County of Riverside

FINANCIAL HIGHLIGHTS

For the fiscal year ended June 30, 2006

Board of Supervisors
Bob Buster, 1st District
John F. Tavaglione, 2nd District
Jeff Stone, 3rd District
Roy Wilson, 4th District
Marion Ashley, 5th District

Auditor-Controller
Robert E. Byrd

Treasurer-Tax Collector
Paul McDonnell

Assessor-County Clerk-Recorder
Larry Ward

Sheriff-Coroner-Public Administrator
Bob Doyle

District Attorney
Grover Trask

County Executive Officer
Larry Parrish

County Counsel
Joe S. Rank

View County of Riverside Financial Highlights online at www.auditorcontroller.org

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Citizens of Riverside County:

As your County Auditor-Controller, I serve as your “fiscal overseer” on what the County of Riverside does with your money. The County of Riverside Auditor-Controller’s Office provides sound financial accounting, auditing, and reporting in order to serve the citizens of Riverside County. My office is raising the bar to a higher standard in meeting its objectives by providing more timely and useful information to the citizens of Riverside County to assess the financial condition of the County. I am proud to present you with the County of Riverside Financial Highlights for fiscal year 2005-2006.

In today’s complex world of governmental financial reporting, it is challenging to analyze financial statements—especially for those who don’t have an accounting background. This report was designed to address that issue by providing a simple recap of your County’s finances in an easy-to-read format.

The financial statements used in this report are simplified and condensed to reflect financial information regarding the County of Riverside’s governmental funds. The County’s governmental fund financial statements provide information on the sources, uses and balances of current financial resources for operations between July 1, 2005 and June 30, 2006.

The information contained in this report is derived from the County of Riverside Comprehensive Annual Financial Report (CAFR). The CAFR is a 180-page document of detailed financial information including a variety of financial statements, disclosure notes, supplemental schedules and statistical tables. Individuals requiring information prepared under U.S. Generally Accepted Accounting Principles should refer to the CAFR. It is available at Riverside County public libraries and online at www.auditorcontroller.org.

If you have any questions please contact me by calling my office at (951) 955-3800, or write to: Office of the Auditor-Controller, County of Riverside, P.O. Box 1326, Riverside, CA 92502-1326.

Sincerely,

Robert E. Byrd, CGFM
County Auditor-Controller

About the Auditor-Controller

The Auditor-Controller is the chief accounting and disbursing officer of the County. The Auditor-Controller is charged with the responsibility of providing the County of Riverside with professional fiscal leadership through accounting, disbursement and audit services, monitoring financial performance, providing financial reports, information and advice. The Auditor-Controller assists in the development of sound financial management policies and procedures, and is responsible for reviewing, proposing, and installing accounting systems and improved methods and internal controls. The Auditor-Controller maintains appropriation and budgetary controls and examines accounting records of departments and special districts for which the Board of Supervisors is the governing body.
County of Riverside Mission Statement

“Provide local government services as mandated by the State and Federal law, and discretionary services as requested by County taxpayers, within the bounds of available fiscal resources, in a manner which reflects favorably upon the profession of public service and the American form of Democratic Government.”

County of Riverside Vision

“Our vision is to be a proactive county that provides community, business, government, and regional leadership. We will set an exemplary standard of performance among counties by providing our citizens with cost-effective, efficient, and reliable government services, and by developing creative solutions to critical community-wide problems confronting all segments of our constituency. We will anticipate and address the challenges of environmental quality, societal change, and economic competitiveness while striving to make Riverside County an even better place to live, work, raise our families, and do business.”

County of Riverside Overview

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

There are 24 incorporated cities located within the County. The largest cities in the County are the cities of Riverside (the county seat) with a population of 287,820, Moreno Valley with a population of 174,565, and Corona with a population of 144,661.

Total County population was 1,939,814 on January 1, 2006, an increase of 3.3% compared to the revised estimate for 2005 from the California State Department of Finance. Estimated population figures are developed by the State as of January 1 of each year with a revised estimate for the prior year. Riverside County’s population ranks as the fifth largest county in the state. Approximately 27% of the County’s residents live in the unincorporated area. Riverside County has large and rapidly expanding trade, transportation, utilities, distribution and manufacturing industries.

As of June 2006, unemployment in Riverside County was 5.1% compared to 5.2% for the prior fiscal year. The lower unemployment rate in fiscal year 2005-2006 is primarily attributable to construction, distribution, professional, and various other rapidly expanding service industries. The unemployment rate in the United States as of June 2006 was 5.0%.
Bob Buster - District 1
The First Supervisorial District includes areas within the City of Riverside (the La Sierra and Arlington communities), as well as the city of Lake Elsinore. The District also comprises unincorporated communities including Lakeland Village, Lake Mathews, Mead Valley, Wildomar and Santa Rosa Rancho, as well as portions of Gavilan Hills and Woodcrest.

John F. Tavaglione - District 2
The Second Supervisorial District includes the cities of Corona and Norco; approximately one-third of the City of Riverside, including the Magnolia Center and Municipal Airport areas, Casa Blanca, and the Eastside Community. Unincorporated communities within the Second Supervisorial District include the Jurupa Valley (Rubidoux, Glen Avon, Sunnyslope, Pedley, Mira Loma); and Home Gardens, El Cerrito, Coronita, and Green River.

Jeff Stone - District 3
The Third Supervisorial District includes Pinyon Pines, Canyon Lake, Hemet, San Jacinto, Murrieta and Temecula. The District also includes the unincorporated areas of Anza, Aguanga, Idyllwild, Menifee Valley, Valle Vista, Winchester and Wine Country.

Roy Wilson - District 4
The Fourth Supervisorial District includes the cities of Palm Springs, Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella and Blythe. Unincorporated communities include: Bermuda Dunes, Sun City Palm Desert, Thousand Palms, Sky Valley, Hot Springs, Indio Hills, Mecca, Thermal, Oasis, Vista Santa Rosa, North Shore, Chiriaco Summit, Desert Center, Lake Tamarisk, Mesa Verde, Ripley and the Colorado River Communities.

Marion Ashley - District 5
The Fifth Supervisorial District includes the cities of Moreno Valley, Perris, Calimesa, Beaumont, Banning, Desert Hot Springs and northern Palm Springs. Unincorporated Areas include Nuevo, Lakeview, Juniper Flats, Meadowbrook, Good Hope, a portion of Mead Valley, Romoland, Homeland, Green Acres, Highgrove, Box Springs, Pigeon Pass, Reche Canyon, San Timoteo Canyon, Oak Valley, Cherry Valley, Banning Bench, Cabazon, Palm Springs Village and Palm Springs West. The District also includes the Tribal Governments from the Sovereign Nations of the Morongo Band of Mission Indians and the Agua Caliente Band of Cahuilla Indians as well as a portion of March Air Reserve Base.
The Governmental Funds Balance Sheet focuses on current financial resources. Accordingly, capital assets and long-term liabilities are not reported in governmental funds. More information about capital assets and long-term liabilities can be found in the notes to the financial statements in the Comprehensive Annual Financial Report.

**Assets**

Assets are future economic benefits obtained or controlled by the County of Riverside as a result of past transactions or events.

**Liabilities**

Liabilities are future sacrifices of economic benefits arising from a present obligation of the County of Riverside to transfer assets or provide services to other entities in the future as a result of past transactions or events.

**Fund Balance**

The difference between assets and liabilities is reported as fund balance. Fund balance consists of the following components:

- Reserved fund balance isolates the portion of fund balance that is not available for discretionary spending.
- Unreserved-designated fund balance represents the County of Riverside's self-imposed limitations on the use of otherwise discretionary fund balance.
- Unreserved-undesignated fund balance represents available expendable financial resources that are not designated for a specific purpose by the Board of Supervisors.
The information provided below regarding capital assets and long-term liabilities is not included in the Governmental Funds Balance Sheet on the previous page. Please refer to the Comprehensive Annual Financial Report (CAFR) for a presentation consistent with U.S. Generally Accepted Accounting Principles. The CAFR can be found in Riverside County Public Libraries or online at www.auditorcontroller.org.

Capital Assets

As of June 30, 2006, the County’s capital assets for its governmental activities amounted to $2.1 billion (net of accumulated depreciation). Capital assets owned by the County of Riverside include land and easements, construction in progress, infrastructure (channels, storm drains, basins, roads, traffic signals, bridges, runways and parks), structures & improvements and equipment.

Major projects under construction in fiscal year 2005-2006 included the following: Renovation of the 1933 Historic Courthouse for $12.5 million; Smith Correctional Facility expansion for $8.0 million; Ben Clark Training Center Shooting Range for $8.1 million; Smith Correctional Facility expansion Phase II for $6.5 million; sixth floor renovations for the Assessor-Clerk-Recorder in the County Administrative Center for $1.9 million; renovation of the Assessor-Clerk-Recorder Administration building for $5.5 million; a new Perris Sheriff Station and Health Clinic for $27.0 million; and the Sycamore Creek Fire Station for $3.1 million.

The County of Riverside also had several construction projects in the design phase during fiscal year 2005-2006. These included the new Southwest Regional Animal Facility with a projected cost of $12.0 million; Park Headquarters Annex for $4.6 million; three new radio sites for $4.6 million; a new Law Building for $80.0 million; and four fire stations located in Cabazon, Lake Riverside, Sun City and Nuevo with a total projected cost of $10.4 million.

Long-Term Liabilities

As of June 30, 2006, the County’s outstanding debt obligation for its governmental activities amounted to $1.4 billion. Long-term debt incurred by the County of Riverside includes bonds, certificates of participation, loans and capital leases. The following are credit ratings maintained by the County:

<table>
<thead>
<tr>
<th>Moody's Investors Service, Inc.</th>
<th>Standards &amp; Poor's Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term lease debt</td>
<td>A2</td>
</tr>
<tr>
<td>Issuer credit</td>
<td>A1</td>
</tr>
</tbody>
</table>
The governmental funds statement of revenues, expenditures and changes in fund balance report revenues by source.

### Taxes
Property taxes, sales and use taxes as well as other county levied taxes

### Licenses, Permits and Franchise Fees
Animal licenses, business licenses, construction permits, road privileges and permits, zoning permits, franchises and other licenses and permits

### Fines, Forfeitures and Penalties
Vehicle code fines, other court fines, forfeitures and penalties in addition to penalties and costs on delinquent taxes

### Use of Money and Property
Investment income as well as rents and concessions

### Aid from Other Governmental Agencies
Aid from state, federal and other governments

### Charges for Services
Assessment and tax collection fees, auditing and accounting services, communication services, election services, legal services, planning and engineering services, civil process services, estate fees, humane services, law enforcement services, recording fees, road and street services, health fees, mental health services, sanitation services, and institutional care and services

### Other Revenue
Sale of surplus property, contributions and donations, parking fees, non-governmental grants, unclaimed money, etc.

### County of Riverside Statement of Revenues, Expenditures & Changes in Fund Balance

#### Governmental Funds

**For the Fiscal Year Ended June 30, 2006**  
(Dollars in Thousands)

<table>
<thead>
<tr>
<th>Revenue Category</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>REVENUES:</strong></td>
<td></td>
</tr>
<tr>
<td>Taxes</td>
<td>$ 457,117</td>
</tr>
<tr>
<td>Licenses, permits and franchise fees</td>
<td>21,733</td>
</tr>
<tr>
<td>Fines, forfeitures and penalties</td>
<td>62,984</td>
</tr>
<tr>
<td>Use of money and property:</td>
<td></td>
</tr>
<tr>
<td>Interest</td>
<td>73,838</td>
</tr>
<tr>
<td>Rents and concessions</td>
<td>41,798</td>
</tr>
<tr>
<td>Aid from other governmental agencies:</td>
<td></td>
</tr>
<tr>
<td>Federal</td>
<td>451,036</td>
</tr>
<tr>
<td>State</td>
<td>830,634</td>
</tr>
<tr>
<td>Other</td>
<td>69,042</td>
</tr>
<tr>
<td>Charges for services</td>
<td>439,594</td>
</tr>
<tr>
<td>Other revenue</td>
<td>110,870</td>
</tr>
<tr>
<td><strong>Total revenues</strong></td>
<td>2,558,646</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Expenditure Category</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>EXPENDITURES:</strong></td>
<td></td>
</tr>
<tr>
<td>Current</td>
<td></td>
</tr>
<tr>
<td>General government</td>
<td>270,340</td>
</tr>
<tr>
<td>Public protection</td>
<td>855,133</td>
</tr>
<tr>
<td>Public ways and facilities</td>
<td>141,017</td>
</tr>
<tr>
<td>Health and sanitation</td>
<td>346,738</td>
</tr>
<tr>
<td>Public assistance</td>
<td>629,553</td>
</tr>
<tr>
<td>Education</td>
<td>11,108</td>
</tr>
<tr>
<td>Recreation and culture</td>
<td>12,727</td>
</tr>
<tr>
<td>Debt service:</td>
<td></td>
</tr>
<tr>
<td>Principal</td>
<td>45,516</td>
</tr>
<tr>
<td>Interest</td>
<td>73,707</td>
</tr>
<tr>
<td>Cost of issuance</td>
<td>4,925</td>
</tr>
<tr>
<td>Capital outlay</td>
<td>25,639</td>
</tr>
<tr>
<td><strong>Total expenditures</strong></td>
<td>2,416,403</td>
</tr>
<tr>
<td>Excess (deficiency) of revenues over (under) expenditures</td>
<td>142,243</td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Other Financing Sources (Uses):</th>
<th>Total Governmental Funds</th>
</tr>
</thead>
<tbody>
<tr>
<td>Transfers in</td>
<td>294,835</td>
</tr>
<tr>
<td>Transfers out</td>
<td>(277,680)</td>
</tr>
<tr>
<td>Bond proceeds</td>
<td>178,750</td>
</tr>
<tr>
<td>Premium on long-term debt</td>
<td>857</td>
</tr>
<tr>
<td>Redemption of refunded bonds</td>
<td>(35,684)</td>
</tr>
<tr>
<td>Gain (loss) on sale of capital assets</td>
<td>2,064</td>
</tr>
<tr>
<td>Capital leases</td>
<td>7,929</td>
</tr>
<tr>
<td><strong>Total other financing sources (uses)</strong></td>
<td>171,071</td>
</tr>
</tbody>
</table>

**NET CHANGE IN FUND BALANCES**  
313,314

**Fund balances, beginning of year**  
1,100,373

**Adjustments to beginning fund balances**  
(13,133)

**Fund balances, beginning of year, as restated**  
1,087,240

**FUND BALANCES, END OF YEAR**  
$ 1,400,554
The governmental funds statement of revenues, expenditures & changes in fund balance report expenditures by function and character.

**General Government**

**Public Protection**
Sheriff, Coroner, Public Administrator, District Attorney, Public Defender, Probation, Fire, Agricultural Commissioner, Animal Control, Clerk-Recorder, Flood Control, Planning, Building and Safety, Department of Child Support Services, Juvenile Hall and Code Enforcement

**Public Ways and Facilities**
Transportation and Land Management Agency, Surveyor, Transportation and County Airports

**Health and Sanitation**
Public Health, Environmental Health, Detention Health Services, California Children’s Services and Mental Health

**Public Assistance**
Department of Public Social Services, Department of Community Action, Office on Aging and Veteran’s Services

**Education**
Cooperative Extension and County Free Library

**Recreation and Culture**
Regional Parks and Edward Dean Museum

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**Revenues**
Where the money comes from

- **Licenses, permits & franchise fees**: 0.85%
- **Fines, forfeitures & penalties**: 2.46%
- **Use of money and property**: 4.52%
- **Aid from other governmental agencies**: 52.79%
- **Taxes**: 17.87%
- **Charges for services**: 17.18%
- **Other Revenue**: 4.33%
- **Capital Outlay**: 1.06%
- **Debt Service**: 5.14%
- **Recreation and Culture**: 5.14%
- **Education**: 0.53%
- **Public Assistance**: 26.05%
- **Health and Sanitation**: 14.35%
- **Public Protection**: 35.99%
- **General Government**: 11.19%

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**Expenditures**
Where the money goes
Property Taxes

Assessor
Assesses all real estate and personal property (businesses, manufactured homes, boats & airplanes) located throughout the entire County.

Auditor-Controller
Receives the assessments from the Assessor and applies the appropriate tax rate to determine the actual amount of property tax owed.

Treasurer & Tax Collector
Mails out the property tax bills, collects the money, and deposits it in the County Treasury.

Auditor-Controller
Allocates the money to local taxing agencies, including the County, cities, schools and special districts.

Where did your property tax dollar go in fiscal year 2005-2006?

- Schools: 48 cents
- Community Redevelopment: 25 cents
- County: 12 cents
- Special Districts: 8 cents
- Cities: 7 cents

For more property tax information visit the County of Riverside's Property Tax Portal at: www.riversidetaxinfo.com

Riverside County Principal Property Tax Payers

1. Southern California Edison Co.
2. Verizon California Inc.
3. Centex Homes
4. Pulte Home Corp.
5. KB Home Costal Inc.
7. Ryland Homes of California Inc.
8. Western Pacific Housing Inc.
9. Blythe Energy, LLC
10. Wolf Creek Development

PROPERTY TAX PORTAL

County of Riverside Financial Highlights Fiscal Year 2005-2006 12
Demographic & Economic Statistics

Riverside County Principal Commercial Employers
1. Stater Brothers
2. Pechanga Resort & Casino
3. Kaiser Permanente
4. Guidant Corp.
5. Morongo Casino, Resort & Spa
6. Fleetwood Enterprises Inc.
7. Riverside Community Hospital
8. La Quinta Resort & Club
9. Corona Regional Medical Center

Per Capita Personal Income

Unemployment Rate

Riverside County Principal Public Employers
1. County of Riverside
2. University of California Riverside
3. March Air Reserve Base
4. Riverside Unified School District
5. Temecula Valley Unified School District
6. Hemet Unified School District
7. City of Riverside
8. Riverside Community College
9. Alvord Unified School District
10. Riverside County Office of Education
Operating Indicators

Community Health Agency

Facilities Inspections 32,000
- Inspections include fixed food facilities, pools, spas, hazardous material generators and miscellaneous food operations

Patient Visits 123,843
Patient Services Performed 369,041
- Services include family planning, primary health care, prenatal care, urgent care, breast cancer early detection, child health and disability prevention

Animal Impounds 29,206
Spays and Neuters 5,806

Public Social Services

CalWORKs Clients 19,880
Food Stamp Clients 28,749
Medi-Cal Clients 108,887
In-Home Support Services 12,590
- Services include meal preparation and cleanup, food shopping, bathing, dressing, personal care, domestic services (cleaning), assistance with medications, etc.

Foster Care Placements 5,175
Child Welfare Services 11,639
- Services include child adoptions and investigations of child abuse, neglect or abandonment

Sheriff

Number of Bookings 56,926
Coroner Case Load 8,943
Calls for Services - Unincorporated Areas 250,000
- Contract cities not included

Fire

Medical Assistance 86,129
Fires Extinguished 5,060
Other Services 19,035
- Other services include fire menace standbys (bomb threats, electrical hazards, gas hazards, etc.), public service assists (assisting other agencies, persons, flooding, etc.) and false alarms.

Communities Served 78

Assessor-Clerk-Recorder

Total Assessments 896,998
Official Records Recorded 1,082,688
Vital Records Copies Issued 82,015
Official Records Copies Issued 35,691

Registrar of Voters

Voting Precincts 976
Polling Places 486
Votes Counted 934,940
Poll Workers 1,908
Visit the County of Riverside’s Official Website

www.countyofriverside.us

Where you can find information about:

- Board Agendas
- County Agencies and Departments
- County Employment
- County Ordinances
- Court Cases
- Property Assessments
- Public and Official Records
- Roads and Highways
- Voting and Elections

Online Services Provided:

- Check your jury duty status
- Online crime report
- Pay your property taxes
- Pay your traffic tickets
- Report code violations
- Request a birth, death, or marriage certificate
- Search the county library catalog
- Vendor Registration

Visit the County of Riverside Auditor-Controller’s Official Website

www.auditorcontroller.org

Where you can find information about:

- Auditor-Controller’s Office Divisions
  - Administration
  - Audits & Specialized Accounting
  - General Accounting
  - Payroll
  - Property Tax
- Financial Statements
  - Comprehensive Annual Financial Report
  - County of Riverside Financial Highlights
- Internal Audit Reports
- Single Audit Reports

Special Acknowledgement

The photographs of parks and recreation areas throughout Riverside County used in this report artistically display the splendor and beauty for all to enjoy. The County of Riverside expresses its sincere appreciation to the Photo Artists Network, part of the Riverside Art Museum, for the contribution of these photos.

A special thanks to both Larry Knowles, a retired County Employee formerly with the Auditor-Controller’s Office, and Richard Paul, President of the Network, for their continuing efforts.
County of Riverside Financial Highlights

Prepared by the Office of:

Robert E. Byrd, CGFM
County Auditor-Controller

Special thanks to
Dennis Stout Jr. and Lawrence Berenato, APR
for their contributions to this report.