

FINANCIAL HIGHLIGHTS

**County of Riverside
State of California**



Fiscal Year Ended

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County of Riverside
State of California



Fiscal Year Ended
June 30, 2003

Prepared by the Office of the Auditor-Controller

Robert E. Byrd
Auditor-Controller

**County of Riverside
Financial Highlights
For the Year Ended June 30, 2003**

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OFFICE OF THE
COUNTY AUDITOR-CONTROLLER

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February 27, 2004

Citizens of Riverside County,

This report contains financial highlights of the County's General Fund revenues, expenditures and financial position for Fiscal Year 2002-2003. The General Fund accounts for assets and resources used to finance the traditional services and general administration of the County. Additionally, we have included data on our County Fiscal Policies and selected other information.

Because we have made an effort to reduce the length, detail, and technical aspects, this report does not conform to established accounting principles. The Comprehensive Annual Financial Report (CAFR) is the more detailed financial report accepted by accounting standard-setting bodies. Copies of the CAFR are available online at www.auditorcontroller.org, *the Auditor-Controller's Office*, at the Clerk of the Board, and at all county libraries.

We welcome your comments and suggestions for future reports. Please contact the General Accounting Division of our Office at (909) 955-9380 with any suggestions or questions.

Sincerely,

Robert E. Byrd
Auditor-Controller

County Supervisors



Bob A. Buster
District No. 1



James Venable
District No. 3



John F. Tavaglione
District No. 2
Chairman

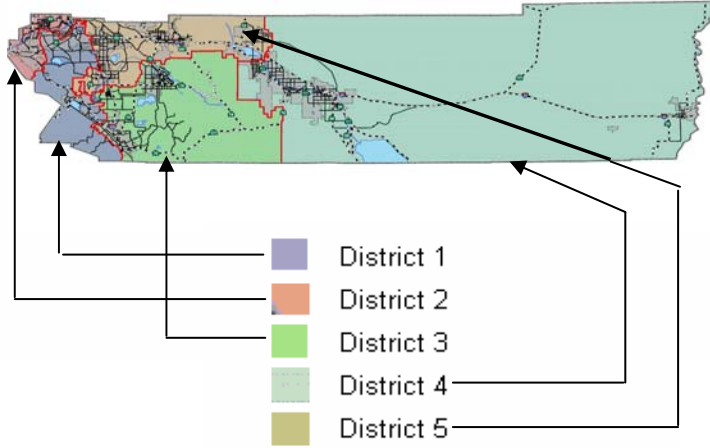


S. Roy Wilson
District No. 4
Vice Chairman



Marion Ashley
District No. 5

County of Riverside District Boundries



County of Riverside
Board of Supervisors and County Officials

Board of Supervisors

District No. 1	Bob A. Buster	County Administrative Center
District No. 2	John F. Tavaglione Chairman	County Administrative Center
District No. 3	James Venable	County Administrative Center
District No. 4	S. Roy Wilson Vice Chairman	County Administrative Center 46-209 Oasis, Suite 414 Indio, CA 92201
District No. 5	Marion Ashley	County Administrative Center

Other County Officials

Assessor-Recorder	Gary L. Orso	County Administrative Center
Auditor-Controller	Robert E. Byrd	County Administrative Center
County Counsel	William C. Katzenstein	3535 10th Street, Suite 300 Riverside CA, 92501-3674
County Executive Officer	Larry Parrish	County Administrative Center
District Attorney	Grover Trask	4075 Main Street Riverside, CA 92501
Sheriff-Coroner	Bob Doyle	4095 Lemon Street Riverside, CA 92501
Treasurer-Tax Collector	Paul McDonnell	County Administrative Center

**County of Riverside
General Information**

GEOGRAPHICAL LOCATION The State's fourth largest County by area. Extends 184 miles across Southern California from the Arizona Border to within 10 miles of the Pacific Ocean. Situated immediately east of Los Angeles and Orange Counties, south of San Bernardino County and north of San Diego and Imperial Counties

AREA OF COUNTY: 7,295 square miles

COUNTY SEAT: Riverside, California

FORM OF GOVERNMENT: General Law County, governed by a five-member Board of Supervisors.

YEAR COUNTY CHARTER INCORPORATED: 1893

FISCAL YEAR BEGINS: July 1

REGISTERED VOTERS: 633,905 as of August 26, 2003.

<u>POPULATION:</u>	<u>Year</u>	<u>Unincorporated</u>	<u>Incorporated</u>	<u>Total</u>
	2001	429,600	1,154,000	1,583,600
	2002	441,500	1,202,800	1,644,300
	2003	465,800	1,239,700	1,705,500

<u>TOTAL COUNTY EMPLOYEES:</u>	<u>Year</u>	<u>Permanent Employees</u>
	2001	15,951
	2002	15,846
	2003	16,248

INCORPORATED CITIES: 24

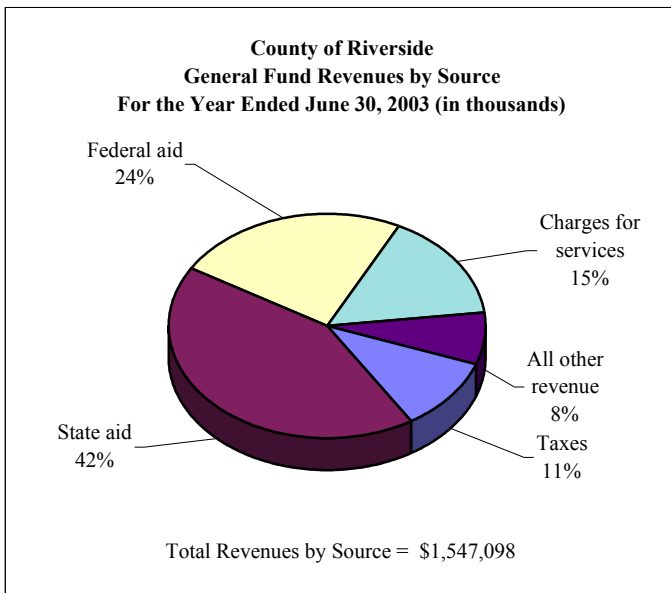
INCORPORATED CITIES (Population Greater than 50,000):

<u>City</u>	<u>Population</u>
Riverside	274,100
Moreno Valley	150,200
Corona	137,000
Temecula	75,000
Hemet	62,200
Murrieta	57,000
Indio	54,500

**County of Riverside
General Fund Revenues By Source**

Revenues by source for the General Fund, including comparative amounts from the preceding year, are shown in the following tabulation (in thousands).

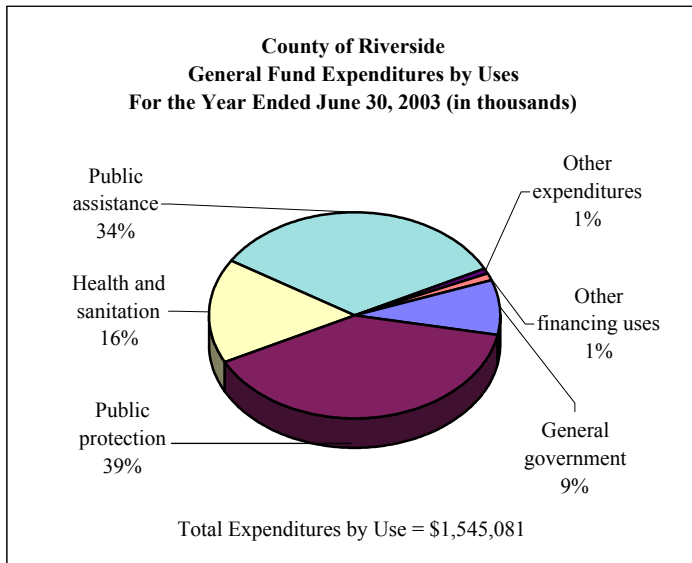
<u>Revenues by Source</u>	<u>Fiscal Year 2002-03</u>	<u>Percent Of Total</u>	<u>Fiscal Year 2001-02</u>	<u>Percent Of Total</u>
Taxes	\$ 160,220	11%	\$ 146,435	10%
State aid	657,085	42%	651,431	42%
Federal aid	373,766	24%	331,809	22%
Charges for services	237,987	15%	225,753	15%
All other revenue	118,040	8%	179,675	12%
Total	\$ 1,547,098	100%	\$ 1,535,103	100%



**County of Riverside
General Fund Expenditures By Uses**

Expenditures by uses for the General Fund, including comparative amounts from the preceding year, are shown in the following tabulation (in thousands):

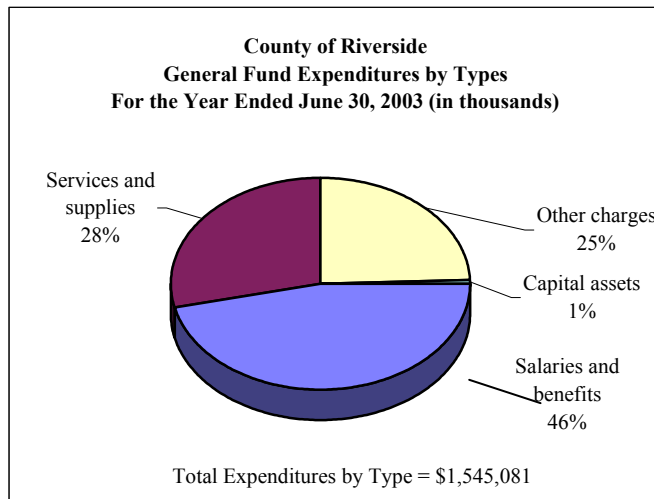
Expenditures by uses	Fiscal Year 2002-03	Percent Of Total	Fiscal Year 2001-02	Percent Of Total
General government	\$ 133,476	9%	\$ 104,365	7%
Public protection	611,014	39%	565,380	39%
Health and sanitation	252,010	16%	215,940	15%
Public assistance	520,345	34%	491,554	34%
Other expenditures	10,064	1%	39,505	2%
Other financing uses	18,172	1%	32,992	2%
Total	\$ 1,545,081	100%	\$ 1,449,736	100%



**County of Riverside
General Fund Expenditures By Type**

Expenditures by type for the General Fund, including comparative amounts from the preceding year, are shown in the following tabulation (in thousands):

Expenditures by type	Fiscal Year 2002-03	Percent Of Total	Fiscal Year 2001-02	Percent Of Total
Salaries and benefits	\$ 718,212	46%	\$ 642,675	44%
Services and supplies	439,807	28%	407,492	28%
Other charges	380,313	25%	374,838	26%
Capital assets	6,749	1%	24,731	2%
Total	\$ 1,545,081	100%	\$ 1,449,736	100%



County of Riverside
General Fund Revenues, Expenditures and Changes In
Position - Budget and Actual (in thousands)

<u>Revenues</u>	<u>Budget</u>	<u>Actual</u>
Taxes	\$ 154,522	\$ 160,220
Licenses, permits and franchises	18,899	15,411
Fines, forfeitures, and penalties	38,822	36,899
Revenues from use of money and property	12,043	13,859
State aid	739,942	657,085
Federal aid	417,069	419,865
Charges for current services	225,326	237,987
Other revenue	23,413	5,772
Total revenues	<u>1,630,036</u>	<u>1,547,098</u>
<u>Expenditures</u>		
General government	137,924	133,476
Public protection	627,066	611,014
Health and sanitation	287,965	252,010
Public assistance	559,564	520,345
Education	349	343
Recreation and cultural services	182	194
Debt		
Principal Retirement	21,572	3,888
Interest expenditure	5,853	5,639
Other financing uses	19,242	18,172
Total expenditures	<u>1,659,717</u>	<u>1,545,081</u>
Revenues over (under) expenditures	<u>\$ (29,681)</u>	2,017
Fund balance, July 1, 2002 as restated		<u>216,561</u>
Fund Balance, June 30, 2003		<u>\$ 218,578</u>

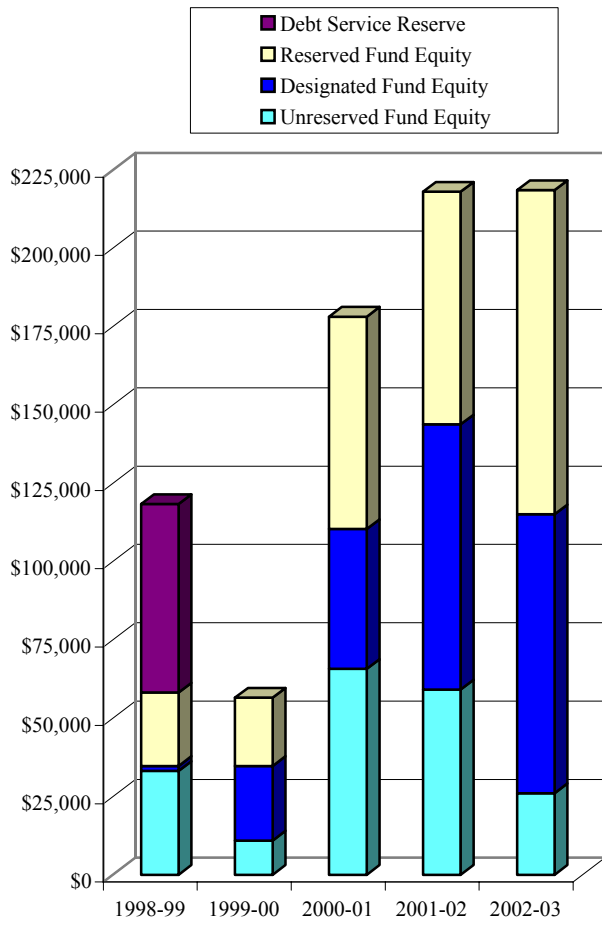
Financial

Variance
Favorable
<u>(Unfavorable)</u>
\$ 5,698
(3,488)
(1,923)
1,816
(82,857)
2,796
12,661
<u>(17,641)</u>
<u>(82,938)</u>
4,448
16,052
35,955
39,219
6
(12)
17,684
214
<u>1,070</u>
<u>114,636</u>
<u>\$ (31,698)</u>

County of Riverside
General Fund Financial Position (In Thousands)

<u>Assets</u>	<u>2003</u>	<u>2002</u>
Cash and investments	\$ 44,433	\$ 41,566
Taxes receivable	4,336	4,310
Accounts receivable	4,534	4,331
Interest receivable	3,026	3,465
Advances to other funds	7,766	2,955
Due from other funds	12,369	16,195
Due from other governments	172,459	187,736
Inventories	865	1,018
Restricted assets	189,143	198,081
Total Assets	<u>438,931</u>	<u>459,657</u>
<u>Liabilities and Fund Equity</u>		
Liabilities:		
Accounts payable	47,834	19,070
Salaries and benefits payable	35,670	31,125
Due from other funds	3,627	4,523
Due to other governments	15,248	30,033
Deferred revenue	117,954	143,611
Due to third-parties		11,485
Deposits payable	20	1,826
Total Liabilities	<u>220,353</u>	<u>241,673</u>
Fund Balance		
Reserved:		
Encumbrances	10,967	1,872
Imprest cash	364	304
Advances	7,766	2,955
Inventories	865	1,018
Restricted program money	83,177	67,753
General	350	350
Total reserved	<u>103,489</u>	<u>74,252</u>
Unreserved:		
Designated:		
OASIS project		2,266
Strategic planning	55,835	24,109
Probation	901	
Public safety	1,668	2,091
Capital projects	4,373	27,170
Tobacco settlement	18,749	19,119
3% at 60 retirement plan	1,161	
Restricted program money	6,324	9,853
Total designated	<u>89,011</u>	<u>84,608</u>
Undesignated	26,078	59,124
Total unreserved	<u>115,089</u>	<u>143,732</u>
Total Fund Balance	<u>218,578</u>	<u>217,984</u>
Total Liabilities and Fund Equity	<u>\$ 438,931</u>	<u>\$ 459,657</u>

**County of Riverside
General Fund Equity Comparison for
Last Five Fiscal Years (in thousands)**



County of Riverside
Fiscal Policies

Debt Service: To commit no more than 7.5% of the General Fund Budget to servicing debt on long-term obligations.

Actual: 4.11% for Fiscal Year 2002-2003.

General Contingency: To budget an amount equal to 10% of projected General fund discretionary revenues.

Actual: 5.33% for Fiscal Year 2002-2003.

General Fund Balance: Achieve a year-end balance of 2.5% of the final budget.

Actual: 6.9% at June 30, 2003.

General Fund Cash Balance: Achieve a year-end cash balance of at least 2% of the General Fund budget.

Actual: 2.6% at June 30, 2003.

County Direct Debt: Limit the total direct debt to 1.5% of assessed valuation.

Actual: 0.4% at June 30, 2003.

Pension Liability Funding¹: Maintain funding levels at 100% of the County's pension liability.

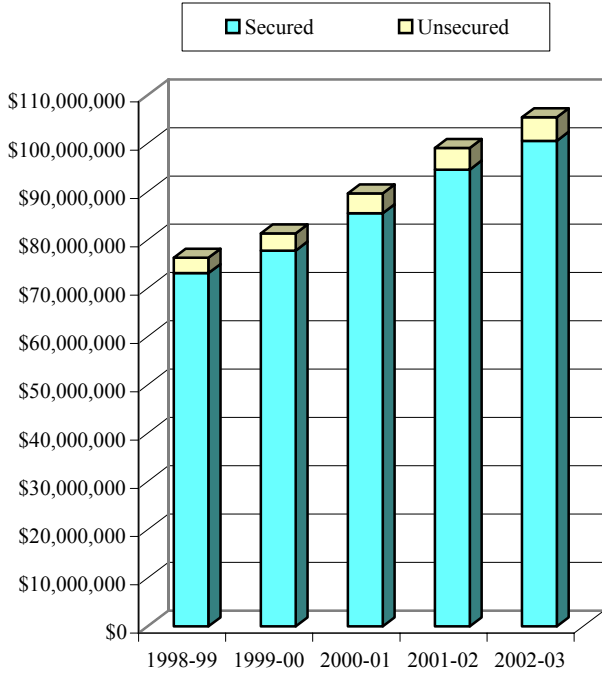
Actual: 92% at June 30, 2002

¹ Funding percentage is dependent on various external factors such as return on investments. These factors result in annual variations in the funding percentage.

County of Riverside
Assessed Value of Taxable Property for
Last Five Fiscal Years (in thousands)

Fiscal Year	Secured	Unsecured	Total
1998/99	\$ 73,155,309	\$ 3,160,379	\$ 76,315,688
1999/00	77,828,451	3,539,191	81,367,642
2000/01	85,549,275	4,106,069	89,655,344
2001/02	94,589,630	4,459,640	99,049,270
2002/03	105,150,229	4,870,244	110,020,473

Source: County of Riverside - Assessor's Office



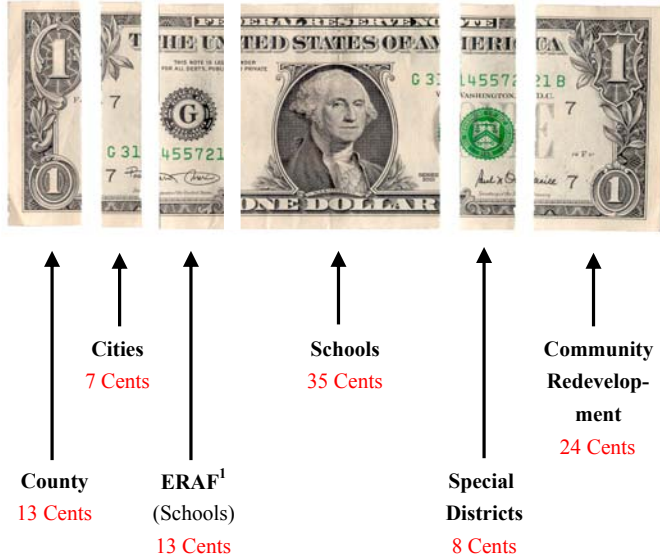
County of Riverside
Computation of Legal Debt Margin
(Dollars In Thousands)

Net Assessed valuation, June 2002 (1)	\$	108,271,317
Applicable percentage in computing capacity		<u>1.25%</u>
Total debt limit		1,353,391
Less indebtedness, June 30, 2003 (2)		(620,202)
Legal debt margin, June 30, 2003	<u>\$</u>	<u>733,189</u>

Notes:

- (1) Net assessed valuation does not include homeowners exemption of \$1,749,156 which cannot be considered as part of the valuation in computing the legal debt margin.
- (2) Represents the County's general long-term debt obligations.

**County of Riverside
Where Did Your Property Tax Dollar Go
In Fiscal Year 2002-03**



¹ ERAF - Educational Revenue Augmentation Fund

This fund was established to reallocate to school districts, the property tax entitlement shifted or taken away from cities, counties and special districts. Established by law in 1992, it is commonly referred to as the "ERAF shift" shifting the property tax entitlement from those entities to the school districts.