	108,468	104,854	104,276	106,466	118,467	124,599	121,949	123,250
Discharges		19,854	20,151	19,156	18,397	19,147	19,387	22,773	24,279	23,694	23,668
Fire											
Medical assistance		127,724	120,821	127,810	119,868	112,799	103,407	99,058	97,054	96,843	97,066
Fires extinguished		20,413	17,649	17,849	15,975	14,988	13,823	13,632	13,517	12,990	4,271
Other services		25,028	22,536	23,744	24,053	22,163	22,680	20,846	20,049	11,856	16,522
Communities served		94	94	94	94	94	94	94	94	78	78
Mental Health											
Mental health clients (crisis/long-term care)		48,976	46,675	44,448	43,013	42,764	41,942	39,765	37,591	35,696	33,260
Substance abuse clients		13,743	15,354	11,292	8,950	11,205	15,457	15,457	15,755	17,849	16,987
Detention clients		20,600	17,020	13,325	13,690	12,627	12,137	12,137	11,899	10,544	8,874
Probate conservatorship clients		403	425	410	453	410	358	358	278	351	424
Mental health conservatorship clients		669	628	682	647	410	613	613	563	879	832
Probation											
Adults on probation	a	12,686	13,016	12,942	12,185	14,422	16,496	16,922	17,406	14,992	16,271
Juveniles in secure detention	b	98	108	112	137	153	134	156	194	193	225
Juveniles in treatment facilities	b	54	42	44	60	57	57	79	86	107	128
Juveniles in detention facilities	a	2,986	3,275	3,389	5,978	6,375	5,810	7,154	8,505	9,148	10,741
Public Social Services											
CalWORKs clients		20,782	22,262	24,741	26,306	29,090	32,030	33,159	33,341	33,682	33,412
Food stamp clients		127,432	113,714	121,542	127,778	132,274	128,656	121,949	116,333	107,076	91,606
Medi-Cal clients		358,532	351,453	346,407	351,817	341,519	298,461	186,911	135,570	130,562	124,061
In-home support services		38,570	31,957	30,008	27,564	24,888	25,703	23,061	20,641	19,070	18,201
Foster care placements		2,547	2,318	2,792	3,670	4,063	4,041	3,725	3,237	3,113	3,130
Child welfare services		10,362	9,858	9,779	9,761	10,471	10,757	9,958	9,178	9,664	9,916
Homeless program (bed nights)		4,715	5,201	4,190	7,384	7,384	7,384	8,296	8,296	8,331	10,746
Homeless program (meals)		8,015	8,015	8,380	14,767	14,767	14,767	16,592	16,592	16,660	21,494

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, 2020

Table 19

Function/Program		2020	2019	2018	2017	2016	2015	2014	2013	2012	2011	
		Fiscal Year Ending June 30										
Registrar of Voters												
Voting precincts		817	1,072	826	1,126	869	1,193	846	1,218	853	1,649	
Polling places		534	584	546	587	564	546	545	642	522	746	
Voters	a	1,115,662	1,041,122	983,917	1,022,375	911,269	891,630	887,000	943,402	852,217	1,009,933	a
Poll workers		2,514	2,755	2,264	3,087	2,234	2,200	2,200	2,960	2,300	3,281	
Sheriff												
Number of bookings		46,747	49,033	50,371	49,896	49,864	54,025	60,826	57,330	53,691	53,974	
Coroner case load		14,863	15,493	15,397	14,476	13,885	12,958	12,164	11,639	10,947	10,555	
Calls for services	b	186,275	174,741	180,488	187,087	193,763	190,816	176,339	172,664	176,062	232,821	b
Transportation and Land Management Agency - Building & Safety												
Building permits issued	c	-	-	-	-	-	1,028	905	1,116	836	863	c
Building plans checked	c	-	-	-	-	-	-	799	908	740	817	c
Building structures inspected	c	-	-	-	-	-	-	957	901	676	1,168	c
Veterans' Services												
Phone inquiries answered	d	32,180	29,619	35,846	36,971	38,812	32,778	31,445	36,107	36,707	43,617	d
Client interviews	d	22,503	46,988	24,563	21,183	25,072	17,281	17,448	14,714	14,990	15,630	d
Claims filed	d	7,313	7,354	7,191	6,789	6,792	6,345	5,998	5,735	6,030	5,485	d
Emails	d	14,875	11,581	14,280	14,280	9,884	6,584	3,138	-	-	-	d
Veterans reached at outreach events		1,895	24,304	2,589	3,014	3,591	3,725	-	-	-	-	
Waste Resources												
Landfill tonnage		1,467,090	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	
Recycling tonnage		7,004	3,527	3,042	2,463	2,052	1,386	2,503	2,679	2,206	2,499	

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 2019-20
d - Program not yet started / not tracked

Source: Various County Departments

Table 20

COUNTY OF RIVERSIDE
Capital Asset Statistics by Function
Last Ten Fiscal Years
June 30, 2020

Table 20

Function/Program	Fiscal Year Ending June 30									
	2020	2019	2018	2017	2016	2015	2014	2013	2012	2011
County Libraries										
Branch libraries	35	35	36	35	35	35	35	35	33	33
Book mobiles	2	2	2	2	2	2	2	2	2	2
Books in collection	1,062,203	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
Museum	1	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	44	37	-	30
Beds licensed	439	439	439	439	439	439	439	439	439	439
Fire										
Stations	37	37	37	37	37	37	37	38	42	46
Trucks	164	162	158	158	158	158	145	142	145	156
Parks and Recreation										
Regional parks	9	11	11	11	11	14	11	11	11	12
Historic sites	4	5	5	5	5	5	5	5	5	4
Nature centers	3	4	4	4	4	4	4	4	4	4
Archaeological sites	6	6	6	6	6	5	6	6	6	6
Wildlife reserves	9	9	9	9	9	7	9	9	9	9
RV and mobile home parks	2	2	2	2	2	2	3	3	3	3
Managed areas	9	5	5	5	5	5	5	5	5	5
Recreational facilities	2	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	905	977	966	966	930	932	928	916	915	896
Waste Resources										
Landfills	6	6	6	6	6	6	6	6	6	6
Capacity in tons	62,713,411	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

Source: Various County Departments

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In Loving Memory

This CAFR is dedicated to the loving memory of our very own Riverside County employees who passed away while fighting the COVID-19 worldwide pandemic.

Deputy Sheriff Terrell Young

Deputy Sheriff David Werksman

We will always remember the Riverside County law enforcement officers who, due to requirements of their job passed after contracting COVID-19 during the early stages of the worldwide pandemic. Deputy Sheriff Terrell Young died after contracting COVID-19 from an infected inmate at the Cois M. Byrd Detention Center. Deputy Young had served with the Riverside County Sheriff's Department for 15 years. He is survived by his wife and four children. Deputy David Werksman died due to complications from the coronavirus. Deputy Werksman had served with the Riverside County Sheriff's Department for 22 years. He is survived by his wife and three children.

We want to honor and thank all of our frontline physicians, healthcare professionals and first responders for working tirelessly in the fight against this deadly COVID-19 pandemic. Your dedication and sacrifices deserve our deepest gratitude and sincere admiration for all you do in keeping the citizens of Riverside County Safe.

Riverside County Comprehensive Annual Financial Report

Paul Angulo, CPA, MA
County Auditor-Controller

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APPENDIX C

FORM OF BOND COUNSEL OPINION

Upon delivery of the Series 2021 Bonds, Orrick, Herrington & Sutcliffe LLP, Los Angeles, California, Bond Counsel, proposes to render its final approving opinion with respect to the Series 2021 Bonds in substantially the following form:

[Date of Delivery]

Riverside County Infrastructure Financing Authority
Riverside, California

Riverside County Infrastructure Financing Authority
Lease Revenue Refunding Bonds, Series 2021A

Riverside County Infrastructure Financing Authority
<u>Lease Revenue Refunding Bonds, Series 2021B (Federally Taxable)</u>
(Final Opinion)

Ladies and Gentlemen:

We have acted as bond counsel to the Riverside County Infrastructure Financing Authority (the "Authority") in connection with the issuance of $59,090,000 aggregate principal amount of its Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021A (the "Series A Bonds"), and $440,710,000 aggregate principal amount of its Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021B (Federally Taxable) (the "Series B Bonds" and, together with the Series A Bonds, the "Series 2021 Bonds").

In such connection, we have reviewed the Indenture, dated as of October 1, 2021 (the "Indenture"), by and among the Authority, the County of Riverside (the "County") and U.S. Bank National Association, as trustee (the "Trustee"), the Ground Lease, dated as of October 1, 2021 (the "Ground Lease"), by and between the County and the Authority, the Lease Agreement, dated as of October 1, 2021 (the "Lease Agreement"), by and between the County and the Authority, the Tax Certificate of the Authority, dated the date hereof (the "Tax Certificate"), opinions of counsel to the Authority, the County, the Trustee and others, certificates of the Authority, 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. Capitalized undefined terms used herein have the meanings ascribed thereto in the Indenture.

The opinions expressed herein are based on an analysis of existing laws, regulations, rulings and court decisions 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 2021 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 2021 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 2021 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 provided to us and the due and legal execution and delivery thereof by, and validity against, any parties other than the Authority and 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 Indenture, the Ground Lease, the Lease Agreement and the Tax Certificate, including, without limitation, covenants and agreements compliance with which is necessary to assure that future actions, omissions or events will not cause interest on the Series A Bonds to be included in gross income for federal income tax purposes.

We call attention to the fact that the rights and obligations under the Series 2021 Bonds, the Indenture, the Ground Lease, the Lease Agreement and the Tax Certificate 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 governmental entities such as the Authority and the County 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, nor do we express any opinions with respect to the state or quality of title to or interest in any real or personal property described in the Ground Lease or the Lease Agreement or as subject to the lien of the Indenture, or the accuracy or sufficiency of the descriptions contained therein of, or the remedies available to enforce liens on, any such property. 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 2021 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 2021 Bonds constitute the valid and binding special, limited obligations of the Authority, payable solely from the Lease Revenues and the other assets pledged therefor under the Indenture.

2. The Indenture, the Ground Lease and the Lease Agreement have been duly executed and delivered by, and constitute valid and binding obligations of, the Authority.

3. The Indenture, the Ground Lease and the Lease Agreement have been duly executed and delivered by, and constitute valid and binding obligations of, the County.

4. Interest on the Series A Bonds is excluded from gross income for federal income tax purposes under Section 103 of the Internal Revenue Code of 1986. Interest on the Series A Bonds is not a specific preference item for purposes of the federal alternative minimum tax. Interest on the Series 2021 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 2021 Bonds.

Faithfully yours,

ORRICK, HERRINGTON & SUTCLIFFE LLP

per

APPENDIX D

DEFINITIONS AND SUMMARY OF PRINCIPAL LEGAL DOCUMENTS

The following summary discussion of selected provisions of the Ground Lease, the Lease Agreement and the Indenture are made subject to all of the provisions of such documents. This summary discussion does not purport to be a complete statement of said provisions and prospective purchasers of the Bonds are referred to the complete texts of said documents, copies of which are available upon request sent to the County.

DEFINITIONS

The following sets forth the definitions of certain words and terms used in this Summary of Principal Legal Documents.

"Act" means the Marks-Roos Local Bond Pooling Act of 1985, constituting Section 6584 *et seq*. of the California Government Code.

"Additional Bonds" means the Bonds other than the Series 2021 Bonds issued under the Indenture in accordance with the provisions thereof.

"Additional Rental Payments" means all amounts payable by the County as Additional Rental Payments pursuant to the Lease Agreement.

"Annual Debt Service" means, for each Bond Year, the sum of (a) the interest due on the Outstanding Bonds in such Bond Year, assuming that the Outstanding Bonds are retired as scheduled (including by reason of mandatory sinking fund redemptions), and (b) the scheduled principal amount of the Outstanding Bonds due in such Bond Year (including any mandatory sinking fund redemptions due in such Bond Year.

"Authority" means the Riverside County Infrastructure Financing Authority, a joint powers authority organized and existing under the laws of the State, and any successor thereto.

"Authorized Denominations" means (a) with respect to the Series 2021 Bonds, $5,000 and any integral multiple thereof, and (b) with respect to each Series of Additional Bonds, the authorized denominations for such Series of Additional Bonds specified in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

"Authorized Representative" means (a) with respect to the Authority, the Chair, Vice-Chair, the Executive Director, the Auditor and Treasurer or the Secretary of the Authority, and any other Person designated as an Authorized Representative of the Authority in a Written Certificate of the Authority filed with the Trustee, and (b) with respect to the County, the County Executive Officer, Chief Financial Officer, Director of Finance and Clerk of the Board of Supervisors of the County and any other Person designated as an Authorized Representative of the County in a Written Certificate of the County filed with the Trustee.

"Base Rental Deposit Date" means the fifth Business Day next preceding each Interest Payment Date.

"Base Rental Payments" means all amounts payable to the Authority from the County as Base Rental Payments pursuant to the Lease Agreement.

"Beneficial Owners" means those Persons for which the Participants have caused the Depository to hold Book-Entry Bonds.

"Bond Year" means each twelve-month period beginning on November 2 in each year and extending to the next succeeding November 1, both dates inclusive, except that the first Bond Year shall begin on the Closing Date and end on November 1, 2021.

"Bonds" means the Riverside County Infrastructure Financing Authority Lease Revenue Bonds issued under the Indenture, and includes the Series 2021 Bonds and any Additional Bonds.

"Book-Entry Bonds" means the Bonds registered in the name of the Depository, or the Nominee thereof, as the registered owner thereof pursuant to the terms and provisions of the Indenture.

"Business Day" means a day that is not (a) a Saturday, Sunday or legal holiday in the State, (b) a day on which banking institutions in the State, or in any state in which the Office of the Trustee is located, are required or authorized by law (including executive order) to close, or (c) a day on which the New York Stock Exchange is closed.

"Cede & Co." means Cede & Co., the nominee of DTC, and any successor nominee of DTC with respect to Book-Entry Bonds.

"Closing Date" means the date upon which the Bonds are delivered to the Original Purchaser.

"Code" means the Internal Revenue Code of 1986.

"Continuing Disclosure Certificate" means the Continuing Disclosure Certificate, dated as of the date of the Indenture, executed by the County, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

"Corporation" means the County of Riverside Asset Leasing Corporation, a nonprofit public benefit corporation organized and existing under the laws of the State, and any successor thereto.

"Costs of Issuance" means all the costs of issuing and delivering the Bonds, including, but not limited to, all printing and document preparation expenses in connection with the Indenture, the Lease Agreement, the Ground Lease, the Bonds and any preliminary official statement and final official statement pertaining to the Bonds, rating agency fees, CUSIP Service Bureau charges, legal fees and expenses of counsel with the issuance and delivery of the Bonds, the initial fees and expenses of the Trustee and its counsel and other fees and expenses incurred in connection with the issuance and delivery of the Bonds, any premium for a municipal bond insurance policy, including a reserve policy or surety, insuring payments of debt service on Bonds, and other fees and expenses incurred in connection with the issuance and delivery of the Bonds, to the extent such fees and expenses are approved by the County.

"Costs of Issuance Fund" means the fund by that name established pursuant to the Indenture.

"County" means the County of Riverside, a political subdivision duly organized and existing under the Constitution and the laws of the State, and any successor thereto.

"County Court Facility" means the property described under the caption "County Court Facility" in the Lease Agreement.

“Defeasance Securities” means (a) non-callable direct obligations of the United States of America (“United States Treasury Obligations”), and (b) evidences of ownership of proportionate interests in future interest and principal payments on United States Treasury Obligations held by a bank or trust company as custodian, under which the owner of the investment is the real party in interest and has the right to proceed directly and individually against the obligor and the underlying United States Treasury Obligations are not available to any Person claiming through the custodian or to whom the custodian may be obligated, and (c) Obligations of Export-Import Bank, Rural Economic Community Development Administration, U.S. Maritime Administration, Small Business Administration, U.S. Department of Housing & Urban Development (PHAs), Federal Housing Administration or Federal Financing Bank, which obligations represent the full faith and credit of the United States of America.

“Delivery Date” means the date of delivery of the Bonds.

“Depository” means DTC, and its successors as securities depository for any Book-Entry Bonds, including any such successor appointed pursuant to the Indenture.

“DTC” means The Depository Trust Company, a limited-purpose trust company organized under the laws of the State of New York.

“Electronic Means” means e-mail, facsimile transmission, secure electronic transmission containing applicable authorization codes, passwords and/or authentication keys issued by the Trustee, or another method or system specified by the Trustee as available for use in connection with its services under the Indenture.

“Event of Default” means any event or circumstance specified in the Indenture as an Event of Default.

“Fair Rental Value” means, with respect to the Property, the annual fair rental value thereof.

“Ground Lease” means the Ground Lease, dated as of the date of the Indenture, by and between the County and the Authority, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof and of the Lease Agreement.

“Indenture” means the Indenture, dated as of October 1, 2021, by and among the Authority, the County and U.S. Bank National Association, as Trustee, as originally executed and as it may from time to time be amended or supplemented by any Supplemental Indenture.

“Independent Financial Consultant” means any consultant or firm of such consultants selected by the County and who, or each of whom (a) is generally recognized to be qualified in the financial consulting field, (b) is in fact independent and not under the control of the County, (c) does not have any substantial interest, direct or indirect, with or in the County, and (d) is not connected with the County as an officer or employee thereof, but who may be regularly retained to make reports to the County.

“Interest Account” means the account by that name within the Payment Fund established pursuant to the Indenture.

“Interest Payment Dates” means May 1 and November 1 of each year, commencing May 1, 2022.

“Lease Agreement” means the Lease Agreement, dated as of the date of the Indenture, by and between the County and the Authority, as originally executed and as it may from time to time be amended, supplemented or otherwise modified in accordance with the provisions thereof.

"Lease Default Event" means any event or circumstance specified in the Lease Agreement as a Lease Default Event.

"Lease Revenues" means all Base Rental Payments payable by the County pursuant to the Lease Agreement, including any prepayments thereof, any Net Proceeds and any amounts received by the Trustee as a result of or in connection with the Trustee's pursuit of remedies under the Lease Agreement upon a Lease Default Event.

"**Letter of Representations"** means the Letter of Representations from the Authority to the Depository, in which the Authority makes certain representations with respect to issues of its securities for deposit by the Depository.

"Moody's" means Moody's Investors Service, a corporation organized and existing under the laws of the State of Delaware, its successors and assigns, except that if such corporation shall no longer perform the function of a securities rating agency for any reason, the term "Moody's" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority.

"Net Proceeds" means any insurance proceeds or condemnation award in excess of $50,000, paid with respect to any of the Property, remaining after payment therefrom of all reasonable expenses incurred in the collection thereof.

"Nominee" means the nominee of the Depository, which may be the Depository, as determined from time to time pursuant to the Indenture.

"Office of the Trustee" means the principal corporate trust office of the Trustee in Los Angeles, California, or such other office as may be specified to the Authority and the County in writing; provided, however, that with respect to presentation of Bonds for payment or for registration of transfer and exchange, such term shall mean the office or agency of the Trustee at which, at any particular time, its corporate trust agency business shall be conducted, which other office or agency shall be specified to the Authority and the County by the Trustee in writing.

"Opinion of Bond 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 Authority and satisfactory to and approved by the Trustee.

"Original Purchaser" means the original purchaser of the Bonds from the Authority.

"Outstanding" means, when used as of any particular time with reference to Bonds, subject to the provisions of the Indenture described under the heading "MISCELLANEOUS – Disqualified Bonds," all Bonds theretofore, or thereupon being, authenticated and delivered by the Trustee under the Indenture except (a) Bonds theretofore canceled by the Trustee or surrendered to the Trustee for cancellation, (b) Bonds with respect to which all liability of the Authority shall have been discharged in accordance with the provisions of the Indenture described under the heading "DEFEASANCE – Discharge of Indenture" and (c) Bonds in lieu of which other Bonds shall have been authenticated and delivered by the Trustee, or that have been paid without surrender thereof, pursuant to the provisions of the Indenture described under the heading "CERTAIN PROVISIONS OF THE BONDS – Bonds Mutilated, Lost, Destroyed or Stolen."

"Owner" means, with respect to a Bond, the Person in whose name such Bond is registered on the Registration Books.

"Participant" means any entity that is recognized as a participant by DTC in the book-entry system of maintaining records with respect to Book-Entry Bonds.

"Participating Underwriters" has the meaning ascribed thereto in the Continuing Disclosure Certificate.

"Payment Fund" means the fund by that name established in accordance with the Indenture.

"Permitted Encumbrances" means with respect to the Property, as of any particular time (a) liens for general ad valorem taxes and assessments, if any, not then delinquent, or that the County may, pursuant to provisions of the Lease Agreement described under the heading "REPRESENTATIONS; COVENANTS – Taxes," permit to remain unpaid, (b) the Lease Agreement, (c) the Ground Lease, (d) the Lease Agreement, dated March 14, 2017, by and between the County and the United States of America General Services Administration, as supplemented and amended, including as amended by Lease Amendment No. 1, dated July 30, 2019, by and between the County and the United States of America General Services Administration, by its terms subordinate to liens such as the Lease Agreement and the Ground Lease and effectively a sublease of that portion of the Property constituting the United States Bankruptcy Court, (e) any right or claim of any mechanic, laborer, materialman, supplier or vendor not filed or perfected in the manner prescribed by law as normally exist with respect to properties similar to the Property for the purposes for which it was acquired or is held by the County, (f) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions that exist of record as of the Delivery Date, and (g) easements, rights of way, mineral rights, drilling rights and other rights, reservations, covenants, conditions or restrictions established following the Delivery Date that the County certifies in writing do not affect the intended use of the Property or impair the security granted to the Trustee for the benefit of the Owners of the Bonds by the Indenture.

"Permitted Investments" means the following:

(1) Direct general 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 of the United States of America);

(2) Obligations of any of the following federal agencies which obligations represent the full faith and credit of the United States of America, including:

- Export-Import Bank
- Rural Economic Community Development Administration
- U.S. Maritime Administration
- Small Business Administration
- U.S. Department of Housing & Urban Development (PHAs)
- Federal Housing Administration
- Federal Financing Bank;

(3) Direct obligations of any of the following federal agencies which obligations are not fully guaranteed by the full faith and credit of the United States of America:

- Senior debt obligations issued by the Federal National Mortgage Association (FNMA), Federal Farm Credit Bank (FFCB), or Federal Home Loan Mortgage Corporation (FHLMC)
- Obligations of the Resolution Funding Corporation (REFCORP)
- Senior debt obligations of the Federal Home Loan Bank System;

(4) U.S. dollar denominated deposit accounts, demand deposits, including time deposits, trust funds, trust accounts, overnight bank deposits, interest-bearing deposits, other deposit products, certificates of deposit, including those placed by a third party pursuant to an agreement between the Trustee and the Authority, federal funds and bankers' acceptances with domestic commercial banks (which may include the Trustee and its affiliates) that have a rating on their short term certificates of deposit on the date of purchase of "P-1" by Moody's or "A-1" or "A-1+" by S&P and maturing not more than 360 calendar days after the date of purchase (ratings on holding companies are not considered as the rating of the bank);

(5) Commercial paper that is rated at the time of purchase in the single highest classification, "P-1" by Moody's or "A-1+" by S&P and that matures not more than 270 calendar days after the date of purchase;

(6) Investments in a money market fund rated "AAAm" or "AAAm-G" or better by S&P, including a fund for which the Trustee, its parent holding company, if any, or any affiliates or subsidiaries of the Trustee receive and retain a fee in a reasonable amount for services provided to the fund whether as a custodian, transfer agent, investment advisor or trustee;

(7) Pre-refunded Municipal Obligations defined as follows: any bonds or other obligations of any state of the United States of America or of any agency, instrumentality or local governmental unit of any such state that are not callable at the option of the obligor prior to maturity or as to which irrevocable instructions have been given by the obligor to call on the date specified in the notice; and

(a) that are rated, based on an irrevocable escrow account or fund (the "escrow"), in the highest rating category of Moody's or S&P or any successors thereto; or

(b) (i) that are fully secured as to principal and interest and redemption premium, if any, by an escrow consisting only of cash or obligations described in paragraph (1) or (2) above, which escrow may be applied only to the payment of such principal of and interest and redemption premium, if any, on such bonds or other obligations on the maturity date or dates thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as appropriate, and (ii) which escrow is sufficient, as verified by a nationally recognized independent certified public accountant, to pay principal of and interest and redemption premium, if any, on the bonds or other obligations described in this paragraph (b) on the maturity date or dates specified in the irrevocable instructions referred to above, as appropriate;

(8) Municipal obligations rated "Aa1/AA" or general obligations of states with a rating of "A2/A" or higher by Moody's or S&P;

(9) Investment agreements with a domestic or foreign bank or corporation (other than a life or property casualty insurance company) the long-term debt of which, or, in the case of a guaranteed corporation the long-term debt, or, in the case of a monoline financial guaranty insurance company, claims paying ability, of the guarantor is rated at least "Aa3" by Moody's or "AA-" by S&P; provided, that, by the terms of the investment agreement:

(a) the invested funds are available for withdrawal without penalty or premium, at any time upon not more than seven days' prior notice;

(b) the investment agreement shall state that it is the unconditional and general obligation of, and is not subordinated to any other obligation of, the provider thereof or, if the provider is a bank, the agreement or the opinion of counsel shall state that the obligation of the provider to make payments thereunder ranks *pari passu* with the obligations of the provider to its other depositors and its other unsecured and unsubordinated creditors;

(c) the Trustee or the County receive the opinion of domestic counsel that such investment agreement is legal, valid and binding and enforceable against the provider in accordance with its terms and of foreign counsel (if applicable);

(d) the investment agreement shall provide that if during its term (i) the provider's rating by either Moody's or S&P falls below "Aa3" or "AA-," respectively, the provider shall, at its option, within 10 days of receipt of publication of such downgrade, either (A) collateralize the investment agreement by delivering or transferring in accordance with applicable state and federal laws (other than by means of entries on the provider's books) to the Trustee or a holder of the collateral, collateral free and clear of any third-party liens or claims the market value of which collateral is maintained at levels and upon such conditions as would be acceptable to Moody's and S&P to maintain an "A" rating in an "A" rated structured financing (with a market value approach); or (B) repay the principal of and accrued but unpaid interest, on the investment, and (ii) the provider's rating by either Moody's or S&P is withdrawn or suspended or falls below "A3" or "A-," respectively, the provider must, at the direction of the County or the Trustee, within 10 days of receipt of such direction, repay the principal of and accrued but unpaid interest on the investment, in either case with no penalty or premium to the Trustee;

(e) the investment agreement shall state, and an opinion of counsel shall be rendered, in the event collateral is required to be pledged by the provider under the terms of the investment agreement, at the time such collateral is delivered, that the holder of collateral has a perfected first priority security interest in the collateral, any substituted collateral and all proceeds thereof (in the case of bearer securities, this means the holder of collateral is in possession); and

(f) the investment agreement must provide that if during its term (i) the provider shall default in its payment obligations, the provider's obligations under the investment agreement shall, at the direction of the County or the Trustee, be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee, and (ii) the provider shall become insolvent, not pay its debts as they become due, be declared or petition to be declared bankrupt, etc., the provider's obligations shall automatically be accelerated and amounts invested and accrued but unpaid interest thereon shall be repaid to the Trustee.

(10) Local Agency Investment Fund created pursuant to Section 16429.1 of the California Government Code.

(11) Pooled Surplus Investments Fund maintained by the County pursuant to Sections 53600 *et seq.* of the California Government Code.

(12) Investment Trust of California (CalTRUST).

(13) Except as described in paragraph (6) above, ratings of Permitted Investments, referred to in the Indenture shall be determined at the time of purchase of such Permitted Investments and without regard to rating subcategories. The Trustee shall have no responsibility to monitor the ratings of Permitted Investments after the initial purchase of such Permitted Investments or the responsibility to validate the ratings of Permitted Investments prior to the initial purchase.

"Person" means an individual, corporation, limited liability company, firm, association, partnership, trust, or other legal entity or group of entities, including a governmental entity or any agency or political subdivision thereof.

"PFA" means Riverside County Public Financing Authority, a joint powers authority organized and existing under the laws of the State, and any successor thereto.

"Principal Account" means the account by that name within the Payment Fund established pursuant to the Indenture.

"Principal Payment Date" means a date on which the principal of the Bonds becomes due and payable as a result of the maturity thereof or by mandatory sinking fund redemption.

"Prior Bonds" means, collectively, the Prior 2008 Bonds, the Prior 2012-1 Bonds, the Prior 2012-2A Bonds, the Prior 2012-3 Bonds, the Prior 2013 Bonds, the Prior 2014A Bonds and the Prior 2015 Bonds.

"Prior 2008 Bonds" means the County of Riverside Asset Leasing Corporation Variable Rate Demand Leasehold Revenue Refunding Bonds, Series 2008A (Southwest Justice Center Refunding), issued pursuant to the Prior 2008 Indenture.

"Prior 2012-1 Bonds" means the County of Riverside Asset Leasing Corporation Lease Revenue Bonds (2012 County Administrative Center Refunding Project), issued pursuant to the Prior 2012-1 Indenture.

"Prior 2012-2A Bonds" means the County of Riverside Asset Leasing Corporation Lease Revenue Bonds, 2012 Series A (County of Riverside Capital Projects), issued pursuant to the Prior 2012-2 Indenture.

"Prior 2012-3 Bonds" means the Riverside County Public Financing Authority Lease Revenue Refunding Bonds (County Facilities Projects), Series 2012, issued pursuant to the Prior 2012-3 Indenture.

"Prior 2013 Bonds" means the County of Riverside Asset Leasing Corporation Lease Revenue Bonds, Series 2013A (Public Defender/Probation Building and Riverside County Technology Solutions Center Projects), issued pursuant to the Prior 2013 Indenture.

"Prior 2014A Bonds" means the County of Riverside Asset Leasing Corporation Lease Revenue Refunding Bonds (Court Facilities Project), Series 2014A, issued pursuant to the Prior 2014 Indenture.

"Prior 2015 Bonds" means the Riverside County Public Financing Authority Lease Revenue Bonds (Capital Facilities Project), Series 2015, issued pursuant to the Prior 2015 Indenture.

"Prior 2008 Indenture" means the Indenture, dated as of December 1, 2008, by and among the Corporation, the County and U.S. Bank National Association, as trustee.

"Prior 2012-1 Indenture" means the Master Trust Indenture, dated as of February 1, 2012, by and between the Corporation and Wells Fargo Bank, National Association, as trustee, as amended and supplemented by the First Supplemental Trust Indenture, dated as of February 1, 2012, by and between the Corporation and Wells Fargo Bank, National Association, as trustee.

"Prior 2012-2 Indenture" means the Indenture of Trust, dated as of July 1, 1989, as amended and supplemented by the Supplemental Indenture of Trust No. 1, dated as of July 1, 1989, as amended and supplemented by the Supplemental Indenture of Trust No. 2, dated as of January 1, 1993, as amended and supplemented by the Supplemental Indenture of Trust No. 3, dated as of January 1, 1993, as amended and supplemented by the Supplemental Indenture of Trust No. 4, dated as of February 1, 1997, as amended and supplemented by the Supplemental Indenture of Trust No. 5, dated as of August 1, 1997, as amended and supplemented by the Supplemental Indenture of Trust No. 6, dated as of December 1, 1997, as amended and supplemented by the Supplemental Indenture of Trust No. 7, dated as of January 1, 2003, and as amended and supplemented by the Supplemental Indenture of Trust No. 8, dated as of July 1, 2012, by and among the Corporation, the County and U.S. Bank National Association, as successor trustee.

"Prior 2012-3 Indenture" means the Indenture, dated as of October 15, 2012, by and among the PFA, the County and Wells Fargo Bank, National Association, as trustee.

"Prior 2013 Indenture" means the Indenture of Trust, dated as of July 1, 2013, by and between the Corporation and Wells Fargo Bank, N.A., as trustee, as amended and supplemented to date.

"Prior 2014 Indenture" means the Master Trust Indenture, dated as of June 1, 2014, by and between the Corporation and Wells Fargo Bank, National Association, as trustee, as amended and supplemented by the First Supplemental Trust Indenture, dated as of June 1, 2014, by and between the Corporation and Wells Fargo Bank, National Association, as trustee.

"Prior 2015 Indenture" means the Indenture, dated as of June 1, 2015, by and among the PFA, the County and U.S. Bank National Association, as trustee.

"Property" means the real property described in the Lease Agreement, and any improvements thereto, subject to the provisions thereof relating to the termination of the term of the Lease Agreement with respect to the County Court Facility.

"Property Conveyance Costs" means the necessary or appropriate costs and expenses, including legal fees and expenses, related to title work and title policies, appraisals, valuations, computations, certifications and other necessary or appropriate items incurred in connection with documenting, evidencing or otherwise satisfying the requirements of (a) the release and reconveyance of any property leased pursuant to a lease or leases entered into by the County supporting or relating to any of the Prior Bonds, (b) the release and reconveyance of the County Court Facility pursuant to the provisions of Lease Agreement described under the heading "LEASE OF PROPERTY; TERM – Occupancy; Term," and the provisions of the Ground Lease described under the heading "TERM; TERMINATION - Term," (c) the addition of real property to the Property, the substitution of alternate real property for any portion of the Property or the release of a portion of the Property from the Lease Agreement and the Ground Lease pursuant to the provisions of the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND SUBLEASING; ADDITIONS, SUBSTITUTION OR RELEASE – Additions to the Property; Substitution or Release of the Property," including the costs and expenses of any amendments or supplements to the Lease Agreement, the Ground Lease or the Indenture necessary or appropriate in connection therewith, or (d) the release of the County's JJ Benoit Detention Facility from the leases supporting or relating to the State Public Works Board of the State of California Lease Revenue Bonds 2019 Series C (Various Capital Projects).

"Property Conveyance Costs Fund" means the fund by that name established pursuant to the Indenture.

"Rebate Fund" means the fund by that name established pursuant to the Indenture.

"Rebate Requirement" has the meaning ascribed thereto in the Tax Certificate.

"Record Date" means, with respect to interest payable on any Interest Payment Date, the 15th calendar day of the month preceding such Interest Payment Date, whether or not such day is a Business Day.

"Redemption Fund" means the fund by that name established pursuant to the Indenture.

"Redemption Price" means the aggregate amount of principal of and premium, if any, on the Bonds upon the redemption thereof pursuant to the Indenture.

"Registration Books" means the records maintained by the Trustee for the registration of ownership and registration of transfer of the Bonds pursuant to the Indenture.

"Rental Payments" means, collectively, the Base Rental Payments and the Additional Rental Payments.

"Rental Period" means the period from the Closing Date through June 30, 2022 and, thereafter, the twelve-month period commencing on July 1 of each year during the term of the Lease Agreement.

"S&P" means S&P Global Ratings, a corporation organized and existing under the laws of the State of New York, its successors and assigns, except that if such entity shall no longer perform the functions of a securities rating agency for any reason, the term "S&P" shall be deemed to refer to any other nationally recognized securities rating agency selected by the Authority and approved by the Trustee.

"Scheduled Termination Date" means November 1, 2045.

"Series" means the initial series of Bonds executed, authenticated and delivered on the date of initial issuance of the Bonds and identified pursuant to the Indenture as the Series A Bonds and the Series B Bonds, and any Additional Bonds issued pursuant to a Supplemental Indenture and identified as a separate Series of Bonds.

"Series 2021 Bonds" means collectively, the Series A Bonds and the Series B Bonds.

"Series A Bonds" means the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021A, issued under the Indenture.

"Series B Bonds" means the Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021B (Federally Taxable), issued under the Indenture.

"State" means the State of California.

"Supplemental Indenture" means any supplemental indenture amendatory of or supplemental to the Indenture, but only if and to the extent that such Supplemental Indenture is specifically authorized under the Indenture.

"Tax Certificate" means the Tax Certificate executed by the Authority and the County at the time of issuance of the Series A Bonds relating to the requirements of Section 148 of the Code, including the exhibits thereto, as originally executed and as it may from time to time be amended in accordance with the provisions thereof.

"Tax-Exempt Bonds" means Bonds of a Series the interest on which is excluded from gross income of the holders thereof for purposes of federal income taxation, including the Series A Bonds and any Additional Bonds issued as Tax-Exempt Bonds.

"Trustee" means U.S. Bank National Association, a national banking association organized and existing under the laws of the United States of America, or any successor thereto as Trustee under the Indenture substituted in its place as provided in the Indenture.

"Verification Report" means, with respect to the deemed payment of Bonds pursuant to the defeasance provisions of the Indenture, a report of a nationally recognized certified public accountant, or firm of such accountants, verifying that the Defeasance Securities and cash, if any, deposited in connection with such deemed payment satisfy the requirements of the defeasance provisions of the Indenture.

"Written Certificate" and **"Written Request"** (a) of the Authority mean, respectively, a written certificate or written request signed in the name of the Authority by an Authorized Representative of the Authority, and (b) of the County mean, respectively, a written certificate or written request signed in the name of the County by an Authorized Representative of the County. 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.

GROUND LEASE

Lease of the Property; Rental

Lease of Property. The County leases to the Authority, and the Authority leases from the County, for the benefit of the Owners of the Bonds, the Property, subject only to Permitted Encumbrances, to have and to hold for the term of the Ground Lease.

Rental. (a) The Authority shall pay to the County as and for rental of the Property under the Ground Lease, the sum set forth in the Ground Lease (the "Ground Lease Payment"). The Ground Lease Payment shall be paid from the proceeds of the Series 2021 Bonds; provided, however, that in the event the available proceeds of the Series 2021 Bonds are not sufficient to enable the Authority to pay such amount in full, the remaining amount of the Ground Lease Payment shall be reduced to an amount equal to the amount of such available proceeds.

(b) The County shall deposit the Ground Lease Payment in one or more separate funds or accounts to be held and administered for the purpose of defeasing and redeeming the Prior Bonds. The Authority and the County find and determine that the amount of the Ground Lease Payment does not exceed the fair market value of the leasehold interest in the Property that is conveyed under the Ground Lease by the County to the Authority. No other amounts of rental shall be due and payable by the Authority for the use and occupancy of the Property under the Ground Lease.

Quiet Enjoyment

The parties intend that the Property will be leased back to the County pursuant to the Lease Agreement for the term thereof. Subject to any rights the County may have under the Lease Agreement (in the absence of a Lease Default Event) to possession and enjoyment of the Property, the County covenants and agrees that it will not take any action to prevent the Authority from having quiet and peaceable possession and enjoyment of the Property during the term of the Ground Lease and will, at the request of the Authority and at the County's cost, to the extent that it may lawfully do so, join in any legal action in which the Authority asserts its right to such possession and enjoyment.

Special Covenants and Provisions

Waste. At all times that the Authority is in possession of the Property, it shall not commit, suffer or permit any waste on the Property, and shall not willfully or knowingly use or permit the use of the Property for any illegal purpose or act.

Further Assurances and Corrective Instruments. Each of the County and the Authority shall, from time to time, execute, acknowledge and deliver, or cause to be executed, acknowledged and delivered, such supplements to the Ground Lease and such further instruments as may reasonably be required for correcting any inadequate or incorrect description of the Property leased by the Ground Lease or intended so to be or for carrying out the expressed intention of the Ground Lease, the Indenture and the Lease Agreement.

Waiver of Personal Liability. (a) All liabilities under the Ground Lease on the part of the Authority shall be solely liabilities of the Authority as a joint powers authority, and the County releases each and every director, officer and employee of the Authority of and from any personal or individual liability under the Ground Lease. No director, officer or employee of the Authority shall at any time or under any circumstances be individually or personally liable under the Ground Lease to the County or to any other party whomsoever for anything done or omitted to be done by the Authority under the Ground Lease.

(b) All liabilities under the Ground Lease on the part of the County shall be solely liabilities of the County as a political subdivision of the State, and the Authority releases each and every member, officer and employee of the County of and from any personal or individual liability under the Ground Lease. No member, officer or employee of the County shall at any time or under any circumstances be individually or personally liable under the Ground Lease to the Authority or to any other party whomsoever for anything done or omitted to be done by the County under the Ground Lease.

Taxes. The County shall pay any and all assessments of any kind or character and also all taxes, including possessory interest taxes, levied or assessed upon the Property.

Right of Entry. The County reserves the right for any of its duly authorized representatives to enter upon the Property at any reasonable time to inspect the same.

Representations and Warranties of the County. The County represents and warrants as follows:

(a) the County has the full power and authority to enter into, to execute and to deliver the Ground Lease, and to perform all of its duties and obligations under the Ground Lease, and has duly authorized the execution of the Ground Lease;

(b) except for Permitted Encumbrances, the Property is not subject to any dedication, easement, right of way, reservation in patent, covenant, condition, restriction, lien or encumbrance which would prohibit or materially interfere with the use of the Property for governmental purposes as contemplated by the County; and

(c) all taxes, assessments or impositions of any kind with respect to the Property, except current taxes, have been paid in full.

Representations and Warranties of the Authority. The Authority represents and warrants that the Authority has the full power and authority to enter into, to execute and to deliver the Ground Lease, and to perform all of its duties and obligations under the Ground Lease, and has duly authorized the execution and delivery of the Ground Lease.

Restrictions on County

Except with respect to Permitted Encumbrances, the County shall not mortgage, sell, encumber, assign, transfer or convey the Property or any portion thereof during the term of the Ground Lease.

Improvements

Title to all improvements made on the Property during the term of the Ground Lease shall vest in the County.

Term; Termination

Term. The term of the Ground Lease shall commence as of the date of commencement of the term of the Lease Agreement and shall remain in full force and effect from such date to and including the Scheduled Termination Date, unless such term is extended or sooner terminated as provided in the Ground Lease; provided, however, that the term of the Ground Lease with respect to the County Court Facility shall, unless such term is sooner terminated as thereinafter provided, terminate on November 1, 2032, unless on such date Rental Payments are being abated as provided in the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," in which case the termination of the term of the Ground Lease with respect to the County Court Facility shall not occur until the date on which Rental Payments are no longer being so abated, but, in any case, such termination shall occur only if, on the date of such termination (i) no Lease Default Event shall have occurred and be continuing under the Lease Agreement, and (ii) if the County's right to use and occupy the Property other than the County Court Facility has, prior to such date of termination, been substantially interfered with as a result of damage to or destruction thereof, a defect in title thereto or a taking thereof under the power of eminent domain, the County shall be in full compliance with, and shall have completed compliance with, the provisions of the Lease Agreement described under the headings "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Damage or Destruction," " – Net Proceeds of Title Insurance" or "– Eminent Domain," as applicable, with respect thereto, and, from and after the date of such termination (A) the description of the County Court Facility set forth in the Lease Agreement shall be deemed to have been deleted therefrom and the term "Property" shall, for all purposes thereof, be deemed not to include the County Court Facility, and (B) all right, title and interest in and to the County Court Facility shall vest in the County (in connection with which, the Authority and the Trustee shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record).

Extension; Early Termination. If, on the Scheduled Termination Date, the Bonds shall not be fully paid, or provision therefor made in accordance with the defeasance provisions of the Indenture, or the Indenture shall not be discharged by its terms, or if the Rental Payments payable under the Lease Agreement shall have been abated at any time, then the term of the Ground Lease shall be automatically extended until the date upon which all Bonds shall be fully paid, or provision therefor made in accordance with the defeasance provisions of the Indenture, and the Indenture shall be discharged by its terms, except that the term of the Ground Lease shall in no event be extended more than ten years. If, prior to the Scheduled Termination Date, all Bonds shall be fully paid, or provisions therefor made in accordance with the defeasance provisions of the Indenture, and the Indenture shall be discharged by its terms, the term of the Ground Lease shall end simultaneously therewith.

Miscellaneous

Binding Effect. The Ground Lease shall inure to the benefit of and shall be binding upon the County, the Authority and their respective successors and assigns.

Amendments; Additions, Substitution and Release. The Ground Lease may be amended, supplemented or otherwise modified only in accordance with the provisions of the Lease Agreement. The County shall have the right to add additional real property to the Property, substitute alternate real property for portions of the Property or to release portions of the Property as provided in the Lease Agreement.

Assignment. The Authority and County acknowledge that the Authority has assigned and transferred certain of its right, title and interest in and to the Ground Lease to the Trustee pursuant to the Indenture. The County consents to such assignment.

Governing Laws. The Ground Lease shall be governed by and construed in accordance with the laws of the State of California.

THE LEASE AGREEMENT

Lease of Property; Term

Lease of Property. (a) The Authority leases to the County and the County leases from the Authority the Property, on the terms and conditions set forth in the Lease Agreement, and subject to all Permitted Encumbrances.

(b) The leasing of the Property by the County to the Authority pursuant to the Ground Lease shall not effect or result in a merger of the County's leasehold estate in the Property as lessee under the Lease Agreement and its leasehold or fee estate, as applicable, in the Property as lessor under the Ground Lease, and the Authority shall continue to have a leasehold estate in the Property pursuant to the Ground Lease throughout the term thereof and of the Lease Agreement. The Lease Agreement shall constitute a sublease with respect to the Property. The leasehold interest in the Property granted by the County to the Authority pursuant to the Ground Lease is and shall be independent of the Lease Agreement; the Lease Agreement shall not be an assignment or surrender of the leasehold interest in the Property granted to the Authority under the Ground Lease.

Occupancy; Term. (a) The County shall take possession of the Property on the Delivery Date.

(b) The term of the Lease Agreement shall commence on the Delivery Date and shall end on the Scheduled Termination Date, unless such term is extended or sooner terminated as provided in the Lease Agreement; provided, however, that the term of the Lease Agreement with respect to the County Court Facility shall, unless such term is sooner terminated as thereinafter provided, terminate on November 1, 2032, unless on such date Rental Payments are being abated as provided in the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," in which case the termination of the term of the Lease Agreement with respect to the County Court Facility shall not occur until the date on which Rental Payments are no longer being so abated, but, in any case, such termination shall occur only if, on the date of such termination (i) no Lease Default Event shall have occurred and be continuing under the Lease Agreement, and (ii) if the County's right to use and occupy the Property other than the County Court Facility has, prior to such date of termination, been substantially interfered with as a result of damage to or destruction thereof, a defect in title thereto or a taking thereof under the power of eminent domain, the County shall be in full compliance with, and shall have completed compliance with, the provisions of the Lease Agreement described under the headings "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Damage or Destruction," " – Net Proceeds of Title Insurance" or "– Eminent Domain," as applicable, with respect thereto, and, from and after the date of such termination (A) the description of the County Court Facility set forth in the Lease Agreement shall be deemed to have been deleted therefrom and the term "Property" shall, for all purposes thereof, be deemed not to include the County Court Facility, and (B) all right, title and interest in and to the County Court Facility shall vest in the County (in connection with which, the Authority and the Trustee shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record).

(c) If all of the Property shall be taken under the power of eminent domain, and the County does not elect to cause alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND SUBLEASING; ADDITIONS, SUBSTITUTION OR RELEASE – Additions to the Property; Substitution or Release of the Property," as provided in clause (i) of paragraph (c) summarized under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Eminent Domain" but, rather, elects to deliver or cause to be delivered any award made in eminent domain proceedings for such taking to the Trustee for the application to the redemption, pursuant to the provisions of the Indenture relating to extraordinary redemption, of all or a portion of the Outstanding Bonds, as provided in the Lease Agreement in clause (ii) of paragraph (c) summarized under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Eminent Domain" then, on the date that possession thereof shall be so taken, the term of the Lease Agreement shall terminate.

(d) If, prior to the Scheduled Termination Date, all Bonds shall be fully paid, or deemed paid in accordance with the provisions of the Indenture described under the heading "DEFEASANCE," then, on the date of such payment or deemed payment, the term of the Lease Agreement shall terminate.

(e) If on the Scheduled Termination Date, the Rental Payments payable under the Lease Agreement shall have been abated at any time and for any reason, then the term of the Lease Agreement shall be extended until the date upon which all such Rental Payments shall have been paid in full, except that the term of the Lease Agreement shall in no event be extended more than ten years beyond the Scheduled Termination Date.

(f) Upon the termination of the term of the Lease Agreement (other than as provided in the provisions of the Lease Agreement described under the heading "LEASE DEFAULT EVENTS AND REMEDIES – Lease Default Events and Remedies"), and the first date upon which the Bonds are no longer Outstanding, all right, title and interest in and to the Property shall vest in the County. Upon any such termination or expiration, the Authority and the Trustee shall execute such conveyances, deeds and other documents as may be necessary to effect such vesting of record.

Rental Payments

Rental Payments. (a) Rental Payments, consisting of Base Rental Payments and Additional Rental Payments, shall be paid by the County to the Authority for and in consideration of the right to use and occupy the Property and in consideration of the continued right to the quiet use and enjoyment thereof during each Rental Period for which such Rental Payments are to be paid.

(b) The obligation of the County to make the Rental Payments, including the Base Rental Payments, does not constitute a debt of the County or of the State or of any political subdivision thereof within the meaning of any constitutional or statutory debt limit or restriction, and does not constitute an obligation for which the County or the State is obligated to levy or pledge any form of taxation or for which the County or the State has levied or pledged any form of taxation.

(c) If the term of the Lease Agreement shall have been extended pursuant to the provisions of the Lease Agreement described under the heading "LEASE OF PROPERTY; TERM – Occupancy; Term," the obligation of the County to pay Rental Payments shall continue to and including the Base Rental Deposit Date preceding the date of termination of the Lease Agreement, as so extended.

Base Rental Payments. (a) The County, subject to the provisions of the Lease Agreement described under "RENTAL PAYMENTS – Rental Abatement," shall pay Base Rental Payments to the Authority. The Base Rental Payments shall be payable on the Interest Payment Dates and the Base Rental Payment payable on each Interest Payment Date shall be equal to the principal, if any, of and interest on the Bonds due and payable on such Interest Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of the Bonds.

(b) If the term of the Lease Agreement shall have been extended pursuant to the provisions of the Lease Agreement described under the heading "LEASE OF PROPERTY; TERM – Occupancy; Term," the Base Rental Payments shall be established so that the Base Rental Payment payable on each Interest Payment Date after the Scheduled Termination Date shall be equal to the principal, if any, of and interest on the Bonds remaining due and payable on such Interest Payment Date; provided, however, that the Rental Payments payable in any Rental Period shall not exceed the annual fair rental value of the Property.

Additional Rental Payments. (a) The County shall also pay, as Additional Rental Payments, such amounts as shall be required for the payment of the following:

(i) all taxes and assessments of any type or nature charged to the Authority or the County or affecting the Property or the respective interests or estates of the Authority or the County therein;

(ii) insurance premiums for all insurance required pursuant to the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN;" and

(iii) all other payments not constituting Base Rental Payments required to be paid by the County pursuant to the provisions of the Lease Agreement.

(b) Amounts constituting Additional Rental Payments payable under the Lease Agreement shall be paid by the County directly to the person or persons to whom such amounts shall be payable. The County shall pay all such amounts when due or at such later time as such amounts may be paid without penalty or, in any other case, within 60 days after notice in writing from the Trustee to the County stating the amount of Additional Rental Payments then due and payable and the purpose thereof.

Fair Rental Value. The parties to the Lease Agreement have agreed and determined that the Fair Rental Value of the Property is not less than the amount indicated in the Lease Agreement as of the Delivery Date, and that upon termination of the term of the Lease Agreement with respect to the County Court Facility pursuant to the provisions of the Lease Agreement described in paragraph (b) under the heading "LEASE OF PROPERTY; TERM – Occupancy; Term," the Fair Rental Value of the Property on the date of such termination will be not less than the amount provided in the Lease Agreement. In making such determinations of Fair Rental Value, consideration has been given to the uses and purposes that may be served by the Property and the benefits therefrom that will accrue to the County and the general public. Payments of the Rental Payments for the Property during each Rental Period shall constitute the total rental for said Rental Period.

Payment Provisions. Each installment of Base Rental Payments payable under the Lease Agreement shall be paid in lawful money of the United States of America to or upon the order of the Authority at the Principal Office of the Trustee, or such other place or entity as the Authority shall designate. Each Base Rental Payment shall be deposited with the Trustee no later than the Base Rental Deposit Date preceding the Interest Payment Date on which such Base Rental Payment is due. Any Base Rental Payment that shall not be paid by the County when due and payable under the terms of the Lease Agreement shall bear interest from the date when the same is due under the Lease Agreement until the same shall be paid a rate equal to the highest rate of interest on any of the Outstanding Bonds. Notwithstanding any dispute between the Authority and the County, the County shall make all Rental Payments when due without deduction or offset of any kind and shall not withhold any Rental Payments pending the final resolution of such dispute. In the event of a determination that the County was not liable for said Rental Payments or any portion thereof, said payments or excess of payments, as the case may be, shall be credited against subsequent Rental Payments due under the Lease Agreement or refunded at the time of such determination.

Appropriations Covenant. The County shall take such action as may be necessary to include all Rental Payments due under the Lease Agreement as a separate line item in its annual budgets and to make necessary annual appropriations for all such Rental Payments. The covenants on the part of the County contained in the Lease Agreement shall be deemed to be and shall be construed to be duties imposed by law and it shall be the duty of each and every public official of the County to take such action and do such things as are required by law in the performance of the official duty of such officials to enable the County to carry out and perform the covenants and agreements in the Lease Agreement agreed to be carried out and performed by the County.

Rental Abatement. (a) Except as otherwise specifically provided in the provisions of the Lease Agreement summarized under this heading ("– Rental Abatement"), during any period in which, by reason of material damage to, or destruction or condemnation of, the Property, or any defect in title to the Property, there is substantial interference with the County's right to use and occupy any portion of the Property, Rental Payments shall be abated proportionately, and the County waives the benefits of California Civil Code Sections 1932(1), 1932(2) and 1933(4) and any and all other rights to terminate the Lease Agreement by virtue of any such interference, and the Lease Agreement shall continue in full force and effect. The County and the Authority shall, in a reasonable manner and in good faith, determine the amount of such abatement; provided, however, that the Rental Payments due for any Rental Period shall not exceed the annual fair rental value of that portion of the Property available for use and occupancy by the County during such Rental Period. The County and the Authority shall provide the Trustee with a certificate setting forth the amount of abatement and the basis therefor. Such abatement shall continue for the period commencing with the date of interference resulting from such damage, destruction, condemnation or title defect and, with respect to damage to or destruction of the Property, ending with the substantial completion of the work of repair or replacement of the Property, or the portion thereof so damaged or destroyed.

(b) Notwithstanding the foregoing, to the extent that Net Proceeds of rental interruption insurance are available for the payment of Rental Payments, Rental Payments shall not be abated as provided in the Lease Agreement summarized in paragraph (a) above but, rather, shall be payable by the County as a special obligation payable solely from such Net Proceeds.

Prepayment. (a) The County may cause all or a portion of the Series B Bonds to be optionally redeemed pursuant to the provisions of the Indenture described under the heading "REDEMPTION OF BONDS – Optional Redemption of Series B Bonds" by prepaying on the dates set forth in the Lease Agreement, all or a portion of the Base Rental Payments from any source of available funds, which prepayment shall be accomplished by the County's paying an amount sufficient to cause such Series B Bonds to be redeemed pursuant to the provisions of the Indenture described under the heading "REDEMPTION OF BONDS – Optional Redemption of Series B Bonds" on such prepayment date. If and as provided in the Supplemental Indenture pursuant to which Additional Bonds of a Series are issued, the County may cause all or a portion of such Additional Bonds to be optionally redeemed pursuant to such Supplemental Indenture by prepaying on any date provided in such Supplemental Indenture, all or a portion of the Base Rental Payments from any source of available funds, which prepayment shall be accomplished by the County's paying an amount sufficient to cause such Additional Bonds to be redeemed pursuant to such Supplemental Indenture on such prepayment date.

(b) The County may prepay, from any source of available funds, all or any portion of the Base Rental Payments by depositing with the Trustee moneys or securities as provided, and subject to the terms and conditions set forth, in the defeasance provisions of the Indenture sufficient to make such Base Rental Payments when due or to make such Base Rental payments through a specified date on which the County has a right to prepay such Base Rental Payments pursuant to paragraph (a) above, and to prepay such Base Rental Payments on such prepayment date, at a prepayment price determined in accordance with paragraph (a) above.

(c) If less than all of the Base Rental Payments are prepaid pursuant to the prepayment provisions of the Lease Agreement then, as of the date of such prepayment pursuant to paragraph (a) above, or the date of a deposit pursuant to paragraph (b) above, the Base Rental Payments payable on succeeding Base Rental Deposit Dates shall be reduced so as to correspond to the reduced amount of the principal, if any, of and interest on the Bonds due and payable on the Interest Payment Date next succeeding such Base Rental Deposit Date. The County agrees that if, following a partial prepayment of Base Rental Payments, the Property is damaged or destroyed or taken by eminent domain, or a defect in title to the Property is discovered, the County shall not be entitled to, and by such prepayment waives the right of, abatement of such prepaid Base Rental Payments and the County shall not be entitled to any reimbursement of such Base Rental Payments.

(d) If all of the Base Rental Payments are prepaid in accordance with the provisions of the Lease Agreement then, as of the date of such prepayment pursuant to paragraph (a) above, or deposit pursuant to paragraph (b) above, the term of the Lease Agreement shall be terminated.

(e) Before making any prepayment pursuant to provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS," the County shall give written notice to the Authority and the Trustee specifying the date on which the prepayment will be made, which date shall be not less than 45 days prior to the prepayment date, unless such notice shall be waived by the Authority and the Trustee.

Quiet Enjoyment; Maintenance; Alterations; Liens

Quiet Enjoyment. The Authority covenants and agrees that it will not take any action to prevent the County, so long as the County is keeping and performing the covenants and agreements contained in the Lease Agreement, from having quiet and peaceable possession and enjoyment of the Property during the term of the Lease Agreement.

Net-Net-Net Lease. The Lease Agreement shall be deemed and construed to be a "net-net-net lease" and the County agrees that the Rental Payments shall be an absolute net return to the Authority, free and clear of any expenses, charges or set-offs whatsoever and notwithstanding any dispute between the County and the Authority.

Right of Entry. The Authority shall have the right to enter upon and to examine and inspect the Property during reasonable business hours (and in emergencies at all times) for any purpose connected with the Authority's rights or obligations under the Lease Agreement, and for all other lawful purposes.

Maintenance and Utilities. Throughout the term of the Lease Agreement, as part of the consideration for rental of the Property, all improvement, repair and maintenance of the Property shall be the responsibility of the County, and the County shall pay for or otherwise arrange for the payment of all utility services supplied to the Property, which may include, without limitation, janitor service, security, power, gas, telephone, light, heating, ventilation, air conditioning, water and all other utility services, and shall pay for or otherwise arrange for payment of the cost of the repair and replacement of the Property resulting from ordinary wear and tear or want of care on the part of the County or any assignee or sublessee thereof. In exchange for the Rental Payments, the Authority agrees to provide only the Property.

Additions to Property. Subject to the provisions of the Lease Agreement described under the heading "QUIET ENJOYMENT; MAINTENANCE; ALTERATIONS; LIENS – Mechanics', Etc. Liens," the County and any sublessee shall, at its own expense, have the right to make additions, modifications and improvements to the Property. To the extent that the removal of such additions, modifications or improvements would not cause material damage to the Property, such additions, modifications and improvements shall remain the sole property of the County or such sublessee, and neither the Authority nor the Trustee shall have any interest therein. Such additions, modifications and improvements shall not in any way damage the Property or cause it to be used for purposes other than those authorized under the provisions of state and federal law; and the Property, upon completion of any additions, modifications and improvements made pursuant to the provisions of the Lease Agreement summarized in this paragraph, shall be of a value that is at least equal to the value of the Property immediately prior to the making of such additions, modifications and improvements.

Installation of County's Equipment. The County and any sublessee may at any time and from time to time, in its sole discretion and at its own expense, install or permit to be installed items of equipment or other personal property in or upon the Property. All such items shall remain the sole property of the County or such sublessee, and neither the Authority nor the Trustee shall have any interest therein. The County or such sublessee may remove or modify such equipment or other personal property at any time, provided that such party shall repair and restore any and all damage to the Property resulting from the installation, modification or removal of any such items; and the Property, upon completion of any installations, modifications or removals made pursuant to the provisions of the Lease Agreement summarized in this paragraph, shall be of a value that is at least equal to the value of the Property immediately prior to the making of such installations, modifications or removals. Nothing in the Lease Agreement shall prevent the County or any sublessee from purchasing items to be installed pursuant to the provisions of the Lease Agreement summarized in this paragraph under a conditional sale or lease purchase contract, or subject to a vendor's lien or security agreement as security for the unpaid portion of the purchase price thereof, provided that no such lien or security interest shall attach to any part of the Property.

Mechanics', Etc. Liens. In the event the County shall at any time during the term of the Lease Agreement cause any changes, alterations, additions, improvements, or other work to be done or performed or materials to be supplied, in or upon the Property, the County shall pay, when due, all sums of money that may become due for, or purporting to be for, any labor, services, materials, supplies or equipment furnished or alleged to have been furnished to or for the County in, upon or about the Property and that may be secured by a mechanics', materialmen's or other lien against the Property or the Authority's interest therein, and shall cause each such lien to be fully discharged and released at the time the performance of any obligation secured by any such lien matures or becomes due, except that, if the County desires to contest any such lien, it may do so as long as such contest is in good faith. If any such lien shall be reduced to final judgment and such judgment or such process as may be issued for the enforcement thereof is not promptly stayed, or if so stayed and said stay thereafter expires, the County shall forthwith pay and discharge said judgment.

Other Liens. The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability that materially impairs the County in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained in the Lease Agreement, or from its obligation thereunder to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

Insurance; Net Proceeds; Eminent Domain

Public Liability and Property Damage Insurance; Workers' Compensation Insurance. (a) The County shall maintain or cause to be maintained, throughout the term of the Lease Agreement, a standard comprehensive general liability insurance policy or policies in protection of the County, the Authority and their respective members, officers, agents and employees. Said policy or policies shall provide for indemnification of said parties against direct or contingent loss or liability for damages for bodily and personal injury, death or property damage occasioned by reason of the use or ownership of the Property. Said policy or policies shall provide coverage in the minimum liability limits of $1,000,000 for personal injury or death of each person and $3,000,000 for personal injury or deaths of two or more persons in a single accident or event, and in a minimum amount of $500,000 for damage to property (subject to a deductible clause of not to exceed $100,000) resulting from a single accident or event. Such public liability and property damage insurance may, however, be in the form of a single limit policy in the amount of $3,000,000 covering all such risks. Such liability insurance may be maintained as part of or in conjunction with any other liability insurance coverage carried or required to be carried by the County. The Net Proceeds of such liability insurance shall be applied toward extinguishment or satisfaction of the liability with respect to which the Net Proceeds of such insurance shall have been paid. The County's obligations under the Lease Agreement summarized under this heading ("INSURANCE; NET PROCEEDS; EMINENT DOMAIN –Public Liability and Property Damage Insurance; Workers' Compensation Insurance") may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Self-Insurance."

(b) The County shall maintain or cause to be maintained casualty insurance insuring the Property against fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood) to the full insurable value of the Property, subject to a $100,000 loss deductible provision. Full insurable value shall not be less than the aggregate principal amount of the Outstanding Bonds. Such coverage may be provided in the form of a policy insuring the Property and additional property owned by the County against such risks; provided, however, that the amount of the coverage provided pursuant to such policy may be less than the aggregate amount of the full insurable value of all properties insured thereby if the County provides to the Trustee a written evaluation of a qualified insurance consultant that the County's coverage is reasonable given the maximum foreseeable loss in the event of fire, lightning and all other risks covered by an extended coverage endorsement (excluding earthquake and flood), the nature of such risks insured and the proximity of the insured properties to each other. The Net Proceeds of such casualty insurance shall be applied as provided in the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Damage or Destruction." The County's obligations under the Lease Agreement summarized under this heading ("INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Public Liability and Property Damage Insurance; Workers' Compensation Insurance") may be satisfied by self-insurance, provided that such self-insurance complies with the provisions of Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Self-Insurance."

(c) The County shall maintain rental interruption insurance to cover the Authority's loss, total or partial, of Base Rental Payments resulting from the loss, total or partial, of the use of any part of the Property as a result of any of the hazards required to be covered pursuant to the provisions of the Lease Agreement summarized in paragraph (b) above in an amount not less than the product of two times the maximum amount of Base Rental Payments scheduled to be paid during any Rental Period. The Net Proceeds of such rental interruption insurance shall be applied to the payment of Rental Payments during the period in which, as a result of the damage or destruction to the Property that resulted in the receipt of such Net Proceeds, there is substantial interference with the County's right to the use or occupancy of the Property. The County's obligations under the provisions of the Lease Agreement summarized in this paragraph (c) may not be satisfied by self-insurance.

(d) The insurance required by the Lease Agreement summarized under this heading ("INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Public Liability and Property Damage Insurance; Workers' Compensation Insurance") shall be provided by reputable insurance companies with claims paying abilities determined, in the reasonable opinion of the County's professionally qualified risk manager or an independent insurance consultant, to be adequate for the purposes of the Lease Agreement.

Title Insurance. The County shall provide, on the Closing Date, at its own expense, one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the aggregate principal amount of the Series 2021 Bonds. Said policy or policies shall insure (a) the fee interest of the County in the Property, (b) the Authority's ground leasehold estate in the Property under the Ground Lease, and (c) the County's leasehold estate under the Lease Agreement in the Property, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies. The Net Proceeds of such title insurance shall be applied as described in the provisions of the Lease Agreement under "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Net Proceeds of Title Insurance."

Additional Insurance Provision; Form of Policies. (a) The County shall pay or cause to be paid when due the premiums for all insurance policies required by the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Public Liability and Property Damage Insurance; Workers' Compensation Insurance," and shall promptly furnish or cause to be furnished evidence of such payments to the Trustee. All such policies shall contain a standard lessee clause in favor of the Trustee and the general liability insurance policies shall be endorsed to show the Trustee, as an additional insured. All such policies shall provide that the Trustee shall be given 30 days' notice of the expiration thereof, any intended cancellation thereof or any reduction in the coverage provided thereby. The Trustee shall be fully protected in accepting payment on account of such insurance or any adjustment, compromise or settlement of any loss agreed to by the County.

(b) The County shall cause to be delivered to the Trustee, on or before August 15 of each year, commencing August 15, 2022, a schedule of the insurance policies being maintained in accordance with the Lease Agreement and a Written Certificate of the County stating that such policies are in full force and effect and that the County is in full compliance with the requirements of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN." The Trustee shall be entitled to rely upon said Written Certificate of the County as to the County's compliance with the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN." The Trustee shall not be responsible for the sufficiency of coverage or amounts of such policies.

Self-Insurance. Any self-insurance maintained by the County pursuant to the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN" shall comply with the following terms:

(a) the self-insurance program shall be approved in writing by the County's professionally qualified risk manager or by an independent insurance consultant;

(b) the self-insurance program shall include an actuarially sound claims reserve fund out of which each self-insured claim shall be paid, the adequacy of each such fund shall be evaluated on a bi-annual basis by the County's professionally qualified risk manager or by an independent insurance consultant and any deficiencies in any self-insured claims reserve fund shall be remedied in accordance with the recommendation of the County's professionally qualified risk manager or such independent insurance consultant, as applicable; and

(c) in the event the self-insurance program shall be discontinued, the actuarial soundness of its claims reserve fund, as determined by the County's professionally qualified risk manager or by an independent insurance consultant, shall be maintained.

Damage or Destruction. (a) If the Property or any portion thereof shall be damaged or destroyed, the County shall, within 30 days of the occurrence of the event of damage or destruction, notify the Trustee in writing of the County's determination as to whether or not such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement."

(b) If the County determines that such damage or destruction will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," the County shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof.

(c) If the County determines that such damage or destruction will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," then the County shall (i) apply sufficient funds from the Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of such damage or destruction and other legally available funds to the repair or replacement of the Property or the portions thereof that have been damaged or destroyed to the condition that existed prior to such damage or destruction, provided that, within 40 days of the occurrence of the event of damage or destruction, the County delivers to the Trustee a Written Certificate of the County (A) certifying that the County has sufficient funds to so complete such repair or replacement of the Property or such portions thereof and identifying such funds and the location thereof, and (B) stating that such funds will not be used for any other purpose until such repair or replacement is completed, (ii) within 60 days of the occurrence of the event of damage or destruction, cause additional real property to be added to the Property or alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND SUBLEASING; ADDITIONS, SUBSTITUTION OR RELEASE – Additions to the Property; Substitution or Release of the Property," or (iii) within 60 days of the occurrence of the event of damage or destruction, deliver sufficient funds from such Net Proceeds and other legally available funds to the Trustee for the application to the redemption, pursuant to the extraordinary redemption provisions of the Indenture (A) of all of the Outstanding Bonds, or (B) of such portion of the Outstanding Bonds as shall result in (I) the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to 105% of the maximum amount of the principal (including principal due and payable by reason of mandatory sinking fund redemption of such Bonds) of and interest on the Bonds coming due in the then current Rental Period or any subsequent Rental Period, and (II) the fair replacement value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, as certified in a Written Certificate of the County delivered to the Trustee, being at least equal to the aggregate principal amount of the Bonds then Outstanding.

Net Proceeds of Title Insurance. (a) If a defect in title to the Property results in the creation of a right to receive Net Proceeds under any policy of title insurance with respect to the Property or any portion thereof, the County shall, within 30 days of the creation of such right, notify the Trustee in writing of the County's determination as to whether or not such title defect will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement."

(b) If the County determines that such title defect will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," such Net Proceeds shall be remitted to the County and used for any lawful purpose thereof.

(c) If the County determines that such title defect will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," then the County shall (i) within 60 days of the creation of such right to receive such Net Proceeds, cause additional real property to be added to the Property or alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND SUBLEASING; ADDITIONS, SUBSTITUTION OR RELEASE – Additions to the Property; Substitution or Release of the Property," or (ii) immediately upon receipt thereof, deliver or cause to be delivered such Net Proceeds to the Trustee for the application to the redemption, pursuant to the extraordinary redemption provisions of the Indenture, of all or a portion of the Outstanding Bonds.

Eminent Domain. (a) If all or a portion of the Property shall be taken under the power of eminent domain, the County shall, no later than 45 days prior to the day that possession thereof shall be so taken, notify the Trustee in writing of the County's determination as to whether or not such taking will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement."

(b) If the County determines that such taking will not result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," any award made in eminent domain proceedings for such taking shall be remitted to the County and used for any lawful purpose thereof.

(c) If the County determines that such taking will result in a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," then the County shall (i) no later than 60 days prior to the day that possession thereof shall be so taken, cause additional real property to be added to the Property or alternate real property to be substituted for all or a portion of the Property pursuant to, and in accordance with the provisions of the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND ADDITIONS, SUBLEASING; SUBSTITUTION OR RELEASE – Additions to the Property; Substitution or Release of the Property," or (ii) immediately upon receipt thereof, deliver or cause to be delivered any award made in eminent domain proceedings for such taking to the Trustee for the application to the redemption, pursuant to the extraordinary redemptions provisions of the Indenture, of all or a portion of the Outstanding Bonds.

Representations; Covenants

Representations of the County. The County represents and warrants (a) that the County has the full power and authority to enter into, to execute and to deliver the Lease Agreement and to perform all of its duties and obligations under the Lease Agreement, and has duly authorized the execution and delivery of the Lease Agreement, and (b) the Property will be used in the performance of essential governmental functions.

Representation of the Authority. The Authority represents and warrants that the Authority has the full power and authority to enter into, to execute and to deliver the Lease Agreement and the Indenture, and to perform all of its duties and obligations thereunder, and has duly authorized the execution and delivery of the Lease Agreement and the Indenture.

Recordation. The County shall record, or cause to be recorded, with the Riverside County Recorder, the Lease Agreement and the Ground Lease, or memoranda thereof, and a memorandum of the assignment of the County's right, title and interest in and to the Ground Lease and the Lease Agreement pursuant to the provisions of the Indenture described under "PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS – Pledge and Assignment."

Use of the Property. The County will not use, operate or maintain the Property improperly, carelessly, in violation of any applicable law or in a manner contrary to that contemplated by the Lease Agreement. In addition, the County agrees to comply in all respects (including, without limitation, with respect to the use, maintenance and operation of the Property) with all laws of the jurisdictions in which its operations may extend and any legislative, executive, administrative or judicial body exercising any power or jurisdiction over the Property; provided, however, that the County may contest in good faith the validity or application of any such law or rule in any reasonable manner that does not, in the opinion of the Authority, adversely affect the estate of the Authority in and to any of the Property or its interest or rights under the Lease Agreement.

Other Liens. The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability that materially impairs the County in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained in the Lease Agreement, or from its obligation under the Lease Agreement to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

Taxes. (a) The County shall pay or cause to be paid all taxes and assessments of any type or nature charged to the Authority or affecting the Property or the respective interests or estates therein; provided, however, that with respect to special assessments or other governmental charges that may lawfully be paid in installments over a period of years, the County shall be obligated to pay only such installments as are required to be paid during the term of the Lease Agreement as and when the same become due.

(b) After giving notice to the Authority and the Trustee, the County or any sublessee may, at the County's or such sublessee's expense and in its name, in good faith contest any such taxes, assessments, utility and other charges and, in the event of any such contest, may permit the taxes, assessments or other charges so contested to remain unpaid during the period of such contest and any appeal therefrom unless the Authority shall notify the County or such sublessee that, in the opinion of independent counsel, by nonpayment of any such items, the interest of the Authority in the Property will be materially endangered or the Property, or any part thereof, will be subject to loss or forfeiture, in which event the County or such sublessee shall promptly pay such taxes, assessments or charges or provide the Authority with full security against any loss that may result from nonpayment, in form satisfactory to the Authority.

<u>No Liability; Indemnification</u>. (a) The Authority and its directors, officers, agents and employees, shall not be liable to the County or to any other party whomsoever for any death, injury or damage that may result to any person or property by or from any cause whatsoever in, on or about the Property. To the extent permitted by law, the County shall, at its expense, indemnify and hold the Authority and the Trustee and all directors, members, officers and employees thereof harmless against and from any and all claims by or on behalf of Person arising from the acquisition, construction, occupation, use, operation, maintenance, possession, conduct or management of or from any work done in or about the Property or from the subletting of any part thereof, including any liability for violation of conditions, agreements, restrictions, laws, ordinances, or regulations affecting the Property or the occupancy or use thereof, but excepting the negligence or willful misconduct of the persons or entity seeking indemnity. The County also covenants and agrees, at its expense, to pay and indemnify and save the Authority and the Trustee and all directors, officers and employees thereof harmless against and from any and all claims arising from (i) any condition of the Property and the adjoining sidewalks and passageways, (ii) any breach or default on the part of the County in the performance of any covenant or agreement to be performed by the County pursuant to the Lease Agreement, (iii) any act or negligence of licensees in connection with their use, occupancy or operation of the Property, or (iv) any accident, injury or damage whatsoever caused to any person, firm or corporation in or about the Property or upon or under the sidewalks and from and against all costs, reasonable counsel fees, expenses and liabilities incurred in any action or proceeding brought by reason of any claim referred to in the Lease Agreement described under the heading "REPRESENTATIONS; COVENANTS – No Liability; Indemnification," but excepting the negligence or willful misconduct of the person or entity seeking indemnity. In the event that any action or proceeding is brought against the Authority or the Trustee or any director, member, officer or employee thereof, by reason of any such claim, the County, upon notice from the Authority or the Trustee or such director, member, officer or employee thereof, covenants to resist or defend such action or proceeding by counsel reasonably satisfactory to the Authority or the Trustee or such director, member, officer or employee thereof.

(b) In no event shall the Authority be liable for any incidental, indirect, special or consequential damage in connection with or arising out of the Lease Agreement or the County's use of the Property.

<u>Further Assurances</u>. The County shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Lease Agreement and for the better assuring and confirming unto the Authority of the rights and benefits provided in the Lease Agreement.

Lease Default Events and Remedies

Lease Default Events and Remedies. (a) (i) A Lease Default Event shall occur if the County shall fail (A) to pay any Rental Payment payable under the Lease Agreement when the same becomes due and payable, time being expressly declared to be of the essence in the Lease Agreement, or (B) to keep, observe or perform any other term, covenant or condition contained in the Lease Agreement to be kept or performed by the County, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Trustee, the Authority, or the Owners of not less than 5% of the aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute a Lease Default Event under the Lease Agreement if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, that, unless consented to by the Trustee, such period of time shall not exceed 180 days, (ii) except as otherwise provided in the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND SUBLEASING; ADDITIONS, SUBSTITUTION OR RELEASE," the County's interest in the Lease Agreement or any part thereof be assigned or transferred, either voluntarily or by operation of law or otherwise, (iii) the County or the Authority shall commence a voluntary case under Title 11 of the United States Code or any substitute or successor statute, or (iv) the County shall fail to observe and perform any of the covenants, agreements or conditions on its part in the Indenture contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Trustee, the Authority or the Owners of not less than 5% of the aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute a Lease Default Event under the Lease Agreement if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, that, unless consented to by the Trustee, such period of time shall not exceed 180 days, such failure or event shall constitute a Lease Default Event under the Lease Agreement.

(b) Upon the occurrence of any Lease Default Event under the Lease Agreement, the Authority, in addition to all other rights and remedies it may have at law, shall have the option to do any of the following:

(i) To terminate the Lease Agreement in the manner provided on account of such Lease Default Event, notwithstanding any re-entry or re-letting of the Property as provided for in the Lease Agreement as summarized in paragraph (ii) below, and to re-enter the Property and remove all persons in possession thereof and all personal property whatsoever situated upon the Property and place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the County. In the event of such termination, the County agrees to surrender immediately possession of the Property, without let or hindrance, and to pay the Authority all damages recoverable at law that the Authority may incur by reason of such Lease Default Event, including, without limitation, any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions contained in the Lease Agreement. Neither notice to pay Rental Payments or to deliver up possession of the Property given pursuant to law nor any entry or re-entry by the Authority nor any proceeding in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property nor the appointment of a receiver upon initiative of the Authority to protect the Authority's interest under the Lease Agreement shall of itself operate to terminate the Lease Agreement, and no termination of the Lease Agreement on account of a Lease Default Event under the Lease Agreement shall be or become effective by operation of law or acts of the parties to the Lease Agreement, or otherwise, unless and until the Authority shall have given written notice to the County of the election on the part of the Authority to terminate the Lease Agreement. The County covenants and agrees that no surrender of the Property or of the remainder of the term of the Lease Agreement or any termination of the Lease Agreement shall be valid in any manner or for any purpose whatsoever unless stated by the Authority by such written notice.

(ii) Without terminating the Lease Agreement, (A) to collect each installment of Rental Payments as the same become due and enforce any other terms or provisions of the Lease Agreement to be kept or performed by the County, regardless of whether or not the County has abandoned the Property, or (B) to exercise any and all rights of entry and re-entry upon the Property. In the event the Authority does not elect to terminate the Lease Agreement in the manner provided for in the Lease Agreement as summarized in paragraph (i) above, the County shall remain liable and agrees to keep or perform all covenants and conditions contained in the Lease Agreement to be kept or performed by the County and, if the Property is not re-let, to pay the full amount of the Rental Payments to the end of the term of the Lease Agreement or, in the event that the Property is re-let, to pay any deficiency in Rental Payments that results therefrom; and further agrees to pay said Rental Payments and/or Rental Payment deficiency punctually at the same time and in the same manner as provided above for the payment of Rental Payments under the Lease Agreement, notwithstanding the fact that the Authority may have received in previous years or may receive thereafter in subsequent years Rental Payments in excess of the Rental Payments specified in the Lease Agreement, and notwithstanding any entry or re-entry by the Authority or suit in unlawful detainer, or otherwise, brought by the Authority for the purpose of effecting such re-entry or obtaining possession of the Property. Should the Authority elect to re-enter as provided in the Lease Agreement, the County irrevocably appoints the Authority as the agent and attorney-in-fact of the County to re-let the Property, or any part thereof, from time to time, either in the Authority's name or otherwise, upon such terms and conditions and for such use and period as the Authority may deem advisable and to remove all persons in possession thereof and all personal property whatsoever situated upon the Property and to place such personal property in storage in any warehouse or other suitable place, for the account of and at the expense of the County, and the County indemnifies and agrees to save harmless the Authority from any costs, loss or damage whatsoever arising out of, in connection with, or incident to any such re-entry upon and re-letting of the Property and removal and storage of such property by the Authority or its duly authorized agents in accordance with the provisions contained in the Lease Agreement. The County agrees that the terms of the Lease Agreement constitute full and sufficient notice of the right of the Authority to re-let the Property in the event of such re-entry without effecting a surrender of the Lease Agreement, and further agrees that no acts of the Authority in effecting such re-letting shall constitute a surrender or termination of the Lease Agreement irrespective of the use or the term for which such re-letting is made or the terms and conditions of such re-letting, or otherwise, but that, on the contrary, upon the occurrence of a Lease Default Event under the Lease Agreement, the right to terminate the Lease Agreement shall vest in the Authority to be effected in the sole and exclusive manner provided for in the Lease Agreement as summarized in paragraph (i) above. The County further agrees to pay the Authority the cost of any alterations or additions to the Property necessary to place the Property in condition for re-letting immediately upon notice to the County of the completion and installation of such additions or alterations.

The County waives any and all claims for damages caused or that may be caused by the Authority in re-entering and taking possession of the Property as provided in the Lease Agreement and all claims for damages that may result from the destruction of or injury to the Property and all claims for damages to or loss of any property belonging to the County, or any other person, that may be in or upon the Property.

(c) In addition to the other remedies set forth in the provisions of the Lease Agreement described under the heading "LEASE DEFAULT EVENTS AND REMEDIES – Lease Default Events and Remedies," upon the occurrence of a Lease Default Event under the Lease Agreement, the Authority shall be entitled to proceed to protect and enforce the rights vested in the Authority by the Lease Agreement or by law. The provisions of the Lease Agreement and the duties of the County and of its board, officers or employees shall be enforceable by the Authority by mandamus or other appropriate suit, action or proceeding in any court of competent jurisdiction. Without limiting the generality of the foregoing, the Authority shall have the right to bring the following actions:

(i) *Accounting.* By action or suit in equity to require the County and its board, officers and employees and its assigns to account as the trustee of an express trust.

(ii) *Injunction*. By action or suit in equity to enjoin any acts or things that may be unlawful or in violation of the rights of the Authority.

(iii) *Mandamus.* By mandamus or other suit, action or proceeding at law or in equity to enforce the Authority's rights against the County (and its board, officers and employees) and to compel the County to perform and carry out its duties and obligations under the law and its covenants and agreements with the County as provided in the Lease Agreement.

(d) Each and all of the remedies given to the Authority under the Lease Agreement or by any law now or hereafter enacted are cumulative and the single or partial exercise of any right, power or privilege under the Lease Agreement shall not impair the right of the Authority to the further exercise thereof or the exercise of any or all other rights, powers or privileges. The term "re-let" or "re-letting" as used in the provisions of the Lease Agreement described under the heading "LEASE DEFAULT EVENTS AND REMEDIES – Lease Default Events and Remedies" shall include, but not be limited to, re-letting by means of the operation by the Authority of the Property. If any statute or rule of law validly shall limit the remedies given to the Authority under the Lease Agreement, the Authority nevertheless shall be entitled to whatever remedies are allowable under any statute or rule of law.

(e) In the event the Authority shall prevail in any action brought to enforce any of the terms and provisions of the Lease Agreement, the County agrees to pay a reasonable amount as and for attorney's fees incurred by the Authority in attempting to enforce any of the remedies available to the Authority under the Lease Agreement.

(f) Notwithstanding anything to the contrary contained in the Lease Agreement, the Authority shall have no right upon a default by the County under the Lease Agreement, a Lease Default Event thereunder or otherwise to accelerate Rental Payments.

(g) Notwithstanding anything in the Lease Agreement to the contrary, the termination of the Lease Agreement by the Authority on account of a Lease Default Event thereunder shall not effect or result in a termination of the lease of the Property by the County to the Authority pursuant to the Ground Lease.

Waiver. Failure of the Authority to take advantage of any default on the part of the County shall not be, or be construed as, a waiver thereof, nor shall any custom or practice that may grow up between the parties in the course of administering the Lease Agreement be construed to waive or to lessen the right of the Authority to insist upon performance by the County of any term, covenant or condition of the Lease Agreement, or to exercise any rights given the Authority on account of such default. A waiver of a particular default shall not be deemed to be a waiver of any other default or of the same default subsequently occurring. The acceptance of Rental Payments under the Lease Agreement shall not be, or be construed to be, a waiver of any term, covenant or condition of the Lease Agreement.

Amendments; Assignment and Subleasing; Additions, Substitution or Release

Amendments. (a) The Lease Agreement and the Ground Lease, and the rights and obligations of the Authority and the County thereunder, may be amended at any time by an amendment thereto, which shall become binding upon execution by the County and the Authority, but only with the prior written consent of the Owners of a majority of the aggregate principal amount the Bonds then Outstanding, provided that no such amendment shall (i) extend the payment date of any Base Rental Payment or reduce any Base Rental Payment, without the prior written consent of the Owner of each Bond so affected, or (ii) reduce the percentage of the aggregate principal amount the Bonds, the consent of the Owners of which is required for the execution of any amendment of the Lease Agreement or the Ground Lease, without the prior written consent of the Owners of all the Bonds then Outstanding.

(b) The Lease Agreement and the Ground Lease, and the rights and obligations of the County and the Authority thereunder, may also be amended at any time by an amendment thereto, which shall become binding upon execution by the County and the Authority, without the written consents of any Owners, but only to the extent permitted by law and only for any one or more of the following purposes:

(i) to add to the agreements, conditions, covenants and terms required by the Authority or the County to be observed or performed in the Lease Agreement or therein other agreements, conditions, covenants and terms thereafter to be observed or performed by the Authority or the County, or to surrender any right or power reserved in the Lease Agreement or therein to or conferred in the Lease Agreement or therein on the Authority or 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 Lease Agreement or therein or in regard to questions arising under the Lease Agreement or thereunder that the Authority or the County may deem desirable or necessary and not inconsistent with the Lease Agreement or therewith, and that shall not materially adversely affect the rights or interests of the Owners;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Indenture described under the heading "ADDITIONAL BONDS."

(iv) to provide for the addition to, or the substitution or release of a portion of, the Property in accordance with the provisions of the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND SUBLEASING; ADDITIONS, SUBSTITUTION OR RELEASE – Additions to the Property; Substitution or Release of the Property;"

(v) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds; or

(vi) to make such other changes in the Lease Agreement or therein or modifications to the Lease Agreement or thereto as the Authority or the County may deem desirable or necessary, and that shall not materially adversely affect the interests of the Owners.

Assignment and Subleasing. Neither the Lease Agreement nor any interest of the County thereunder shall be sold, mortgaged, pledged, assigned or transferred by the County by voluntary act or by operation of law or otherwise; provided, however, that the Property may be subleased in whole or in part by the County, provided that any such sublease shall be subject to all of the following conditions:

(a) the Lease Agreement and the obligation of the County to make all Rental Payments thereunder shall remain the primary obligation of the County;

(b) the County shall, within 30 days after the delivery thereof, furnish or cause to be furnished to the Authority and the Trustee a true and complete copy of such sublease;

(c) any sublease of the Property by the County shall explicitly provide that such sublease is subject to all rights of the Authority under the Lease Agreement, including, the right to re-enter and re-let the Property or terminate the Lease Agreement upon a Lease Default Event thereunder; and

(d) the County shall furnish the Authority and the Trustee with an Opinion of Bond Counsel to the effect that such sublease will not, in and of itself, cause the interest on any Tax-Exempt Bonds to be included in gross income for federal income tax purposes.

<u>Additions to the Property; Substitution or Release of the Property</u>. The County shall have the right to add additional real property to the Property, substitute alternate real property for any portion of the Property or to release a portion of the Property from the Lease Agreement. All costs and expenses incurred in connection with such addition, substitution or release shall be borne by the County. Notwithstanding any substitution or release pursuant to the Lease Agreement, there shall be no reduction in or abatement of the Base Rental Payments due from the County under the Lease Agreement as a result of such substitution or release. Any such addition to the Property or substitution or release of any portion of the Property shall be subject to the following specific conditions, which are made conditions precedent to such addition, substitution or release; provided, however, that such conditions shall not apply to a release of the County Court Facility in connection with the termination of the term of the Lease Agreement with respect to the County Court Facility pursuant to the provisions of the Lease Agreement described in paragraph (b) under the heading "LEASE OF PROPERTY; TERM – Occupancy; Term":

> (a) the County shall have provided the Trustee with a Written Certificate of the County certifying that the Property, as constituted after such addition, substitution or release (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of the principal of and interest on the Bonds coming due in the then current Rental Period or any subsequent Rental Period, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds), (ii) has a fair replacement value at least equal to the aggregate principal amount of the Bonds then Outstanding, and (iii) has a useful life equal to or greater than the useful life of the Property, as constituted prior to such addition, substitution or release;
>
> (b) the County shall have provided the Trustee with evidence that there is in effect on the date of such addition or substitution one or more CLTA or ALTA title insurance policies for the Property, as constituted after such addition or substitution, in the aggregate amount of not less than the aggregate principal amount of the Bonds then Outstanding, which policy or policies shall insure (i) the fee interest of the County in the Property, (ii) the Authority's ground leasehold estate in the Property under the Ground Lease, and (iii) the County's leasehold estate in the Property under the Lease Agreement, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies;
>
> (c) the County shall have provided the Trustee with certified copies of the policies of insurance required by the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Public Liability and Property Damage Insurance; Workers' Compensation Insurance," or certificates thereof, that evidence that the amounts of the insurance required under paragraphs (b) and (c) of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN – Public Liability and

Property Damage Insurance; Workers' Compensation Insurance," have been increased, if applicable, to take into account such addition or substitution, and a Written Certificate of the County setting forth or accompanied by a schedule of the insurance policies being maintained in accordance with the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN" and stating that such policies are in full force and effect and that the County is in full compliance with the requirements of the provisions of the Lease Agreement described under the heading "INSURANCE; NET PROCEEDS; EMINENT DOMAIN;"

(d) the County shall have certified to the Trustee that the substituted real property is of approximately the same degree of essentiality to the County as the portion of the Property for which it is being substituted;

(e) the County shall have provided the Trustee with an Opinion of Bond Counsel to the effect that such addition, substitution or release will not, in and of itself, cause the interest on any Tax-Exempt Bonds to be included in gross income for federal income tax purposes; and

(f) the County, the Authority and the Trustee shall have executed, and the County shall have caused to be recorded with the Riverside County Recorder, any document necessary to reconvey to the County the portion of the Property being substituted or released and to include any additional or substituted real property in the description of the Property contained in the Lease Agreement and in the Ground Lease.

Miscellaneous

Assignment to Trustee. The County understands and agrees that, upon the execution and delivery of the Indenture (which is occurring simultaneously with the execution and delivery of the Lease Agreement), certain right, title and interest of the Authority in and to the Lease Agreement will be sold, assigned and transferred to the Trustee for the benefit of the Owners of the Bonds. The County consents to such sale, assignment and transfer. Upon the execution and delivery of the Indenture, references in the operative provisions of the Lease Agreement to the Authority shall be deemed to be references to the Trustee, as assignee of the Authority.

Governing Laws. The Lease Agreement shall be governed by and construed in accordance with the laws of the State.

INDENTURE

Certain Provisions of the Bonds

Registration Books. The Trustee shall keep or cause to be kept, at the Office of the Trustee, sufficient records for the registration and transfer of ownership of the Bonds, which shall be available for inspection and copying by the Authority and the County during regular business hours and upon reasonable notice; and, upon presentation for such purpose, the Trustee shall, under such reasonable regulations as it may prescribe, register or transfer or cause to be registered or transferred, on such records, the ownership of the Bonds as provided in the Indenture.

Transfer and Exchange of Bonds. (a) Any Bond may be transferred upon the Registration Books by the Person in whose name it is registered, in person or by such Person's duly authorized attorney, upon surrender of such Bond to the Trustee for cancellation, accompanied by delivery of a written instrument of transfer, duly executed in a form acceptable to the Trustee. Whenever any Bond or Bonds shall be surrendered for transfer, the Authority shall execute and the Trustee shall authenticate and shall deliver a new Bond or Bonds of the same Series and maturity in a like aggregate principal amount, in any Authorized Denomination. The Trustee shall require the Owner requesting such transfer to pay any tax or other governmental charge required to be paid with respect to such transfer.

(b) The Bonds may be exchanged at the Office of the Trustee for a like aggregate principal amount of Bonds of the same Series and maturity of other Authorized Denominations. The Trustee shall 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.

(c) The Trustee shall not be obligated to make any transfer or exchange of Bonds of a Series pursuant to the Indenture during the period established by the Trustee for the selection of Bonds of such Series for redemption, or with respect to any Bonds of such Series selected for redemption.

Book-Entry System. (a) Prior to the issuance of a Series of Bonds, the Authority may provide that such Series of Bonds shall initially be booked as Book-Entry Bonds, and, in such event, the Bonds of such Series for each maturity date shall be in the form of a separate single fully-registered Bond (which may be typewritten). Upon initial issuance, the ownership of each such Bond of such Series shall be registered in the Registration Books in the name of the Nominee, as nominee of the Depository. The Series A Bonds and the Series B Bonds shall initially be booked as Book-Entry Bonds.

Payment of principal of, and interest and premium, if any, on, any Book-Entry Bond registered in the name of the Nominee shall be made on the applicable payment date by wire transfer of New York clearing house or equivalent next day funds or by wire transfer of same day funds to the account of the Nominee. Such payments shall be made to the Nominee at the address that is, on the Record Date, shown for the Nominee in the Registration Books.

(b) With respect to Book-Entry Bonds, the Authority, the County and the Trustee shall have no responsibility or obligation to any Participant or to any Person on behalf of which such a Participant holds an interest in such Book-Entry Bonds. Without limiting the immediately preceding sentence, the Authority, the County and the Trustee shall have no responsibility or obligation with respect to (i) the accuracy of the records of the Depository, the Nominee or any Participant with respect to any ownership interest in Book-Entry Bonds, (ii) the delivery to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any notice with respect to Book-Entry Bonds, including any notice of redemption, (iii) the selection by the Depository and its Participants of the beneficial interests in Book-Entry Bonds of a maturity to be redeemed in the event such Book-Entry Bonds are redeemed in part, (iv) the payment to any Participant or any other Person, other than an Owner as shown in the Registration Books, of any amount with respect to principal of, or premium, if any, or interest on Book-Entry Bonds, or (v) any consent given or other action taken by the Depository as Owner.

(c) The Authority, the County and the Trustee may treat and consider the Person in whose name each Book-Entry Bond is registered in the Registration Books as the absolute Owner of such Book-Entry Bond for the purpose of payment of principal of, and premium, if any, and interest on such Bond, for the purpose of selecting any Bonds, or portions thereof, to be redeemed, for the purpose of giving notices of redemption and other matters with respect to such Book-Entry Bond, for the purpose of registering transfers with respect to such Book-Entry Bond, for the purpose of obtaining any consent or other action to be taken by Owners and for all other purposes whatsoever, and the Authority, the County and the Trustee shall not be affected by any notice to the contrary.

(d) In the event of a redemption of all or a portion of a Book-Entry Bond, the Depository, in its discretion (i) may request the Trustee to authenticate and deliver a new Book-Entry Bond, or (ii) if the

Depository is the sole Owner of such Book-Entry Bond, shall make an appropriate notation on the Book-Entry Bond indicating the date and amounts of the reduction in principal thereof resulting from such redemption, except in the case of final payment, in which case such Book-Entry Bond must be presented to the Trustee prior to payment.

(e) The Trustee shall pay all principal of, and premium, if any, and interest on the Book-Entry Bonds only to or "upon the order of" (as that term is used in the Uniform Commercial Code as adopted in the State) the respective Owner, as shown in the Registration Books, or such Owner's respective attorney duly authorized in writing, and all such payments shall be valid and effective to fully satisfy and discharge the obligations with respect to payment of principal of, and premium, if any, and interest on the Book-Entry Bonds to the extent of the sum or sums so paid. No Person other than an Owner, as shown in the Registration Books, shall receive an authenticated Book-Entry Bond. Upon delivery by the Depository to the Owners, the Authority, the County and the Trustee of written notice to the effect that the Depository has determined to substitute a new nominee in place of the Nominee, and subject to the provisions in the Indenture with respect to Record Dates, the word Nominee in the Indenture shall refer to such nominee of the Depository.

(f) In order to qualify the Book-Entry Bonds for the Depository's book-entry system, the Authority shall execute and deliver to the Depository a Letter of Representations. The execution and delivery of a Letter of Representations shall not in any way impose upon the Authority, the County or the Trustee any obligation whatsoever with respect to Persons having interests in such Book-Entry Bonds other than the Owners, as shown on the Registration Books. Such Letter of Representations may provide the time, form, content and manner of transmission, of notices to the Depository. In addition to the execution and delivery of a Letter of Representations by the Authority, the Authority, the County and the Trustee shall take such other actions, not inconsistent with the Indenture, as are reasonably necessary to qualify Book-Entry Bonds for the Depository's book-entry program.

(g) In the event the Authority determines that it is in the best interests of the Beneficial Owners that they be able to obtain certificated Bonds and that such Bonds should therefore be made available, and notifies the Depository and the Trustee of such determination, the Depository will notify the Participants of the availability through the Depository of certificated Bonds. In such event, the Trustee shall transfer and exchange certificated Bonds as requested by the Depository and any other Owners in appropriate amounts. In the event (i) the Depository determines not to continue to act as securities depository for Book-Entry Bonds, or (ii) the Depository shall no longer so act and gives notice to the Trustee of such determination, then the Authority shall discontinue the Book-Entry system with the Depository. If the Authority determines to replace the Depository with another qualified securities depository, the Authority shall prepare or direct the preparation of a new single, separate, fully-registered Bond for each maturity date of such Book-Entry Bonds, registered in the name of such successor or substitute qualified securities depository or its nominee. If the Authority fails to identify another qualified securities depository to replace the Depository, then the Book-Entry Bonds shall no longer be restricted to being registered in the Registration Books in the name of the Nominee, but shall be registered in whatever name or names the Owners transferring or exchanging such Bonds shall designate, in accordance with the provisions of the Indenture described under the headings "CERTAIN PROVISIONS OF THE BONDS – Transfer and Exchange of Bonds," "—Bonds Mutilated, Lost, Destroyed or Stolen" and "—Temporary Bonds." Whenever the Depository requests the Authority to do so, the Authority shall cooperate with the Depository in taking appropriate action after reasonable notice (i) to make available one or more separate certificates evidencing the Book-Entry Bonds to any Participant having Book-Entry Bonds credited to its account with the Depository, and (ii) to arrange for another securities depository to maintain custody of certificates evidencing the Book-Entry Bonds.

(h) Notwithstanding any other provision of the Indenture to the contrary, if the Depository is the sole Owner of the Bonds of a Series, so long as any Book-Entry Bond of such Series is registered in the name of the Nominee, all payments of principal of, and premium, if any, and interest on such Book-Entry Bond and all notices with respect to such Book-Entry Bond shall be made and given, respectively, as provided in the Letter of Representations or as otherwise instructed by the Depository.

(i) In connection with any notice or other communication to be provided to Owners pursuant to the Indenture by the Authority, the County or the Trustee, with respect to any consent or other action to be taken by Owners of Book-Entry Bonds, the Trustee shall establish a record date for such consent or other action and give the Depository notice of such record date not less than 15 calendar days in advance of such record date to the extent possible.

(j) Prior to any transfer of Book-Entry Bonds outside the Depository's book-entry system, the Authority shall provide or cause to be provided to the Trustee all information necessary to allow the Trustee to comply with any applicable tax reporting obligations, including any cost basis reporting obligations under Section 6045 of the Code.

Bonds Mutilated, Lost, Destroyed or Stolen. If any Bond shall become mutilated, the Authority, at the expense of the Owner of said Bond, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like principal amount in exchange and substitution for the Bond so mutilated, but only upon surrender to the Trustee of the Bond so mutilated. Every mutilated Bond so surrendered to the Trustee shall be canceled by it and delivered to, or upon the order of, the Authority. 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 and indemnity satisfactory to the Trustee shall be given, the Authority, at the expense of the Owner, shall execute, and the Trustee shall thereupon authenticate and deliver, a new Bond of the same Series and maturity in a like aggregate principal amount in lieu of and in replacement for the Bond so lost, destroyed or stolen (or if any such Bond shall have matured or shall have been selected for redemption, instead of issuing a replacement Bond, the Trustee may pay the same without surrender thereof). The Authority may require payment by the Owner of a sum not exceeding the actual cost of preparing each replacement Bond issued under the provisions of the Indenture summarized in this paragraph and of the expenses that may be incurred by the Authority and the Trustee. Any Bond of a Series issued under the provisions of the Indenture summarized in this paragraph in lieu of any Bond of such Series alleged to be lost, destroyed or stolen shall constitute an original additional contractual obligation on the part of the Authority whether or not the Bond so alleged to be lost, destroyed or stolen be at any time enforceable by anyone, and shall be entitled to the benefits of the Indenture with all other Bonds of such Series secured by the Indenture.

Temporary Bonds. The Bonds of a Series may be issued in temporary form exchangeable for definitive Bonds of such Series when ready for delivery. Any temporary Bonds may be printed, lithographed or typewritten, shall be of such Authorized Denominations as may be determined by the Authority, shall be in fully-registered form without coupons and may contain such reference to any of the provisions of the Indenture as may be appropriate. Every temporary Bond shall be executed by the Authority and authenticated by the Trustee upon the same conditions and in substantially the same manner as the definitive Bonds. If the Authority issues temporary Bonds of a Series it shall execute and deliver definitive Bonds of such Series as promptly thereafter as practicable, and thereupon the temporary Bonds of such Series may be surrendered, for cancellation, at the Office of the Trustee and the Trustee shall authenticate and deliver, in exchange for such temporary Bonds, an equal aggregate principal amount of definitive Bonds of such Series and maturities in Authorized Denominations. Until so exchanged, the temporary Bonds of such Series shall be entitled to the same benefits under the Indenture as definitive Bonds of such Series authenticated and delivered under the Indenture.

Additional Bonds

Conditions for the Issuance of Additional Bonds. The Authority may at any time issue one or more Series of Additional Bonds payable from Lease Revenues as provided in the Indenture on a parity with all other Bonds theretofore issued under the Indenture, but only subject to the following conditions, which are made conditions precedent to the issuance of such Additional Bonds:

(a) upon the issuance of such Additional Bonds, no Event of Default shall have occurred and be continuing under the Indenture;

(b) the issuance of such Additional Bonds shall be authorized under and pursuant to the Indenture and the Act and shall have been provided for by a Supplemental Indenture which shall specify the following:

(i) the purposes for which the proceeds of such Additional Bonds are to be applied, which purposes may only include one or both of (A) providing funds to pay the costs of the construction, acquisition and installation of County facilities or any improvements thereto, (B) providing funds to pay interest on such Additional Bonds, (C) providing funds to fund a reserve fund for such Additional Bonds established pursuant to such Supplemental Indenture, (D) providing funds to refund any Bonds previously issued under the Indenture, and (E) providing funds to pay Costs of Issuance incurred in connection with the issuance of such Additional Bonds;

(ii) the designation of such Series of Additional Bonds, the aggregate principal amount of the Additional Bonds of such Series and the principal amount, and the interest rate to be borne by, each maturity of such Additional Bonds;

(iii) that such Additional Bonds shall be payable as to interest on the Interest Payment Dates, except that the first installment of interest may be payable on either May 1 or November 1 and shall be for a period of not longer than twelve months;

(iv) the date, the maturity date or dates and the dates on which mandatory sinking fund redemptions, if any, are to be made for such Additional Bonds; provided, however, that each such maturity date and date on which a mandatory sinking fund redemption is to be made shall be a November 1 and, provided, further, that serial maturities of serial Bonds or mandatory sinking fund redemptions for term Bonds, or any combination thereof, shall be established to provide for the redemption or payment of such Additional Bonds on or before their respective maturity dates;

(v) the redemption premiums and terms, if any, for such Additional Bonds; provided, however, that such Additional Bonds shall be subject to redemption as provided in the Indenture as described under the heading "REDEMPTION OF BONDS – Extraordinary Redemption of Bonds;"

(vi) the form of such Additional Bonds;

(vii) if such Additional Bonds are to be secured by a reserve fund (A) that the Trustee shall establish and maintain such reserve fund, (B) the amount of the reserve requirement with respect thereto, (C) the amount to be deposited therein from the proceeds of such Additional Bonds or, in lieu thereof, that a designated reserve facility or surety or other security instrument is to be deposited therein, (D) provisions for the withdrawal, application and replenishment of amounts therein, and (E) such other provisions as may be necessary or appropriate for the administration of such reserve fund; provided, however, that such provisions shall not adversely affect the interests of the Owners of Bonds other than such Additional Bonds; and

(viii) such other provisions as are appropriate or necessary and are not inconsistent with the provisions of the Indenture;

(c) The Trustee shall have received a Written Certificate of the County certifying that, upon the issuance of such Additional Bonds, the Property, as then constituted, taking into account any addition to or substitution or release of any portion of the Property implemented pursuant to the provisions of the Lease Agreement described under the heading "AMENDMENTS; ASSIGNMENT AND SUBLEASING; ADDITIONS, SUBSTITUTION OR RELEASE – Additions to the Property; Substitution or Release of the Property" in connection with the issuance of such Additional Bonds (i) has an annual fair rental value greater than or equal to 105% of the maximum amount of the principal of and interest on the Bonds that will be Outstanding after the issuance of such Additional Bonds, coming due in the then current Rental Period or any subsequent Rental Period, (ii) has a fair replacement value at least equal to the aggregate principal amount of the Bonds that will be Outstanding after the issuance of such Additional Bonds, and (iii) has a useful life that extends at least to the final maturity date of the Bonds that will be Outstanding after the issuance of such Additional Bonds.

Notwithstanding the foregoing, if (i) such Additional Bonds are being issued to refund previously issued Bonds, and (ii) the Trustee shall have received a certificate from an Independent Financial Consultant certifying that Annual Debt Service in each Bond Year, calculated for all Bonds that will be Outstanding after the issuance of such Additional Bonds, will be less than or equal to Annual Debt Service in such Bond Year, calculated for all Bonds which are Outstanding immediately prior to the issuance of such Additional Bonds, then the receipt of the Written Certificate of the County described in paragraph (c), above, shall not be a condition precedent to the issuance of such Additional Bonds.

Nothing contained in the Indenture shall limit the issuance of any bonds payable from Lease Revenues if, after the issuance and delivery of such bonds, none of the Bonds theretofore issued under the Indenture will be Outstanding.

Procedure for the Issuance of Additional Bonds. At any time after the sale of any Additional Bonds in accordance with the Act, such Additional Bonds shall be executed by the Authority for issuance under the Indenture and shall be delivered to the Trustee and thereupon shall be authenticated and delivered by the Trustee, but only upon receipt by the Trustee of the following:

(a) a certified copy of the Supplemental Indenture authorizing the issuance of such Additional Bonds;

(b) a Written Request of the Authority as to the delivery of such Additional Bonds;

(c) a Written Certificate of the Authority stating that the conditions precedent to the issuance of such Additional Bonds specified in the Indenture described under the heading "ADDITIONAL BONDS – Conditions for the Issuance of Additional Bonds" have been satisfied;

(d) if the Lease Agreement and the Ground Lease are being amended in connection with the issuance of such Additional Bonds, executed counterparts or certified copies of such amendments to the Lease Agreement and the Ground Lease, together with satisfactory evidence that such amendments have been duly recorded with the Riverside County Recorder;

(e) an Opinion of Bond Counsel substantially to the effect that (i) the Indenture, as modified and amended by all Supplemental Indentures theretofore, or thereupon being, entered into, has been duly authorized, executed and delivered by, and constitutes the valid and binding obligation of, the Authority, (ii) such Additional Bonds constitute valid and binding special obligations of the Authority, (iii) if the Lease Agreement and the Ground Lease are being amended in connection with the issuance of such Additional Bonds, that each such amendment has been duly authorized, executed and delivered by the County and the Authority, and that each of the Lease Agreement, as so amended, and the Ground Lease, as so amended, constitutes the valid and binding obligation of each of the County and the Authority, and (iv) the issuance of such Additional Bonds, the execution and delivery of such Supplemental Indenture and, if any, the amendments to the Lease Agreement and the Ground Lease, in and of themselves, will not adversely affect the exclusion from gross income for federal income tax purposes of interest on Outstanding Tax-Exempt Bonds;

(f) the proceeds of the sale of such Additional Bonds;

(g) evidence that there is in effect on the date of issuance of such Additional Bonds one or more CLTA or ALTA title insurance policies for the Property, in the aggregate amount of not less than the aggregate principal amount of the Bonds that will be Outstanding after the issuance of such Additional Bonds, which policy or policies shall insure (i) the fee interest of the County in the Property, (ii) the Authority's ground leasehold estate in the Property under the Ground Lease, and (iii) the County's leasehold estate in the Property under the Lease Agreement, subject only to Permitted Encumbrances; provided, however, that one or more of said estates may be insured through an endorsement to such policy or policies;

(h) certified copies of the policies of insurance required by the provisions of the Lease Agreement described under the heading "PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS – Please and Assignment," or certificates thereof, that evidence that the amounts of the insurance required under paragraphs (b) and (c) of the provisions of the Lease Agreement described under the heading "PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS – Please and Assignment," have been increased, if applicable, to take into account the issuance of such Additional Bonds, and a Written Certificate of the County setting forth or accompanied by a schedule of the insurance policies being maintained in accordance with the provisions of the Lease Agreement described under the heading "PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS" and stating that such policies are in full force and effect and that the County is in full compliance with the requirements of the provisions of the Lease Agreement described under the heading "PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS;" and

(i) such further documents or money as are required by the provisions of the Indenture or by the provisions of the Supplemental Indenture pursuant to which such Additional Bonds are issued.

Additional Bonds. So long as any of the Bonds remain Outstanding, the Authority shall not incur obligations payable from Lease Revenues on a parity with the Bonds, except pursuant to the provisions of the Indenture described under the heading "ADDITIONAL BONDS – Conditions for the Issuance of Additional Bonds" and " – Procedure for the Issuance of Additional Bonds."

Pledge and Assignment; Funds and Accounts

Pledge and Assignment. (a) Subject only to the provisions of the Indenture permitting the application thereof for the purposes and on the terms and conditions set forth therein, in order to secure the payment of the principal of, premium, if any, and interest on the Bonds in accordance with their terms, the provisions of the Indenture and the Act, the Authority pledges to the Owners, and grants thereto a lien on and a security interest in, all of the Lease Revenues and any other amounts held in the Payment Fund. Said pledge shall constitute a first lien on and security interest in such assets, which shall immediately attach to such assets and be effective, binding and enforceable against the Authority, its successors, purchasers of any of such assets, creditors and all others asserting rights therein, to the extent set forth in, and in accordance with, the Indenture, irrespective of whether those parties have notice of the pledge of, lien on and security interest in such assets and without the need for any physical delivery, recordation, filing or further act.

(b) The Authority assigns and transfers to the Trustee, irrevocably and absolutely, without recourse, for the benefit of the Owners, all of its right, title and interest in and to the Ground Lease and the Lease Agreement, including, without limitation, the right to receive Base Rental Payments and the right to exercise any remedies provided in the Lease Agreement in the event of a default by the County thereunder; provided, however, that the Trustee shall not be required to perform any of the substantive obligations of the Authority under the Lease Agreement, and, provided, further that Authority shall retain the rights to indemnification, to give consents and approvals thereunder, and to payment or reimbursement of its reasonable costs and expenses under the Lease Agreement. The Trustee accepts said assignment for the benefit of the Owners, subject to the provisions of the Indenture.

(c) The Trustee shall be entitled to and shall receive all of the Base Rental Payments, and any Base Rental Payments collected or received by the Authority shall be deemed to be held, and to have been collected or received, by the Authority as agent of the Trustee and shall forthwith be paid by the Authority to the Trustee.

Payment Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Payment Fund." Within the Payment Fund, the Trustee shall establish and maintain a separate account designated the "Interest Account" and a separate account designated the "Principal Account." In connection with the issuance of a Series of Additional Bonds, the Trustee shall, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued, within the Interest Account, establish and maintain a capitalized interest account for such Series of Additional Bonds.

(b) All Lease Revenues received by the Trustee shall be deposited by the Trustee in the Payment Fund; provided, however, that Net Proceeds, other than those constituting proceeds of rental interruption insurance received with respect to the Property, shall not be deposited in the Payment Fund but, rather, shall be applied as provided in the provisions of the Indenture described under the headings "NET PROCEEDS AND TITLE INSURANCE; COVENANTS – Application of Net Proceeds" or "— Title Insurance," as applicable.

(c) The Trustee, on each Interest Payment Date, shall transfer from the Payment Fund to the Interest Account an amount equal to the interest on the Bonds coming due on such Interest Payment Date; provided, however, that if and to the extent that, on such Interest Payment Date, an amount to pay interest on a Series of Bonds is available in a capitalized interest subaccount established for such Series of Bonds, the Trustee shall, instead of transferring such amount from the Payment Fund, transfer such amount from such capitalized interest subaccount to the Interest Account on such Interest Payment Date.. On each Interest Payment Date, the Trustee shall withdraw from the Interest Account for payment to the Owners of the Bonds the interest on the Bonds then due and payable. In the event that, on such Interest Payment Date, amounts in the Interest Account are insufficient to pay the interest on the Bonds due and payable on such Interest Payment Date, the Trustee shall apply available funds therein in accordance with the provisions of the Indenture described under the heading "EVENTS OF DEFAULT AND REMEDIES – "Application of Amounts After Default."

(d) The Trustee, on each Principal Payment Date, shall transfer from the Payment Fund to the Principal Account an amount equal to the principal of the Bonds, including principal due and payable by reason of mandatory sinking fund redemption, coming due on such date. On each Principal Payment Date, the Trustee shall withdraw from the Principal Account for payment to the Owners of the Bonds such principal then due and payable. In the event that, on such Principal Payment Date, amounts in the Principal Account are insufficient to pay the principal due and payable on such Principal Payment Date, including principal due and payable by reason of mandatory sinking fund redemption of such Bonds, the Trustee shall apply available funds therein in accordance with the provisions of the Indenture described under the heading "EVENTS OF DEFAULT AND REMEDIES – Application of Amounts After Default."

Redemption Fund. (a) The Trustee shall establish and maintain a special fund designated the "Redemption Fund." The Trustee shall deposit in the Redemption Fund (i) any amounts required to be deposited therein pursuant to the provisions of the Indenture described under the headings "NET PROCEEDS AND TITLE INSURANCE; COVENANTS – Application of Net Proceeds" or "—Title Insurance," (ii) amounts to be applied to the optional redemption of Series B Bonds pursuant to the provisions of the Indenture described under the heading "REDEMPTION OF BONDS – Optional Redemption of Series B Bonds," and (iii) amounts required to be deposited therein pursuant to any Supplemental Indenture.

(b) Amounts in the Redemption Fund shall be disbursed therefrom by the Trustee for the payment of the Redemption Price of (i) Bonds redeemed pursuant to the provisions of the Indenture described under the heading "REDEMPTION OF BONDS – Extraordinary Redemption of Bonds," (ii) Series B Bonds redeemed pursuant to the provisions of the Indenture described under the heading "REDEMPTION OF BONDS – Optional Redemption of Series B Bonds," and (iii) Additional Bonds redeemed pursuant to the provisions of the Supplemental Indenture pursuant to which such Additional Bonds are issued (other than mandatory sinking fund redemptions thereof).

Rebate Fund. (a) The Trustee shall establish and maintain a special fund designated the "Rebate Fund." There shall be deposited in the Rebate Fund such amounts as are required to be deposited therein pursuant to the Tax Certificate, as specified in a Written Request of the Authority or a Written Request of the County. All money at any time deposited in the Rebate Fund shall be held by the Trustee in trust, to the extent required to satisfy the Rebate Requirement, for payment to the United States of America. Notwithstanding defeasance of the Series A Bonds pursuant to the provisions of the Indenture described under the heading "DEFEASANCE" or anything to the contrary contained in the Indenture, all amounts required to be deposited into or on deposit in the Rebate Fund shall be governed exclusively by the provisions of the Indenture described under this heading "PLEDGE AND ASSIGNMENT FUND; FUNDS AND ACCOUNTS – Rebate Fund," and by the Tax Certificate (which is incorporated in the Indenture by reference). The Trustee shall be deemed conclusively to have complied with such provisions if it follows the written directions of the Authority or the County, and shall have no liability or responsibility to enforce compliance by the Authority or the County with the terms of the Tax Certificate. The Trustee may conclusively rely upon the determinations, calculations and certifications of the Authority or the County required by the Tax Certificate. The Trustee shall have no responsibility to independently make any calculation or determination or to review the calculations of the Authority or the County.

(b) Any funds remaining in the Rebate Fund after payment in full of all of the Series A Bonds and after payment of any amounts described in the provisions of the Indenture described under the heading

"PLEDGE AND ASSIGNMENT FUND; FUNDS AND ACCOUNTS – Rebate Fund," shall, upon receipt by the Trustee of a Written Request of the County, be withdrawn by the Trustee and remitted to the County.

Costs of Issuance Fund and Property Conveyance Costs Fund. (a) The Trustee shall establish and maintain a separate fund designated the "Costs of Issuance Fund." On the Closing Date, the Trustee shall deposit in the Costs of Issuance Fund the amount required to be deposited therein pursuant to the Indenture. There shall additionally be deposited in the Cost of Issuance Fund the portion, if any, of the proceeds of the sale of any Additional Bonds required to be deposited therein under the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(b) The moneys in the Costs of Issuance Fund shall be used and withdrawn by the Trustee from time to time to pay the Costs of Issuance upon submission of a Written Request of the County stating (i) the Person to whom payment is to be made and instructions for such payment, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment is a proper charge against the Costs of Issuance Fund, and (v) that such amounts have not been the subject of a prior disbursement from the Costs of Issuance Fund, in each case together with a statement or invoice for each amount requested thereunder. On the last Business Day that is no later than six months after the Closing Date, the Trustee shall transfer any amount remaining in the Costs of Issuance Fund to the Interest Account and, upon making such transfer, the Costs of Issuance Fund shall be closed.

(c) If the Costs of Issuance Fund has been closed in accordance with the provisions of the Indenture, the Costs of Issuance Fund shall be reopened and reestablished by the Trustee in connection with the issuance of any Additional Bonds, if so provided in the Supplemental Indenture pursuant to which such Additional Bonds are issued.

(d) The Trustee shall establish and maintain a separate fund designated the "Property Conveyance Costs Fund." On the Closing Date, the Trustee shall deposit in the Property Conveyance Costs Fund the amount required to be deposited therein pursuant to the Indenture. The moneys in the Property Conveyance Costs Fund shall be used and withdrawn by the Trustee from time to time to pay the Property Conveyance Costs upon submission of a Written Request of the County stating (i) the Person to whom payment is to be made and instructions for such payment, (ii) the amount to be paid, (iii) the purpose for which the obligation was incurred, (iv) that such payment is a proper charge against the Property Conveyance Costs Fund, and (v) that such amounts have not been the subject of a prior disbursement from the Property Conveyance Costs Fund, in each case together with a statement or invoice for each amount requested thereunder. Upon submission to the Trustee of a Written Certificate of the County stating that the County will make no further requests for withdrawals of amounts from the Property Conveyance Costs Fund, the Trustee shall transfer the amount, if any, remaining in the Property Conveyance Costs Fund to the Interest Account, to be applied to the payment of interest on the Series B Bonds and, upon making such transfer, the Property Conveyance Costs Fund shall be closed; provided, however, that if, prior to receiving such Written Certificate of the County, no amounts remain on deposit in the Property Conveyance Costs Fund, the Property Conveyance Costs Fund shall be closed.

Investments. (a) Except as otherwise provided in the Indenture, all moneys in any of the funds or accounts established pursuant to the Indenture shall be invested by the Trustee solely in Permitted Investments, as directed in a Written Request of the County received by the Trustee no later than two Business Days prior to the making of such investment. Moneys in all such funds and accounts shall be invested in Permitted Investments maturing not later than the date on which it is estimated that such moneys will be required for the purposes specified in the Indenture. Absent a timely Written Request of the County with respect to the investment of moneys in any of the funds or accounts established pursuant to the Indenture held by the Trustee, the Trustee shall invest such moneys in Permitted Investments described in paragraph (6) of the definition thereof; provided, however, that any such investment shall be made by the

Trustee only if, prior to the date on which such investment is to be made, the Trustee shall have received a Written Request of the County specifying a specific money market fund that satisfies the requirements of said paragraph in which such investment is to be made and, if no such Written Request of the County is so received, the Trustee shall hold such moneys uninvested.

(b) Subject to the provisions of the Indenture described under the heading "PLEDGE AND ASSIGNMENT FUND; FUNDS AND ACCOUNTS – Rebate Fund," any interest or profits received with respect to investments held in any of the funds or accounts established under the Indenture shall be retained therein.

(c) Permitted Investments acquired as an investment of moneys in any fund or account established under the Indenture shall be credited to such fund or account. For the purpose of determining the amount in any fund or account, all Permitted Investments credited to such fund or account shall be valued by the Trustee at the market value thereof, such valuation to be performed not less frequently than semiannually on or before each June 15 and December 15. In determining the market value of Permitted Investments, the Trustee may use and rely upon any generally recognized pricing information service (including brokers and dealers in securities) available to it.

(d) The Trustee may act as principal or agent in the making or disposing of any investment. Upon the Written Request of the County, the Trustee shall sell or present for redemption any Permitted Investments so purchased whenever it shall be necessary to provide moneys to meet any required payment, transfer, withdrawal or disbursement from the fund to which such Permitted Investments are credited, and the Trustee shall not be liable or responsible for any loss resulting from any investment made or sold pursuant to the provisions described in the Indenture under this heading "PLEDGE AND ASSIGNMENT; FUNDS AND ACCOUNTS – Investments." For purposes of investment, the Trustee may commingle moneys in any of the funds and accounts established under the Indenture.

(e) Each of the Authority and the County acknowledges that to the extent regulations of the Comptroller of the Currency or other applicable regulatory entity grant the Authority or the County the right to receive brokerage confirmations of security transactions as they occur, at no additional cost, each of the Authority and the County specifically waives receipt of such confirmations to the extent permitted by law. The Trustee shall furnish the Authority and the County periodic cash transaction statements, which shall include details for all investment transactions made by the Trustee under the Indenture.

Net Proceeds and Title Insurance; Covenants

Application of Net Proceeds. (a) If the Property or any portion thereof shall be damaged or destroyed, subject to the further requirements of the Indenture described under this heading ("NET PROCEEDS AND TITLE INSURANCE; COVENANTS – Application of Net Proceeds"), the County shall, as expeditiously as possible, continuously and diligently prosecute or cause to be prosecuted the repair or replacement thereof, unless the County elects not to repair or replace the Property or the affected portion thereof in accordance with the provisions of the Indenture.

(b) The Net Proceeds of any insurance (other than Net Proceeds of rental interruption insurance), including the proceeds of any self-insurance, received on account of any damage or destruction of the Property or a portion thereof shall as soon as possible be deposited with the Trustee and be held by the Trustee in a special account and made available for and, to the extent necessary, shall be applied to the cost of repair or replacement of the Property or the affected portion thereof upon receipt of a Written Request of the County, together with invoices therefor. Pending such application, such proceeds may, pursuant to a Written Request of the County, be invested by the Trustee in Permitted Investments that mature not later than such times as moneys are expected to be needed to pay such costs of repair or replacement.

(c) Notwithstanding the foregoing, the County shall, within 60 days of the occurrence of the event of damage or destruction, notify the Trustee in writing as to whether the County intends to replace or repair the Property or the portions of the Property that were damaged or destroyed. If the County does intend to replace or repair the Property or portions thereof, the County shall deposit with the Trustee the full amount of any insurance deductible to be credited to the special account referred to above.

(d) If such damage, destruction or loss was such that there resulted a substantial interference with the County's right to the use or occupancy of the Property and an abatement in whole or in part of Rental Payments results from such damage or destruction pursuant to the provisions of the Lease Agreement described under the heading "RENTAL PAYMENTS – Rental Abatement," then the County shall be required either to (i) apply sufficient funds from the insurance proceeds and other legally available funds to the replacement or repair of the Property or the portions thereof that have been damaged to the condition that existed prior to such damage or destruction, or (ii) apply sufficient funds from the insurance proceeds and other legally available funds to the redemption, pursuant to the extraordinary redemption provisions of the Indenture (A) of all of the Outstanding Bonds, or (B) of such portion of the Outstanding Bonds as shall result in the remaining, non-abated Base Rental Payments being sufficient to pay, as and when due, the principal of and interest on the Bonds that will remain Outstanding after such redemption. If the County is required to apply funds from the insurance proceeds and other legally available funds to the redemption of Bonds in accordance with clause (ii) above, the County shall direct the Trustee, in a Written Request of the County, to transfer the funds to be applied to such redemption to the Redemption Fund and the Trustee shall transfer such funds to the Redemption Fund. Any proceeds of any insurance, including the proceeds of any self-insurance remaining after the portion of the Property that was damaged or destroyed is restored to and made available to the County in substantially the same condition and annual fair rental value as that that existed prior to the damage or destruction as required by clause (i) above, or the redemption of Bonds as required by clause (ii) above, in each case as evidenced by a Written Certificate of the County to such effect, or any proceeds not required to replace or repair the Property, or the affected portion thereof, as set forth in clause (i) above, or to use such amounts to redeem Bonds as set forth in clause (ii) above, shall be paid to the County to be used for any lawful purposes; provided, however, that the County shall first deliver to the Trustee a Written Certificate of the County to the effect that the annual fair rental value of the Property after such damage or destruction, and after any repairs or replacements made as a result of such damage or destruction, is at least equal to 100% of the maximum amount of Base Rental Payments becoming due under the Lease Agreement in the then current Rental Period or any subsequent Rental Period and the fair replacement value of the Property after such damage or destruction is at least equal to the sum of the then unpaid principal components of Base Rental Payments.

(e) The proceeds of any award in eminent domain shall be deposited by the Trustee in the Redemption Fund and applied to the redemption of Bonds pursuant to the extraordinary redemption provisions of the Indenture.

Title Insurance. Net Proceeds of any policy of title insurance received by the Trustee in respect of the Property shall be applied and disbursed by the Trustee as follows:

(a) if the County determines that the title defect giving rise to such proceeds has not substantially interfered with its use and occupancy of the Property and will not result in an abatement of Rental Payments payable by the County under the Lease Agreement, such proceeds shall be remitted to the County and used for any lawful purpose thereof; or

(b) if the County determines that the title defect giving rise to such proceeds has substantially interfered with its use and occupancy of the Property and will result in an abatement in whole or in part of Rental Payments payable by the County under the Lease Agreement, then the County shall, in a Written Request of the County, direct the Trustee to, and the Trustee shall immediately deposit such proceeds in the Redemption Fund and such proceeds shall be applied to the redemption of Bonds in the manner provided in the extraordinary redemption provisions of the Indenture.

Punctual Payment. The Authority shall punctually pay or cause to be paid the principal of, and premium, if any, and interest on the Bonds, in strict conformity with the terms of the Bonds and of the Indenture, according to the true intent and meaning thereof, but only out of the Lease Revenues and other assets pledged for such payment as provided in the Indenture and received by the Authority or the Trustee.

Compliance with Indenture. Each of the Authority and the County shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Indenture required to be complied with, kept, observed and performed by it.

Compliance with Ground Lease and Lease Agreement. Each of the Authority and the County shall faithfully comply with, keep, observe and perform all the agreements, conditions, covenants and terms contained in the Ground Lease and the Lease Agreement required to be complied with, kept, observed and performed by it and, together with the Trustee, shall enforce the Ground Lease and the Lease Agreement against the other party thereto in accordance with their respective terms.

Observance of Laws and Regulations. Each of the Authority and the County shall faithfully comply with, keep, observe and perform all valid and lawful obligations or regulations now or hereafter imposed on it by contract, or prescribed by any law of the United States of America or of the State, or by any officer, board or commission having jurisdiction or control, as a condition of the continued enjoyment of each and every franchise, right or privilege now owned or hereafter acquired by it, including its right to exist and carry on its businesses, to the end that such franchises, rights and privileges shall be maintained and preserved and shall not become abandoned, forfeited or in any manner impaired.

Other Liens. (a) The County shall keep the Property and all parts thereof free from judgments and materialmen's and mechanics' liens and free from all claims, demands, encumbrances and other liens of whatever nature or character, and free from any claim or liability that materially impairs the County in conducting its business or utilizing the Property, and the Trustee at its option (after first giving the County ten days' written notice to comply therewith and failure of the County to so comply within such ten-day period) may defend against any and all actions or proceedings, or may pay or compromise any claim or demand asserted in any such actions or proceedings; provided, however, that, in defending against any such actions or proceedings or in paying or compromising any such claims or demands, the Trustee shall not in any event be deemed to have waived or released the County from liability for or on account of any of its agreements and covenants contained in the Indenture, or from its obligation under the Indenture to perform such agreements and covenants. The Trustee shall have no liability with respect to any determination made in good faith to proceed or decline to defend, pay or compromise any such claim or demand.

(b) So long as any Bonds are Outstanding, none of the Trustee, the Authority or the County shall create or suffer to be created any pledge of or lien on the amounts on deposit in any of the funds or accounts created under the Indenture, other than the pledge and lien thereof.

(c) Neither the Authority nor the Trustee shall encumber the Property other than in accordance with the Ground Lease, the Lease Agreement and the Indenture.

Prosecution and Defense of Suits. The County shall promptly, upon request of the Trustee, take such action from time to time as may be necessary or proper to remedy or cure any cloud upon or defect in the title to the Property or any part thereof, whether now existing or thereafter developing, shall prosecute all actions, suits or other proceedings as may be appropriate for such purpose and shall indemnify and save the Trustee and every Owner harmless from all cost, damage, expense or loss, including attorneys' fees, which they or any of them may incur by reason of any such cloud, defect, action, suit or other proceeding.

Recordation. The County shall record, or cause to be recorded, with the Riverside County Recorder, the Lease Agreement and the Ground Lease, or memoranda thereof, and a memorandum of the assignment of the County's right, title and interest in and to the Ground Lease and the Lease Agreement pursuant to the Indenture.

Tax Covenants. (a) Neither the Authority nor the County shall take any action, or fail to take any action, if such action or failure to take such action would adversely affect the exclusion from gross income of interest on the Series A Bonds under Section 103 of the Code. Without limiting the generality of the foregoing, each of the Authority and the County shall comply with the requirements of the Tax Certificate, which is incorporated in the Indenture as if fully set forth therein. This covenant shall survive payment in full or defeasance of the Series A Bonds.

(b) In the event that at any time the Authority or the County is of the opinion that for purposes of the provisions of the Indenture described under this heading ("NET PROCEEDS AND TITLE INSURANCE; COVENANTS – Tax Covenants"), it is necessary or helpful to restrict or limit the yield on the investment of any moneys held by the Trustee in any of the funds or accounts established under the Indenture, the Authority or the County shall so instruct the Trustee in writing, and the Trustee shall take such action as may be necessary in accordance with such instructions.

(c) Notwithstanding any provisions of the provisions of the Indenture described under this heading ("NET PROCEEDS AND TITLE INSURANCE; COVENANTS – Tax Covenants"), if the Authority or the County shall provide to the Trustee an Opinion of Bond Counsel to the effect that any specified action required under the provisions of the Indenture described under this heading ("NET PROCEEDS AND TITLE INSURANCE; COVENANTS – Tax Covenants") is no longer required or that some further or different action is required to maintain the exclusion from federal income tax of interest on the Series A Bonds, the Trustee may conclusively rely on such opinion in complying with the requirements of the provisions of the Indenture described under this heading ("NET PROCEEDS AND TITLE INSURANCE; COVENANTS – Tax Covenants") and of the Tax Certificate, and the covenants under the Indenture shall be deemed to be modified to that extent.

Continuing Disclosure. The County shall comply with and carry out all of the provisions of the Continuing Disclosure Certificate. Notwithstanding any other provision of the Indenture, failure of the County to comply with the Continuing Disclosure Certificate shall not constitute an Event of Default under the Indenture; provided, however, that the Trustee may (and, at the written direction of the Participating Underwriters or the Owners of at least 25% of the aggregate principal amount of Outstanding Series 2021 Bonds, and upon receipt of indemnification reasonably satisfactory to the Trustee, shall) or any Owner or Beneficial Owner of the Series 2021 Bonds may, take such actions as may be necessary and appropriate to compel performance, including seeking mandate or specific performance by court order.

Further Assurances. Each of the Authority and the Trustee shall make, execute and deliver any and all such further agreements, instruments and assurances as may be reasonably necessary or proper to carry out the intention or to facilitate the performance of the Indenture and for the better assuring and confirming unto the Owners of the rights and benefits provided in the Indenture, the Ground Lease and the Lease Agreement.

Events of Default and Remedies

Events of Default. The following events shall be Events of Default:

(a) failure to pay any installment of principal of any Bond as and when the same shall become due and payable, whether at maturity as therein expressed, by proceedings for redemption or otherwise;

(b) failure to pay any installment of interest on any Bond as and when the same shall become due and payable;

(c) the occurrence and continuation of a Lease Default Event;

(d) failure by the Authority to observe and perform any of the other covenants, agreements or conditions on its part in the Indenture or in the Bonds contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the Authority by the Trustee, the County or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the Authority, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the Authority within such 30 day period and the Authority shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, that, unless consented to by the Trustee, such period of time shall not exceed 180 days;

(e) failure by the County to observe and perform any of the covenants, agreements or conditions on its part in the Indenture contained, if such failure shall have continued for a period of 30 days after written notice thereof, specifying such failure and requiring the same to be remedied, shall have been given to the County by the Trustee, the Authority or the Owners of not less than 5% in aggregate principal amount of the Bonds at the time Outstanding; provided, however, that if, in the reasonable opinion of the County, the failure stated in the notice can be corrected, but not within such 30 day period, such failure shall not constitute an Event of Default if corrective action is instituted by the County within such 30 day period and the County shall thereafter diligently and in good faith cure such failure in a reasonable period of time, provided, further, that, unless consented to by the Trustee, such period of time shall not exceed 180 days; or

(f) the commencement by the Authority or the County of a voluntary case under Title 11 of the United States Code or any substitute or successor statute.

Action on Default. In each and every case during the continuance of an Event of Default, the Trustee may or, at the written direction of the Owners of not less than a majority of the aggregate principal amount of Bonds then Outstanding, shall exercise any of the remedies granted to the Authority under the Lease Agreement and, in addition, take whatever action at law or in equity may appear necessary or desirable to protect and enforce any of the rights vested in the Trustee or the Owners by the Indenture or by the Bonds, either at law or in equity or in bankruptcy or otherwise, whether for the specific enforcement of any covenant or agreement or for the enforcement of any other legal or equitable right, including any one or more of the remedies set forth in the provisions of the Indenture described under "EVENTS OF DEFAULT AND REMEDIES – Other Remedies."

Other Remedies. If an Event of Default shall have occurred and be continuing, the Trustee shall have the right:

(a) by mandamus or other action or proceeding or suit at law or in equity to enforce its rights against the Authority or the County or any member, director, officer or employee thereof, and to compel the Authority or the County or any such member, director, officer or employee to perform or carry out its or his or her duties under law and the agreements and covenants required to be performed by it or him or her contained in the Indenture or in the Bonds;

(b) by suit in equity to enjoin any acts or things that are unlawful or violate the rights of the Trustee or the Owners; or

(c) by suit, action or proceeding in any court of competent jurisdiction, to require the Authority or the County, or both, to account as if it or they were the trustee or trustees of an express trust.

Remedies Not Exclusive. No remedy in the Indenture conferred upon or reserved to the Trustee 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 Indenture or now or hereafter existing in law or in equity or by statute or otherwise and may be exercised without exhausting and without regard to any other remedy conferred by any law. The assertion or employment of any right or remedy under the Indenture, or otherwise, shall not prevent the concurrent assertion or employment of any other appropriate right or remedy.

Application of Amounts After Default. If an Event of Default shall occur and be continuing, all Lease Revenues and any other funds thereafter received by the Trustee under any of the provisions of the Indenture shall be applied by the Trustee as follows and in the following order:

(a) to the payment of any expenses incurred by the Trustee necessary in the opinion of the Trustee to protect the interests of the Owners and payment of reasonable fees, charges and expenses of the Trustee (including reasonable fees and disbursements of its counsel) incurred in and about the performance of its powers and duties under the Indenture;

(b) to the payment of all amounts then due for interest on the Bonds, ratably without preference or priority of any kind, according to the amounts of interest on such Bonds due and payable, with interest on the overdue interest at the rate borne by the respective Bonds; and

(c) to the payment of all amounts then due for principal of the Bonds, ratably without preference or priority of any kind, according to the amounts of principal of the Bonds due and payable, with interest on the overdue principal at the rate borne by the respective Bonds.

Power of Trustee to Enforce. All rights of action under the Indenture or the Bonds or otherwise may be prosecuted and enforced by the Trustee without the possession of any of the Bonds or the production thereof in any proceeding relating thereto, and any such suit, action or proceeding instituted by the Trustee shall be brought in the name of the Trustee for the benefit and protection of the Owners of such Bonds, subject to the provisions of the Indenture. Nothing in the Indenture shall be deemed to authorize the Trustee to authorize or consent to or accept or adopt on behalf of any Owner any plan of reorganization, arrangement, adjustment, or composition affecting the Bonds or the rights of any Owner thereof, or to authorize the Trustee to vote in respect of the claim of any Owner in any such proceeding without the approval of the Owners so affected.

Owners' Direction of Proceedings. Anything in the Indenture to the contrary notwithstanding, the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have the right, by an instrument or concurrent instruments in writing executed and delivered to the Trustee, and upon indemnification of the Trustee to its reasonable satisfaction, to direct the method of conducting all remedial proceedings taken by the Trustee under the Indenture; provided, however, that such direction shall not be otherwise than in accordance with law and the provisions of the Indenture, and, provided, further, that the Trustee shall have the right to decline to follow any such direction that in the opinion of the Trustee would be unjustly prejudicial to Owners not parties to such direction.

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 in equity, for the protection or enforcement of any right or remedy under the Indenture, the Act or any other applicable law with respect to such Bond, unless (a) such Owner shall have given to the Trustee written notice of the occurrence of an Event of Default, (b) the Owners of a majority in aggregate principal amount of the Bonds then Outstanding shall have made written request upon the Trustee to exercise the powers granted in the Indenture or to institute such suit, action or proceeding in its own name, (c) such Owner or said Owners shall have tendered to the Trustee indemnity reasonably satisfactory to the Trustee against the costs, expenses and liabilities to be incurred 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 written 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 by the Indenture declared, in every case, to be conditions precedent to the exercise by any Owner of any remedy under the Indenture or under law; it being understood and intended that no one or more Owners shall have any right in any manner whatever by such Owner's or Owners' action to affect, disturb or prejudice the security of the Indenture or the rights of any other Owners, or to enforce any right under the Bonds, the Indenture, the Act or other applicable law with respect to the Bonds, except in the manner provided in the Indenture, and that all proceedings at law or in equity to enforce any such right shall be instituted, had and maintained in the manner in the Indenture provided and for the benefit and protection of all Owners, subject to the provisions of the Indenture.

Termination of Proceedings. If any action, proceeding or suit to enforce any right or to exercise any remedy is abandoned or determined adversely to the Trustee or any Owner, then, subject to any such adverse determination, the Trustee, such Owner, the Authority and the County shall be restored to their former positions, rights and remedies as if such action, proceeding or suit had not been brought or taken. In case any proceedings taken by the Trustee or any one or more Owners on account of any Event of Default shall have been discontinued or abandoned for any reason or shall have been determined adversely to the Trustee or any Owner, then in every such case the Trustee, such Owner, the Authority and the County, subject to any determination in such proceedings, shall be restored to their former positions and rights under the Indenture, severally and respectively, and all rights, remedies, powers and duties of the Trustee, the Owners, the Authority and the County shall continue as though no such proceedings had been taken.

No Waiver of Default. No delay or omission of the Trustee or of any Owner to exercise any right or power arising upon the occurrence of any default or Event of Default shall impair any such right or power or shall be construed to be a waiver of any such default or Event of Default or an acquiescence therein, and every power and remedy given by the Indenture to the Trustee or to the Owners may be exercised from time to time and as often as may be deemed expedient.

The Trustee

Duties and Liabilities of 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 expressly and specifically set forth in the Indenture. 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 Indenture, 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.

Qualifications; Removal and Resignation; Successors. (a) The Trustee initially a party to the Indenture and any successor thereto shall at all times be a trust company, national banking association or bank having trust powers in good standing in or incorporated under the laws of the United States or any state thereof, which is (or if such trust company, national banking association or bank is a member of a bank holding company system, its parent bank holding company is) (i) a national banking association that is supervised by the Office of the Comptroller of the Currency and has at least $250 million of assets, or (ii) a state-chartered commercial bank that is a member of the Federal Reserve System and has at least $1 billion of assets. If such trust company, national banking association or bank publishes a report of condition at least annually, pursuant to law or to the requirements of any supervising or examining agency above referred to, then for the purpose of the provisions of the Indenture summarized in this paragraph (a), the combined capital and surplus of such trust company, national banking association or bank shall be deemed to be its combined capital and surplus as set forth in its most recent report of condition so published.

(b) The Authority and the County may, by an instrument in writing, upon at least 30 days' notice to the Trustee, remove the Trustee initially a party to the Indenture and any successor thereto unless an Event of Default shall have occurred and then be continuing, and shall remove the Trustee initially a party to the Indenture and any successor thereto if (i) at any time requested to do so by an instrument or concurrent instruments in writing signed by the Owners of not less than a majority in aggregate principal amount of the Bonds then Outstanding (or their attorneys duly authorized in writing), or (ii) the Trustee shall cease to be eligible in accordance with the provisions of the Indenture summarized in paragraph (a) above, or shall become incapable of acting, or shall be adjudged a bankrupt or insolvent, or a receiver of the Trustee or its property shall be appointed, or any public officer shall take control or charge of the Trustee or of its property or affairs for the purpose of rehabilitation, conservation or liquidation, in each case by giving written notice of such removal to the Trustee.

(c) The Trustee may at any time resign by giving written notice of such resignation by first-class mail, postage prepaid, to the Authority and the County, and to the Owners at the respective addresses shown on the Registration Books. In case at any time the Trustee shall cease to be eligible in accordance with the provisions of the Indenture summarized in paragraph (a) above, the Trustee shall resign immediately in the manner and with the effect specified in the Indenture.

(d) Upon removal or resignation of the Trustee, the Authority and the County shall promptly appoint a successor Trustee by an instrument in writing. Any removal or resignation of the Trustee and appointment of a successor Trustee shall become effective upon acceptance of appointment by the successor Trustee; provided, however, that any successor Trustee shall be qualified as provided in the provisions of the Indenture summarized in paragraph (a) above. If no qualified successor Trustee shall have been appointed and have accepted appointment within 45 days following notice of removal or notice of resignation as aforesaid, the removed or resigning Trustee or any Owner (on behalf of such Owner and all other Owners) may petition any court of competent jurisdiction for the appointment of a successor Trustee, and such court may thereupon, after such notice, if any, as it may deem proper, appoint such successor Trustee. Any successor Trustee appointed under the Indenture shall signify its acceptance of such appointment by executing and delivering to the Authority and the County and to its predecessor Trustee a written acceptance thereof, and thereupon such successor Trustee, without any further act, deed or conveyance, shall become vested with all the moneys, estates, properties, rights, powers, trusts, duties and obligations of such predecessor Trustee, with like effect as if originally named Trustee in the Indenture; but, nevertheless at the Written Request of the Authority or the Written Request of the County or the request of the successor Trustee, such predecessor Trustee shall execute and deliver any and all instruments of conveyance or further assurance and do such other things as may reasonably be required for more fully and certainly vesting in and confirming to such successor Trustee all the right, title and interest of such predecessor Trustee in and to any property held by it under the Indenture and shall pay over, transfer, assign and deliver to the successor Trustee any money or other property subject to the trusts and conditions set forth in the Indenture. Upon acceptance of appointment by a successor Trustee as provided in the provisions of the Indenture summarized in this paragraph (d), the successor Trustee shall, within 15 days after such acceptance, mail, by first-class mail postage prepaid, a notice of the succession of such Trustee to the trusts under the Indenture to the Owners at the addresses shown on the Registration Books.

(e) Any trust company, national banking association or bank into which the Trustee may be merged or converted or with which it may be consolidated or any trust company, national banking association or bank resulting from any merger, conversion or consolidation to which it shall be a party or any trust company, national banking association or bank to which the Trustee may sell or transfer all or substantially all of its corporate trust business, provided such trust company, national banking association or bank shall be eligible under the provisions of the Indenture summarized in paragraph (a) above, shall be the successor to such Trustee, without the execution or filing of any paper or any further act, anything in the Indenture to the contrary notwithstanding.

Liability of Trustee. (a) The recitals of facts in the Indenture and in the Bonds contained shall be taken as statements of the Authority or the County, as applicable, and the Trustee shall not assume responsibility for the correctness of the same or incur any responsibility in respect thereof, other than as expressly stated in the Indenture in connection with the respective duties or obligations in the Indenture or in the Bonds assigned to or imposed upon it. The Trustee shall, however, be responsible for its representations contained in its certificate of authentication on the Bonds.

(b) The Trustee makes no representations as to the validity or sufficiency of the Indenture or of any Bonds, or in respect of the security afforded by the Indenture and the Trustee shall incur no responsibility in respect thereof. The Trustee shall be under no responsibility or duty with respect to the issuance of the Bonds for value, the application of the proceeds thereof except to the extent that such proceeds are received by it in its capacity as Trustee, or the application of any moneys paid to the Authority, the County or others in accordance with the Indenture.

(c) The Trustee shall not be liable in connection with the performance of its duties under the Indenture, except for its own negligence or willful misconduct.

(d) No provision of the Indenture or any other document related thereto shall require the Trustee to risk or advance its own funds.

(e) The Trustee may execute any of its powers or duties under the Indenture through attorneys, agents or receivers and shall not be answerable for the actions of such attorneys, agents or receivers if selected by it with reasonable care.

(f) 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.

(g) The immunities and protections extended to the Trustee also extend to its directors, officers, employees and agents.

(h) Before taking action under the provisions of the Indenture described under the headings "EVENTS OF DEFAULT AND REMEDIES" or "THE TRUSTEE" or upon the direction of the Owners, the Trustee may require indemnity satisfactory to the Trustee be furnished to it to protect it against all fees and expenses, including those of its attorneys and advisors, and protect it against all liability it may incur.

(i) 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 Indenture.

(j) The Trustee may become the Owner of Bonds with the same rights it would have if it were not Trustee and, to the extent permitted by law, may act as depository for and permit any of its officers or directors to act as a member of, or in any other capacity with respect to, any committee formed to protect the rights of Owners, whether or not such committee shall represent the Owners of a majority in aggregate principal amount of the Bonds then Outstanding.

(k) The Trustee shall have no responsibility with respect to any information, statement, or recital in any official statement, offering memorandum or any other disclosure material prepared or distributed with respect to the Bonds.

(l) The Trustee shall not be liable for the failure to take any action required to be taken by it under the Indenture if and to the extent that the Trustee's taking such action is prevented by reason of an act of God, terrorism, war, riot, strike, fire, flood, earthquake, epidemic or other, similar occurrence that is beyond the control of the Trustee and could not have been avoided by exercising due care.

(m) The Trustee shall not be deemed to have knowledge of an Event of Default under the Indenture unless it has actual knowledge thereof.

(n) The permissive right of the Trustee to do things enumerated in the Indenture shall not be construed as a duty and it shall not be answerable for other than its negligence or willful misconduct.

(o) The Trustee shall not be responsible for or accountable to anyone for the subsequent use or application of any moneys that shall be released or withdrawn in accordance with the provisions of the Indenture.

Right to Rely on Documents and Opinions. (a) The Trustee shall be protected in acting upon any notice, requisition, resolution, request, consent, order, certificate, report, opinion, bonds or other paper or document believed by it to be genuine and to have been signed or presented by the proper party or parties.

(b) The Trustee shall have the right to accept and act upon a Written Request of the County delivered using Electronic Means. If the County elects to deliver a Written Request of the County to the Trustee using Electronic Means and the Trustee acts upon such Written Request, the Trustee's understanding of such Written Request shall be deemed controlling. The County understands and agrees that the Trustee cannot determine the identity of the actual sender of such Written Request and that the Trustee shall conclusively presume that Written Requests of the County that purport to have been sent by an Authorized Representative of the County have been sent by such Authorized Representative. The County shall be responsible for ensuring that only Authorized Representatives transmit such Written Requests of the County to the Trustee and that the County is solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt thereof by the County. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Written Requests of the County delivered using Electronic Means notwithstanding such directions conflict or are inconsistent with a subsequent Written Request of the County. The County agrees (i) to assume all risks arising out of the use of Electronic Means to submit Written Requests of the County to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Written Requests of the County, and the risk of interception and misuse by third parties, (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Written Requests of the County to the Trustee and that there may be more secure methods of transmitting Written Requests of the County than the method selected by the County, (iii) that the security procedures, if any, to be followed in connection with its transmission of Written Requests of the County provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances, and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding the foregoing, the provisions of the Indenture summarized in this paragraph (b), and the Trustee's actions pursuant thereto, are subject to the Trustee's standard of care and limitations on liability set forth in the provisions of the Indenture described under the headings "THE TRUSTEE – Liability of Trustee" and "−Right to Rely on Documents and Opinions;" provided, however, that the Trustee's reliance on a Written Request of the County that purports to have been sent by an Authorized Representative of the County delivered in accordance with the provisions of the Indenture described under this heading ("THE TRUSTEE − Right to Rely on Documents and Opinions") using Electronic Means shall not, in and of itself, be construed as negligence.

(c) The Trustee shall have the right to accept and act upon a Written Request of the Authority delivered using Electronic Means. If the Authority elects to deliver a Written Request of the Authority to the Trustee using Electronic Means and the Trustee acts upon such Written Request, the Trustee's understanding of such Written Request shall be deemed controlling. The Authority understands and agrees that the Trustee cannot determine the identity of the actual sender of such Written Request and that the Trustee shall conclusively presume that Written Requests of the Authority that purport to have been sent by an Authorized Representative of the Authority have been sent by such Authorized Representative. The Authority shall be responsible for ensuring that only Authorized Representatives transmit such Written Requests of the Authority to the Trustee and that the Authority is solely responsible to safeguard the use and confidentiality of applicable user and authorization codes, passwords and/or authentication keys upon receipt thereof by the Authority. The Trustee shall not be liable for any losses, costs or expenses arising directly or indirectly from the Trustee's reliance upon and compliance with such Written Requests of the Authority delivered using Electronic Means notwithstanding such directions conflict or are inconsistent with a subsequent Written Request of the Authority. The Authority agrees (i) to assume all risks arising out of the use of Electronic Means to submit Written Requests of the Authority to the Trustee, including without limitation the risk of the Trustee acting on unauthorized Written Requests of the Authority, and the risk of interception and misuse by third parties, (ii) that it is fully informed of the protections and risks associated with the various methods of transmitting Written Requests of the Authority to the Trustee and that there may be more secure methods of transmitting Written Requests of the Authority than the method selected by the Authority, (iii) that the security procedures, if any, to be followed in connection with its transmission of Written Requests of the Authority provide to it a commercially reasonable degree of protection in light of its particular needs and circumstances, and (iv) to notify the Trustee immediately upon learning of any compromise or unauthorized use of the security procedures. Notwithstanding the foregoing, the provisions of the Indenture summarized in this paragraph (c), and the Trustee's actions pursuant to the Indenture, are subject to the Trustee's standard of care and limitations on liability set forth in the provisions of the Indenture described under the headings "THE TRUSTEE – Liability of Trustee" and "−Right to Rely on Documents and Opinions;" provided, however, that the Trustee's reliance on a Written Request of the Authority that purports to have been sent by an Authorized Representative of the Authority delivered in accordance with the provisions of the Indenture described under this heading ("THE TRUSTEE − Right to Rely on Documents and Opinions") using Electronic Means shall not, in and of itself, be construed as negligence.

(d) Whenever in the administration of the duties imposed upon it by the Indenture the Trustee shall deem it necessary or desirable that a matter be proved or established prior to taking or suffering any action under the Indenture, such matter (unless other evidence in respect thereof be in the Indenture specifically prescribed) may be deemed to be conclusively proved and established by a Written Certificate of the Authority or Written Certificate of the County, and such Written Certificate shall be full warrant to the Trustee for any action taken or suffered in good faith under the provisions of the Indenture in reliance upon such Written Certificate, 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.

(e) The Trustee may consult with counsel, who may be counsel to the Authority or the County, with regard to legal questions, including with respect to compliance with the Indenture of amendments thereto or to the Lease Agreement or the Ground Lease, 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 Indenture in good faith and in accordance therewith.

Accounting Records and Financial Statements. The Trustee shall at all times keep, or cause to be kept, proper books of record and account, prepared in accordance with prudent corporate trust industry standards, in which accurate entries shall be made of all transactions made by it relating to the proceeds of the Bonds, the Lease Revenues received by it and all funds and accounts established by it pursuant to the Indenture. Such books of record and account shall be available for inspection by the Authority and the County during regular business hours and upon reasonable notice and under reasonable circumstances as agreed to by the Trustee. The Trustee shall deliver to the Authority and the County a monthly accounting of the funds and accounts it holds under the Indenture; provided, however, that the Trustee shall not be obligated to deliver an accounting for any fund or account that (a) has a balance of zero, and (b) has not had any activity since the last reporting date.

Preservation and Inspection of Documents. All documents received by the Trustee under the provisions of the Indenture shall be retained in its possession and shall be subject during business hours and upon reasonable notice to the inspection of the Authority, the County, the Owners and their agents and representatives duly authorized in writing.

Compensation and Indemnification of the Trustee. The County shall pay to the Trustee from time to time all reasonable compensation pursuant to a pre-approved fee letter for all services rendered under the Indenture, and also all reasonable expenses, charges, legal and consulting fees pursuant to a pre-approved fee letter and other disbursements pursuant to a pre-approved fee letter and those of its attorneys, agents and employees, incurred in and about the performance of their powers and duties under the Indenture. The County shall, to the extent permitted by law, indemnify and save the Trustee and its officers, directors and employees harmless against any costs, suits, judgments, damages, liabilities, claims, expenses, including legal fees and expenses, and liabilities that it may incur in the exercise and performance of its powers and duties under the Indenture and under any related documents, including the enforcement of any remedies and the defense of any suit, and that are not due to its negligence or its willful misconduct. The duty of the County to indemnify the Trustee shall survive the resignation or removal of the Trustee and the discharge and satisfaction of the Indenture.

Supplemental Indentures

Supplemental Indentures. (a) The Indenture and the rights and obligations of the Authority, the County, the Trustee and the Owners thereunder may be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the County and the Trustee may enter into when there are filed with the Trustee the written consents of the Owners of a majority of the aggregate principal amount of the Bonds then Outstanding, exclusive of Bonds disqualified as provided in the provisions of the

Indenture described under the heading "MISCELLANEOUS – Disqualified Bonds." No such modification or amendment shall (i) extend the fixed maturity of any Bond, reduce the amount of principal thereof or the rate of interest thereon, extend the time of payment thereof or alter the redemption provisions thereof, without the consent of the Owner of each Bond so affected, (ii) permit any pledge of, or the creation of any lien on, security interest in or charge or other encumbrance upon the assets pledged under the Indenture prior to or on a parity with the pledge contained in, and the lien and security interest created by, the Indenture or deprive the Owners of the pledge contained in, and the lien and security interest created by, the Indenture, except as expressly provided in the Indenture, without the consent of the Owners of all of the Bonds then Outstanding, or (iii) modify or amend the provisions of the Indenture described under this heading ("SUPPLEMENTAL INDENTURES – Supplemental Indentures") without the prior written consents of the Owners of all Bonds then Outstanding.

(b) The Indenture and the rights and obligations of the Authority, the County, the Trustee and the Owners under the Indenture may also be modified or amended from time to time and at any time by a Supplemental Indenture, which the Authority, the County and the Trustee may enter into without the consent of any Owners for any one or more of the following purposes:

(i) to add to the covenants and agreements of the Authority or the County in the Indenture contained other covenants and agreements thereafter to be observed, to pledge or assign additional security for the Bonds (or any portion thereof), or to surrender any right or power in the Indenture reserved to or conferred upon the Authority or the County;

(ii) to make such provisions for the purpose of curing any ambiguity, inconsistency or omission, or of curing or correcting any defective provision contained in the Indenture or in regard to questions arising under the Indenture that the Authority or the County may deem desirable or necessary and not inconsistent with the Indenture, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners under the Indenture;

(iii) to provide for the issuance of one or more Series of Additional Bonds, and to provide the terms and conditions under which such Series of Additional Bonds may be issued, subject to and in accordance with the provisions of the Indenture described under the heading "ADDITIONAL BONDS."

(iv) to make such additions, deletions or modifications as may be necessary or appropriate to assure the exclusion from gross income for federal income tax purposes of interest on Tax-Exempt Bonds; and

(v) in any other respect whatsoever as the Authority or the County may deem necessary or desirable, provided that such modification or amendment does not materially adversely affect the rights or interests of the Owners under the Indenture.

(c) Promptly after the execution by the Authority, the County and the Trustee of any Supplemental Indenture, the Trustee shall mail a notice (the form of which shall be furnished to the Trustee by the Authority or the County), by first class mail postage prepaid, setting forth in general terms the substance of such Supplemental Indenture, to the Owners at the respective addresses shown on the Registration Books. Any failure to give such notice, or any defect therein, shall not, however, in any way impair or affect the validity of any such Supplemental Indenture.

<u>Effect of Supplemental Indenture</u>. Upon the execution of any Supplemental Indenture pursuant to the provisions of the Indenture described under "SUPPLEMENTAL INDENTURES," the Indenture shall be deemed to be modified and amended in accordance therewith, and the respective rights, duties and

obligations under the Indenture of the Authority, the County, the Trustee and the Owners shall thereafter be determined, exercised and enforced under the Indenture subject in all respects to such modification and amendment, and all the terms and conditions of any such Supplemental Indenture shall be deemed to be part of the terms and conditions of the Indenture for any and all purposes.

Endorsement of Bonds; Preparation of New Bonds. Bonds delivered after the effective date of any Supplemental Indenture pursuant to the provisions of the Indenture described under "SUPPLEMENTAL INDENTURES" may and, if the Authority or the County so determines, shall bear a notation by endorsement or otherwise in form approved by the Authority and the County as to any modification or amendment provided for in such Supplemental Indenture and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, a suitable notation shall be made on such Bond. If the Supplemental Indenture shall so provide, new Bonds so modified as to conform, in the opinion of the Authority and the County, to any modification or amendment contained in such Supplemental Indenture, shall be prepared and executed by the Authority and authenticated by the Trustee and, in that case, upon demand of the Owner of any Bond Outstanding at the time of such effective date, and presentation of such Bond for such purpose at the Office of the Trustee, such a new Bond in equal principal amount of the same Series, interest rate and maturity shall be exchanged for such Owner's Bond so surrendered.

Amendment of Particular Bonds. The provisions of the Indenture described under "SUPPLEMENTAL INDENTURES" shall not prevent any Owner from accepting any amendment or modification as to any particular Bond owned by it, provided that due notation thereof is made on such Bond.

Defeasance

Discharge of Indenture. (a) If the Authority shall pay or cause to be paid or there shall otherwise be paid to the Owners of all Outstanding Bonds the principal thereof and the interest and premium, if any, thereon at the times and in the manner stipulated in the Indenture and therein, then the Owners shall cease to be entitled to the pledge of the Lease Revenues and the other assets as provided in the Indenture, and all agreements, covenants and other obligations of the Authority under the Indenture shall thereupon cease, terminate and become void and the Indenture shall be discharged and satisfied. In such event, the Trustee shall execute and deliver to the Authority and the County all such instruments as may be necessary or desirable to evidence such discharge and satisfaction, and the Trustee shall pay over or deliver to the Authority all money or securities held by it pursuant to the Indenture that are not required for the payment of the principal of and interest and premium, if any, on the Bonds.

(b) Subject to the provisions of the Indenture summarized in paragraph (a) above, when any Bond shall have been paid and if, at the time of such payment, each of the Authority and the County shall have kept, performed and observed all of the covenants and promises in such Bonds and in the Indenture required or contemplated to be kept, performed and observed by it or on its part on or prior to that time, then the Indenture shall be considered to have been discharged in respect of such Bond and such Bond shall cease to be entitled to the pledge of the Lease Revenues and the other assets as provided in the Indenture, and all agreements, covenants and other obligations of the Authority and the County under the Indenture shall cease, terminate, become void and be completely discharged and satisfied as to such Bond.

(c) Notwithstanding the discharge and satisfaction of the Indenture or the discharge and satisfaction of the Indenture in respect of any Bond, those provisions of the Indenture relating to the maturity of the Bonds, interest payments and dates thereof, exchange and transfer of Bonds, replacement of mutilated, destroyed, lost or stolen Bonds, the safekeeping and cancellation of Bonds, non-presentment of Bonds, and the duties of the Trustee in connection with all of the foregoing, shall remain in effect and shall be binding upon the Trustee and the Owners and the Trustee shall continue to be obligated to hold in trust any moneys or investments then held by the Trustee for the payment of the principal of and interest and premium, if any, on the Bonds, to pay to the Owners of the Bonds the funds so held by the Trustee as and when such payment becomes due. Notwithstanding the discharge and satisfaction of the Indenture, the obligation of the County to indemnify the Trustee pursuant to the provisions of the Indenture described under "THE TRUSTEE – Compensation and Indemnification of the Trustee" shall remain in effect and be binding upon the County.

Bonds Deemed to Have Been Paid. (a) If moneys shall have been set aside and held by the Trustee for the payment or redemption of any Bond and the payment of the interest thereon to the maturity or redemption date thereof, such Bond shall be deemed to have been paid within the meaning and with the effect provided in the Indenture described under the heading "DEFEASANCE – Discharge of Indenture." Any Outstanding Bond 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 the Indenture described under the heading "DEFEASANCE – Discharge of Indenture" if (i) in case any of such Bonds are to be redeemed on any date prior to their maturity date, the Authority shall have given to the Trustee in form satisfactory to it irrevocable instructions to mail, on a date in accordance with the notice of redemption provisions of the Indenture, notice of redemption of such Bond on said redemption date, said notice to be given in accordance with the notice of redemption provisions of the Indenture, (ii) there shall have been deposited with the Trustee either (A) money in an amount which shall be sufficient, or (B) Defeasance Securities, the principal of and the interest on which when due, and without any reinvestment thereof, together with the money, if any, deposited therewith, will provide moneys that shall be sufficient to pay when due the interest to become due on such Bond on and prior to the maturity date or redemption date thereof, as the case may be, and the principal of and premium, if any, on such Bond, and (iii) in the event such Bond is not by its terms subject to redemption within the next succeeding 60 days, the Authority shall have given the Trustee in form satisfactory to it irrevocable instructions to mail as soon as practicable, a notice to the Owner of such Bond that the deposit required by clause (ii) above has been made with the Trustee and that such Bond is deemed to have been paid in accordance with the provisions of the Indenture summarized under this heading ("DEFEASANCE – Bonds Deemed to Have Been Paid") and stating the maturity date or redemption date upon which money is to be available for the payment of the principal of and premium, if any, on such Bond. Neither the money nor the Defeasance Securities deposited with the Trustee pursuant to the provisions of the Indenture summarized in this paragraph (a) in connection with the deemed payment of Bonds, nor principal or interest payments on any such Defeasance Securities, shall be withdrawn or used for any purpose other than, and shall be held in trust for and pledged to, the payment of the principal of and, premium, if any, and interest on such Bonds.

(b) No Bond shall be deemed to have been paid pursuant to the provisions of the Indenture summarized in clause (ii) of paragraph (a) above unless the Authority or the County shall have caused to be delivered to the Authority, the County and the Trustee (i) an executed copy of a Verification Report with respect to such deemed payment, addressed to the Authority, the County and the Trustee, in form and in substance acceptable to the Authority and the County, (ii) a copy of the escrow agreement entered into in connection with the deposit pursuant to the provisions of the Indenture summarized in clause (ii)(B) of paragraph (a) above resulting in such deemed payment, which escrow agreement shall be in form and in substance acceptable to the Authority, the County and the Trustee, which escrow agreement shall provide that no substitution of Defeasance Securities shall be permitted except with other Defeasance Securities and upon delivery of a new Verification Report and no reinvestment of Defeasance Securities shall be permitted except as contemplated by the original Verification Report or upon delivery of a new Verification Report, and (iii) a copy of an Opinion of Bond Counsel, dated the date of such deemed payment and addressed to the Authority, the County and the Trustee, in form and in substance acceptable to the Authority and the County, to the effect that such Bond has been paid within the meaning and with the effect expressed in the Indenture, the Indenture has been discharged in respect of such Bond and all agreements, covenants and other obligations of the Authority and the County under the Indenture as to such Bond have ceased, terminated, become void and been completely discharged and satisfied.

(c) The Trustee may seek and is entitled to rely upon (i) an Opinion of Bond Counsel reasonably satisfactory to the Trustee to the effect that the conditions precedent to a deemed payment pursuant to the provisions of the Indenture summarized in clause (ii) of paragraph (a) above have been satisfied, and (ii) such other opinions, certifications and computations, as the Trustee may reasonably request, of accountants or other financial consultants concerning the matters described in the provisions of the Indenture summarized in paragraph (b) above.

Unclaimed Moneys. Any moneys held by the Trustee in trust for the payment and discharge of the principal of, or premium or interest on, any Bond that remain unclaimed for two years after the date when such principal, premium or interest has become payable, if such moneys were held by the Trustee at such date, or for two years after the date of deposit of such moneys if deposited with the Trustee after the date when such principal, premium or interest become payable, shall, at the Written Request of the Authority, be repaid by the Trustee to the Authority as its absolute property free from trust, and the Trustee shall thereupon be released and discharged with respect thereto and the Owner of such Bond shall look only to the Authority for the payment of such principal, premium or interest. The Trustee shall hold any such moneys uninvested.

Miscellaneous

Successor Deemed Included in all References to Predecessor. Whenever the Authority, the County or the Trustee is named or referred to in the Indenture, such reference shall be deemed to include the successor to the powers, duties and functions that are presently vested in the Authority, the County or the Trustee, and all agreements, conditions, covenants and terms required by the Indenture to be observed or performed by or on behalf of the Authority, the County or the Trustee shall bind and inure to the benefit of the respective successors thereof whether so expressed or not.

Limitation of Rights. Nothing in the Indenture or in the Bonds expressed or implied is intended or shall be construed to give to any Person other than the Trustee, the Authority, the County and the Owners, any legal or equitable right, remedy or claim under or in respect of the Indenture or any covenant, condition or provision therein or in the Indenture contained, and all such covenants, conditions and provisions are and shall be held to be for the sole and exclusive benefit of the Trustee, the Authority, the County and the Owners.

Destruction of Bonds. Whenever in the Indenture provision is made for the cancellation by the Trustee and the delivery to the Authority of any Bonds, the Trustee shall, in lieu of such cancellation and delivery, destroy such Bonds.

Evidence of Rights of Owners. Any request, consent or other instrument required or permitted by the Indenture to be signed and executed by Owners may be in any number of concurrent instruments of substantially similar tenor and shall be signed or executed by such Owners in Person or by an agent or agents duly appointed in writing. Proof of the execution of any such request, consent or other instrument or of a writing appointing any such agent, or of the holding by any Person of Bonds transferable by delivery, shall be sufficient for any purpose of the Indenture and shall be conclusive in favor of the Authority, the County and the Trustee if made in the manner provided in the provisions of the Indenture described under this heading "MISCELLANEOUS – Evidence of Rights of Owners."

The fact and date of the execution by any Person of any such request, consent or other instrument or writing may be proved by the certificate of any notary public or other officer of any jurisdiction, authorized by the laws thereof to take acknowledgments of deeds, certifying that the Person signing such request, consent or other instrument acknowledged to him or her 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 Bonds shall be proved by the Registration Books. Any request, consent, or other instrument or writing of the Owner of any Bond shall bind every future Owner of the same Bond and the Owner of every Bond issued in exchange therefor or in lieu thereof, in respect of anything done or suffered to be done by the Authority, the County or the Trustee in accordance therewith or reliance thereon.

Disqualified Bonds. In determining whether the Owners of the requisite aggregate principal amount of Bonds have concurred in any demand, request, direction, consent or waiver under the Indenture, Bonds that are actually known by the Trustee to be owned or held by or for the account of the Authority or the County or any other obligor on the Bonds, or by any Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the County, shall be disregarded and deemed not to be Outstanding for the purpose of any such determination; provided, however, that if 100% of the Bonds are so owned or held, such Bonds shall be deemed to be Outstanding. Bonds so owned that have been pledged in good faith may be regarded as Outstanding for the purposes of the provisions of the Indenture summarized in this paragraph if the pledgee shall establish to the satisfaction of the Trustee the pledgee's right to vote such Bonds and that the pledgee is not a Person directly or indirectly controlling or controlled by, or under direct or indirect common control with, the Authority or the County or any other obligor on the Bonds. In case of a dispute as to such right, any decision by the Trustee taken upon the advice of counsel shall be full protection to the Trustee. Upon request of the Trustee, the Authority shall specify in a Written Certificate of the Authority delivered to the Trustee that Bonds, if any, are, as of the date of such Written Certificate, owned or held by or for the account of the Authority. Upon request of the Trustee, the County shall specify in a Written Certificate of the County delivered to the Trustee that Bonds, if any, are, as of the date of such Written Certificate, owned or held by or for the account of the County.

Money Held for Particular Bonds. The money held by the Trustee for the payment of the interest, principal or premium due on any date with respect to particular Bonds (or portions of Bonds in the case of Bonds redeemed in part only) shall, on and after such date and pending such payment, be set aside on its books and held in trust by it for the Owners entitled thereto, subject, however, to the provisions of the Indenture described under the heading "DEFEASANCE – Unclaimed Moneys" but without any liability for interest thereon.

Funds and Accounts. Any fund or account required by the Indenture to be established and maintained by the Trustee may be established and maintained in the accounting records of the Trustee, either as a fund or an account, and may, for the purposes of such records, any audits thereof and any reports or statements with respect thereto, be treated either as a fund or as an account; but all such records with respect to all such funds and accounts shall at all times be maintained in accordance with prudent corporate trust industry standards to the extent practicable, and with due regard for the requirements of the Indenture and for the protection of the security of the Bonds and the rights of every Owner thereof. The Trustee may establish any such additional funds or accounts as it deems necessary to perform its obligations under the Indenture.

Business Days. If the date for making any payment or the last date for performance of any act or the exercising of any right, as provided in the Indenture shall not be a Business Day, such payment may be made or act performed or right exercised on the next succeeding Business Day, with the same force and effect as if done on the nominal date provided in the Indenture and, unless otherwise specifically provided in the Indenture, no interest shall accrue for the period from and after such nominal date.

Waiver of Personal Liability. Notwithstanding anything contained in the Indenture to the contrary, no member, officer or employee of the Authority or the County shall be individually or personally liable for the payment of any moneys, including without limitation, the principal of or interest on the Bonds, but nothing contained in the Indenture shall relieve any member, officer or employee of the Authority or the County from the performance of any official duty provided by any applicable provisions of law, by the Lease Agreement or by the Indenture.

Conclusive Evidence of Regularity. Bonds issued pursuant to the Indenture shall constitute evidence of the regularity of all proceedings under the Act relative to their issuance and the levy of the Special Taxes.

Governing Laws. The Indenture and the Bonds shall be construed and governed in accordance with the laws of the State.

APPENDIX E

FORM OF CONTINUING DISCLOSURE CERTIFICATE

THIS CONTINUING DISCLOSURE CERTIFICATE (this "Disclosure Certificate"), dated as of October 1, 2021, is executed and delivered by the County of Riverside (the "County").

WHEREAS, pursuant to the Indenture, dated as of October 1, 2021 (the "Indenture"), by and among the Riverside County Infrastructure Financing Authority (the "Authority"), the County and U.S. Bank National Association, as trustee (the "Trustee"), the Authority has issued (a) $59,090,000 aggregate principal amount of its Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021A (the "Series A Bonds"), and (b) $440,710,000 aggregate principal amount of its Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021B (Federally Taxable) (the "Series B Bonds" and, together with the Series A Bonds, the "Bonds");

WHEREAS, the Bonds are payable from the base rental payments to be made by the County under the Lease Agreement, dated as of October 1, 2021, by and between the County, as lessee, and the Authority, as lessor; and

WHEREAS, this Disclosure Certificate is being executed and delivered by the County for the benefit of the Owners and Beneficial Owners of the Bonds and in order to assist the underwriters of the Bonds in complying with Securities and Exchange Commission Rule 15c2-12(b)(5);

NOW, THEREFORE, the County covenants as follows:

Section 1. <u>Definitions</u>. Unless the context otherwise requires, the terms defined in this Section shall for all purposes of this Disclosure Certificate have the meanings herein specified. Capitalized undefined terms used herein shall have the meanings ascribed thereto in the Indenture.

"Annual Report" means any Annual Report provided by the County pursuant to, and as described in, Sections 2 and 3 hereof.

"Annual Report Date" means the date in each year that is not later than 60 days after the County normally receives its audited financial statements from its auditors in each year but no later than February 15.

"Dissemination Agent" means the County, or any successor Dissemination Agent designated in writing by the County and which has filed with the County a written acceptance of such designation.

"Financial Obligation" means (a) a debt obligation of the County, (b) a derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation of the County, or (c) a guarantee of (i) a debt obligation of the County, or (ii) a derivative instrument described in clause (b), above; provided, however, that the term "Financial Obligation" shall not include "municipal securities" (as such term is defined in the Securities Exchange Act of 1934, as amended) as to which a "final official statement" (as such term is defined in the Rule) has been provided to the MSRB consistent with the Rule.

"Fiscal Year" means the period beginning on July 1 of each year and ending on the next succeeding June 30, or any other twelve-month period hereafter selected and designated as the official Fiscal Year period of the County.

"Listed Events" means any of the events listed in Section 4(a) or (b) hereof.

"MSRB" means the Municipal Securities Rulemaking Board or any other entity designated or authorized by the Securities and Exchange Commission to receive reports pursuant to the Rule. Until otherwise designated by the MSRB or the Securities and Exchange Commission, filings with the MSRB are to be made through the Electronic Municipal Market Access (EMMA) website of the MSRB, currently located at http://emma.msrb.org.

"Official Statement" means the Official Statement, dated September 28, 2021 (including all exhibits or appendices thereto), relating to the offering and sale of Bonds.

"Participating Underwriters" means any of the original underwriters of the Bonds required to comply with the Rule in connection with offering of the Bonds.

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

Section 2. <u>Provision of Annual Reports</u>. (a) The County shall, or shall cause the Dissemination Agent to provide to the MSRB an Annual Report which is consistent with the requirements of Section 3 hereof, not later than the Annual Report Date, commencing with the report for the 2020-21 Fiscal Year. The Annual Report may include by reference other information as provided in Section 3 hereof; provided, however, that the audited financial statements of the County may be submitted separately from the balance of the Annual Report and later than the date required above for the filing of the Annual Report if they are not available by that date. If the County's Fiscal Year changes, it shall, or it shall instruct the Dissemination Agent to, give notice of such change in a filing with the MSRB.

(b) During any period in which the County is the Dissemination Agent, the County shall file each Annual Report with the MSRB not later than the Annual Report Date for such Annual Report.

(c) During any period in which the County is not the Dissemination Agent (i) the County shall, not later than 15 Business Days prior to each Annual Report Date (a), provide to the Dissemination Agent the Annual Report to be filed not later than such Annual Report Date, (ii) the Dissemination Agent shall (A) not later than such Annual Report Date, file such Annual Report received by it with the MSRB, as provided herein, and (B) file a report with the County certifying that such Annual Report has been filed with the MSRB pursuant to this Disclosure Certificate and stating the date such Annual Report was so filed.

(d) If the County is unable to file, or cause the Dissemination Agent to file, an Annual Report with the MSRB by the Annual Report Date for such Annual Report, the County shall, in a timely manner, file or cause to be filed with the MSRB, a notice in substantially the form attached as Exhibit A.

Section 3. <u>Content of Annual Reports</u>. The County's Annual Report shall contain or include by reference the following:

> (a) Audited financial statements of the County for the preceding Fiscal Year, prepared in accordance with the generally accepted auditing standards for municipalities in the State of California. If the County's audited financial statements are not available by the time the Annual Report is required to be provided to the MSRB pursuant to Section 2(a) hereof, the Annual Report shall contain unaudited financial statements in a format similar to the financial statements contained in the Official Statement, and the audited financial statements shall be provided to the MSRB in the same manner as the Annual Report when such audited financial statements become available.

(b) To the extent not included in the audited financial statements of the County, the Annual Report shall include the following:

(i) The principal amount of Series A Bonds Outstanding as of the January 2 next preceding the Annual Report Date; and

(ii) The principal amount of Series B Bonds Outstanding as of the January 2 next preceding the Annual Report Date.

(c) To the extent not included in the audited financial statements of the County, the Annual Report shall include the following items, providing financial and operating data (as of the end of the preceding Fiscal Year) substantially similar to that provided in the corresponding tables and charts in the Official Statement:

(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.

Any or all of the items listed above may be included by specific reference to other documents, including official statements of debt issues of the County or related public entities that have been made available to the public on the MSRB website. The County shall clearly identify each such other document so included by reference.

Section 4. Reporting of Listed Events. (a) Pursuant to the provisions of this Section, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds in a timely manner not later than ten business days after the occurrence of the event:

(i) principal and interest payment delinquencies;

(ii) unscheduled draws on debt service reserves reflecting financial difficulties;

(iii) unscheduled draws on credit enhancements reflecting financial difficulties;

(iv) substitution of credit or liquidity providers or their failure to perform;

(v) adverse tax opinions or issuance by the Internal Revenue Service of proposed or final determination of taxability or of a Notice of Proposed Issue (IRS Form 5701 TEB);

(vi) tender offers;

(vii) defeasances;

(viii) rating changes;

(ix) bankruptcy, insolvency, receivership or similar event of the County;

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

For purposes of the event identified in paragraph (ix), 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.

(b) Pursuant to the provisions of this Section, the County shall give, or cause to be given, notice of the occurrence of any of the following events with respect to the Bonds, if material, in a timely manner not later than ten business days after the occurrence of the event:

(i) unless described in paragraph (v) of subsection (a) of this Section, other material notices or determinations by the Internal Revenue Service with respect to the tax status of the Bonds or other material events affecting the tax status of the Bonds;

(ii) modifications to rights of Owners;

(iii) optional, unscheduled or contingent bond calls;

(iv) release, substitution or sale of property securing repayment of the Bonds;

(v) non-payment related defaults;

(vi) the consummation of a merger, consolidation, or acquisition involving an obligated person or the sale of all or substantially all of the assets of the obligated person, 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 any such actions, other than pursuant to its terms;

(vii) appointment of a successor or additional Trustee or the change of name of a Trustee; and

(viii) Incurrence of a Financial Obligation, or agreement to covenants, events of default, remedies, priority rights or other similar terms of a Financial Obligation, any of which affect holders of the Bonds.

(c) Whenever the County obtains knowledge of the occurrence of a Listed Event described in subsection (b) of this Section, the County shall determine if such event would be material under applicable Federal securities laws.

(d) Whenever the County obtains knowledge of the occurrence of a Listed Event described in subsection (a) of this Section, or determines that knowledge of a Listed Event described in subsection (b) of this Section would be material under applicable Federal securities laws, the County shall file, or shall cause the Dissemination Agent to file, within ten business days of such occurrence, a notice of such occurrence with the MSRB. Notwithstanding the foregoing, notice of Listed Events described in paragraph (iii) of subsection (b) of this Section need not be given under this subsection any earlier than the notice (if any) of the underlying event is given to Owners of affected Bonds pursuant to the Indenture.

Section 5. Format for Filings with MSRB. Any report or filing with the MSRB pursuant to this Disclosure Certificate must be submitted in electronic format, accompanied by such identifying information as is prescribed by the MSRB.

Section 6. Termination of Reporting Obligation. The County's obligations under this Disclosure Certificate shall terminate upon the legal defeasance, prior redemption or payment in full of all of the Bonds. If such termination occurs prior to the final maturity of the Bonds, the County shall give, or, if the County is not the Dissemination Agent, cause the Dissemination Agent to give, notice of such termination in a filing with the MSRB.

Section 7. Dissemination Agent. The County may, from time to time, appoint or engage a Dissemination Agent to assist it in carrying out its obligations under this Disclosure Certificate, and may discharge any such Dissemination Agent, with or without appointing a successor Dissemination Agent. The Dissemination Agent shall not be responsible in any manner for the content of any notice or report prepared by the County pursuant to this Disclosure Certificate. The initial Dissemination Agent shall be the County. If at any time there is not any other designated Dissemination Agent, the County shall be the Dissemination Agent.

Section 8. Amendment; Waiver. Notwithstanding any other provision of this Disclosure Certificate, the County may amend this Disclosure Certificate, and any provision of this Disclosure Certificate may be waived, provided that the following conditions are satisfied:

(a) if the amendment or waiver relates to the provisions of Section 2(a), Section 3 or Section 4(a) or (b) hereof, it may only be made in connection with a change in circumstances that arises from a change in legal requirements, change in law, or change in the identity, nature or status of an obligated person with respect to the Bonds, or the type of business conducted;

(b) the undertakings herein, as proposed to be amended or waived, would, in the opinion of nationally recognized bond counsel, have complied with the requirements of the Rule at the time of the primary offering of the Bonds, after taking into account any amendments or interpretations of the Rule, as well as any change in circumstances; and

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

In the event of any amendment or waiver of a provision of this Disclosure Certificate, the County shall describe such amendment or waiver in the 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. In addition, if the amendment relates to the accounting principles to be followed in preparing financial statements (i) notice of such change shall be given in a filing with the MSRB, and (ii) the Annual Report for the year in which the change is made shall present a comparison (in narrative form and also, if feasible, in quantitative form) between the financial statements as prepared on the basis of the new accounting principles and those prepared on the basis of the former accounting principles.

Section 9. Additional Information. Nothing in this Disclosure Certificate shall be deemed to prevent the County from disseminating any other information, using the means of dissemination set forth in this Disclosure Certificate or any other means of communication, or including any other information in any Annual Report or notice required to be filed pursuant to this Disclosure Certificate, in addition to that which is required by this Disclosure Certificate. If the County chooses to include any information in any Annual Report or notice in addition to that which is specifically required by this Disclosure Certificate, the County shall have no obligation under this Certificate to update such information or include it in any future Annual Report or notice required to be filed pursuant to this Disclosure Certificate.

Section 10. Default. In the event of a failure of the County to comply with any provision of this Disclosure Certificate, any Owner or Beneficial Owner of the Bonds may take such actions as may be necessary and appropriate, including seeking mandate or specific performance by court order, to cause the County to comply with its obligations under this Disclosure Certificate; provided, that any such action may be instituted only in Superior Court of the State of California in and for the County of Riverside or in U.S. County Court in or nearest to the County of Riverside. A default under this Disclosure Certificate shall not be deemed an event of default under the Indenture, and the sole remedy under this Disclosure Certificate in the event of any failure of the County to comply with this Disclosure Certificate shall be an action to compel performance.

Section 11. Duties, Immunities and Liabilities of Dissemination Agent. The Dissemination Agent shall have only such duties as are specifically set forth in this Disclosure Certificate. The County covenants that, if a Dissemination Agent other than the County has been appointed pursuant to Section 7 hereof, the County will indemnify and save such Dissemination Agent, its officers, directors, employees and agents, harmless against any loss, expense and liabilities which it may incur arising out of or in the exercise or performance of its powers and duties hereunder, including the costs and expenses (including attorneys' fees) of defending against any claim of liability, but excluding liabilities due to such Dissemination Agent's negligence or willful misconduct. The obligations of the County under this Section shall survive resignation or removal of such Dissemination Agent and payment of the Bonds.

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

Section 13. Beneficiaries. This Disclosure Certificate shall inure solely to the benefit of the County, the Dissemination Agent, the Participating Underwriters and the Owners and Beneficial Owners from time to time of the Bonds, and shall create no rights in any other person or entity.

COUNTY OF RIVERSIDE

By: ____________________________________

EXHIBIT A

FORM OF NOTICE OF FAILURE TO FILE ANNUAL REPORT

Name of Issuer:	Riverside County Infrastructure Financing Authority
Name of Issue:	Riverside County Infrastructure Financing Authority Lease Revenue Refunding Bonds, Series 2021A and Series 2021B (Federally Taxable)
Date of Issuance:	October 19, 2021

NOTICE IS HEREBY GIVEN that the County of Riverside (the "County") has not provided an Annual Report with respect to the above-named Bonds as required by Section 2 of the Continuing Disclosure Certificate, dated as of October 1, 2021, executed and delivered by the County. [The County anticipates that the Annual Report will be filed by ______________.]

Dated: ________________

COUNTY OF RIVERSIDE

By: ______________________________________

APPENDIX F

BOOK-ENTRY SYSTEM

The information in this Appendix concerning DTC and DTC's book-entry system has been obtained from sources that the Authority and the County believe to be reliable, but the Authority and the County take no responsibility for the accuracy or completeness thereof. The Authority and the County do 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 Bonds; (b) certificates representing ownership interest in or other confirmation or ownership interest in the Bonds; or (c) redemption or other notices sent to DTC or Cede & Co., its nominee, as the registered owner of the 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 Bonds. The 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 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 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 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 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 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 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 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 Authority and 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).

Redemption proceeds, distributions, and dividend payments on the 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 Authority and County or Agent, 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, Agent, Authority or 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 Authority and County or Agent, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

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

The Authority may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, Bond certificates will be printed and delivered to DTC.

RIVERSIDE COUNTY INFRASTRUCTURE FINANCING AUTHORITY • LEASE REVENUE REFUNDING BONDS SERIES 2021A AND SERIES 2021B (FEDERALLY TAXABLE)

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