

# BASIC FINANCIAL STATEMENTS – FUND FINANCIAL STATEMENTS



"FRANK AUGUSTUS MILLER"

Historic Mission Inn

Riverside, CA

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**COUNTY OF RIVERSIDE**

Balance Sheet

Governmental Funds

June 30, 2005

(Dollars in Thousands)

	General	Flood Control	Pension Obligation	Public Facilities Improvements
<b>ASSETS:</b>				
Cash and investments (Note 5)	\$ 184,723	\$ 123,883	\$ 179	\$ 180,411
Accounts receivable (Notes 1 and 7)	37,177	741	-	8
Interest receivable (Note 7)	9,214	504	-	687
Taxes receivable (Note 7)	20,679	1,890	-	-
Due from other governments (Note 7)	195,064	5	-	-
Inventories	1,801	-	-	-
Due from other funds (Note 8)	8,435	-	-	-
Prepaid items	-	832	-	-
Restricted cash and investments (Notes 5 and 6)	436,555	1,500	-	-
Advance to other funds (Note 8)	40	-	-	-
Notes receivable (Note 7)	-	-	-	-
Land held for resale	-	-	-	-
Total assets	<u>893,688</u>	<u>129,355</u>	<u>179</u>	<u>181,106</u>
<b>LIABILITIES AND FUND BALANCES:</b>				
Liabilities:				
Accounts payable	86,713	2,944	-	4,324
Salaries and benefits payable	52,805	875	-	-
Due to other governments	45,057	61	-	1,083
Due to other funds (Note 8)	4,928	-	-	-
Deposits payable	67	-	-	-
Teeter notes payable (Note 12)	-	-	-	-
Matured bonds and interest payable	7,922	-	-	-
Advances from other funds	-	-	-	-
Deferred revenue (Note 7)	133,742	1,509	-	-
Notes payable	210,000	-	-	-
Total liabilities	<u>541,234</u>	<u>5,389</u>	<u>-</u>	<u>5,407</u>
Fund balances (Note 14):				
Reserved	121,249	3,914	179	175,699
Unreserved-designated, reported in				
General fund	185,014	-	-	-
Special revenue funds	-	-	-	-
Capital projects funds	-	-	-	-
Unreserved-undesignated, reported in				
General fund	46,191	-	-	-
Special revenue funds	-	120,052	-	-
Total fund balances	<u>352,454</u>	<u>123,966</u>	<u>179</u>	<u>175,699</u>
Total liabilities and fund balances	<u>\$ 893,688</u>	<u>\$ 129,355</u>	<u>\$ 179</u>	<u>\$ 181,106</u>

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

Redevelopment Capital Projects	Other Governmental Funds	Total Governmental Funds	ASSETS:
\$ 122,065	\$ 229,226	\$ 840,487	Cash and investments (Note 5)
-	3,495	41,421	Accounts receivable (Notes 1 and 7)
414	1,951	12,770	Interest receivable (Note 7)
-	31,774	54,343	Taxes receivable (Note 7)
-	12,286	207,355	Due from other governments (Note 7)
1,226	847	3,874	Inventories
-	5,528	13,963	Due from other funds (Note 8)
-	-	832	Prepaid items
-	113,968	552,023	Restricted cash and investments (Notes 5 and 6)
-	-	40	Advance to other funds (Note 8)
-	13,450	13,450	Notes receivable (Note 7)
15,945	999	16,944	Land held for resale
<u>139,650</u>	<u>413,524</u>	<u>1,757,502</u>	Total assets
			LIABILITIES AND FUND BALANCES:
2,313	12,758	109,052	Accounts payable
-	4,068	57,748	Salaries and benefits payable
175	22,842	69,218	Due to other governments
-	4,286	9,214	Due to other funds (Note 8)
-	59	126	Deposits payable
-	34,226	34,226	Teeter notes payable (Note 12)
-	-	7,922	Matured bonds and interest payable
-	40	40	Advances from other funds
-	24,332	159,583	Deferred revenue (Note 7)
-	-	210,000	Notes payable
<u>2,488</u>	<u>102,611</u>	<u>657,129</u>	Total liabilities
			Fund balances (Note 14):
61,460	145,129	507,630	Reserved
-	-	185,014	Unreserved-designated, reported in
-	86,593	86,593	General fund
75,702	1,805	77,507	Special revenue funds
-	-	46,191	Capital projects funds
-	-	46,191	Unreserved-undesignated, reported in
-	77,386	197,438	General fund
137,162	310,913	1,100,373	Special revenue funds
<u>\$ 139,650</u>	<u>\$ 413,524</u>	<u>\$ 1,757,502</u>	Total fund balances
			Total liabilities and fund balances

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 Assets

June 30, 2005

(Dollars in Thousands)

Fund balances - total governmental funds (page 29)		\$ 1,100,373
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not current financial resources and therefore are not reported in the governmental funds.		1,366,134
Bond issuance costs are not current financial resources and therefore are not reported in the governmental funds.		9,675
Net pension assets are not current financial resources and therefore are not reported in the governmental funds.		396,874
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.		81,479
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	\$ 678,028	
Capital lease obligations	61,818	
Certificates of participation	325,572	
Loans payable	150,019	
Notes payable	325	
Accrued interest payable	9,986	
Accreted interest payable	1,231	
Compensated absences	106,908	(1,333,887)
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 government activities, the assets and liabilities of these funds are included as governmental activities in the statement of net assets.		<u>43,472</u>
Net assets of governmental activities (page 23)		<u><u>\$ 1,664,120</u></u>

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, 2005  
(Dollars in Thousands)

	General Fund	Flood Control	Pension Obligation	Public Facilities Improvements
<b>REVENUES:</b>				
Taxes	\$ 219,420	\$ 30,625	\$ -	\$ 57
Licenses, permits and franchise fees	22,157	-	-	-
Fines, forfeitures and penalties	70,023	-	-	-
Use of money and property:				
Interest	21,126	2,701	2	3,346
Rents and concessions	4,253	95	-	-
Aid from other governmental agencies:				
Federal	395,655	77	-	-
State	660,761	594	-	-
Other	55,661	-	-	-
Charges for services	293,581	13,470	-	37,516
Other revenue	82,334	13,010	-	19,144
Total revenues	<u>1,824,971</u>	<u>60,572</u>	<u>2</u>	<u>60,063</u>
<b>EXPENDITURES:</b>				
<b>Current</b>				
General government	105,992	-	31,820	25,485
Public protection	742,550	61,857	231,050	-
Public ways and facilities	3,430	-	13,664	1,980
Health and sanitation	279,472	-	46,414	-
Public assistance	569,412	-	65,205	-
Education	332	-	89	-
Recreation and culture	175	-	8,633	-
Debt service:				
Principal	16,408	-	-	-
Interest	19,711	-	-	-
Cost of issuance	-	-	2,948	-
Capital outlay	6,616	634	-	-
Total expenditures	<u>1,744,098</u>	<u>62,491</u>	<u>399,823</u>	<u>27,465</u>
Excess (deficiency) of revenues over (under) expenditures	80,873	(1,919)	(399,821)	32,598
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	69,014	35	-	5,852
Transfers out	(53,102)	(683)	-	(15,777)
Bond proceeds	-	-	400,000	-
Issuance of refunding bonds	-	-	-	-
Premium on long-term debt	-	-	-	-
Redemption of refunded bonds	-	-	-	-
Proceeds from the sale of capital assets	-	-	-	-
Capital leases (Note 13)	6,616	-	-	-
Total other financing sources (uses)	<u>22,528</u>	<u>(648)</u>	<u>400,000</u>	<u>(9,925)</u>
<b>NET CHANGE IN FUND BALANCES</b>	103,401	(2,567)	179	22,673
Fund balances, beginning of year, as previously reported	249,053	126,533	-	153,026
Adjustments to beginning fund balances (Note 4)	-	-	-	-
Fund balances, beginning of year, as restated	<u>249,053</u>	<u>126,533</u>	<u>-</u>	<u>153,026</u>
<b>FUND BALANCES, END OF YEAR</b>	<u>\$ 352,454</u>	<u>\$ 123,966</u>	<u>\$ 179</u>	<u>\$ 175,699</u>

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

Redevelopment Capital Projects	Other Governmental Funds	Total Governmental Funds	
\$ -	\$ 96,146	\$ 346,248	REVENUES:
-	186	22,343	Taxes
-	555	70,578	Licenses, permits and franchise fees
			Fines, forfeitures and penalties
			Use of money and property:
2,172	8,277	37,624	Interest
-	35,483	39,831	Rents and concessions
			Aid from other governmental agencies:
-	50,896	446,628	Federal
-	43,934	705,289	State
-	-	55,661	Other
-	38,930	383,497	Charges for services
1,058	31,254	146,800	Other revenue
3,230	305,661	2,254,499	Total revenues
			EXPENDITURES:
			Current
22,714	64,557	250,568	General government
-	4,365	1,039,822	Public protection
-	92,014	111,088	Public ways and facilities
-	13,558	339,444	Health and sanitation
-	17,452	652,069	Public assistance
-	9,468	9,889	Education
-	11,250	20,058	Recreation and culture
			Debt service:
-	18,044	34,452	Principal
-	26,728	46,439	Interest
3,020	3,315	9,283	Cost of issuance
-	2,430	9,680	Capital outlay
25,734	263,181	2,522,792	Total expenditures
			Excess (deficiency) of revenues over (under) expenditures
(22,504)	42,480	(268,293)	
			OTHER FINANCING SOURCES (USES):
33,571	94,939	203,411	Transfers in
(19,648)	(140,625)	(229,835)	Transfers out
99,008	119,151	618,159	Bond proceeds
-	52,371	52,371	Issuance of refunding bonds
2,728	2,099	4,827	Premium on long-term debt
-	(53,338)	(53,338)	Redemption of refunded bonds
35	-	35	Proceeds from the sale of capital assets
-	-	6,616	Capital leases (Note 13)
115,694	74,597	602,246	Total other financing sources (uses)
93,190	117,077	333,953	NET CHANGE IN FUND BALANCES
43,972	203,631	776,215	Fund balances, beginning of year, as previously reported
-	(9,795)	(9,795)	Adjustments to beginning fund balances (Note 4)
43,972	193,836	766,420	Fund balances, beginning of year, as restated
\$ 137,162	\$ 310,913	\$ 1,100,373	FUND BALANCES, END OF YEAR

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, 2005**  
**(Dollars in Thousands)**

Net change in fund balances - total governmental funds (page 33)		\$ 333,953
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	\$ 110,367	
Less loss on sale of capital assets	(18,536)	
Donation of capital assets	29,409	
Retirements of non-depreciable assets	179	
Less current year depreciation	<u>(33,634)</u>	87,785
Prepaid pension costs are expended in the governmental funds when paid but are recognized as a financial resource in the statement of net assets.		396,874
Bond issuance costs are expended in the governmental funds when paid but are capitalized and amortized in the statement of net assets. This is the net amount of capitalized bond issuance cost.		9,283
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net assets. Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net assets.		
Proceeds in excess of principal payments		(602,340)
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 deferred revenue must be eliminated in the government-wide financial statements.		(1,789)
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	(1,747)	
Change in accreted interest	293	
Change in long-term compensated absences	<u>10,943</u>	9,489
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.		<u>16,409</u>
Change in net assets of governmental activities (page 25)		<u><u>\$ 249,664</u></u>

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, 2005  
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 160,137	\$ 205,137	\$ 219,420	\$ 14,283
Licenses, permits and fees	23,908	23,863	22,157	(1,706)
Fines, forfeitures and penalties	46,194	47,198	70,023	22,825
Use of money and property:				
Interest	14,002	19,102	21,126	2,024
Rents and concessions	1,148	1,707	4,253	2,546
Aid from other governmental agencies:				
Federal	384,460	402,148	395,655	(6,493)
State	683,942	704,290	660,761	(43,529)
Other	-	55,665	55,661	(4)
Charges for current services	336,315	292,051	293,581	1,530
Other revenue	243,954	236,868	82,334	(154,534)
Total revenues	<u>1,894,060</u>	<u>1,988,029</u>	<u>1,824,971</u>	<u>(163,058)</u>
<b>EXPENDITURES:</b>				
General government				
Salaries and employee benefits	77,435	77,464	74,494	(2,970)
Services and supplies	76,261	81,505	78,323	(3,182)
Other charges	48,864	11,259	11,259	-
Capital assets	686	728	169	(559)
Intrafund transfers	(67,729)	(65,264)	(58,253)	7,011
Appropriation for contingencies	16,485	21,411	-	(21,411)
Total general government	<u>152,002</u>	<u>127,103</u>	<u>105,992</u>	<u>(21,111)</u>
Public protection:				
Salaries and employee benefits	482,279	486,832	476,909	(9,923)
Services and supplies	232,425	243,836	229,160	(14,676)
Other charges	44,477	39,313	39,313	-
Capital assets	4,296	11,267	9,091	(2,176)
Intrafund transfers	(11,230)	(12,377)	(11,923)	454
Total public protection	<u>752,247</u>	<u>768,871</u>	<u>742,550</u>	<u>(26,321)</u>
Health and sanitation:				
Salaries and employee benefits	160,673	156,826	141,684	(15,142)
Services and supplies	87,410	92,577	87,192	(5,385)
Other charges	259,133	289,861	154,942	(134,919)
Capital assets	47	779	213	(566)
Intrafund transfers	(114,340)	(113,839)	(104,559)	9,280
Total health and sanitation	<u>392,923</u>	<u>426,204</u>	<u>279,472</u>	<u>(146,732)</u>
Public assistance:				
Salaries and employee benefits	178,232	177,742	170,696	(7,046)
Services and supplies	68,895	68,393	51,675	(16,718)
Other charges	346,371	382,850	361,834	(21,016)
Capital assets	100	300	197	(103)
Intrafund transfers	(18,076)	(18,076)	(14,990)	3,086
Total public assistance	<u>\$ 575,522</u>	<u>\$ 611,209</u>	<u>\$ 569,412</u>	<u>\$ (41,797)</u>

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, 2005  
 (Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance With Final Budget Over (Under)
	Original	Final		
Education:				
Salaries and employee benefits	\$ 179	\$ 185	\$ 177	\$ (8)
Services and supplies	142	163	155	(8)
Total education	<u>321</u>	<u>348</u>	<u>332</u>	<u>(16)</u>
Public ways and facilities:				
Services & supplies	3,254	3,069	2,803	(266)
Other Charges	426	691	523	(168)
Capital Assets	480	380	-	(380)
Residual Equity Transfers	111	156	104	(52)
Total public ways and facilities	<u>4,271</u>	<u>4,296</u>	<u>3,430</u>	<u>(866)</u>
Recreation and culture:				
Salaries and employee benefits	67	64	62	(2)
Services and supplies	92	115	113	(2)
Other charges	31	1	-	(1)
Total recreation and culture	<u>190</u>	<u>180</u>	<u>175</u>	<u>(5)</u>
Debt service:				
Principal	49,771	41,850	16,408	(25,442)
Interest	11,545	19,711	19,711	-
Capital outlay	-	-	6,616	6,616
Total debt service	<u>61,316</u>	<u>61,561</u>	<u>42,735</u>	<u>(18,826)</u>
Total expenditures	<u>1,938,792</u>	<u>1,999,772</u>	<u>1,744,098</u>	<u>(255,674)</u>
Excess (deficiency) of revenues over (under) expenditures	(44,732)	(11,743)	80,873	92,616
OTHER FINANCING SOURCES (USES):				
Transfers in	-	69,014	69,014	-
Transfers out	-	(53,102)	(53,102)	-
Capital leases	-	-	6,616	6,616
Total other financing sources (uses)	<u>-</u>	<u>15,912</u>	<u>22,528</u>	<u>6,616</u>
NET CHANGE IN FUND BALANCE	(44,732)	4,169	103,401	99,232
Fund balance, beginning of year, as previously reported	218,578	218,578	249,053	30,475
Adjustment to beginning fund balance	-	-	-	-
Fund balance, beginning of year, as restated	<u>218,578</u>	<u>218,578</u>	<u>249,053</u>	<u>30,475</u>
FUND BALANCE, END OF YEAR	<u>\$ 173,846</u>	<u>\$ 222,747</u>	<u>\$ 352,454</u>	<u>\$ 129,707</u>

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



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**COUNTY OF RIVERSIDE**  
**Budgetary Comparison Statement**  
**Flood Control Special Revenue Fund**  
**For the Fiscal Year Ended June 30, 2005**  
(Dollars in Thousands)

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Over (Under)
	Original	Final		
<b>REVENUES:</b>				
Taxes	\$ 27,573	\$ 27,573	\$ 30,625	\$ 3,052
Use of money and property:				
Rents and concessions	-	-	95	95
Interest	773	773	2,701	1,928
Aid from other governmental agencies:				
Federal	-	-	77	77
State	450	450	594	144
Charges for services	10,652	13,430	13,470	40
Other revenue	13,370	13,541	13,010	(531)
Total revenues	<u>52,818</u>	<u>55,767</u>	<u>60,572</u>	<u>4,805</u>
<b>EXPENDITURES:</b>				
Current:				
Public protection	104,420	107,556	61,857	(45,699)
Capital outlay	-	-	634	634
Total expenditures	<u>104,420</u>	<u>107,556</u>	<u>62,491</u>	<u>(45,065)</u>
Excess (deficiency) of revenues over (under) expenditures	(51,602)	(51,789)	(1,919)	49,870
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	-	35	35	-
Transfers out	-	(683)	(683)	-
Total other financing sources (uses)	<u>-</u>	<u>(648)</u>	<u>(648)</u>	<u>-</u>
<b>NET CHANGE IN FUND BALANCE</b>	(51,602)	(52,437)	(2,567)	49,870
Fund balance, beginning of year	123,270	123,270	126,533	3,263
<b>FUND BALANCE, END OF YEAR</b>	<u>\$ 71,668</u>	<u>\$ 70,833</u>	<u>\$ 123,966</u>	<u>\$ 53,133</u>

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

**COUNTY OF RIVERSIDE**  
**Statement of Net Assets**  
**Proprietary Funds**  
**June 30, 2005**  
(Dollars in Thousands)

	Business-type Activities --Enterprise Funds				Governmental
	Regional	Waste	Other	Total	Internal
	Medical Center	Management			Service Funds
<b>ASSETS:</b>					
Current assets:					
Cash and investments (Note 5)	\$ 18,385	\$ 37,689	\$ 9,675	\$ 65,749	\$ 151,215
Accounts receivable - net (Notes 1 and 7)	45,533	5,473	1,464	52,470	2,019
Interest receivable (Note 7)	-	461	18	479	455
Taxes receivable (Note 7)	-	-	12	12	-
Due from other governments (Note 7)	10,135	240	80	10,455	-
Advances to other funds (Note 8)	-	-	-	-	400
Inventories	5,316	303	-	5,619	2,130
Pension asset, net	-	4,120	-	4,120	-
Due from other funds (Note 8)	-	105	-	105	-
Restricted cash and investments (Notes 5 and 6)	29,129	74,886	2,863	106,878	-
Prepaid items and deposits	3,249	-	33	3,282	111
Total current assets	<u>111,747</u>	<u>123,277</u>	<u>14,145</u>	<u>249,169</u>	<u>156,330</u>
Noncurrent assets:					
Capital assets (Note 9):					
Depreciable assets	155,735	41,235	9,860	206,830	37,926
Nondepreciable assets	14,512	15,873	5,175	35,560	642
Bond issuance costs	2,605	-	-	2,605	-
Total noncurrent assets	<u>172,852</u>	<u>57,108</u>	<u>15,035</u>	<u>244,995</u>	<u>38,568</u>
Total assets	<u>284,599</u>	<u>180,385</u>	<u>29,180</u>	<u>494,164</u>	<u>194,898</u>
<b>LIABILITIES:</b>					
Current liabilities:					
Accounts payable	8,918	3,864	248	13,030	5,023
Salaries and benefits payable	7,775	902	112	8,789	3,409
Due to other funds (Note 8)	249	-	-	249	4,605
Due to other governments	-	-	1,765	1,765	10
Interest payable	765	-	11	776	-
Deposits payable	-	261	48	309	-
Other liabilities	312	425	3,569	4,306	1,886
Accrued closure and post-closure costs (Notes 10 and 13)	-	4,262	-	4,262	-
Accrued remediation costs (Note 21)	-	1,218	-	1,218	-
Compensated absences (Notes 1 and 13)	6,513	773	29	7,315	2,569
Capital lease obligations (Note 13)	3,119	-	-	3,119	6,420
Bonds payable (Note 13)	10,090	-	85	10,175	-
Estimated claims liabilities (Notes 13 and 15)	-	-	-	-	38,187
Total current liabilities	<u>37,741</u>	<u>11,705</u>	<u>5,867</u>	<u>55,313</u>	<u>62,109</u>
Noncurrent portion of long-term liabilities:					
Compensated absences (Note 13)	4,151	1,642	810	6,603	2,506
Advances from other funds (Note 8)	-	-	-	-	400
Accrued closure and post closure care costs (Note 10)	-	35,168	-	35,168	-
Accrued remediation costs (Note 21)	-	16,344	-	16,344	-
Capital lease obligations (Notes 1 and 13)	10,432	-	-	10,432	7,607
Bonds payable (Note 13)	189,468	-	912	190,380	-
Estimated claims liabilities (Notes 13 and 15)	-	-	-	-	88,556
Other long-term liabilities (Note 13)	25,983	-	616	26,599	1,500
Total noncurrent liabilities	<u>230,034</u>	<u>53,154</u>	<u>2,338</u>	<u>285,526</u>	<u>100,569</u>
Total liabilities	<u>267,775</u>	<u>64,859</u>	<u>8,205</u>	<u>340,839</u>	<u>162,678</u>
<b>NET ASSETS:</b>					
Invested in capital assets, net of related debt	(42,560)	57,108	15,035	29,583	24,541
Restricted	23,081	22,061	220	45,362	-
Unrestricted	36,303	36,357	5,720	78,380	7,679
Total net assets	<u>\$ 16,824</u>	<u>\$ 115,526</u>	<u>\$ 20,975</u>	<u>153,325</u>	<u>\$ 32,220</u>
Adjustments to reflect the consolidation of internal service fund activities related to enterprise funds.				(10,878)	
Net assets of business-type activities				<u>\$ 142,447</u>	

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

**COUNTY OF RIVERSIDE**  
**Statement of Revenues, Expenses and Changes in Fund Net Assets**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2005**  
**(Dollars in Thousands)**

	Business-type Activities --Enterprise Funds				Governmental Activities
	Regional Medical Center	Waste Management	Other	Total	Internal Service Funds
<b>OPERATING REVENUES:</b>					
Net patient revenue (Notes 1 and 16)	\$ 349,190	\$ -	\$ -	\$ 349,190	\$ -
Charges for services	-	60,261	65,084	125,345	148,469
Other revenue	5,320	-	600	5,920	20,668
Total operating revenues	<u>354,510</u>	<u>60,261</u>	<u>65,684</u>	<u>480,455</u>	<u>169,137</u>
<b>OPERATING EXPENSES:</b>					
Cost of materials used	-	-	-	-	1,260
Personnel services	125,835	14,803	9,344	149,982	52,371
Communications	-	237	4	241	4,296
Insurance	4,249	192	4	4,445	5,958
Maintenance of building and equipment	-	2,780	1,886	4,666	8,228
Insurance claims	-	-	-	-	53,262
Supplies	50,295	2,732	6	53,033	22,317
Purchased services	44,646	25,468	2,387	72,501	14,404
Depreciation and amortization	6,648	4,089	1,419	12,156	16,012
Rents and leases of equipment	-	108	276	384	2,338
Public assistance	-	-	49,815	49,815	4
Utilities	4,193	-	523	4,716	171
Closure and post-closure care costs	-	2,527	-	2,527	-
Remediation costs (recovery)	-	2,275	-	2,275	-
Other	142,541	-	1,166	143,707	3,023
Total operating expenses	<u>378,407</u>	<u>55,211</u>	<u>66,830</u>	<u>500,448</u>	<u>183,644</u>
Operating income (loss)	<u>(23,897)</u>	<u>5,050</u>	<u>(1,146)</u>	<u>(19,993)</u>	<u>(14,507)</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>					
Investment income	1,528	2,427	279	4,234	2,283
Interest expense	(13,804)	-	(254)	(14,058)	(531)
Gain on disposal of capital assets	-	283	63	346	317
Other nonoperating revenues / (expenses)	37,766	-	-	37,766	40
Total nonoperating revenues (expenses)	<u>25,490</u>	<u>2,710</u>	<u>88</u>	<u>28,288</u>	<u>2,109</u>
Income (loss) before capital contributions, and transfers	1,593	7,760	(1,058)	8,295	(12,398)
Capital contributions	-	-	-	-	30,852
Transfers in	31,000	-	-	31,000	2,694
Transfers out	-	-	-	-	(7,270)
CHANGE IN NET ASSETS	<u>32,593</u>	<u>7,760</u>	<u>(1,058)</u>	<u>39,295</u>	<u>13,878</u>
Net assets, beginning of the year, as previously reported	(21,517)	107,766	22,033	-	18,342
Adjustments to beginning net assets (Note 4)	5,748	-	-	-	-
Net assets, beginning of the year, as restated	<u>(15,769)</u>	<u>107,766</u>	<u>22,033</u>	<u>-</u>	<u>18,342</u>
NET ASSETS, END OF YEAR	<u>\$ 16,824</u>	<u>\$ 115,526</u>	<u>\$ 20,975</u>	<u>\$ -</u>	<u>\$ 32,220</u>

Adjustment to reflect the consolidation of internal service fund activities  
related to enterprise funds. (2,532)

Change in net assets of business-type activities \$ 36,763

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 Ending June 30, 2005**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Regional Medical Center	Waste Management	Other	Total	Internal Service Funds
	Cash flows from operating activities				
Cash receipts from customers / other funds	\$ 356,241	\$ 59,409	\$ 65,732	\$ 481,382	\$ 168,643
Cash paid to suppliers for goods and services	(249,207)	(32,353)	(53,894)	(335,454)	(105,579)
Cash paid to employees for services	(124,811)	(14,513)	(9,664)	(148,988)	(52,431)
Net cash provided by (used in) operating activities	(17,777)	12,543	2,174	(3,060)	10,633
Cash flows from noncapital financing activities					
Pension assets, net	-	(4,120)	-	(4,120)	-
Advances from (to) other funds	32,120	-	-	32,120	40
Transfers received	31,000	-	-	31,000	2,694
Transfers paid	-	-	-	-	(7,270)
Net cash provided by (used in) noncapital financing activities	63,120	(4,120)	-	59,000	(4,536)
Cash flows from capital and related financing activities					
Proceeds from sale of capital assets	-	283	63	346	317
Acquisition and construction of capital assets	(7,840)	(9,362)	(563)	(17,765)	(11,171)
Principal paid on capital leases	9,485	-	-	9,485	(4,331)
Capital Contributions	-	-	-	-	30,852
Principal paid on certificates of participation	(2,040)	-	-	(2,040)	-
Principal paid on bonds payable	(9,020)	-	(983)	(10,003)	-
Interest paid on long-term debt	(14,339)	-	(254)	(14,593)	(531)
Net cash provided by (used in) capital and related financing activities	(23,754)	(9,079)	(1,737)	(34,570)	15,136
Cash flows from investing activities					
Interest received on investments	1,529	2,256	265	4,050	2,089
Net cash provided by investing activities	1,529	2,256	265	4,050	2,089
Net increase in cash and cash equivalents	23,118	1,600	702	25,420	23,322
Cash and cash equivalents, beginning of year	24,396	110,975	11,836	147,207	127,893
Cash and cash equivalents, end of year	<u>\$ 47,514</u>	<u>\$ 112,575</u>	<u>\$ 12,538</u>	<u>\$ 172,627</u>	<u>\$ 151,215</u>

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 Ending June 30, 2005**  
**(Dollars in Thousands)**

	Business-type Activities - Enterprise Funds				Governmental Activities
	Regional	Waste	Other	Total	Internal Service Funds
	Medical Center	Management			
Reconciliation of operating income to net cash provided					
Operating income (loss)	\$ (23,897)	\$ 5,050	\$ (1,146)	\$ (19,993)	\$ (14,507)
Adjustments to reconcile operating income to net cash					
Depreciation and amortization	6,648	4,089	1,419	12,156	16,012
Decrease (Increase) accounts receivable	2,205	(918)	(924)	363	(495)
Decrease (Increase) taxes receivable	-	-	-	-	-
Decrease (Increase) bond issuance cost	463	-	972	1,435	-
Decrease (Increase) due from other funds	925	105	23	1,053	1
Decrease (Increase) due from other governments	(1,862)	(39)	(23)	(1,924)	-
Decrease (Increase) inventories	(910)	(303)	-	(1,213)	(586)
Decrease (Increase) prepaid items and deposits	(1,706)	290	-	(1,416)	(3)
Increase (Decrease) accounts payable	(4,866)	142	(30)	(4,754)	(1,130)
Increase (Decrease) due to other funds	71	-	(23)	48	4,415
Increase (Decrease) due to other governments	-	-	1,009	1,009	1
Increase (Decrease) deposits payable	-	31	1	32	-
Increase (Decrease) accrued closure costs	-	2,254	-	2,254	-
Increase (Decrease) accrued remediation costs	-	1,647	-	1,647	-
Increase (Decrease) other liabilities	4,128	(95)	1,216	5,249	(2,500)
Increase (Decrease) estimated claims liability	-	-	-	-	9,485
Increase (Decrease) salaries and benefits payable	813	81	(326)	568	261
Increase (Decrease) compensated absences	211	209	6	426	(321)
Net cash provided by (used in) operating activities	<u>\$ (17,777)</u>	<u>\$ 12,543</u>	<u>\$ 2,174</u>	<u>\$ (3,060)</u>	<u>\$ 10,633</u>
Supplemental disclosure of noncash investing, capital, and financing activities	<u>\$ 11,733</u>			<u>\$ 11,733</u>	<u>\$ 7,075</u>

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

**COUNTY OF RIVERSIDE**  
Statement of Fiduciary Net Assets  
Fiduciary Funds  
June 30, 2005  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust	Agency Funds
<b>ASSETS:</b>				
Cash and investments (Note 5)	\$ -	\$ -	\$ 14,864	\$ 303,902
Federal Agency	5,420	1,138,826	-	-
Cash and Equivalent & MMF	853	179,258	-	-
Commercial Paper	1,330	279,375	-	-
Negotiable CD's	540	113,512	-	-
Medium Term Notes	81	17,097	-	-
Municipal Bonds	106	22,209	-	-
Certificates of Deposit	54	11,281	-	-
Local Agency Obligation	5	1,058	-	-
Accounts receivable	91	-	2	503
Interest receivable	18	7,142	33	152
Taxes receivable	-	2	-	40,807
Due from other governments	-	7,001	-	15,118
Total assets	<u>8,498</u>	<u>1,776,761</u>	<u>14,899</u>	<u>360,482</u>
<b>LIABILITIES:</b>				
Accounts payable	-	-	7,548	153,138
Salaries and benefits payable	-	-	-	7
Due to other governments	-	-	24	206,830
Advance from other funds	-	-	-	507
Total liabilities	<u>-</u>	<u>-</u>	<u>7,572</u>	<u>\$ 360,482</u>
<b>NET ASSETS:</b>				
Held in trust for pension benefits, external pool participants, and other purposes	<u>\$ 8,498</u>	<u>\$ 1,776,761</u>	<u>\$ 7,327</u>	

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

**COUNTY OF RIVERSIDE**  
Statement of Changes in Fiduciary Net Assets  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2005  
(Dollars in Thousands)

	Pension Trust	Investment Trust	Private- Purpose Trust
<b>ADDITIONS:</b>			
Employer contributions	\$ 616	\$ -	\$ -
Employee contributions	1,030	-	-
Contributions to pooled investments	-	15,797,473	-
Contributions to Private-Purpose Trust	-	-	3,422
Investment income	140	6,946	183
Total additions	<u>1,786</u>	<u>15,804,419</u>	<u>3,605</u>
<b>DEDUCTIONS:</b>			
Distribution from Pension Trust	388		
Distributions from pooled investments	-	15,620,383	-
Distributions from Private-Purpose Trust	-	-	5,048
Administrative and other expenses	408	-	-
Total deductions	<u>796</u>	<u>15,620,383</u>	<u>5,048</u>
Change in net assets	990	184,036	(1,442)
Net Assets Held in Trust, beginning of the year	<u>7,508</u>	<u>1,592,725</u>	<u>8,769</u>
Net Assets Held in Trust, end of the year	<u>\$ 8,498</u>	<u>\$ 1,776,761</u>	<u>\$ 7,327</u>

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



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