# Table of Contents

A message from your Auditor-Controller ................................................................. 3  
2012 Financial Highlights Award .............................................................................. 4  
County Profile ......................................................................................................... 5  
Organizational Structure ........................................................................................ 6  
Countywide Elected Officials ................................................................................... 7  
Board of Supervisors ............................................................................................... 9  
Financial Highlights FY2012-13.............................................................................. 10  
Statement of Net Position ....................................................................................... 11  
Capital Assets & Long-term Liabilities .................................................................... 12  
Cash and Investments, Net Position ....................................................................... 13  
Statistics .................................................................................................................. 14  
Statement of Activities ........................................................................................... 15  
Revenues and Expenses ......................................................................................... 16  
Revenues by Source ................................................................................................. 17  
Expenses by Function ............................................................................................. 18  
Property Taxes ........................................................................................................ 19  
Demographics .......................................................................................................... 21  
Service Operating Indicators .................................................................................. 23  
Internet Resources .................................................................................................. 25
Dear Fellow Citizens,

As Riverside County’s Auditor-Controller, I am honored to serve as your fiscal “watchdog” ensuring efficient and effective use of your tax dollars. Under my leadership, we have set a higher standard of performance in providing the kind of services the taxpayer expects and deserves.

County government’s primary financial report is the Comprehensive Annual Financial Report (CAFR). CAFR provides information on consolidated revenues, expenditures, and net position. CAFR by its very nature is a complex financial report. This publication, Financial Highlights, is designed to address this complexity by providing a summarized version of CAFR in an easier-to-read format.

Most of the data in Financial Highlights are drawn from CAFR for the fiscal year ended June 30, 2013. For more in-depth information, CAFR provides detailed financial information in a variety of financial statements, disclosure notes, supplemental schedules and statistical tables. This specific data is not necessarily GAAP based. However, CAFR is prepared in conformance with generally accepted accounting principles which is audited by the independent firm of Brown Armstrong Accountancy Corporation. Both the CAFR and Financial Highlights are available at my office and online at www.auditorcontroller.org.

Respectfully,

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

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Fraud, Waste, and Abuse Program

As part of our role in the stewardship of public funds, our office initiated a countywide fraud, waste, and abuse prevention program in 2009. This became known as Riverside County Fraud Hotline. The program provides employees and citizens with easy and anonymous ways to participate in helping the County protect its financial resources, as well as identify potential fraud, waste and abuse. Reports can be made 24-hours a day, 365 days per year by phone (800) 461-9330 or via Internet www.rivcofraudhotline.com.
The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the County of Riverside for its Popular Annual Financial Report for the fiscal year ended June 30, 2012. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government financial reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. The County of Riverside received a Popular Award for last fiscal year ended June 30, 2012. This was the seventh consecutive year the County has achieved this award. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, and we have submitted it to GFOA.
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 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 the city of Riverside (the county seat) with a population of 311,955, Moreno Valley with a population of 198,129, and Corona with a population of 156,823.

Total County population was 2,255,059 on January 1, 2013, an increase of 1.2% compared to the revised estimate for 2012 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. Approximately 16.0% of the County’s residents live in the unincorporated area. Riverside County has large and rapidly expanding trade, transportation, utilities, distribution and manufacturing industries.

Agriculture has been the traditional foundation of the Riverside County economy; a transition is well underway toward an urban way of life with a multi-faceted economy. This change is being driven in part by economic and political forces at the regional, State, and national levels. However, Riverside County residents, through their elected representatives, will make the key local decisions that will shape Riverside County, differentiating it in character and quality of life from adjoining counties.
Countywide Elected Officials

Stanley Sniff, Jr
Sheriff
Coroner
Public Administrator

Don Kent
Treasurer
Tax Collector

Paul Angulo
Auditor
Controller

Paul Zellerbach
District Attorney

Larry Ward
Assessor
County Clerk
Recorder

County of Riverside Financial Highlights  Fiscal Year 2012-2013  7
Kevin Jeffries - District 1
The First Supervisorial District includes areas within the City of Riverside (the La Sierra and Arlington communities), as well as the cities of Canyon Lake, Lake Elsinore, and Wildomar. The District is also comprised of unincorporated communities including Lakeland Village, Mead Valley, Temescal Valley, Woodcrest, and Lake Mathews.

John F. Tavaglione - District 2
The Second Supervisorial District includes the cities of Corona, Norco, Jurupa Valley, and Eastvale; approximately one-third of the City of Riverside, including Northside, Downtown, Wood Streets, Magnolia Center, Grand and the northern half of Arlanza and La Sierra Acres. Unincorporated communities within the Second Supervisorial District consist of Home Gardens, El Cerrito, Coronita, and Highgrove.

Jeff Stone - District 3
The Third Supervisorial District includes the cities of Hemet, Murrieta, San Jacinto, and Temecula. The major unincorporated areas include Anza, Aguanga, Idyllwild, Valle Vista, Winchester, Gilman Hot Springs and Pinyon Communities.

John Benoit - District 4
The Fourth Supervisorial District includes the cities of Palm Springs (excluding Northern Palm Springs in District 5), Cathedral City, Rancho Mirage, Palm Desert, Indian Wells, La Quinta, Indio, Coachella, Blythe, and Desert Hot Springs. Unincorporated communities include: Bermuda Dunes, Thousand Palms, Sky Valley, 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, and Menifee. Unincorporated areas include Nuevo, Lakeview, Juniper Flats, Meadowbrook, Good Hope, a portion of Mead Valley, Romoland, Homeland, Green Acres, 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’s boundaries also include the tribal governments from the sovereign nations of the Morongo Band of Mission Indians and the Agua Caliente Band of Cahuilla Indians, and a portion of March Air Reserve Base.
Financial Highlights

- At the close of fiscal year 2012-13, the County’s assets and deferred outflow of resources exceeded its liabilities and deferred inflow of resources by $4.6 billion (net position). The net position included $860.7 million of unrestricted resources, which may be used to meet the County’s ongoing obligations to citizens and creditors; $644.7 million of restricted resources, which is required by external sources or through enabling legislation to be used for specific purposes; and $3.1 billion is net investment in capital assets.

- At the close of the current fiscal year, the County’s governmental funds reported combined fund balances of $1.1 billion, a decrease of $218.7 million in comparison with the prior year. Approximately 17.9% of this amount ($199.9 million) is available for spending at the County’s discretion (unassigned fund balance).

- At the end of the current fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was $252.6 million, or approximately 11.0% of total general fund expenditures. The general fund is the primary fund for the County. The general fund records all financial transactions not assigned for a specific purpose.

- As of July 1, 2012, the County implemented Governmental Accounting Standards Board Statement (GASB) No. 65 – Items Previously Reported as Assets and Liabilities. The beginning net position restated by $10.9 million to write off the unamortized bond issuance costs that were previously reported as assets. Furthermore, unavailable revenue in governmental funds of $68.7 million was reclassified from liability to deferred inflows of resources which were recognized as a receivable before time requirements are met, but after all other eligibility requirements have been met.

- There is a net increase of $8.4 million in deferred inflow of resources related to service concession arrangement (SCA) for capital assets.
Statement of Net Position

Primary Government (in thousands)

<table>
<thead>
<tr>
<th>ASSETS:</th>
<th>2013</th>
<th>2012</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cash and investments</td>
<td>$1,232,815</td>
<td>$1,383,706</td>
<td>$(150,891)</td>
</tr>
<tr>
<td>Receivables, net</td>
<td>584,992</td>
<td>652,265</td>
<td>$(67,263)</td>
</tr>
<tr>
<td>Inventories</td>
<td>14,987</td>
<td>13,537</td>
<td>1,450</td>
</tr>
<tr>
<td>Prepaid items and deposits</td>
<td>11,734</td>
<td>11,003</td>
<td>731</td>
</tr>
<tr>
<td>Restricted cash and investments</td>
<td>593,207</td>
<td>564,156</td>
<td>29,051</td>
</tr>
<tr>
<td>Other noncurrent receivables</td>
<td>41,356</td>
<td>39,135</td>
<td>2,221</td>
</tr>
<tr>
<td>Loans receivable</td>
<td>72,037</td>
<td>-</td>
<td>72,037</td>
</tr>
<tr>
<td>Pension asset, net</td>
<td>452,149</td>
<td>443,947</td>
<td>8,200</td>
</tr>
<tr>
<td>OPEB asset, net</td>
<td>26,399</td>
<td>23,596</td>
<td>2,803</td>
</tr>
<tr>
<td>Land held for resale</td>
<td>34,368</td>
<td>34,368</td>
<td>-</td>
</tr>
<tr>
<td>Unamortized bond issuance costs</td>
<td>-</td>
<td>10,868</td>
<td>$(10,868)</td>
</tr>
<tr>
<td>Deferred outflows of resources</td>
<td>-</td>
<td>35,185</td>
<td>$(35,185)</td>
</tr>
<tr>
<td>Capital assets:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Nondepreciable assets</td>
<td>1,379,943</td>
<td>1,273,054</td>
<td>106,889</td>
</tr>
<tr>
<td>Depreciable assets, net</td>
<td>2,808,741</td>
<td>2,701,408</td>
<td>107,333</td>
</tr>
<tr>
<td><strong>Total assets</strong></td>
<td>$7,252,728</td>
<td>$7,186,218</td>
<td>$66,510</td>
</tr>
</tbody>
</table>

**Deferred outflows of resources:**
- Defererence of debt: 347
- Interest rate swap: 26,821
**Total deferred outflows of resources:** 27,168

<table>
<thead>
<tr>
<th>LIABILITIES:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Cash overdrawn</td>
<td>21,647</td>
<td>-</td>
<td>21,647</td>
</tr>
<tr>
<td>Accounts payable</td>
<td>124,483</td>
<td>154,103</td>
<td>$(29,620)</td>
</tr>
<tr>
<td>Salaries and benefits payable</td>
<td>79,254</td>
<td>78,476</td>
<td>776</td>
</tr>
<tr>
<td>Due to other governments</td>
<td>124,759</td>
<td>123,205</td>
<td>1,554</td>
</tr>
<tr>
<td>Interest payable</td>
<td>9,630</td>
<td>9,412</td>
<td>418</td>
</tr>
<tr>
<td>Deposits payable</td>
<td>441</td>
<td>416</td>
<td>23</td>
</tr>
<tr>
<td>Advances from grantees and third parties</td>
<td>271,093</td>
<td>-</td>
<td>271,093</td>
</tr>
<tr>
<td>Notes payable</td>
<td>142,840</td>
<td>171,324</td>
<td>$(28,484)</td>
</tr>
<tr>
<td>Other liabilities</td>
<td>2,289</td>
<td>3,386</td>
<td>$(1,097)</td>
</tr>
<tr>
<td>Interest rate swap</td>
<td>26,821</td>
<td>35,185</td>
<td>$(8,364)</td>
</tr>
<tr>
<td>Unearned revenue</td>
<td>-</td>
<td>313,260</td>
<td>$(313,260)</td>
</tr>
<tr>
<td>Long-term liabilities:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Due within one year</td>
<td>215,397</td>
<td>239,506</td>
<td>$(24,109)</td>
</tr>
<tr>
<td>Due beyond one year</td>
<td>1,611,233</td>
<td>1,616,251</td>
<td>$(5,018)</td>
</tr>
<tr>
<td><strong>Total liabilities</strong></td>
<td>$2,630,087</td>
<td>$2,744,528</td>
<td>$(114,441)</td>
</tr>
</tbody>
</table>

**Deferred inflows of resources:**
- Teeter tax loss reserve: 17,073
- Grants received in advance: 722
- Service concession arrangement: 8,396
**Total deferred inflows of resources:** 26,821

<table>
<thead>
<tr>
<th>NET POSITION:</th>
<th></th>
<th></th>
<th></th>
</tr>
</thead>
<tbody>
<tr>
<td>Invested in capital assets</td>
<td>3,117,581</td>
<td>2,870,939</td>
<td>246,642</td>
</tr>
<tr>
<td>Restricted for:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Community development</td>
<td>173,461</td>
<td>307,843</td>
<td>$(134,382)</td>
</tr>
<tr>
<td>Debt service</td>
<td>160,049</td>
<td>143,358</td>
<td>16,691</td>
</tr>
<tr>
<td>Health and sanitation</td>
<td>35,681</td>
<td>34,064</td>
<td>1,617</td>
</tr>
<tr>
<td>Public protection</td>
<td>79,493</td>
<td>38,085</td>
<td>41,408</td>
</tr>
<tr>
<td>Public ways &amp; facilities</td>
<td>152,854</td>
<td>156,088</td>
<td>(3,234)</td>
</tr>
<tr>
<td>Other programs</td>
<td>43,134</td>
<td>45,500</td>
<td>(2,366)</td>
</tr>
<tr>
<td>Unrestricted</td>
<td>860,735</td>
<td>845,813</td>
<td>14,922</td>
</tr>
<tr>
<td><strong>Total net position</strong></td>
<td>$4,622,988</td>
<td>$4,441,890</td>
<td>$181,299</td>
</tr>
</tbody>
</table>

The Statement of Net Position presents information on all of the County’s assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether or not the financial position of the County is improving.

The County’s total net position increased by 4.1%, or $181.3 million, during fiscal year 2012-13. Governmental activities increased by $45.7 million in net assets while business-type activities increased by $135.6 million. Below are the three components of net position and their respective fiscal year-end balances:

**Net investment in capital assets**

This component of net position represents the amount that is unavailable for reducing debt or paying for services because it is the value of the capital assets themselves, not liquid assets like cash or equivalents that could be used to pay the bills. The balance represents 67.4%, or $3.1 billion, of the County’s total net assets under this category for fiscal year 2012-13.

**Restricted net position**

This component of net position represents the amount that is available for use only as allowed by creditors, grantors, contributors, or laws and regulations of other governments, and restrictions imposed by law through constitutional provisions or enabling legislation. The balance in this category accounts for 14.0%, or $644.7 million, of the County’s total net assets for fiscal year 2012-13.

**Unrestricted net position**

This component of the County’s total net position is the amount that is available and may be used to meet the County’s ongoing obligations to citizens and creditors. Of the unrestricted net assets for fiscal year 2012-13, $771.9 million is from governmental activities, and $88.8 million is from business-type activities. The balance in this category is 18.6%, or $860.7 million, of the County’s total net assets for fiscal year 2012-13.
Capital Assets

As of June 30, 2013, the County’s capital assets for both governmental and business-type activities amounted to $4.2 billion (net of depreciation). The capital assets include land and easements, land improvements, construction in progress, infrastructure (channels, storm drains, basins, roads, traffic signals, bridges, runways, and parks), structures and improvements, and equipment.

Major projects under construction in fiscal year 2012-2013 included the following:

- Roads and signal infrastructures – $90.1 million
- Easy County Detention Center - $50.3 million
- CREST project – $5.5 million
- Library projects – $11.7 million
- Building improvement and addition for EDA – $4.8 million
- Flood storm drains and channel projects - $19.8 million
- Public Safety Enterprise Communication - $42.3 million

Long-Term Liabilities

As of June 30, 2013, the County’s outstanding debt obligation for its government-wide activities amounted to $1.8 billion. Long-term debt incurred by the County of Riverside includes bonds, certificates of participation, loans, capital leases, and others.

The following are credit ratings maintained by the County

<table>
<thead>
<tr>
<th>Moody’s Investors Service, Inc</th>
<th>Standard &amp; Poor’s Corp.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term lease debt</td>
<td>Aa3</td>
</tr>
<tr>
<td>Issuer credit</td>
<td>AA</td>
</tr>
</tbody>
</table>
Cash and Investments, Net Position

Cash and Investments

The Cash and Investments represented in the Government-wide Statement of Net Position includes cash and investments that are available for use, as well as restricted cash and investments for both governmental and business-type activities.

At the end of the current fiscal year, the County reported a decrease of $1218 million in cash and investments. Unrestricted cash and investments showed a decrease of $1509 million which was offset by an increase in restricted cash and investments in the amount of $291 million. The general fund’s cash balance decreased due to an additional payment made to the State in the amount of $23.2 million for fire payment. Also, the public facilities improvement fund dropped by $439 million and the transportation special revenue fund by $298 million. For business type activities, the major decrease was from the Riverside County Regional Medical Center, which resulted in a cash and investments decrease of $214 million, but it’s restricted cash and investments increased by $299 million.

Net Position

Net Position is total assets plus deferred outflows of resources less total liabilities and deferred inflows of resources of the primary government. Net position serves as a useful indicator of a government’s financial condition.

At the end of the current fiscal year, the County reported positive net assets balances for both governmental and business-type activities, with total assets exceeding liabilities by $4.6 billion, which is a $181.3 million increase over fiscal year 2012. The most significant increase in net position is the net investment in capital assets in the amount of $246.6 million as well as unrestricted net position increasing by $15.0 million. These increases were offset by a decrease in restricted net position in the amount of $65.3 million.
## Statistics

### Liquidity Ratios

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Current Ratio</td>
<td>3.77</td>
<td>3.79</td>
<td>4.18</td>
</tr>
<tr>
<td>Quick Ratio</td>
<td>5.34</td>
<td>5.52</td>
<td>6.67</td>
</tr>
<tr>
<td>Fund Balance Ratio</td>
<td>0.26</td>
<td>0.26</td>
<td>0.40</td>
</tr>
</tbody>
</table>

The current ratio and the quick ratio indicate the County’s ability to pay its bills. The current ratio trend for 2013 is unfavorable because it decreased to 3.77 in 2013 from 3.79 in 2012. The current ratio is calculated by dividing current assets by current liabilities.

The quick ratio trend is unfavorable because it fell to 5.34 in 2013 from 5.52 in 2012. The quick ratio is calculated by cash, investments and accounts receivable divided by current accounts payable and accruals.

The fund balance ratio remained the same. It was 0.26 in 2012 and 0.26 in 2013. This trend represents the County’s ability to pay its short-term obligations when they come due. The fund balance ratio is unrestricted net position divided by annual expense.

### Activity Ratios

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>AR Turnover</td>
<td>5.91</td>
<td>5.10</td>
<td>6.00</td>
</tr>
<tr>
<td>Average Collection</td>
<td>62</td>
<td>72</td>
<td>61</td>
</tr>
<tr>
<td>Period</td>
<td>days</td>
<td>days</td>
<td>days</td>
</tr>
</tbody>
</table>

An increase in the accounts receivable (AR) turnover ratio indicates the average number of times the AR balance is fully paid throughout the year. The AR turnover is favorable. It is 5.91 in 2013 as compared to 5.10 in 2012.

The average collection period is a representation of the AR turnover in terms of days. This ratio is favorable. In 2013, it took 62 days to collect (365 days/5.91), as compared to 72 days 2012 (365 days/5.10).

### Debt Ratios

<table>
<thead>
<tr>
<th></th>
<th>2013</th>
<th>2012</th>
<th>2011</th>
</tr>
</thead>
<tbody>
<tr>
<td>Long-term Debt/Assets</td>
<td>25.2%</td>
<td>25.8%</td>
<td>36.5%</td>
</tr>
<tr>
<td>Debt Service Coverage</td>
<td>19.56</td>
<td>16.58</td>
<td>12.06</td>
</tr>
</tbody>
</table>

The long-term debt/assets ratio gives an indication of the County’s ability to issue new debt. The lower the organization’s reliance on debt for asset formation, the less risky the organization is, since excessive debt can lead to a heavy repayment burden. In 2013, this ratio is favorable at 25.2%, compared to 25.8% in 2012.

The debt service coverage indicates the resources available to repay the debt already issued. In 2013, this ratio is favorable at 19.56 in 2013, compared to 16.58 in 2012.
Statement of Activities

Primary Government (in thousands)

<table>
<thead>
<tr>
<th>Revenues:</th>
<th>2013</th>
<th>2012</th>
<th>Variance</th>
</tr>
</thead>
<tbody>
<tr>
<td>Program revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Charges for services</td>
<td>$1,189,208</td>
<td>$1,086,462</td>
<td>$102,746</td>
</tr>
<tr>
<td>Operating grants</td>
<td>1,503,390</td>
<td>1,447,694</td>
<td>55,696</td>
</tr>
<tr>
<td>Capital grants</td>
<td>28,393</td>
<td>28,244</td>
<td>149</td>
</tr>
<tr>
<td>General revenues:</td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Property taxes</td>
<td>277,417</td>
<td>322,337</td>
<td>(44,920)</td>
</tr>
<tr>
<td>Sales and use taxes</td>
<td>29,751</td>
<td>26,744</td>
<td>3,007</td>
</tr>
<tr>
<td>Other taxes</td>
<td>37,883</td>
<td>67,150</td>
<td>31,666</td>
</tr>
<tr>
<td>Motor vehicle in-lieu taxes</td>
<td>-</td>
<td>226,384</td>
<td>(226,384)</td>
</tr>
<tr>
<td>Investment earnings</td>
<td>2,002</td>
<td>12,708</td>
<td>(10,706)</td>
</tr>
<tr>
<td>Unrestricted intergovernmental revenue</td>
<td>220,811</td>
<td>-</td>
<td>220,811</td>
</tr>
<tr>
<td>Other</td>
<td>168,454</td>
<td>169,399</td>
<td>(945)</td>
</tr>
<tr>
<td>Total revenues</td>
<td>3,457,309</td>
<td>3,326,687</td>
<td>130,622</td>
</tr>
</tbody>
</table>

Expenses:

| General government | 194,641 | 270,474 | (75,833) |
| Public protection | 1,065,373 | 1,047,202 | 18,171 |
| Public ways and facilities | 89,482 | 84,797 | 4,685 |
| Health and sanitation | 422,982 | 374,950 | 48,032 |
| Public assistance | 807,611 | 827,092 | (19,481) |
| Education | 18,998 | 10,376 | 8,622 |
| Recreation and culture | 12,274 | 15,806 | (3,532) |
| Interest on long-term debt | 29,453 | 39,098 | (9,645) |
| Regional Medical Center | 473,916 | 417,074 | 56,842 |
| Waste Management | 53,069 | 57,272 | (4,203) |
| Housing Authority | 90,678 | 91,469 | (791) |
| Flood Control | 2,472 | 2,306 | 166 |
| County Service Areas | 459 | 456 | 3 |
| Total expenses | 3,261,395 | 3,238,372 | 23,023 |

RDA Successor dissolution | (3,748) | 502,638 | (506,386) |

Change in net assets | 192,166 | 590,953 | (398,787) |

Net Assets, Beginning of Year, as Restated | 4,430,822 | 3,850,737 | 580,085 |

Net Assets, End of Year | $4,622,988 | $4,441,690 | $181,298 |

Statement of Activities illustrated here, represents combined activities of governmental and business-type. Governmental functions are supported by property taxes, sales taxes and other intergovernmental revenues, and the business-type is mainly supported by user fees and charges. Governmental activities are reported in the General Fund, Special Revenue Funds, Capital Project Funds, Debt Service Funds, and Internal Service Funds. Business-type activities are supported by Enterprise Funds.

The majority of the functions that are supported by governmental activities are: Information Services, ESD, Sheriff, District Attorney, Social Services, Transportation, Economic Development, Facilities Management, Community Health, Mental Health, Auditor-Controller, Human Resources, Assessor, Treasurer-Tax Collector, and other small general government functions. Functions supported by user fees and charges are: Regional Medical Center, Waste Management, Housing Authority, and County Service Areas.

Revenues

The County’s revenue increased in 2013 in the amount of $130.6 million. The major source for the increase was due to charges for services which saw a $102.7 million increase. Operating grants saw a $55.7 million increase. Those increases in revenue were slightly offset by a continued decrease of property taxes collected.

Expenses

The expenses in 2013 also increased by $23.0 million. There were two main factors that caused the increase: 1) Regional Medical Center saw a $56.8 million increase and 2) Health and Sanitation saw a jump in expenses in the amount of $48.0 million. These increases were offset by a decrease in General Government in the amount of $75.8 million.
Revenues

As the economy slowly recovers, so do revenues for the County. 2013 saw an increase in revenue in the amount of $130.6 million. Charges for services for governmental activities and business-type activities both saw an increase. The increase in governmental activities was mainly due to law enforcement services provided to cities within the County. Operating grants and other taxes are the other two major revenue sources that caused revenue to increase in 2013.

Even with revenue slightly improving, assessed property values continue to vacillate; therefore causing property tax revenue to decrease for the fifth consecutive year. Investment earnings also saw a decrease in revenue.

Expenses

Expenses are a representation of the services we provide to the citizens of Riverside County. The increase in population has resulted in an increase demand for local government services. In an effort of trying to maintain a balanced budget, Riverside County is working hard to keep our communities safe and provide quality service for our citizens.

In fiscal year 2013, expenses increased by $23.0 million. Governmental activities saw a $29.0 million decrease. General government decrease resulted from administrative and operation costs incurred by the former Redevelopment Agency for low and moderate income housing related programs. Also, due to the discontinuation of programs funded by Community Development Block Grant and the Neighborhood Stabilization Program expenses decreased for public assistance. Public protection and health and sanitation were functions that saw expenses increase for governmental activities.

Business-type activities saw an increase in expenses in 2013 in the amount of $52.0 million. The County’s Regional Medical Center was the major reason for the increase. Personnel services and supplies were the influencing factors which caused the increase.
The statement of activities reports revenue by sources using government-wide reporting standards. To assist the reader in understanding what makes up the various sources referenced, we have provided the following detailed listing:

**Program Revenues**

**Charges for Services**
Assessment and tax collection fees, auditing and accounting fees, 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, institutional care and services, animal licenses, business licenses, construction permits, road privileges and permits, zoning permits, franchises and other licenses and permits, vehicle code fines, other court fines, forfeitures and penalties in addition to penalties and costs on delinquent taxes, and parking fees.

**Operating Grants**
State, federal, other government, and private contributions to fund specific programs.

**Capital Grants**
State, federal, other government, and private contributions to fund capital purchases for specific programs.

**General Revenues**
Taxes: Property taxes, sales and use taxes as well as other County levied taxes, investment income, rents and concessions, sale of surplus property, contributions and donations, non-governmental grants and unclaimed money.
The following list provides details to define the County departments included in each of the functional categories listed in the statement of activities:

**General Government**

**Public Protection**
Sheriff, Coroner, Public Administrator, District Attorney, Public Defender, Probation, Fire, Agricultural Commissioner, Animal Control, County 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, County Airports and County Service Areas

**Health and Sanitation**
Public Health, Environmental Health, Detention Health Services, California Children’s Services, Mental Health, Regional Medical Center and Waste Management

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

**Education**
Cooperative Extension and County Library

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

### How the Property Tax System Works

**Assessor-Clerk Recorder**

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**

Receives and allocates the money to local taxing agencies, including the County, cities, schools, and special districts.

### CREST Project

The Assessor-County Clerk-Recorder, Auditor-Controller, and Treasurer-Tax Collector are collectively developing a new integrated property tax management system. The project began with a Business Process Re-engineering phase that documented the integrated roles of the three departments. This phase identified the current system’s capabilities, strengths, and weaknesses. The second phase of the project is to implement a new integrated property tax management system based on new technology. Project was started in fiscal year 2007 and anticipated completion date is fiscal year 2015.

### Property Tax Revenue

(in thousands)

<table>
<thead>
<tr>
<th>Year</th>
<th>Secured Tax</th>
<th>Unsecured Tax</th>
<th>Supplemental Tax</th>
</tr>
</thead>
<tbody>
<tr>
<td>2010</td>
<td>364,810</td>
<td>15,270</td>
<td>3,778</td>
</tr>
<tr>
<td>2011</td>
<td>346,356</td>
<td>13,404</td>
<td>3,681</td>
</tr>
<tr>
<td>2012</td>
<td>295,974</td>
<td>13,499</td>
<td>3,498</td>
</tr>
<tr>
<td>2013</td>
<td>251,236</td>
<td>12,459</td>
<td>4,714</td>
</tr>
</tbody>
</table>

### Where did your property tax dollar go in fiscal year 2012-2013?

- **Schools** 47 cents
- **Community Redevelopment** 27 cents
- **County** 11 cents
- **Special Districts** 8 cents
- **Cities** 7 cents
Property Taxes

Riverside County
Principal Property Tax Payers
(Property tax in thousands)

1. Southern California Edison Co. .................. $23,532
2. Verizon California Inc. .......................... 9,205
3. So. California Gas Co. ............................ 6,789
4. Inland Empire Energy Center LLC ............... 5,994
5. Federal Natl Mortgage Assn. ..................... 3,416
6. Tyler Mall LTD Partnership ...................... 2,899
7. Abott Vascular Inc. ............................... 2,898
8. Blythe Energy LLC ............................. 2,739
10. Chelsea GCA Realty Partnership ............... 2,525

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 preceding 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. 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.

For more property tax information visit the County of Riverside’s Property Tax Portal at:

www.riversidetaxinfo.com
Demographics

Riverside County
Principal Employers
(number of employees)

1. County of Riverside ......................... 18,728
2. March Air Reserve Base ...................... 9,000
3. Stater Brothers Market ...................... 6,900
4. Walmart ..................................... 5,681
5. U.C. Riverside ................................ 5,497
6. Riverside Unified School District .......... 5,000
7. Corona-Norco Unified School District .... 4,633
8. Kaiser Permanente Riverside Medical ... 4,500
9. Moreno Valley Unified School District .... 3,355

Per Capita Income

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>$29,748</td>
<td>$29,222</td>
<td>$29,927</td>
<td>$32,600</td>
<td>$33,163</td>
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Population
(in thousands)

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
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<tbody>
<tr>
<td>2,108</td>
<td>2,140</td>
<td>2,218</td>
<td>2,228</td>
<td>2,255</td>
<td></td>
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</table>

Unemployment Rate

<table>
<thead>
<tr>
<th>Fiscal Year</th>
<th>2009</th>
<th>2010</th>
<th>2011</th>
<th>2012</th>
<th>2013</th>
</tr>
</thead>
<tbody>
<tr>
<td>14.00%</td>
<td>14.50%</td>
<td>14.40%</td>
<td>12.60%</td>
<td>10.20%</td>
<td></td>
</tr>
</tbody>
</table>

*Temporary employees, 2,089, filled as of 4/29/13, are included in the total number of employees.
Demographics

Riverside County School Enrollment by Ethnicity 2012-2013

Charter Schools ................................................. 17
Elementary Sites ............................................. 273
Middle/Junior High Sites ................................. 75
Continuation/Adult Education ......................... 33
High School ..................................................... 69
Total Schools ................................................... 467

Number of Riverside County Public School Districts

Elementary ......................................................... 4
High School ....................................................... 1
Unified .......................................................... 18

Public School Sites in Riverside County

Kindergarten Through 12th Grade Enrollment Growth 2003-2013

Highest Enrollment per Riverside County School District

Corona-Norco Unified ................................. 53,437
Riverside Unified ................................ 42,560
Moreno Valley Unified ......................... 34,924
Temecula Valley Unified ....................... 30,337

Additional information about the Riverside County Office of Education may be found at their website: www.rcoe.us
### Community Health Agency

- Facilities inspections: 32,045 (Inspections include fixed food facilities, pools, spas, hazardous material generators and miscellaneous food operations)
- Patient visits: 135,795
- Patient services performed: 353,269 (Services include family planning, primary health care, prenatal care, urgent care, breast cancer early detection, child health and disability prevention)
- Animal impound: 35,201
- Spays and neuters: 11,908

### Public Social Services

- CalWORKs clients: 33,341
- Food stamp clients: 116,333
- Medi-Cal clients: 135,570
- In-home supportive services: 20,641 (Services include meal preparation and cleanup, food shopping, bathing, dressing, personal care, domestic services (cleaning), assistance with medications, etc.)
- Foster care placements: 3,237
- Child welfare services: 9,178 (Services include child adoptions and investigations of child abuse, neglect or abandonment)

### Auditor-Controller

- Invoices paid: 426,660
- Vendor warrants issued: 259,458
- Active vendors: 80,011
- Payroll warrants (checks) issued: 509,376
- Average paychecks per pay period: 19,591

### Waste Management

- Landfill tonnage: 1,102,626
- Recycling tonnage: 2,679

### Sheriff

- Number of bookings: 57,330
- Coroner case load: 11,639
- Calls for services—Unincorporated areas (contract cities not included): 172,664

### Veterans’ Services

- Phone inquiries answered: 36,107
- Client interviews: 14,714
- Claims filed: 5,735

### Fire

- Medical assistance: 97,054
- Fires extinguished: 13,517
- Other services: 20,049 (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: 94

### Assessor-Clerk-Recorder

- Assessments: 906,467
- Official records recorded: 648,812
- Vital records copies issued: 78,405
- Official records copies issued: 32,792

### Registrar of Voters

- Voting precincts: 1,218
- Polling places: 642
- Voters: 943,402
- Number of voters that were mailed voting materials for all elections in the fiscal year: 943,402
- Poll workers: 2,960
Service Operating Indicators

County Regional Medical Center

Emergency room treatments ......................... 119,606
Emergency room services—Mental Health .......... 14,275
Clinic visits .................................. 125,471
Admissions ................................... 24,260
Patient days .................................. 124,599
Discharges ..................................... 24,279

Probation

Adults on probation .................................. 17,406
Juveniles in secure detention ...................... 194
Juveniles in treatment facilities ................... 86
Juveniles in detention facilities .................. 8,505

Mental Health

Mental health clients .................. 37,591
Substance abuse clients ...................... 15,755
Detention clients .............................. 11,899
Probate conservatorship clients ............. 355
Mental health conservatorship clients ........ 858

Community Action Partnership

Utility assistance (households) ............... 13,911
Weatherization (households) ..................... 179
Energy education attendees ..................... 6,368
Disaster relief (residents) ......................... 11,316
Income tax returns prepared ..................... 3,111
After school program (students) ............. 19,200
Mediation (cases) ................................ 1,905
Leadership program enrollment .............. 166

Agricultural Commissioner

Export phytosanitary certificates ............ 18,346
Pesticide use inspections ......................... 783
Weights and measures regulated ............. 138,547
Agriculture quality inspections .............. 456
Plant pest inspections ......................... 10,361
Nursery acreage inspected ..................... 6,156
Weights and measures inspected .......... 63,653

Community Library

Total circulation - books ....................... 3,059,094
Reference questions answered ................. 434,057
Patron door count ............................. 4,148,012
Programs offered ................................ 6,521
Programs attendance ......................... 143,053
Branch libraries ................................ 35
Book mobiles ................................... 2

Parks and Recreation

Historic sites ...................................... 5
Nature centers .................................... 4
Archaeological sites ............................. 6
Wildlife reserves ................................. 9
Regional parks ................................... 11

Above: Photo by David B. Elam
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 (CAFR)
- Popular Annual Financial Report (PAFR)
- Internal Audit Reports
- Single Audit Reports