COUNTY PROFILE

COUNTY HISTORY

In May 1893, voters living within an area extracted from San Bernardino County (to the north) and San Diego County (to the south), approved formation of Riverside County. Taking its name from the City of Riverside, the county officially formed, and began charting a course under its newly elected Board of Supervisors. Riverside County has been blessed with abundant natural resources, a strategic geographic location in Southern California, a diverse and hard-working citizenry, and a tradition of progressive government. Managed wisely by communities working together, these key assets hold vast potential to sustain and enhance the quality of life that it currently enjoys.

While agriculture has been the traditional foundation of the Riverside County economy, a transition has been well underway toward a more urban way of life with a multi-faceted economy. This change has been driven in part by economic and political forces at the regional, state, and national levels. However, Riverside County residents, through their elected representatives, have made the key local decisions that have shaped Riverside County, differentiating it in character and quality of life from adjoining counties.

Recent years have brought dramatic population growth to Riverside County. Between 1990 and 2012, the number of residents grew by over 93 percent, making the county one of the fastest-growing counties in California. By 2012, the county was estimated to be home to over 2.2 million residents.

COUNTY STRATEGIC VISION

Compared to five years ago, the recession and its effects have reduced the funding available to provide services to residents by about $200 million a year. Compounding that loss, economists predict a slow recovery, the state continues to shift its responsibilities for services to counties, and a new national health-care system presents the county with opportunities and risks tallying billions of dollars.

The changing landscape has reshaped the way the county provides or will provide services, and has underscored the need for fundamental changes in county operations, planning, health-care strategies, and goals for expanding our economy. Riverside County has embarked on comprehensive assessments of these issues and the long-range steps needed to address them far into the future. Riverside County will survive the state’s undulating economic shifts but must become more conservative during the good times to ensure financial security during the challenging times.

The housing market’s implosion exposed the county’s need to develop a diverse economy less dependent on housing development. The county must increase interactions with businesses, with counterparts in nearby counties, and with other nations that represent new markets for local exports to expand the local economy and help insulate it from future
economic upheaval. The county is working to revise its operations to ensure that contact with its business partners becomes more direct and to view emerging and established businesses as customers who must succeed in order for the county to thrive and fund community services.

Perhaps the clearest example of an issue that connects so many of these issues is the University of California, Riverside, medical school. Riverside County has provided or promised $20 million to the school’s development and is forming links between county health care programs and medical school operations. Projections indicate that by 2021, the school could inject $150 million annually into the local economy and, eventually, have an overall regional economic benefit beyond $1 billion a year. Graduating doctors, many of whom would likely remain in inland Southern California, also help address a shortage of doctors expected to reach 17,000 in California by the year 2015 and 5,000 in the Inland area alone in the next decade.

Health care is a primary concern as Riverside County and all other California counties grapple with implementing the Affordable Care Act, which begins to take effect in January 2014. The law requires most Americans to maintain health insurance and puts the county in a position in which it must compete as a health-care provider. The county has shifted control of its community health clinics to the Riverside County Regional Medical Center so that the clinics are better poised to provide health services under the Affordable Care Act. Another goal is for the county to improve residents’ health and minimize preventable chronic illnesses that cost billions of dollars to treat. The county intends to use partnerships, policies, systems, and initiatives to improve residents’ health and promote livable communities. Baseline data will identify strengths and weaknesses and the county will establish an evaluation framework that is flexible and relevant to measure progress. Providing tools for individuals and families to manage their health will contribute to a healthier population.

Even as the county is dealing with increasing costs and revenue losses to the recession, it has maintained its commitment to public safety. The Board of Supervisors authorized the Sheriff’s Department to increase patrol levels in unincorporated areas to 1.2 officers per 1,000 residents over the next five years. Riverside County also has begun building a new jail in Indio to meet the challenges of California law that shifted detention and oversight of felons from state officials to the counties. Further jail expansion will be needed but the cost is so great that Riverside County must take greater advantage of alternative sentencing programs.

Riverside County also is organizing regular meetings with neighboring counties to strengthen relationships, share information and ideas, and help enhance communities by improving government. The meetings, which begin in August, will include budget and finance officials from Riverside, San Bernardino, and Orange counties. Future meetings will likely include participants from other counties.

Riverside County will continue to develop and implement comprehensive plans to address these myriad needs, from health care to jail operations, and adapt quickly to meet those rapidly changing challenges.
(This Page Intentionally Left Blank)
COUNTY OF RIVERSIDE – RECOMMENDED BUDGET

FISCAL YEAR 2013/14

COUNTY FACTS AND FIGURES

Riverside County is the fourth largest county in the state, stretching nearly 200 miles across and comprising almost 7,300 square miles of fertile river valleys, low deserts, mountains, foothills and rolling plains. Riverside County shares borders with densely populated Los Angeles, Imperial, Orange, San Diego, and San Bernardino counties and spreads to within 14 miles of the Pacific Ocean to the Colorado River.

Riverside County is one of the largest counties in the state containing twenty-eight incorporated cities. More than three-quarters of the county's land area, and one-quarter of the county's population, lie outside these municipalities. Each elected member of the Board of Supervisors represents city, as well as unincorporated, residents.

ECONOMIC PROFILE

The economic profile provides an overview of the economic characteristics of the county. The following narrative, charts, and tables illustrate the employment, income, and sales related information of Riverside County and its residents:

2011 Occupations of the Employed
(County Civilians 16 years and over)
Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

- Management, business, science, & arts: 30%
- Service: 22%
- Sales and office: 25%
- Natural resources, construction, maintenance: 11%
- Production, transport, & material moving: 12%
- Management, business, science, & arts: 30%

County Employed (2011): $861,583
(51% of the 16 years or older population)
Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

Taxable Sales (2011): $29,927
Source: U.S. Department of Commerce, Bureau of Economic Analysis

Top 25 Sales Tax Producers
- Aquatech International
- Blackgold Operations
- Burberry
- California Trusframe
- Calvin Klein
- Chevron
- Circle K
- Coach
- Desert Sunlight
- Dos Lagos Argo
- French Valley Shell
- General Electric
- Genesis Solar
- Gucci
- Mecca Travel Center
- Subway
- Morongo Shell
- Nike
- Pilot Travel Center
- Ralph Lauren
- RDO Equipment
- Russell Sigler
- Space Prada Miu Miu
- Stater Bros
- Valley Detroit Diesel
- Allison
- Vons Fuel

Source: HdL Companies, Riverside County Third Quarter 2012 Sales Tax Update
County of Riverside – Recommended Budget

Fiscal Year 2013/14

County of Riverside

COUNTY PROFILE

Estimated January 2012 County Population by City

<table>
<thead>
<tr>
<th>City</th>
<th>Population</th>
</tr>
</thead>
<tbody>
<tr>
<td>Banning</td>
<td>29,965</td>
</tr>
<tr>
<td>Beaumont</td>
<td>38,851</td>
</tr>
<tr>
<td>Blythe</td>
<td>20,400</td>
</tr>
<tr>
<td>Calimesa</td>
<td>7,998</td>
</tr>
<tr>
<td>Canyon Lake</td>
<td>10,689</td>
</tr>
<tr>
<td>Cathedral City</td>
<td>51,952</td>
</tr>
<tr>
<td>Coachella</td>
<td>41,904</td>
</tr>
<tr>
<td>Corona</td>
<td>154,520</td>
</tr>
<tr>
<td>Desert Hot Springs</td>
<td>27,638</td>
</tr>
<tr>
<td>Eastvale</td>
<td>55,602</td>
</tr>
<tr>
<td>Hemet</td>
<td>80,089</td>
</tr>
<tr>
<td>Indian Wells</td>
<td>5,035</td>
</tr>
<tr>
<td>Indio</td>
<td>78,065</td>
</tr>
<tr>
<td>Jurupa Valley</td>
<td>96,456</td>
</tr>
<tr>
<td>Lake Elsinore</td>
<td>53,024</td>
</tr>
<tr>
<td>La Quinta</td>
<td>38,075</td>
</tr>
<tr>
<td>Menifee</td>
<td>80,589</td>
</tr>
<tr>
<td>Moreno Valley</td>
<td>196,495</td>
</tr>
<tr>
<td>Murrieta</td>
<td>104,985</td>
</tr>
<tr>
<td>Norco</td>
<td>27,053</td>
</tr>
<tr>
<td>Palm Desert</td>
<td>49,471</td>
</tr>
<tr>
<td>Palm Springs</td>
<td>45,279</td>
</tr>
<tr>
<td>Perris</td>
<td>70,180</td>
</tr>
<tr>
<td>Rancho Mirage</td>
<td>17,504</td>
</tr>
<tr>
<td>Riverside</td>
<td>308,511</td>
</tr>
<tr>
<td>San Jacinto</td>
<td>44,803</td>
</tr>
<tr>
<td>Temecula</td>
<td>103,092</td>
</tr>
<tr>
<td>Wildomar</td>
<td>32,719</td>
</tr>
</tbody>
</table>

Incorporated Population: 1,870,944
Unincorporated Population: 356,633
Riverside County Total Population: 2,227,577

DEMOGRAPHICS

Demographic indicators explain the characteristics of human populations and population segments of a county. The following charts and tables illustrate the age, educational attainment, ethnicity, and household composition of Riverside County residents:

Assessed Valuation (2012): $197,789,719,687
Source: County of Riverside Assessor-County Clerk-Recorder, 2012-2013 Annual Report

Median Home Price (2011): $222,700
Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

Median Family Income (2011): $60,598
Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

Occupied Housing Units (2011): 684,794
Source: United States Census Bureau, 2011 American Community Survey 1-Year Estimates

Per Capita Personal Income (2011): $29,927
Source: U.S. Department of Commerce, Bureau of Economic Analysis

2011 Per Capita Personal Income Comparison
Source: U.S. Department of Commerce, Bureau of Economic Analysis

Orange: $50,440
San Diego: $46,800
Los Angeles: $42,564
San Bernardino: $29,998
Riverside: $29,927
State: $43,647

Incorporated Population
Unincorporated Population
Riverside County Total Population

COUNTY PROFILE
COUNTY PROFILE

2010 County Population by Age
Source: United States Census Bureau, 2010 Census

85 years and over
80 to 84 years
75 to 79 years
70 to 74 years
65 to 69 years
60 to 64 years
55 to 59 years
50 to 54 years
45 to 49 years
40 to 44 years
35 to 39 years
30 to 34 years
25 to 29 years
20 to 24 years
15 to 19 years
10 to 14 years
5 to 9 years
Under 5 years

Median Age (2010): 32.7
Source: United States Census Bureau, 2010 Census

Live Births (2010): 30,659
Source: California Public Health, Center for Health Statistics, 2010

Recorded Deaths (2010): 13,971
Source: California Public Health, Center for Health Statistics, 2010

Number of Households (2010): 686,260
Source: United States Census Bureau, 2010 Census
Non-Family Households: 176,019
Family Households: 510,241
With own children below 18: 257,077
Average Household Size (2010): 3.14
Source: United States Census Bureau, 2010 Census

Education Attainment
(2011 Estimate for population age 25 and over)

Less than 9th grade: 9.5%
9th to 12th no diploma: 11.0%
High School Graduate: 25.9%
College/no degree: 25.9%
Associates degree: 7.3%
Bachelor's degree: 12.9%
Graduate or Professional degree: 7.4%
Source: U.S. Census Bureau, 2011 American Community Survey

2010 County Population by Race/Ethnicity
Source: United States Census Bureau, 2010 Census

Hispanic or Latino
995,257
45.5%
White
869,688
39.7%
Asian
125,921
5.8%
Black
130,823
6.0%
Multi-Race
48,110
2.2%
Other Race
3,682
0.2%
Pacific Islander
5,849
0.3%
American Indian
10,931
0.5%
OTHER STATISTICAL DATA AND COMPARISONS

The following are comparisons between the county, state, and surrounding counties.

Comparison of Median Home Prices*
February 2013

Comparison of Change in Median Home Prices*
February 2013

Comparison of Unemployment Rates**
January 2013

*Source: California Association of Realtors, February 2013
**Source: Employment Development Department, March 2013 Report
COUNTY FINANCIAL POLICIES AND PROCEDURES

The following is an overview of the various policies that the county adheres to in its financial management practices and budgetary decision-making process.

GOVERNMENTAL FUND BALANCE AND RESERVE POLICY

Fund balance, the difference between assets and liabilities in a governmental fund, is a widely used component in government financial statements analysis. The Governmental Accounting Standards Board (GASB) issued Statement No. 54 to improve how fund balance information is reported and enhance its decision-making value. The county fund balance policy (Board of Supervisor Policy B-30, Government Fund Balance and Reserve Policy) applies to the governmental fund type which includes the general fund, special revenue funds, capital projects funds, debt service funds, and permanent funds. The policy can be found in its entirety on the county website at: http://rivcocob.com/policy-b/POLICY-B30.pdf.

The purpose of this policy is to establish the guidelines for the use of reserves with a restricted purpose versus an unrestricted purpose when both are available for expenditures; the establishment of stabilization arrangements for governmental funds and; the minimum fund balance allowable for governmental funds.

GOVERNMENTAL FUND BALANCE CATEGORIES

In accordance with GASB Statement No. 54, all of the county’s governmental fund balances will be comprised of the following categories:

<table>
<thead>
<tr>
<th>Nonspendable fund balance – amounts that cannot be spent because they are either not in spendable form or they are legally or contractually required to be maintained intact.</th>
</tr>
</thead>
<tbody>
<tr>
<td>Restricted fund balance – amounts that are constrained to being used for a specific purpose by external parties such as creditors, grantors, laws, or regulations.</td>
</tr>
<tr>
<td>Committed fund balance – amounts that are committed for a specific purpose. These funds require action from the Board of Supervisors to remove or change the specified use. Authority to commit: Commitments will only be used for specific purposes pursuant to a formal action by the Board of Supervisors. Board of Supervisors approval is required to establish, change, or remove a commitment.</td>
</tr>
<tr>
<td>Unrestricted</td>
</tr>
<tr>
<td>Assigned fund balance – amounts that have been set aside and are intended to be used for a specific purpose but are neither restricted nor committed. Assigned amounts cannot cause a deficit in unassigned fund balance. Authority to assign: assignments within the general fund must be established by the county Executive Officer or an Executive Officer designee. No formal action is required to remove an assignment.</td>
</tr>
</tbody>
</table>