



# *Annual Comprehensive Financial Report* *Fiscal Year Ended June 30, 2023*



*Riverside County Flood Control  
and Water Conservation District  
(A Component Unit of the County of Riverside)  
Riverside, California*





# *Annual Comprehensive Financial Report*

## *Fiscal Year Ended June 30, 2023*



Lakeland Village

*Submitted by:*  
*Jason E. Uhley*  
*General Manager-Chief Engineer*

*Darrylenn Prudholme-Brockington*  
*Chief of Finance*

*Riverside County Flood Control*  
*and Water Conservation District*  
*(A Component Unit of the County of Riverside)*  
*Riverside, California*

**Riverside County Flood Control and Water Conservation District**  
**Annual Comprehensive Financial Report**  
Year Ended June 30, 2023

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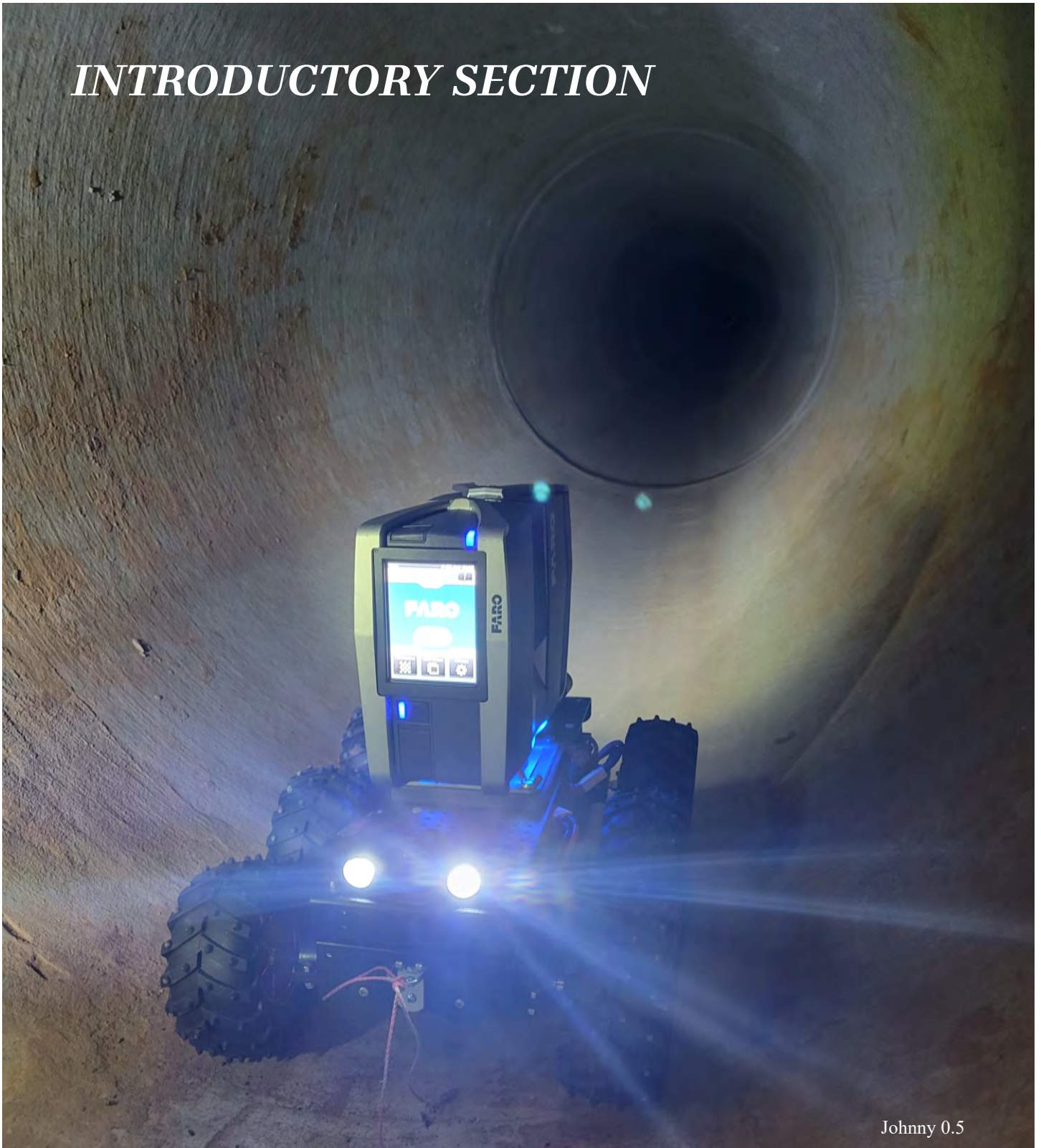
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# *INTRODUCTORY SECTION*



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- ◆ Letter of Transmittal
- ◆ GFOA Certificate of Achievement for Excellence in Financial Reporting for 2021
- ◆ List of Elected and Appointed Officials
- ◆ Organizational Chart



## RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

October 26, 2023

To the Members of the Board of Supervisors and Citizens served by the Riverside County Flood Control and Water Conservation District:

State law requires that every general-purpose local government publish, within six months of the close of each fiscal year, a complete set of audited financial statements. The Riverside County Flood Control and Water Conservation District (District) is a component unit of the County of Riverside, California. This report is published to fulfill that requirement for the fiscal year ended June 30, 2023.

Responsibility for the accuracy of the reported data and the completeness and reliability of the facts contained in this report rests with the management of the Riverside County Flood Control and Water Conservation District. The report has been prepared in accordance with generally accepted accounting principles (GAAP) recommended for government entities and provides a thorough overview of the Riverside County Flood Control and Water Conservation District's financial operations and financial position.

Van Lant & Fankhanel, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2023. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. Management's discussion and analysis complement this letter of transmittal and should be read in conjunction with it.

### ***Riverside County Flood Control and Water Conservation District and Its Services***

The District, formed in 1945 by an Act of the State Legislature, is in the southern part of the State within the County of Riverside, which boasts the 11<sup>th</sup> largest cumulative numeric increase in population in the country.<sup>1</sup> The District currently occupies 2,676 square miles and serves a population of approximately 2.08 million. The District is divided into seven geographic zones and is empowered to levy property or special assessment tax on both real and personal property located within the boundaries of each zone. Taxes collected within each zone must be spent for flood control projects within, or proportionally beneficial to, that zone.

The County of Riverside, Board of Supervisors, ex officio, has been the District's governing body since 1945. Policy making and legislative authority are vested in the Board, consisting of five members elected on a non-partisan basis. Board members serve staggered four-year terms with member seats opening for election on an alternating basis. The Board of Supervisors appoints the District's General Manager-Chief Engineer, who in turn appoints the heads of the various Divisions within the District.

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<sup>1</sup> Source: U.S. Census Bureau, Estimates of the Components of Resident Population Change: April 1, 2020, to July 1, 2023

Additionally, the Board of Supervisors appoints three Zone Commissioners to each zone. The Zone Commissioners act as an advisory body to the Board of Supervisors by prioritizing the need for new flood control facilities within a zone based on requests from citizens, Cities, and other agencies within the zone boundaries, and making budget recommendations for new or pending projects in the upcoming fiscal year.

The District provides a full range of services, including the design and construction of flood control facilities; regulatory services which fulfill legal requirements associated with federal and state programs that relate to District activities; surveying and mapping services; watershed protection services; planning and developer services that relate to land development, and provide for the public's health and safety by contributing to orderly development and growth within the County; the operation and maintenance of the District's fleet and facilities, land interests, and encroachment issues; watershed analytics services which provide technical support to District staff; administrative services providing clerical, financial, and personnel support to District staff; and government affairs services to increase public engagement.

The Board of Supervisors is required to adopt by resolution a final budget for the County of Riverside, including all districts, agencies, and authorities governed by the Board of Supervisors, no later than October 2<sup>nd</sup> of each year pursuant to Sections 29080 through 29092 of the Government Code. The Board of Supervisors adopted the District's 2023 fiscal year budget on June 21, 2022. The annual budget serves as the foundation for the District's financial planning and control. The District's legal level of budgetary control is by class or appropriation level (e.g., salaries and benefits, services, and supplies) within each category present on the financial statements. The District may transfer resources between appropriation levels within the same fund at their discretion and with approval by the County of Riverside Executive Office. Increase of resources or establishment of a new appropriation level requires approval by the Board of Supervisors.

### ***Local Economy***

Demands on the County's already scarce water supply will continue to rise due to population growth and drought. The District keeps looking to increase water conservation initiatives and find more avenues for revenue generation to meet this demand. The District's revenue is primarily supported by special assessments and taxes. The District oversees the western portion of the Riverside County, which includes twenty-eight cities and unincorporated county communities west of the San Jacinto and Santa Rosa Mountains. Riverside County is California's fourth largest populated county according to the State Department of Finance. It represents 6.26% of California's total population.<sup>2</sup> Riverside County is part of a larger area known as Southern California's Inland Empire, comprised of Riverside and San Bernardino counties. It is approximately 60 miles from north to south and some 50 miles wide. Major industries located within the Riverside County include government, retail trade, educational and health services, leisure and hospitality, and construction.

Both the Inland Empire and Riverside County experienced an increase in unemployment. From July 2022 to June 2023, the unemployment rate in the Inland Empire increased from 4.2% to 5.0%, and in Riverside County, the unemployment rate increased 4.2% to 5.0%. Nonfarm employment increased by 17,800 1.1% and agricultural employment increased by 2,000 up 15% within the year. The trade, transportation, and utilities industries suffered a loss of 12,600 jobs. The leisure and hospitality industry accounted for another 800 jobs, while educational and health services accounted for an additional 13,800 jobs. Government suffered a loss of 12,900 jobs along with financial activities losing 900 jobs, and manufacturing with a loss of 2,900 jobs.<sup>3</sup>

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<sup>2</sup> Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2022, and 2023. Sacramento, CA, May 2023

<sup>3</sup> Source: State of California, Employment Development Department, Labor Force Data – Riverside and San Bernardino Counties.



Over the past ten years, the District's expenses related to the construction and maintenance of flood control facilities have increased by 81.26%. Maintenance costs for the current fiscal year ended have increased by 64.8% from the prior year. These increases are largely attributable to the amount of infrastructure accepted into operations and maintenance by the District over the past ten years.

With the variation of the economy, the District continues to follow a moderate construction schedule. The District's practice has been to accumulate monies for large projects while maintaining a prudent reserve for operations and maintenance.

During this same ten-year period, charges for services increased, both in amount and as a percentage of total revenues, reflecting a ten-year increase of 1140.06%.

### ***Long-term Financial Planning***

Timely project development is facilitated by the District's five-year Capital Improvement Plan (CIP) which provides a long-range plan for funding of designated flood control and drainage infrastructure projects. The CIP details revenues and expenditures anticipated for each project for a five-year period. The CIP is an internal document and is provided as information in the District's annual budget. The CIP does not contain all projects that need to be completed, but rather those projects that will be initiated during the prescribed five-year period.

### ***Relevant Financial Policies***

The District's cash and investments, stated at fair value, are on account with and pooled with other governmental agencies by the County of Riverside Treasurer for the purpose of increasing income through investment activities. U.S. Bank Corporate Trust Services serves as the District's fiscal agent for special assessment debt and cash reserves. See *Note 2* in the *Notes to Financial Statements* section of this report for more detailed information.

The County of Riverside recognizes governmental Generally Accepted Accounting Principles (GAAP), as ordered by the Governmental Accounting Standards Board (GASB), as the highest-ranking set of standards pertinent to the County's accounting practices. These standards take utmost priority over all other standards, laws, and regulations.

### ***Major Initiatives - Design and Construction***

During the fiscal year ended June 30, 2023, the District issued notices of completion for two projects totaling over \$4.5 million dollars in construction costs. At the close of the fiscal year, the District had six construction contracts in progress totaling an additional \$39 million dollars. Several of these projects are estimated for completion by the end of calendar 2023.

The following District-administered flood control project contracts were completed during, or were under construction during the Fiscal Years 2022-2023:

Facilities	Status	Construction Costs
<b>Potrero Creek Debris Basin, Stg 90</b>	Completed 11/1/22	\$2,700,625
<b>Paramount Estates MDP Line C</b>	Completed 3/14/23	\$1,836,595
<b>Romoland MDP Line A-3, Stages 2 &amp; 3</b>	In-Progress	4,280,283
<b>Woodcrest Dam Outlet Modification, Stage 90</b>	In-Progress	\$983,234
<b>Palm Springs MDP Line 41, Stages 3 &amp; 4</b>	In-Progress	\$15,985,186
<b>Lakeland Village MDP Line H</b>	In-Progress	\$13,145,130
<b>North Norco Channel NB, Stage 3</b>	In-Progress	\$2,448,700
<b>Beaumont MDP Line 16, Stg. 50 Recharge Basin Feeder</b>	In-Progress	\$7,558,650



**ROMOLAND MDP LINE A-3** – This is a District-led project that will ultimately protect existing neighborhoods along Varela Lane and properties south of Varela Lane and east of Palomar Street. Stage 1 of Line A-3 was already constructed near Case Road in Palomar Street. Stages 2 and 3 will extend this storm drain system north in Palomar Road to Varela Lane. The total length of these two stages is approximately 3,200 feet of underground box storm drain (12'Wx6.5'H). This project also enables the future construction of Stages 4 and 5 which extend east along Varela Lane. The full benefit of this project will not be realized until Stages 4 and 5 are also constructed. This project is funded by the District.

**WOODCREST DAM OUTLET MODIFICATION** – This is a District-led project to upgrade the safety and operation of Woodcrest Dam. The improvements include replacing the existing gate assembly and control system, replacing the existing outlet structure with a new debris rack outlet structure to reduce clogging potential, and installation of erosion control measures on the embankment slope. This project is funded by the District.

**PALM SPRINGS MDP LINE 41, Stage 3 & 4** – Stage 3 of the Line 41 system is a District-led project to install approximately 5,450 feet of underground pipe ranging from 30"-108" and construct a 7-acre detention basin. Stage 4 of the Line 41 system is a District-led storm drain improvement project to install approximately 1,365 feet of 84" reinforced concrete pipe.

**LAKELAND VILLAGE MDP LINE H** – This is a District led storm drain improvement project of approximately 6,123 feet of various size underground pipe and box and a 2-acre sediment basin. The primary objective of this project is to provide flood protection to the residential area of Lakeland Village by capturing stormwater runoff from the Elsinore Mountains and safely conveying it in an underground storm drain.

**BEAUMONT MDP LINE 16, STAGE 50 RECHARGE BASIN FEEDER** – This is a District-led storm drain project featuring water conservation elements and is a joint project with Beaumont-Cherry Valley Water District (BCVWD). The project consists of 7,800 feet of pipe (54"-84") and recharge basin improvements. The primary objective of this project is to provide flood protection to residents near Grand Avenue in Cherry Valley and increase groundwater recharge within the project vicinity. Storm flows are generally collected in Bellflower Avenue, Winesap Avenue, Jonathan Avenue, Cherry Avenue, Nobel Street, and Grand Avenue and are safely conveyed westerly to an existing recharge basin owned and operated by BCVWD. Flows reaching the basins will help recharge the groundwater basin and become available for future pumping to meet the community's water needs. Project cost will be based on a 50/50 cost share between the District and BCVWD. The project is partially funded by the Proposition 84 Integrated Regional Water Management Grant equating to approximately \$1.2 million. The remaining construction costs will be split equally between BCVWD and the District.

**NORTH NORCO CHANNEL LINE NB, Stage 3** – This is a District-led project to replace approximately 1,800 feet of existing interim earthen channel with an open concrete trapezoidal and rectangular channel that will provide 100- year flood protection to the community near the channel between Valley View Avenue and Sierra Avenue. The project will collect flows from the existing improved portion of Line NB upstream (east) of Valley View Avenue and convey them westerly in an upgraded channel until they are discharged into the existing North Norco Channel on the east side of Interstate 15. The project includes installation of a permeable paver lined invert at the downstream end of the project to promote infiltration of low flows. This project is funded by the District less a \$50,000 external contribution from the City of Norco for waterline relocation.

Corona, Norco, Moreno Valley, San Jacinto, and Riverside to deliver priority infrastructure. These Cities are overseeing the design and implementation of substantial flood control projects using District financing (given through Board-approved cooperative agreements).

### ***Other Division Accomplishments***

The Emergency Management and Government Affairs Division has completed the Santa Ana River Levee. This project involved working with U.S. Army Corps of Engineers to rehabilitate 13,000 linear feet of damaged portions of the federally constructed reach of the Santa Ana River Levee system.

The Regulatory Division achieved negotiation of regulatory permits with the San Diego RWQCB, CDFW, and the RCA for the Wildomar Basin project. With Regulatory's expertise, they were able to negotiate the mitigation project amount from \$1,185,500 to \$715,500.

The Developer Services Division had 92 plan check projects approved and completed over 290 entitlement case submittals. Additionally, a total of 60 new encroachment permits were issued. With new projects and plan checks, this shows that there is new land development happening in Riverside County, which also benefits the economy.

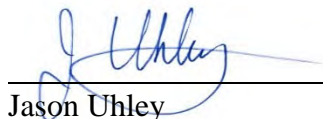
### ***Awards and Acknowledgments***

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2022. This was the thirty-second consecutive year that the District published an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

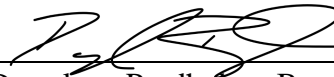
A Certificate of Achievement is valid for a period of one year only. We believe that our current ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

Without the effective and devoted work of the employees of the Finance Division, it would not have been possible to prepare this report. We would like to thank all the District staff who provided input for the preparation of this report. Special thanks to the Chief of Finance, Darrylenn Prudholme-Brockington; Accountant II, Charlene Villalvazo; and Accountant II, Amber Hartoog, for their efforts in the preparation of this report. Credit must also be given to the Board of Supervisors for their unfailing support in maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



Jason Uhley  
General Manager-Chief Engineer



Darrylenn Prudholme-Brockington  
Chief of Finance



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Riverside County Flood Control and Water  
Conservation District  
California**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2022

*Christopher P. Morill*

Executive Director/CEO



**RIVERSIDE COUNTY FLOOD CONTROL  
AND WATER CONSERVATION DISTRICT**

List of Principal Officials

<b><u>TITLE</u></b>	<b><u>NAME</u></b>
Board of Supervisors	Kevin Jeffries, District Vice-Chair 1 <sup>st</sup> District
Board of Supervisors	Karen Spiegel, District Chair, 2 <sup>nd</sup> District
Board of Supervisors	Chuck Washington, 3 <sup>rd</sup> District
Board of Supervisors	V. Manuel Perez, 4 <sup>th</sup> District
Board of Supervisors	Yxstian Gutierrez, 5 <sup>th</sup> District
General Manager	Jason E. Uhley
Assistant Chief Engineer	Edwin Quinonez
Assistant Chief Engineer	Claudio Padres
Chief of Operations	Helio Takano
Chief of Construction and Maintenance	David Garcia
Chief of Design	Komy Ghods
Chief of Finance	Darrylenn Prudholme-Brockington
Chief of Planning	Deborah de Chambeau
Chief of Regulatory	Joan Valle
Chief of Watershed Protection	Richard Boon
Chief of Emergency Management & Government Affairs	Julianna Adams
Chief of Developer Services	Albert Martinez
Watershed Analytics Manager	John Carrillo
Chief of Surveying & Mapping	Jim McNeill



# BOARD OF SUPERVISORS

District 1-Kevin Jeffries

District 3-Chuck Washington

District 2-Karen Spiegel

District 4-V. Manuel Perez

District 5-Yxstian Gutierrez

Zone  
Commissioners

Executive Assistant IV  
Beth DeHayes

General Manager-Chief Engineer  
Jason E. Uhley

Human Resources Officer  
Sabrina Gadsden

Assistant Chief Engineer (Business)  
Edwin E. Quiñonez

Assistant Chief Engineer (Engineering)  
Claudio M. Padres

Admin Services Supervisor  
Toni Irvin

Admin Services Supervisor  
Carmen Gonzalez

Developer  
Services  
Albert Martinez

Emergency Mgmt  
& Govt Affairs  
Julianna Adams

Finance  
Darrylenn  
Prudholme-  
Brockington

Watershed  
Analytics  
John Carrillo

Watershed  
Protection  
Richard Boon

Construction  
& Maintenance  
David Garcia

Design  
Komy Ghods

Operations  
Helio Takano

Planning  
Deborah  
de Chambeau

Regulatory  
Joan Valle

Surveying &  
Mapping  
Jim McNeill

Contract Services  
Ann Marie Rolle

Emergency  
Management  
Simon Tse

Budgets  
Sunita Jain

Database  
Management  
Christy Yu

Watershed  
Monitoring  
Rebekah Guill

Construction  
Management  
Nick Guizado

Design I  
Ryan Gosliga

Buildings &  
Grounds  
Elias Santos

Project Planning  
Andy Leung

Environmental  
Regulatory Svcs I  
Jerry Aguirre

Photogrammetry  
Keith Ream

Development  
Review  
Amy McNeill

Federal Projects  
Kelly O'Sullivan

Gen Acctg/  
Financial Rptg  
Vacant

Geographic  
Info. Systems  
Alma Hidalgo

Water Quality  
Compliance I  
Rohini Mustafa

Maintenance  
Miguel Negrete

Design II  
Mike Venable

Garage  
Leon Schrader

Special Projects  
Kahlil Amin

Environmental  
Regulatory Svcs II  
Kevin Cunningham

Right of Way  
Engineering  
Shane Bender

Plan Check  
Ruddy Argueta

Payroll  
Lisa McFarland

Hydrologic Data  
Collection  
Robert Laag

Water Quality  
Compliance II  
Matt Yeager

Zones 1, 2, 3, 7  
Al Valencia

Design III  
Entcho Angelov

Operations  
Engineering  
Jeff Shim

Floodplain  
Management  
Hilal Elhaddad

Environmental  
Regulatory Svcs III  
Jason Swenson

Real Estate  
Services  
Yolanda Wilder

Purchasing  
Marilyn  
Weisenberg

Data Analytics  
and Reporting  
James Reed

Public Education  
and Outreach  
Darcy Kuenzi

Zones 4, 5, 6  
Josh Gutknecht

Safety  
Brian Teig

Environmental  
Regulatory Svcs IV  
Margaret Bomyasz

Surveys  
Josh Tremba

Reproduction  
Nabil Saleeb



# FINANCIAL SECTION

- ◆ Independent Auditor's Report
- ◆ Management's Discussion and Analysis
- ◆ Basic Financial Statements

- ◆ Required Supplementary Information
- ◆ Supplementary Information



Beaumont MDP Line 16



## **Independent Auditor's Report**

The Honorable Chairman and Board of Supervisors  
Riverside County Flood Control and Water Conservation District

### **Report on the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Flood Control and Water Conservation District (District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Flood Control and Water Conservation District, as of June 30, 2023, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and other required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining statements, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting

and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, as listed in the table of contents, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

#### ***Other Information***

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

#### ***Other Reporting Required by Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated October 26, 2023, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Van Lant & Frankhamel, LLP". The signature is written in a cursive, flowing style.

Murrieta, California  
October 26, 2023



## Management's Discussion and Analysis

As management of the Riverside County Flood Control and Water Conservation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vi of this report. All monetary amounts, unless otherwise indicated, are expressed in the nearest dollar.

### Financial Highlights

- ◆ The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,423,679,074 (*net position*).
- ◆ The District's total net position increased by \$65,754,095. Approximately 46 percent of this increase is attributable to the addition of donated capital assets, i.e., infrastructure and land, net of investment related expenses.
- ◆ The (\$13,178,908) deficit reported in unrestricted net position is the result of the District's unfunded net pension liability.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$295,365,485, an increase of \$7,609,000 in comparison with the prior year. Approximately 2 percent of this amount (\$4,198,145) is *available for spending* at the District's discretion (*unassigned fund balance*).
- ◆ At the end of the fiscal year, unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the general fund was \$6,343,291, or 84 percent of total general fund expenditures.

### Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**Government-wide financial statements.** The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all the District's assets, liabilities, and deferred inflows/outflows, with the difference reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation).

Each of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general government and public ways and facilities. The business-type activities of the District include Subdivision Operations, Photogrammetry Operations and Encroachment Permits. The government-wide financial statements can be found on pages 15-17 of this report.

**Fund financial statements.** A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the funds of the District can be divided into two categories: governmental funds and proprietary funds.

**Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources*, available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains 13 individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and the special revenue funds, both of which are considered major funds. The capital project fund and the debt service fund, nonmajor funds, are presented as *Other Governmental Funds* in the basic governmental fund financial statements.

The District adopts an annual appropriated budget for its governmental funds. Budgetary comparison statements have been provided for the governmental funds to demonstrate compliance with this budget.

The governmental fund financial statements can be found on pages 18-25 of this report.

**Proprietary funds.** The District maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses *enterprise funds* to account for its subdivision, photogrammetry, and encroachment permit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its hydrology, garage, project maintenance, mapping services and data processing. Because these services predominantly benefit governmental rather than business-type functions, they have been included within *governmental activities* in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the subdivision operation, which is considered a major fund of the District. Data from the other two enterprise funds is combined into a single, aggregated presentation. Individual fund data for each of these non-major enterprise funds is provided in the form of *combining statements* elsewhere in this report. Conversely, the five internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its proprietary funds.

The proprietary fund financial statements can be found on pages 26-28 of this report.

**Notes to the basic financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-53 of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's schedule of changes in the net pension liability during the measurement period reported, schedule of plan contributions, progress in funding its obligation to provide other post-employment benefits to its employees. Required supplementary information can be found on pages 54-71 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 72-88 of this report.

### Government-wide Financial Analysis

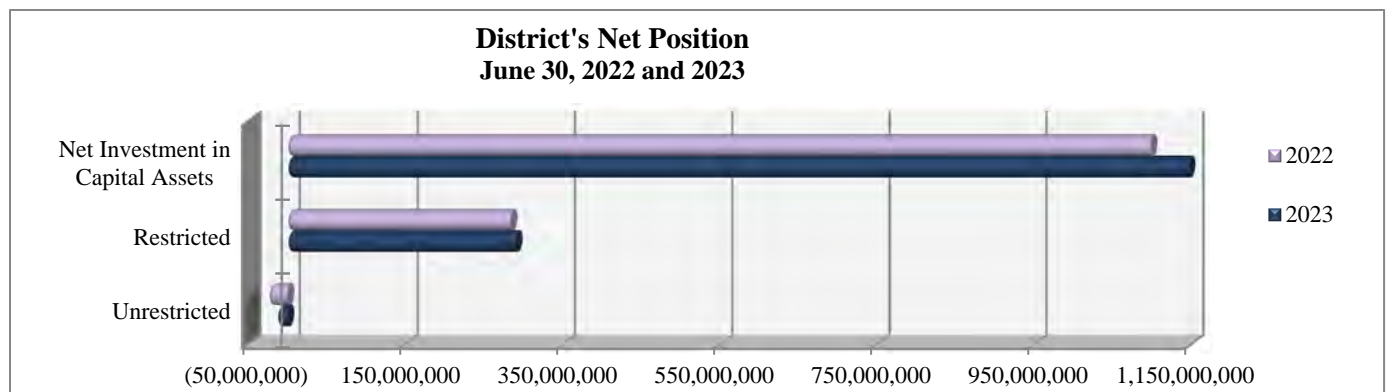
As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,423,679,074 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (81 percent) reflects its net investment in capital assets (e.g., land and easements, buildings and improvements, infrastructure, and equipment), less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide services to prevent and to protect citizens from flooding within the District's zone boundaries; consequently, these assets are *not* available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

#### District's Net Position

	Governmental Activities		Business-type Activities		Total	
	2023	2022	2023	2022	2023	2022
Current and Other Assets	\$ 317,759,312	\$ 306,181,613	\$ 8,273,076	\$ 7,618,113	\$ 326,032,388	\$ 313,799,726
Capital Assets, Net	1,152,489,385	1,106,692,130	44,680	56,537	1,152,534,065	1,106,748,667
Total Assets	1,470,248,697	1,412,873,743	8,317,756	7,674,650	1,478,566,453	1,420,548,393
Deferred Outflows of Resources	36,277,430	23,398,933	6,792	25,607	36,284,222	23,424,540
Current and Other Liabilities	15,517,143	12,344,481	7,273,496	6,910,829	22,790,639	19,255,310
Long-term Liabilities	64,492,749	46,832,860	2,166,472	1,844,073	66,659,221	48,676,933
Total Liabilities	80,009,892	59,177,341	9,439,968	8,754,902	89,449,860	67,932,243
Deferred Inflows of Resources	1,694,652	17,841,220	27,089	274,491	1,721,741	18,115,711
Net Position:						
Net Investment in Capital Assets	1,146,624,725	1,098,085,142	44,680	56,537	1,146,669,405	1,098,141,679
Restricted	290,188,577	283,714,211	-	-	290,188,577	283,714,211
Unrestricted	(11,991,719)	(22,545,238)	(1,187,189)	(1,385,673)	(13,178,908)	(23,930,911)
Total Net Position	\$1,424,821,583	\$1,359,254,115	\$ (1,142,509)	\$ (1,329,136)	\$1,423,679,074	\$1,357,924,979

An additional portion of the District's net position (20 percent) represents resources that are subject to external restrictions on how they may be used. As noted earlier, the deficit balance of (\$13,178,908) reported in unrestricted net position (-1 percent) is primarily the result of the District's unfunded net pension liability.



The District's overall net position increased \$65,754,095 from the prior fiscal year. The District experienced a net increase primarily due to increases in property taxes and investment earnings.

**Governmental activities.** During the current fiscal year, net position for the governmental activities increased the District's net position by \$65,567,468 from the prior fiscal year, thereby accounting for nearly 100 percent of the total increase in net position for the District. Key elements of the increase are as follows:

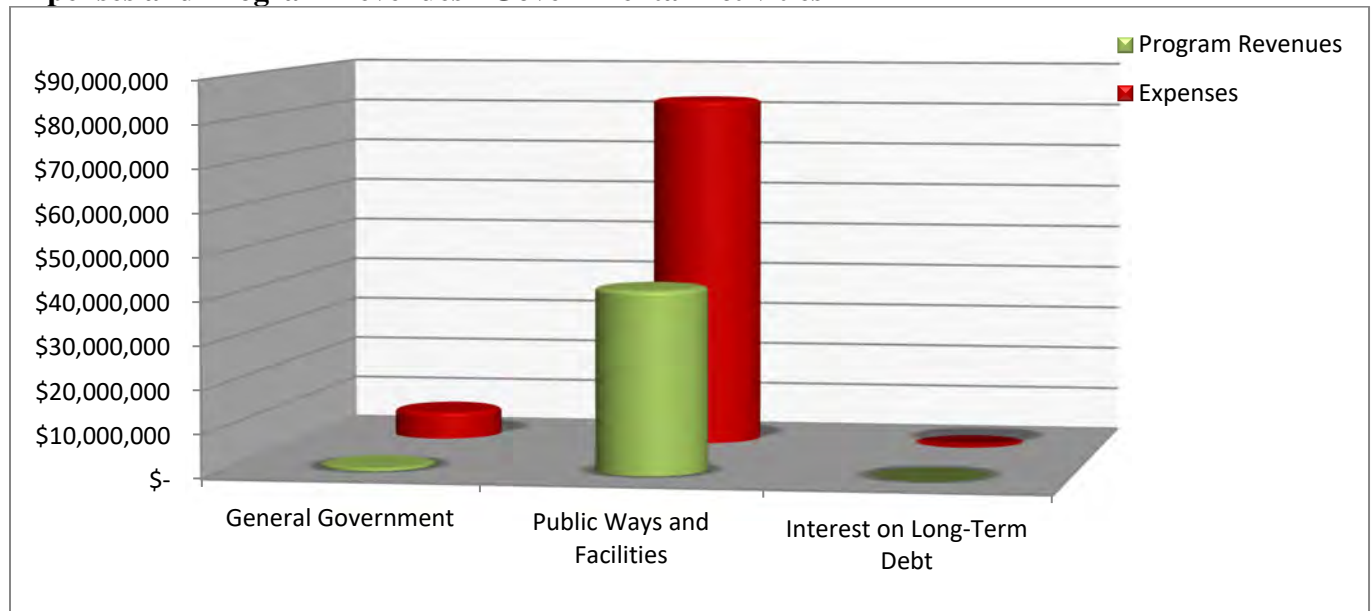
<b>District's Changes in Net Position</b>						
	<b>Governmental Activities</b>		<b>Business-type Activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Revenues:						
Program Revenues:						
Charges for Services	\$ 12,970,641	\$ 8,712,431	\$ 2,529,565	\$ 2,929,994	\$ 15,500,206	\$ 11,642,425
Capital Grants and Contributions	30,176,829	35,800,685	-	-	30,176,829	35,800,685
General Revenues:						
Property Taxes	104,053,710	90,919,303	-	-	104,053,710	90,919,303
Unrestricted Interest and Investment Earnings (Loss)	7,170,573	(4,702,346)	178,183	(114,399)	7,348,756	(4,816,745)
Gain (Loss) on Sale of Capital Assets	16,800	95,919	-	(46,296)	16,800	49,623
Total Revenues	154,388,553	130,825,992	2,707,748	2,769,299	157,096,301	133,595,291
Expenses:						
General Government	6,438,353	5,133,464			6,438,353	5,133,464
Public Ways and Facilities	82,345,227	52,889,992			82,345,227	52,889,992
Interest on Long-Term Debt	37,505	161,505			37,505	161,505
Subdivision Operations			1,964,168	1,898,265	1,964,168	1,898,265
Photogrammetry Operations			140,190	206,558	140,190	206,558
Encroachment Permits			416,763	402,309	416,763	402,309
Total Expenses	88,821,085	58,184,961	2,521,121	2,507,132	91,342,206	60,692,093
Increase (Decrease) in Net Position Before Transfers	65,567,468	72,641,031	186,627	262,167	65,754,095	72,903,198
Transfers	-	(2,255)	-	2,255	-	-
Increase (Decrease) in Net Position After Transfers	65,567,468	72,638,776	186,627	264,422	65,754,095	72,903,198
Net Position - Beginning	1,359,254,115	1,286,615,339	(1,329,136)	(1,593,558)	1,357,924,979	1,285,021,781
Net Position - Ending	\$1,424,821,583	\$1,359,254,115	\$(1,142,509)	\$(1,329,136)	\$1,423,679,074	\$1,357,924,979

- ◆ Historically, ongoing revenues for governmental activities have exceeded expenses as a percentage of net position by approximately less than 1 to 2 percent in a given fiscal year. During the year, ongoing revenues exceeded expenses by \$35,390,639 (approximately 2 percent of net position).

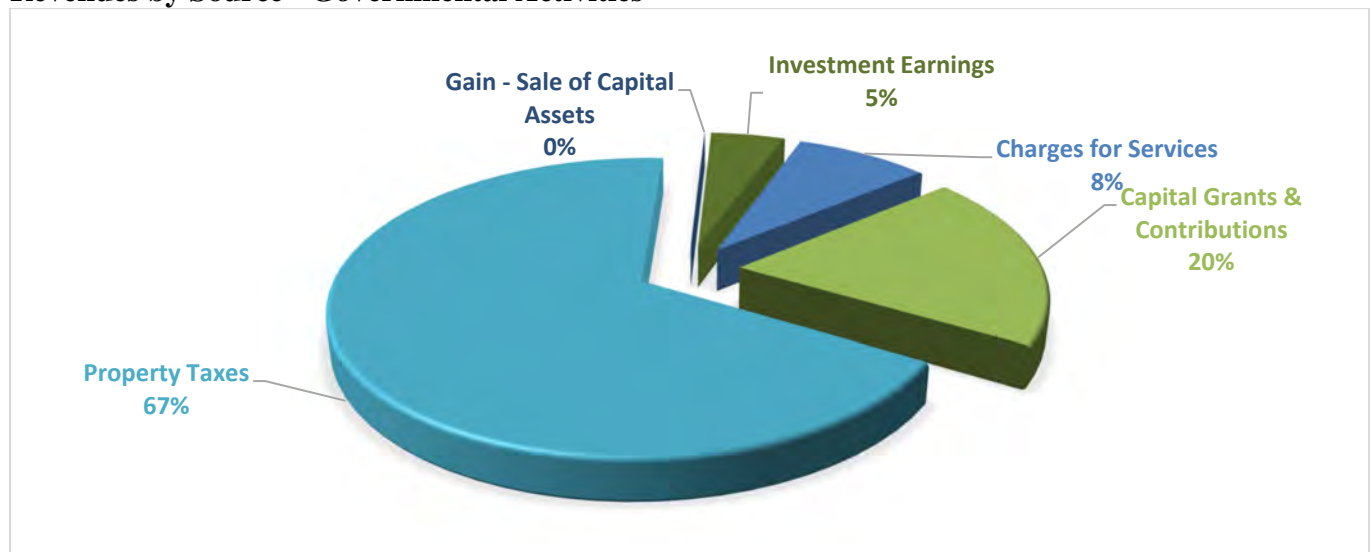
For the most part, increases and decreases in expenses paralleled inflation and growth in the demand for services. Noteworthy exceptions include the following:

- ◆ A decrease in Capital Grants and Contributions revenue of \$5,623,856 (16 percent) associated with a decrease in donated capital assets (infrastructure and land in various zones) being placed in service.
- ◆ An increase in expenses of \$30,636,124 (53 percent) due primarily to increased contributions to non-County agencies for the design and construction of various flood control facilities within Riverside County.

## Expenses and Program Revenues - Governmental Activities



## Revenues by Source - Governmental Activities

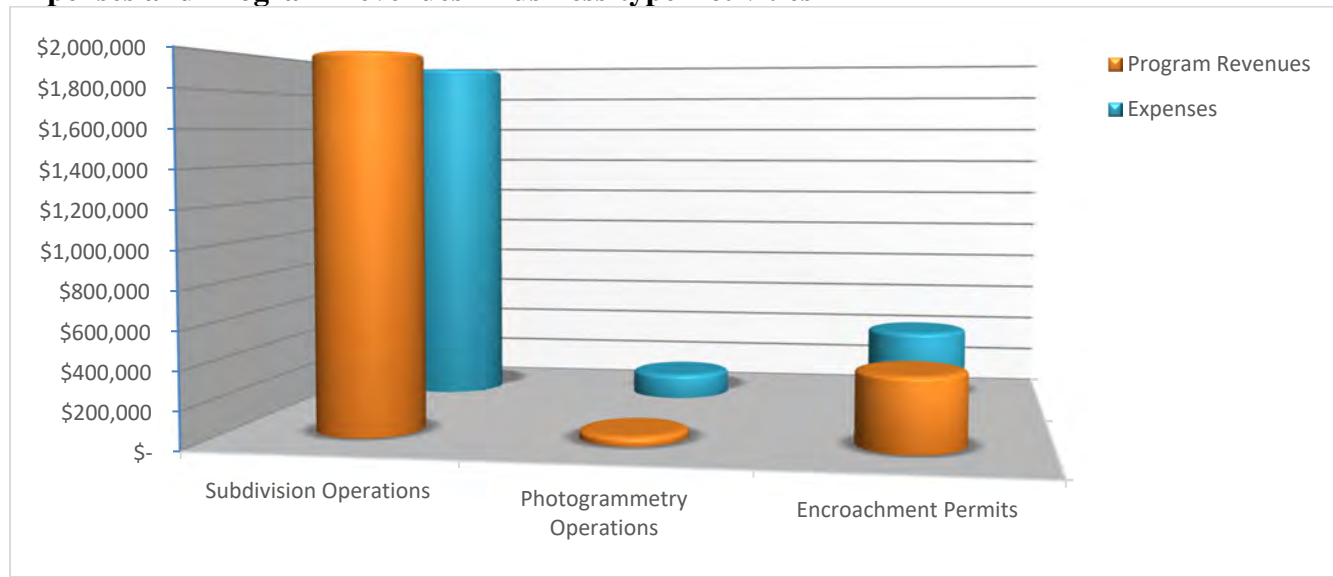


**Business-type activities.** Business-type activities increased the District's net position by \$186,627. Key elements of the increase are as follows.

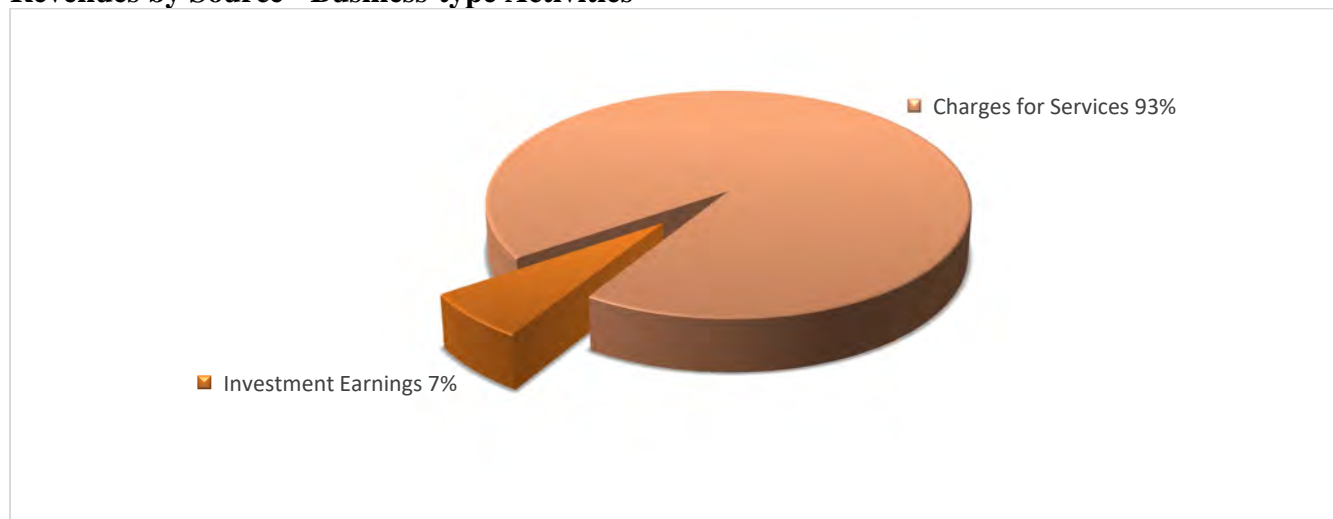
- ◆ Overall charges for services for business-type activities decreased by 14 percent while expenses increased by 1 percent from the previous fiscal year. Historically, increases and decreases in charges for services and expenses are development related and will vary based on the level of private development activity within the County of Riverside. Development activity within the Subdivision Operations fund has decreased by 14 percent over the past year due to fluctuation in the economy. Normal operating expenses within the Subdivision Operations fund increased by 3 percent due to increased personnel costs.



## Expenses and Program Revenues - Business-type Activities



## Revenues by Source - Business-type Activities



## Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

**Governmental funds.** The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. Restricted, assigned, and unassigned fund balances may serve as a useful measure of a government's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$295,365,485 an increase of \$7,609,000 in comparison with the prior year. Most of this total amount (\$289,021,594) constitutes *restricted fund balances*, which reflect resources that are subject to externally enforceable legal restrictions that arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose, e.g., maintenance and construction of flood control facilities within designated zone boundaries. *Unassigned fund balance* (\$4,918,145) reflects surplus resources in the District's general fund that are available for spending at the District's discretion. The remainder of fund balance is *assigned fund balance* (\$1,425,146), which reflects resources that the District intends to use to fund accrued compensated absence liabilities as required, and *nonspendable fund balance* (\$600) for imprest cash.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,918,145, while total fund balance reached \$6,343,891. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 65 percent of total general fund expenditures, while total fund balance represents 84 percent of that same amount.

During the current fiscal year, the fund balance in the District's general fund increased by \$772,760. The increase in fund balance is primarily a result of increases in property tax revenue and investments earnings received during the current fiscal year. General government expenditures increased by \$549,858 primarily due to increases in personnel costs.

The special revenue funds account for the following:

- ◆ Revenues and expenditures related to providing flood control facilities maintenance and the design and construction of flood control facilities within defined geographical areas Zone 1 through Zone 7 (zone funds).
- ◆ Revenues and expenditures related to the administration of and compliance with the National Pollutant Discharge Elimination System (NPDES) regulations for the Whitewater, Santa Ana, and Santa Margarita benefit assessment areas (NPDES funds).

The zone funds had an aggregate fund balance of \$278,549,956 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year was \$6,404,307. Property tax revenues account for approximately 85 percent of total zone fund revenues and can fluctuate from year to year based on property values and foreclosures within each zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenue can positively or negatively impact growth in total fund balance. Key factors in the aggregate net increase are as follows:

- ◆ *Zone 1* reported a fund balance of \$53,957,588 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$7,396,949. Property tax revenue accounts for approximately 88 percent of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 61 percent (\$4,606,576). Overall revenues increased (\$4,383,677) primarily due to increases in property tax revenue (\$2,081,098), investment earnings (\$1,824,478), and use of assets from the lease of land (\$933,353). These increases offset the decreases in intergovernmental revenue (\$50,534), charges for services (\$60,848), and area drainage fees (\$343,870). Additionally, expenditures increased (\$1,595,481) due primarily to increased retirements costs for the payment of unfunded pension liabilities. There was also an increase in contributions to other governmental agencies such as to the City of Riverside for a cooperative agreement related to the Monroe Master Drainage Plan Line E project.

- ◆ *Zone 2* reported a fund balance of \$89,442,937 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$2,144,277. Property tax revenue accounts for approximately 91 percent of total revenues in this zone fund.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 125 percent (\$10,722,517). Overall revenues increased (\$6,337,311) due to increases in property tax revenue (\$2,743,045), charges for services (\$6,904), area drainage fees (\$26,211), and investment earnings (\$3,761,427). These increases offset the decreases in intergovernmental revenue (\$194,343) and the use of assets from the lease of land (\$5,933). Additionally, expenditures increased (\$17,047,528) due primarily to increases in contributions to non-County agencies for various partner projects such as the Bluff Street Reclaimed Water Pipeline partner project with the City of Corona and the Norco MDP Line N-5 Extension partner project with the City of Norco.

- ◆ *Zone 3* reported a fund balance of \$5,568,322 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$3,713,477. Property tax revenue accounts for approximately 76 percent of total revenues in this zone fund.

In comparison to the prior year, the negative change in fund balance reflects an increase of approximately 377 percent (\$5,054,340). Overall revenues increased (\$1,903,556) due to increases in property tax revenue (\$542,193), intergovernmental revenue (\$1,040,933), investment earnings (\$382,716), and use of assets from the lease of land (\$5,500). These increases offset the decreases in special assessments revenue (\$531), charges for services revenue (\$5,492), and area drainage fees (\$61,763). Additionally, expenditures increased (\$6,951,365) due to the construction of the Lakeland Village MDP Line H project.

- ◆ *Zone 4* reported a fund balance of \$71,855,776 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$12,137,489. Property tax revenue account for approximately 81 percent of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 460 percent (\$15,506,298). Overall revenues increased (\$9,552,203) due to increases in property tax revenue (\$3,838,351), intergovernmental revenue (\$3,765,609), investment earnings (\$2,274,672), and use of assets from the lease of land (\$46,600). These increases offset the decreases in charges for services (\$132,142) and area drainage fees (\$240,887). Additionally, expenditures decreased (\$5,952,782) resulting from decreased construction activity in Zone 4 compared to the prior fiscal year.

- ◆ *Zone 5* reported a fund balance of \$13,159,566 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$3,962,242. Property tax revenue accounts for approximately 80 percent of total revenues in this zone fund.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 656 percent (\$3,437,861). Overall revenues increased (\$1,501,902) due to increases in property tax revenue (\$702,485), intergovernmental revenue (\$50,055), and investment earnings (\$749,362). Additionally, expenditures increased (\$3,453,885) due to increased costs for the emergency restoration of District facilities following the Apple and El Dorado Fires of 2020.

- ◆ *Zone 6* reported a fund balance of \$8,733,942 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$5,787,186. Property tax revenue accounts for approximately 95 percent of total revenues in this zone fund.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 1857 percent (\$5,491,400). Overall revenues increased (\$1,728,169) due primarily to increases in property tax revenue (\$1,072,284) and investment earnings (\$667,769). These increases offset the decreases in intergovernmental revenue (\$885), charges for services (\$5,561), and the use of assets from the lease of land (\$5,438). Additionally, expenditures increased (\$7,216,511) due primarily to increased costs related to the construction of the Palm Springs MDP Line 41 project.

- ◆ *Zone 7* reported a fund balance of \$35,831,825 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$2,477,051. Property tax revenue accounts for approximately 84 percent of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 11 percent (\$250,453). Overall revenues increased (\$526,165) due to increases in property tax revenue (\$768,000) and investment earnings (\$1,332,271). These increases offset the decreases in intergovernmental revenue (\$11,149), charges for services (\$312,625), and area drainage fees (\$146,854). Additionally, expenditures increased (\$1,387,301) resulting primarily from permit costs associated with the construction of the Wildomar MDP Lateral C, Stage 3 project.

The NPDES funds had an aggregate fund balance of \$10,448,378 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year was \$430,588. Special assessment revenues account for approximately 59 percent of total revenues in the NPDES funds and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within each watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in total fund balance. Key factors in the net increase are as follows:

- ◆ *NPDES Whitewater* reported a fund balance of \$3,082,842 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$256,502. Special assessment revenues account for approximately 35 percent of total revenues in this NPDES fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 20 percent (\$43,094). Overall revenues increased (\$211,997) due to increases in contributions from other governmental agencies (\$108,616) and investment earnings (\$107,743). These increases offset the decrease in special assessments revenue (\$4,362). Additionally, expenditures increased (\$167,234) due to an increase in personnel costs compared to the prior fiscal year.

- ◆ *NPDES Santa Ana* reported a fund balance of \$4,848,910 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$361,449. Special assessment revenues account for approximately 95 percent of total revenues in this NPDES fund.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 44 percent (\$110,391). Overall revenues increased (\$196,819) due to an increase in investment earnings (\$206,443). This increase offset the decrease in special assessments revenue (\$9,624). Additionally, expenditures increased (\$307,783) due primarily to increased costs for bioassessment monitoring and general lab analytical services for the Santa Ana Watershed region.

- ◆ *NPDES Santa Margarita* reported a fund balance of \$2,516,626 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$535,535. Special assessment revenues account for approximately 24 percent of total revenues in this NPDES fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 135 percent (\$307,722). Overall revenues increased (\$133,228) due to increases in contributions from other agencies (\$85,205) and investment earnings (\$206,443). These increases offset the decrease in special assessments revenue (\$15,977). Additionally, expenditures decreased (\$169,965) due to a decrease in personnel costs compared to the prior fiscal year.

The nonmajor funds, Flood Control Capital Project Fund and Zone 4 Debt Service Fund, reported an aggregate total fund balance of \$23,260 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year in was \$1,345. Transfers in are used to offset budgeted capital outlay and debt service costs incurred in any given fiscal year.

**Proprietary funds.** The District's proprietary funds provide the same type of information found in the government-wide statements, but in more detail.

Unrestricted net position at the end of the year for Subdivision Operations amounted to a deficit of (\$1,478,892) while the Photogrammetry Operations fund reported an unrestricted net position of \$128,510 and the Encroachment Permit Operations fund reported \$41,597. The total increase in net position for Subdivision Operations was \$266,321. The total decrease in net position for Photogrammetry Operations was \$85,907 and the total decrease for Encroachment Permit Operations was \$25,729. Other factors concerning the finances of these three funds have already been addressed in the discussion of the District's business-type activities.

### **General Fund Budgetary Highlights**

During the year there were no adjustments made between the original and final amended budget increasing general fund appropriations.

Significant budgetary variances between the final amended budget and the actual amounts are a result of the following components:

- ◆ Budgetary estimates for expenditures exceeded total actual expenditures by \$3,073,324. This variance was due primarily to actual personnel costs being much lower than originally anticipated. There was a 9 percent decrease in actual expenditures compared to the prior fiscal year.
- ◆ Actual revenues, including transfers in, exceeded estimated revenues by \$385,821. This variance was due primarily to higher than anticipated property tax revenue received during the current fiscal year. Budgeted charges for services revenue decreased by 10 percent from the prior year due primarily to decreases in anticipated revenue from construction inspection accounts.

### **Capital Assets and Debt Administration**

**Capital assets.** The District's net investment in capital assets for its governmental and business-type activities as of June 30, 2023, amounts to \$1,146,669,405 (net of accumulated depreciation). This investment of capital assets includes land and easements, construction in progress, infrastructure, land improvements, building and improvements and equipment. The total increase in the District's investment in capital assets for the current fiscal year was 4 percent.

Major capital asset events during the current fiscal year included the following:

- ♦ Capital assets (infrastructure and land) were donated to the District resulting from prior year development within the County; donated infrastructure and land at the end of the current fiscal year was \$26,734,635.
- ♦ A variety of flood control construction projects which began in the prior fiscal year were completed and new construction began; construction in progress at the end of the current fiscal year was \$61,920,136.

	<b>District's Capital Assets</b>					
	<b>Governmental activities</b>		<b>Business-type activities</b>		<b>Total</b>	
	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>	<b>2023</b>	<b>2022</b>
Land and Easements	\$ 304,931,228	\$ 295,645,789	\$ -	\$ -	\$ 304,931,228	\$ 295,645,789
Construction in Progress	61,920,137	37,761,575	-	-	61,920,137	37,761,575
Infrastructure	771,671,978	759,454,843	-	-	771,671,978	759,454,843
Land Improvements	75,792	76,907	-	-	75,792	76,907
Buildings and Improvements	7,615,886	7,897,947	-	-	7,615,886	7,897,947
Equipment	6,274,367	5,855,069	44,680	56,537	6,319,047	5,911,606
<b>Total</b>	<b>\$1,152,489,388</b>	<b>\$1,106,692,130</b>	<b>\$ 44,680</b>	<b>\$ 56,537</b>	<b>\$1,152,534,068</b>	<b>\$1,106,748,667</b>

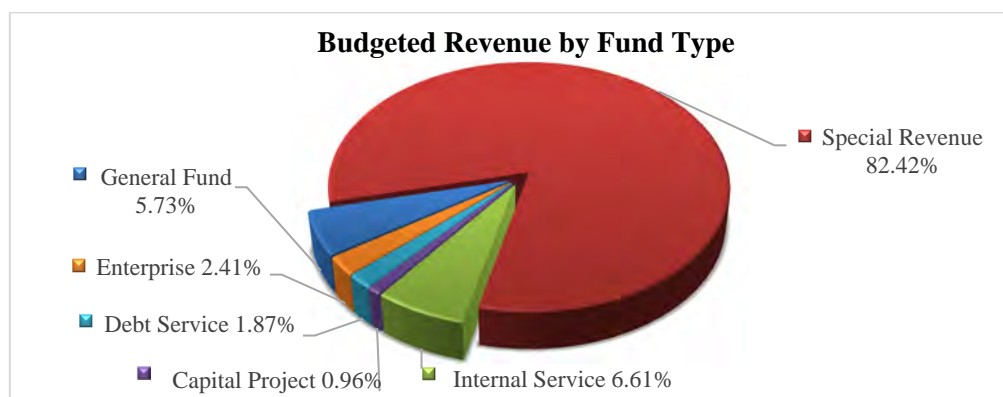
Additional information on the District's capital assets can be found in Note 4 on pages 41-42 of this report.

**Long-term debt.** The District Act limits the amount of general obligation debt the District may issue to the lesser of 3.75 percent of assessed valuation or \$21 million. The District had \$5,380,000 in negotiable promissory notes outstanding at the end of the current fiscal year to finance the construction certain flood control facilities located in Zone 4 of the District, including but not limited to the construction of the Romoland MDP Line A, Stage 4 project. The principal of, premium, and interest on the promissory notes are payable from the revenues and taxes of Zone 4. Additional information on the District's promissory notes can be found in Note 5 on page 43 of this report.

### Economic Factors and Next Year's Budgets and Rates

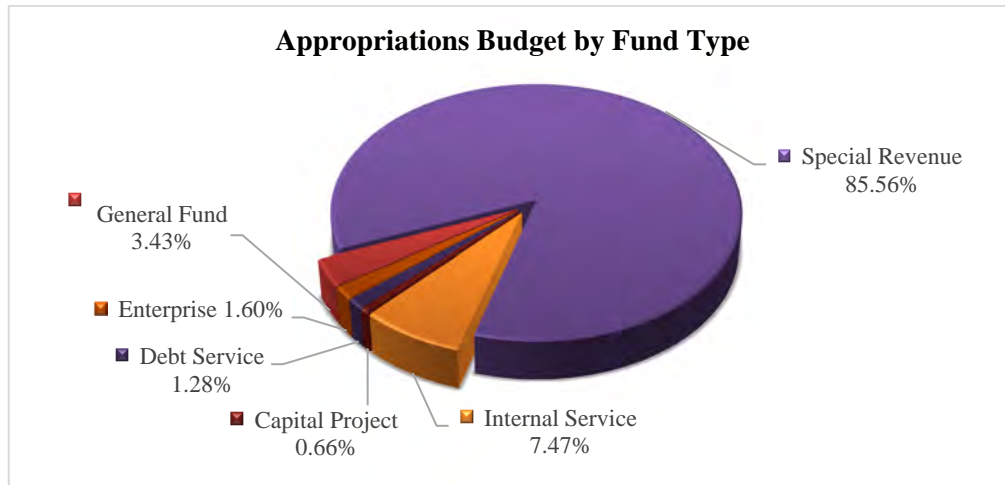
The District's principal source of general-purpose revenue is ad valorem property taxes. The estimated property tax revenue for fiscal year 2023-24 is \$100.1 million, an increase of \$16.8 million from the District's fiscal year 2022-23 legally adopted budget. The District is taking a conservative approach and is estimating an increase of 5.0 percent in tax revenues for fiscal year 2023-24 based on the Riverside County Assessor's Office projections in conjunction with actual tax revenue received by the District over the last three fiscal years.

The District estimates total revenue of \$150.7 million for fiscal year 2023-24, an increase of 29.2% from the prior fiscal year budget. General Fund revenue is projected to increase by \$659,000. The Special Revenue Funds is budgeted to increase by \$32.1 million due to increases in the ad valorem property taxes. Budgeted revenue allocations to the Capital Project Fund for capital improvements is increasing by \$950,000 due to contributions from other funds for the replacement of an existing maintenance trailer that has reached the end of life. Budgeted fee revenue for the Enterprise Funds is increasing by \$434,000 primarily due to anticipated increases in revenue for plan check fees recorded in the Subdivision Operations Fund.





The District's appropriation budget for all funds totals \$219.8 million for fiscal year 2023-24, an increase of 3.2% from the prior fiscal year budget. General fund appropriations are expected to decrease by \$3.1 million. The Special Revenue Funds are expected to increase by \$7.2 million primarily due to an increase in budgeted infrastructure and professional services costs for District Led Projects within Zone 2 and Zone 6. The Capital Project Fund appropriation is proposed to increase by \$950,000 due to the demolition, design, utility relocation, and construction of an existing maintenance office trailer that has reached the end of life and for the installation of solar panel charging stations in the District parking lot. The Debt Service Fund requires \$2.8 million in appropriations for the Zone 4 promissory note payment. Enterprise Fund appropriations are expected to increase by \$49,000 based on higher costs for services and supplies in the Subdivision Operations Fund.



#### **Requests for Information**

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief of Finance, Riverside County Flood Control and Water Conservation District, 1995 Market Street, Riverside, CA 92501.

# BASIC FINANCIAL STATEMENTS



- ◆ **Government-wide Financial Statements**
- ◆ **Fund Financial Statements:**
  - › **Governmental Funds**
  - › **Proprietary Funds**
- ◆ **Notes to the Financial Statements**

**Riverside County Flood Control and Water Conservation District**  
**Statement of Net Position**  
June 30, 2023

	Governmental Activities	Business-type Activities	Total
<b>ASSETS</b>			
Cash and Investments	\$ 307,880,422	\$ 944,177	\$ 308,824,599
Restricted Cash	4,491,007	7,056,313	11,547,320
Receivables (net of allowance for uncollectibles)	5,237,326	106,315	5,343,641
Inventories	316,828	-	316,828
Internal Balances	(166,271)	166,271	-
Capital Assets:			
Nondepreciable	366,851,364	-	366,851,364
Depreciable, Net	785,638,021	44,680	785,682,701
Total Assets	<u>1,470,248,697</u>	<u>8,317,756</u>	<u>1,478,566,453</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
OPEB related	3,403,151	-	3,403,151
Pension related	32,874,279	6,792	32,881,071
Total Deferred Outflows of Resources	<u>36,277,430</u>	<u>6,792</u>	<u>36,284,222</u>
<b>LIABILITIES</b>			
Accounts Payable and Accrued Liabilities	8,109,534	172,049	8,281,583
Salaries and Benefits Payable	1,169,415	50,768	1,220,183
Developer and Other Agency Deposits	4,484,124	7,050,679	11,534,803
Due to Other Governments	1,167,737	-	1,167,737
Accrued Interest Payable	86,333	-	86,333
Unearned Revenue	500,000	-	500,000
Long-term Liabilities:			
Portion Due Within One Year:			
Compensated Absences	477,358	7,715	485,073
Promissory Notes	2,625,000	-	2,625,000
Portion Due in More Than One Year:			
Compensated Absences	3,822,340	61,774	3,884,114
Promissory Notes	3,239,660	-	3,239,660
Net OPEB Liability	1,560,947	-	1,560,947
Net Pension Liability	52,767,444	2,096,983	54,864,427
Total Liabilities	<u>80,009,892</u>	<u>9,439,968</u>	<u>89,449,860</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
OPEB related	492,787	-	492,787
Pension related	120,162	27,089	147,251
Leases related	1,081,703	-	1,081,703
Total Deferred Inflows of Resources	<u>1,694,652</u>	<u>27,089</u>	<u>1,721,741</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	1,146,624,725	44,680	1,146,669,405
Restricted by Enabling Legislation for:			
Capital Projects	19,611	-	19,611
Debt Service	3,649	-	3,649
Public Ways and Facilities	290,165,317	-	290,165,317
Unrestricted (Deficit)	(11,991,719)	(1,187,189)	(13,178,908)
Total Net Position	<u>\$ 1,424,821,583</u>	<u>\$ (1,142,509)</u>	<u>\$ 1,423,679,074</u>

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Statement of Activities**  
For the Year Ended June 30, 2023

	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
<b>FUNCTIONS/PROGRAMS:</b>			
Governmental Activities			
General Government	\$ 6,438,353	\$ 824,067	\$ -
Public Ways and Facilities	82,345,227	12,146,574	30,176,829
Interest on Long-Term Debt	37,505	-	-
Total Governmental Activities	88,821,085	12,970,641	30,176,829
Business-type Activities			
Subdivision Operations	1,964,168	2,089,782	-
Photogrammetry Operations	140,190	49,684	-
Encroachment Permits	416,763	390,099	-
Total Business-type Activities	2,521,121	2,529,565	-
Total	\$ 91,342,206	\$ 15,500,206	\$ 30,176,829

General Revenues and Transfers:

Property Taxes

Unrestricted Interest and Investment Earnings

Gain - Sale of Capital Assets

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenues and  
Changes in Net Position

Governmental Activities	Business- type Activities	Total
\$ (5,614,286)	\$ -	\$ (5,614,286)
(40,021,824)	-	(40,021,824)
(37,505)	-	(37,505)
(45,673,615)	-	(45,673,615)
-	125,614	125,614
-	(90,506)	(90,506)
-	(26,664)	(26,664)
-	8,444	8,444
(45,673,615)	8,444	(45,665,171)
104,053,710	-	104,053,710
7,170,573	178,183	7,348,756
16,800	-	16,800
111,241,083	178,183	111,419,266
65,567,468	186,627	65,754,095
1,359,254,115	(1,329,136)	1,357,924,979
\$ 1,424,821,583	\$ (1,142,509)	\$ 1,423,679,074

The accompanying notes are an integral part of this statement.



**Riverside County Flood Control and Water Conservation District**  
**Balance Sheet**  
**Governmental Funds**  
June 30, 2023

	General Fund	Zone 1	Zone 2	Zone 3
<b>ASSETS</b>				
Cash and Investments	\$ 9,739,181	\$ 54,179,467	\$ 88,918,974	\$ 6,650,508
Restricted Cash	4,318,682	30,753	17,691	10,109
Receivables (net of allowance for uncollectibles)				
Taxes Receivable	80,638	161,414	295,218	37,744
Accounts Receivable	7,234	-	-	-
Interest Receivable	110,155	458,218	818,066	57,949
Lease Receivable	-	1,062,669	-	-
Due From Other Funds	-	576,134	647,133	142,663
Due From Other Governments	-	8,014	34,675	7,868
Total Assets	<u>14,255,890</u>	<u>56,476,669</u>	<u>90,731,757</u>	<u>6,906,841</u>
<b>LIABILITIES</b>				
Accounts Payable	141,213	185,537	716,639	1,246,412
Salaries and Benefits Payable	7,806	147,308	257,409	43,674
Due to Other Funds	3,343,141	-	-	-
Developer and Other Agency Deposits	4,318,682	30,753	17,691	10,109
Due to Other Governments	20,519	954,983	1,864	580
Unearned Revenue	-	-	-	-
Total Liabilities	<u>7,831,361</u>	<u>1,318,581</u>	<u>993,603</u>	<u>1,300,775</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue - Property Taxes	80,638	161,415	295,217	37,744
Unavailable Revenue - Special Assessments	-	-	-	-
Lease Related	-	1,039,085	-	-
Total Deferred Inflows of Resources	<u>80,638</u>	<u>1,200,500</u>	<u>295,217</u>	<u>37,744</u>
<b>FUND BALANCES</b>				
<b>Nonspendable:</b>				
Imprest Cash	600	-	-	-
<b>Restricted for:</b>				
Capital Projects	-	-	-	-
Public Ways and Facilities	-	53,957,588	89,442,937	5,568,322
Debt Service	-	-	-	-
<b>Assigned to:</b>				
Compensated Absences	1,425,146	-	-	-
<b>Unassigned</b>	<u>4,918,145</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>6,343,891</u>	<u>53,957,588</u>	<u>89,442,937</u>	<u>5,568,322</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 14,255,890</u>	<u>\$ 56,476,669</u>	<u>\$ 90,731,757</u>	<u>\$ 6,906,841</u>

The accompanying notes are an integral part of this statement.

Zone 4	Zone 5	Zone 6	Zone 7	NPDES Whitewater	NPDES Santa Ana
\$ 71,163,231 23,414	\$ 15,300,717 36,924	\$ 10,662,835 29,693	\$ 35,919,519 23,741	\$ 3,043,330 -	\$ 4,916,090 -
331,623	77,482	88,491	101,514	17,610	49,385
-	-	-	-	-	-
596,764	130,652	108,476	306,304	24,272	40,840
43,041	-	-	-	-	-
879,149	210,520	283,488	332,443	23,907	121,543
49,719	29,891	21,575	7,766	16,860	-
<u>73,086,941</u>	<u>15,786,186</u>	<u>11,194,558</u>	<u>36,691,287</u>	<u>3,125,979</u>	<u>5,127,858</u>
595,824	2,422,306	2,268,372	15,427	12,986	165,571
236,414	95,616	73,828	94,879	12,540	63,992
-	-	-	-	-	-
23,414	30,041	29,693	23,741	-	-
1,272	1,175	232	123,901	-	-
-	-	-	500,000	-	-
<u>856,924</u>	<u>2,549,138</u>	<u>2,372,125</u>	<u>757,948</u>	<u>25,526</u>	<u>229,563</u>
331,623	77,482	88,491	101,514	-	-
-	-	-	-	17,611	49,385
42,618	-	-	-	-	-
<u>374,241</u>	<u>77,482</u>	<u>88,491</u>	<u>101,514</u>	<u>17,611</u>	<u>49,385</u>
-	-	-	-	-	-
-	-	-	-	-	-
71,855,776	13,159,566	8,733,942	35,831,825	3,082,842	4,848,910
-	-	-	-	-	-
-	-	-	-	-	-
<u>71,855,776</u>	<u>13,159,566</u>	<u>8,733,942</u>	<u>35,831,825</u>	<u>3,082,842</u>	<u>4,848,910</u>
<u>\$ 73,086,941</u>	<u>\$ 15,786,186</u>	<u>\$ 11,194,558</u>	<u>\$ 36,691,287</u>	<u>\$ 3,125,979</u>	<u>\$ 5,127,858</u>

Continued

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Balance Sheet**  
**Governmental Funds - Continued**  
June 30, 2023

	NPDES Santa Margarita	Other Governmental Funds	Total
<b>ASSETS</b>			
Cash and Investments	\$ 2,624,087	\$ 23,060	\$ 303,140,999
Restricted Cash	-	-	4,491,007
Receivables (net of allowance for uncollectibles)			
Taxes Receivable	6,501	-	1,247,620
Accounts Receivable	-	-	7,234
Interest Receivable	15,829	200	2,667,725
Lease Receivable	-	-	1,105,710
Due From Other Funds	81,486	-	3,298,466
Due From Other Governments	-	-	176,368
Total Assets	<u>2,727,903</u>	<u>23,260</u>	<u>316,135,129</u>
<b>LIABILITIES</b>			
Accounts Payable	166,267	-	7,936,554
Salaries and Benefits Payable	38,509	-	1,071,975
Due to Other Funds	-	-	3,343,141
Developer and Other Agency Deposits	-	-	4,484,124
Due to Other Governments	-	-	1,104,526
Unearned Revenue	-	-	500,000
Total Liabilities	<u>204,776</u>	<u>-</u>	<u>18,440,320</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable Revenue - Property Taxes	-	-	1,174,124
Unavailable Revenue - Special Assessments	6,501	-	73,497
Lease Related	-	-	1,081,703
Total Deferred Inflows of Resources	<u>6,501</u>	<u>-</u>	<u>2,329,324</u>
<b>FUND BALANCES</b>			
<b>Nonspendable for:</b>			
Imprest Cash	-	-	600
<b>Restricted for:</b>			
Capital Projects	-	19,611	19,611
Public Ways and Facilities	2,516,626	-	288,998,334
Debt Service	-	3,649	3,649
<b>Assigned to:</b>			
Compensated Absences	-	-	1,425,146
<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>4,918,145</u>
Total Fund Balances	<u>2,516,626</u>	<u>23,260</u>	<u>295,365,485</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,727,903</u>	<u>\$ 23,260</u>	<u>\$ 316,135,129</u>

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Reconciliation of the Governmental Funds Balance Sheet to the**  
**Government-wide Statement of Net Position - Governmental Activities**  
June 30, 2023

Fund Balances - Total Governmental Funds (Page 20) \$ 295,365,485

Amounts reported for governmental activities in the statement of Net Position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of \$6,139,792 reported in Internal Service Funds.

1,146,349,593

Internal service funds are used by management to charge the costs of hydrology services, garage, project maintenance, and data processing to individual funds. The assets and liabilities of these funds are included in governmental activities in the statement of Net Position, net of \$121,596 allocated to business-type activities.

10,604,220

Other long-term assets are not available to pay for current period expenditures and, therefore, are reported as unavailable revenue in the governmental funds balance sheet and should be recognized in the government-wide statement of activities as revenue thereby increasing unrestricted net position in the government-wide statement of Net Position.

1,247,621

Deferred inflows and outflows of resources related to pension and OPEB activity are not reported in the governmental funds but are included in the statement of Net Position.

Deferred outflows of resources	36,277,430	
Deferred inflows of resources	(612,949)	35,664,481

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds.

Net pension liability	(52,767,444)	
Net OPEB liability	(1,560,947)	
Promissory notes, including unamortized premiums	(5,864,660)	
Compensated absences, net of \$169,265 reported in internal service funds	(4,130,433)	
Accrued interest payable	(86,333)	(64,409,817)

Net Position of Governmental Activities (Page 15) \$ 1,424,821,583

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
For the Year Ended June 30, 2023

	General Fund	Zone 1	Zone 2	Zone 3
<b>REVENUES</b>				
Property Taxes	\$ 7,021,102	\$ 17,678,341	\$ 24,173,662	\$ 4,050,725
Special Assessments	-	-	-	170
Intergovernmental	39,074	80,161	144,631	1,060,339
Charges for Services	761,592	1,122	7,176	6,480
Area Drainage Fees	-	-	33,841	-
Investment Earnings	193,761	1,085,732	2,340,356	236,187
Use of Assets	-	1,290,499	300	5,500
Total Revenues	<u>8,015,529</u>	<u>20,135,855</u>	<u>26,699,966</u>	<u>5,359,401</u>
<b>EXPENDITURES</b>				
Current:				
General Government	7,507,445	-	-	-
Public Ways and Facilities	-	12,322,771	23,583,045	2,356,971
Capital Outlay	78,762	362,942	5,193,015	6,697,840
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>7,586,207</u>	<u>12,685,713</u>	<u>28,776,060</u>	<u>9,054,811</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>429,322</u>	<u>7,450,142</u>	<u>(2,076,094)</u>	<u>(3,695,410)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	343,438	-	-	-
Transfers Out	-	(53,193)	(68,183)	(18,067)
Total Other Financing Sources (Uses)	<u>343,438</u>	<u>(53,193)</u>	<u>(68,183)</u>	<u>(18,067)</u>
Net Change in Fund Balances	<u>772,760</u>	<u>7,396,949</u>	<u>(2,144,277)</u>	<u>(3,713,477)</u>
Fund Balances, Beginning of Year	<u>5,571,131</u>	<u>46,560,639</u>	<u>91,587,214</u>	<u>9,281,799</u>
Fund Balances, End of Year	<u>\$ 6,343,891</u>	<u>\$ 53,957,588</u>	<u>\$ 89,442,937</u>	<u>\$ 5,568,322</u>

The accompanying notes are an integral part of this statement.



Zone 4	Zone 5	Zone 6	Zone 7	NPDES Whitewater	NPDES Santa Ana
\$ 28,372,549	\$ 6,369,445	\$ 8,672,531	\$ 7,341,674	\$ -	\$ -
-	-	-	-	309,365	2,592,685
4,251,692	1,135,507	42,158	54,802	523,799	-
110,609	-	-	234,646	-	-
1,032,859	-	-	355,009	-	-
1,329,529	450,396	420,915	804,909	63,160	122,828
61,011	-	6,000	-	-	-
<u>35,158,249</u>	<u>7,955,348</u>	<u>9,141,604</u>	<u>8,791,040</u>	<u>896,324</u>	<u>2,715,513</u>
-	-	-	-	-	-
15,364,359	5,315,077	4,206,966	6,272,703	634,217	3,057,458
4,746,827	6,578,487	10,693,667	11,432	-	-
-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>20,111,186</u>	<u>11,893,564</u>	<u>14,900,633</u>	<u>6,284,135</u>	<u>634,217</u>	<u>3,057,458</u>
<u>15,047,063</u>	<u>(3,938,216)</u>	<u>(5,759,029)</u>	<u>2,506,905</u>	<u>262,107</u>	<u>(341,945)</u>
-	-	-	-	-	-
(2,909,574)	(24,026)	(28,157)	(29,854)	(5,605)	(19,504)
<u>(2,909,574)</u>	<u>(24,026)</u>	<u>(28,157)</u>	<u>(29,854)</u>	<u>(5,605)</u>	<u>(19,504)</u>
12,137,489	(3,962,242)	(5,787,186)	2,477,051	256,502	(361,449)
<u>59,718,287</u>	<u>17,121,808</u>	<u>14,521,128</u>	<u>33,354,774</u>	<u>2,826,340</u>	<u>5,210,359</u>
<u>\$ 71,855,776</u>	<u>\$ 13,159,566</u>	<u>\$ 8,733,942</u>	<u>\$ 35,831,825</u>	<u>\$ 3,082,842</u>	<u>\$ 4,848,910</u>

Continued

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds - Continued**  
For the Year Ended June 30, 2023

	NPDES Santa Margarita	Other Governmental Funds	Total
<b>REVENUES</b>			
Property Taxes	\$ -	\$ -	\$ 103,680,029
Special Assessments	534,761	-	3,436,981
Intergovernmental	1,681,968	-	9,014,131
Charges for Services	-	-	1,121,625
Area Drainage Fees	-	-	1,421,709
Investment Earnings	28,451	1,345	7,077,569
Use of Assets	-	-	1,363,310
Total Revenues	2,245,180	1,345	127,115,354
<b>EXPENDITURES</b>			
Current:			
General Government	-	-	7,507,445
Public Ways and Facilities	1,700,870	-	74,814,437
Capital Outlay	-	-	34,362,972
Debt service:			
Principal	-	2,500,000	2,500,000
Interest	-	321,500	321,500
Total Expenditures	1,700,870	2,821,500	119,506,354
Excess (Deficiency) of Revenues Over (Under) Expenditures	544,310	(2,820,155)	7,609,000
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers In	-	2,821,500	3,164,938
Transfers Out	(8,775)	-	(3,164,938)
Total Other Financing Sources (Uses)	(8,775)	2,821,500	-
Net Change in Fund Balances	535,535	1,345	7,609,000
Fund Balances, Beginning of Year	1,981,091	21,915	287,756,485
Fund Balances, End of Year	\$ 2,516,626	\$ 23,260	\$ 295,365,485

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Reconciliation of the Statement of Revenues, Expenditures, and**  
**Changes in Fund Balances of Governmental Funds to the**  
**Government-wide Statement of Activities - Governmental Activities**  
For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds (Page 24) \$ 7,609,000

Amounts reported for governmental activities in the statement of activities are different because:

Governmental funds report capital outlay as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and are charged to depreciation expense.

Expenditures for capital assets, net of \$1,811,059 reported in Internal Service Funds	34,405,780	
Donation of capital assets	26,734,635	
Less current year depreciation, net of (\$1,430,467) reported in Internal Service Funds	(13,564,806)	
Loss on disposal of capital assets	(2,158,946)	45,416,663

Earned but unavailable revenues reported in the governmental funds balance sheet as deferred inflows of resources should be recognized in the government-wide statement of activities as revenue regardless of availability.

Change in unavailable revenue	378,894	378,894

Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental fund.

OPEB expense	(487,008)	
Pension credit	9,472,948	
Change in compensated absences, net of \$6,479 reported in Internal Service Fund	64,960	
Amortization of bond premium	242,328	
Interest Expense	41,667	9,334,895

Internal service funds are used by management to charge the costs of certain activities to individual funds. The change in Net Position of certain internal service funds is reported with governmental activities, net of (\$31,942) allocated to business-type activities.

328,016

The repayment of principal reduces long-term liabilities in the governmental activities statement of net position.

2,500,000

Change in Net Position of Governmental Activities (Page 17)

\$ 65,567,468

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Statement of Net Position**  
**Proprietary Funds**  
June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
<b>ASSETS</b>				
<b>Current Assets:</b>				
Cash and Cash Equivalents	\$ 780,524	\$ 163,653	\$ 944,177	\$ 4,739,423
Receivables:				
Accounts Receivable (net of allowance for uncollectibles)	23,136	10,296	33,432	336
Interest Receivable	64,489	4,071	68,560	32,333
Due From Other Funds	-	44,675	44,675	-
Due From Other Governments	-	4,323	4,323	-
Inventories	-	-	-	316,828
Total Current Assets	868,149	227,018	1,095,167	5,088,920
<b>Noncurrent Assets:</b>				
Restricted Cash	6,759,435	296,878	7,056,313	-
Capital Assets:				
Depreciable, Net	-	44,680	44,680	6,139,792
Total Noncurrent Assets	6,759,435	341,558	7,100,993	6,139,792
Total Assets	7,627,584	568,576	8,196,160	11,228,712
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension Related	6,792	-	6,792	-
Total Deferred Outflows of Resources	6,792	-	6,792	-
<b>LIABILITIES</b>				
<b>Current Liabilities:</b>				
Accounts Payable	162,697	9,352	172,049	172,980
Salaries and Benefits Payable	27,428	23,340	50,768	97,440
Due to Other Governments	-	-	-	63,211
Compensated Absences - Current Portion	4,401	3,314	7,715	18,792
Developer and Other Agency Deposits	6,759,435	291,244	7,050,679	-
Total Current Liabilities	6,953,961	327,250	7,281,211	352,423
<b>Noncurrent Liabilities:</b>				
Compensated Absences	35,235	26,539	61,774	150,473
Net Pension Liability	2,096,983	-	2,096,983	-
Total Noncurrent Liabilities	2,132,218	26,539	2,158,757	150,473
Total Liabilities	9,086,179	353,789	9,439,968	502,896
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension Related	27,089	-	27,089	-
Total Deferred Inflows of Resources	27,089	-	27,089	-
<b>NET POSITION</b>				
Investment in Capital Assets	-	44,680	44,680	6,139,792
Unrestricted (Deficit)	(1,478,892)	170,107	(1,308,785)	4,586,024
Total Net Position	\$ (1,478,892)	\$ 214,787	\$ (1,264,105)	\$ 10,725,816

**Adjustment to Reflect the Consolidation of  
Internal Service Fund Activities Related to  
Enterprise Funds**

**Net Position of Business-type Activities**

121,596  
\$ (1,142,509)

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Statement of Revenues, Expenses and Changes in Net Position**  
**Proprietary Funds**  
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
<b>OPERATING REVENUES</b>				
Charges for Services	\$ 2,089,782	\$ 439,783	\$ 2,529,565	\$ 9,171,894
<b>OPERATING EXPENSES</b>				
Personnel Services	644,288	462,458	1,106,746	2,434,026
Administrative Services	1,979	6,410	8,389	51,870
Services and Supplies	1,340,742	84,165	1,424,907	4,988,877
Depreciation	-	11,857	11,857	1,430,467
Bad Debt	1,164	-	1,164	-
Total Operating Expenses	1,988,173	564,890	2,553,063	8,905,240
Operating Income (Loss)	101,609	(125,107)	(23,498)	266,654
<b>NONOPERATING REVENUES</b>				
Investment Earnings	164,712	13,471	178,183	93,004
Gain on Sale of Capital Assets	-	-	-	300
Total Nonoperating Revenues	164,712	13,471	178,183	93,304
Income (Loss)	266,321	(111,636)	154,685	359,958
Change in Net Position	266,321	(111,636)	154,685	359,958
Net Position, Beginning of Year	(1,745,213)	326,423	(1,418,790)	10,365,858
Net Position, End of Year	\$ (1,478,892)	\$ 214,787		\$ 10,725,816
<b>Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds</b>			31,942	
<b>Change in Net Position of Business-type Activities</b>			<u>\$ 186,627</u>	

The accompanying notes are an integral part of this statement.



**Riverside County Flood Control and Water Conservation District**  
**Statement of Cash Flows**  
**Proprietary Funds**  
For the Year Ended June 30, 2023

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash Received from Customers/Other Funds	\$ 2,457,712	\$ 464,510	\$ 2,922,222	\$ 9,225,149
Cash Paid to Suppliers for Goods and Services	(1,348,788)	(82,305)	(1,431,093)	(5,015,978)
Cash Paid to Employees for Services	(534,250)	(473,564)	(1,007,814)	(2,422,335)
Net Cash Provided by (Used In) Operating Activities	574,674	(91,359)	483,315	1,786,836
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Proceeds from Sale of Capital Assets	-	-	-	300
Acquisition and Construction of Capital Assets	-	-	-	(1,811,059)
Net Cash Used in Capital and Related Financing Activities	-	-	-	(1,810,759)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on Investments	112,156	10,345	122,501	67,402
Net Cash Provided by Investing Activities	112,156	10,345	122,501	67,402
Net Change in Cash and Cash Equivalents	686,830	(81,014)	605,816	43,479
Cash and Cash Equivalents, Beginning of Year	6,853,129	541,545	7,394,674	4,695,944
<b>Cash and Cash Equivalents, End of Year</b>	<b>\$ 7,539,959</b>	<b>\$ 460,531</b>	<b>\$ 8,000,490</b>	<b>\$ 4,739,423</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities</b>				
Operating Income (Loss)	\$ 101,609	\$ (125,107)	\$ (23,498)	\$ 266,654
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Depreciation	-	11,857	11,857	1,430,467
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in:				
Accounts Receivable	61,168	17,236	78,404	28,172
Due from Other Funds	-	(44,675)	(44,675)	25,083
Due from Other Governments	-	5,567	5,567	-
Inventories	-	-	-	(1,383)
Deferred Outflows of Resources Related to Pensions	18,815	-	18,815	-
Increase (Decrease) in:				
Accounts Payable	(4,386)	8,572	4,186	89,446
Salaries and Benefits Payable	9,355	(4,235)	5,120	5,212
Due to Other Funds	(517)	(302)	(819)	(1,151)
Compensated Absences	3,581	(6,871)	(3,290)	6,479
Net Pension Liability	325,689	-	325,689	-
Due to Other Governments	-	-	-	(62,143)
Deferred Inflows of Resources Related to Pensions	(247,402)	-	(247,402)	-
Developer and Other Agency Deposits	306,762	46,599	353,361	-
Net Cash Provided by (Used In) Operating Activities	\$ 574,674	\$ (91,359)	\$ 483,315	\$ 1,786,836

**There were no significant noncash investing, financing, or capital activities.**

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A) Reporting Entity**

The Riverside County Flood Control and Water Conservation District (the District) was created by an act of the State Legislature on July 7, 1945 to provide financing for the construction and maintenance of flood control facilities. The governing board of the District consists of the same five members of the Board of Supervisors as Riverside County, California, and the Board has the authority to impose its will on the District. Therefore, the District is considered to be a component unit of the County for financial reporting purposes. As required by accounting principles generally accepted in the United States of America, these financial statements present all the fund types of the District.

*Riverside County Infrastructure Financing Authority (IFA).* The Board is the governing body of the IFA and the County is responsible for all its financial debt. The IFA is a joint exercise of powers authority, duly organized and existing under and pursuant to that certain Joint Exercise of Powers Agreement dated September 15, 2015 by and between the County of Riverside and the District. The IFA is authorized and empowered to issue bonds for the purpose of financing and refinancing public capital improvements of the County.

**B) Basis of Presentation**

*Government-wide Financial Statements*

The statement of net position and statement of activities display information about the District's activities. These statements include the financial activities of the District. It is the District's policy to make eliminations to minimize the double counting of internal activities. These statements distinguish between the *governmental* and *business-type activities* of the District. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely, to a significant extent, on fees charged to external parties.

The *statement of activities* presents a comparison between program expenses and program revenues for each segment of the *business-type activities* of the District and for each function of the District's *governmental activities*. *Program expenses* include such direct expenses that are specifically associated with a program or function and therefore, are clearly identifiable to a particular function. *Program revenues* include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as *general revenues*.

When an expense is incurred for a purpose for which both restricted and unrestricted net position are available, management has discretion as to which resources apply. It is the District's policy to use restricted resources before unrestricted resources.

**C) Fund Financial Statements**

The fund financial statements provide information about the District's funds. Separate statements for each fund category – *governmental* and *proprietary* - are presented. The emphasis of the fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are separately aggregated and reported as nonmajor funds.

Proprietary fund *operating revenues*, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. *Nonoperating revenues*, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**C) Fund Financial Statements - Continued**

The District reports the following as major governmental funds:

- ◆ The *General Fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund includes such activities as general government and capital outlay.
- ◆ *Zones 1 through 7* are special revenue funds established to account for revenues and expenditures related to providing flood control in each geographical zone. These funds are financed primarily by ad valorem property taxes, developer fees, local cooperative agreements, federal monies, and monies from other local governments.
- ◆ *NPDES Whitewater* is a special revenue fund used to account for revenues and expenditures related to the National Pollutant Discharge Elimination System (NPDES) in the Whitewater assessment area. Primarily the benefit assessment area finances this fund.
- ◆ *NPDES Santa Ana* is a special revenue fund used to account for revenues and expenditures related to the National Pollutant Discharge Elimination System (NPDES) in the Santa Ana assessment area. Primarily the benefit assessment area finances this fund.
- ◆ *NPDES Santa Margarita* is a special revenue fund used to account for revenues and expenditures related to the National Pollutant Discharge Elimination System (NPDES) in the Santa Margarita assessment area. Primarily the benefit assessment area finances this fund.
- ◆ Data from the District's remaining two governmental funds are combined into a single aggregated presentation as *Other Governmental Funds*. Individual fund data for both of these nonmajor governmental funds is provided in the form of combining statements in the supplementary information section.

The District reports the following major enterprise fund:

- ◆ The *Subdivision Operations Fund* accounts for various services needed by developers in the construction of projects within the County. Revenues are primarily for charges for services.

The District reports the following additional fund types:

- ◆ *Internal Service Funds* account for the District's Hydrology Services, Garage, Project Maintenance, and Data Processing, on a cost-reimbursement basis.

**D) Basis of Accounting and Measurement Focus**

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, special assessments, grants, entitlements and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied.

Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**D) Basis of Accounting and Measurement Focus - Continued**

Governmental fund type financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues and other governmental fund type financial resources are recognized when they become susceptible to accrual - that is, when they become both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes, contracts and other nonexchange transactions are considered available and are accrued when received within sixty days after fiscal year-end. Revenue received from expenditure driven (cost-reimbursement) grants, as defined by GASB Statement No. 33, *Accounting and Financial Reporting for Nonexchange Transactions*, are considered available and accrued if expected to be received within twelve months after fiscal year-end.

**E) Cash and Investments and Cash and Investments with Fiscal Agents**

The District's cash from operations is deposited in the County Treasury. The County pools its funds with other government agencies in the County and invests them as prescribed by the California Government Code and the County of Riverside's Investment Policy. The District's deposits in the County pool may be accessed at any time. The District is allocated interest income on monies deposited with the County based on its proportional share of the pooled investments. All pooled investments and investments with fiscal agent are carried at fair value. The fair value of participants' positions in the pool is not the same as the value of the pooled shares. Restricted cash of \$4,491,007 and \$7,056,313, for governmental and business-type activities respectively, consists mostly of developer and other agency deposits for specific purposes.

In December 1994, the Board of Supervisors created an Investment Oversight Committee to work with the County Treasurer to oversee County investment policies, to include the District. The Committee reviews the County's investment strategy and the status of the County's investments and reports its finding to the Board. The Investment Oversight Committee has reviewed and approved investment policies for funds held outside the County Treasury.

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less when purchased to be cash equivalents.

**F) Deferred Outflows/Inflows of Resources**

The statement of financial position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net assets that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/ expenditure) until then. The District recognizes deferred outflows of resources on the government-wide financial statements in relation to pensions and other postemployment benefits (OPEB).

The statement of financial position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District reports an item under this category on the governmental funds balance sheet, under the modified accrual basis of accounting, labeled *unavailable revenue* from two sources: property taxes and special assessments expected to be received in a future period. The District also recognizes deferred inflows of resources on the government-wide financial statements in relation to pensions, other postemployment benefits (OPEB) and leases.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**G) Property Taxes**

Under California law, property taxes are assessed and collected by counties for up to 1 percent of assessed value, plus other increases as approved by affected voters. Property tax revenues are pooled and then allocated based on assessed valuation. Property taxes on the secured rolls are payable in two installments, November 1 and February 1. Property tax payments become delinquent after December 10 and April 10, respectively.

Remittance of property taxes to the District is accounted for within each appropriate fund. Under the Teeter Plan, the District receives its current-year tax from the County without regard for the delinquency factors.

Property taxes are assessed and collected each fiscal year according to the following property tax calendar:

Lien Date	January 1		
Levy Date	July 1 to June 30		
Due Date	November 1	-	1 <sup>st</sup> Installment
	February 1	-	2 <sup>nd</sup> Installment
Delinquent Date	December 10	-	1 <sup>st</sup> Installment
	April 10	-	2 <sup>nd</sup> Installment

**H) Inventories**

Inventories, which consist of materials and supplies held for consumption, are valued at cost (on a first-in, first-out basis) in the proprietary funds. Inventories for all governmental funds are valued at average cost. The consumption method is used to account for inventories. Under the consumption method, inventories are recorded as expenditures when consumed rather than when purchased. Material amounts of inventory are reported as assets of the respective fund.

**I) Capital Assets**

Capital assets, which include property (e.g. land and easements), plant (e.g. buildings, improvements), equipment (e.g. vehicles, computers, office equipment) and infrastructure (e.g. drainage systems, flood control, and similar structures), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and in the proprietary funds statement of net position. Capital assets are recorded at historical cost or estimated cost if purchased or constructed. Donated capital assets are recorded at estimated acquisition value, rather than fair value, at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value rather than fair value.

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. The capitalization thresholds are as follows: \$5,000 for equipment, \$1 dollar for buildings (structures), land and land improvements, and \$150,000 for infrastructure.

Capital assets are depreciated using the straight-line method over the following estimated useful lives:

Infrastructure:	Flood Channels and Levees	99 years
	Dams/Basins	99 years
	Storm Drains	65 years
Structure and	Buildings	50 years
Improvements:	Building improvements	50 years
Equipment:	Autos, personal computers and equipment valued at less than \$25,000	3 years
	Computer items, small trucks and equipment valued between \$25,000 and \$75,000	5 years
	Large trucks and equipment valued at greater than \$75,000	7 years



**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**J) Compensated Absences**

Permanent District employees earn from 10 to 20 vacation days annually, depending upon their length of employment, and 12 sick days a year. Employees can carry forward up to a maximum of three times their annual vacation accrual and an unlimited number of sick days for use in subsequent years.

Upon termination or retirement, District employees are entitled to receive compensation at their current salary for all unused vacation time. If an employee retires from the District with at least five years of service, the employee is entitled to receive from 10 percent to 50 percent of the value of any unused sick leave up to 120 days.

**K) Long-term Debt**

The District reports long-term debt of governmental funds at face value in the government-wide statement of net position. Certain other governmental fund obligations not expected to be financed with current available financial resources are also reported in the government-wide statement of net position. Long-term debt and other obligations financed by the proprietary fund types are reported as liabilities in the appropriate proprietary fund types and in the government-wide statement of net position. Governmental funds report the effect of issuance costs, premiums, discounts, and similar items when debt is first issued. The premiums, discounts, and deferred gains and losses are reported in the government-wide statement of net position and are amortized over the life of the debt.

**L) Operating/Nonoperating Revenues and Expenses**

The District defines its operating revenues as revenues derived from charges for services. All other revenue that is not derived directly from charges for services, including interest income and gain/loss on sale of assets, is classified as nonoperating in the accompanying statement of revenues, expenses, and changes in fund net position.

Consistent with the treatment in the accompanying statement of cash flows, all expenses, with the exception of interest expense, are treated as operating expenses on the accompanying statement of revenues, expenses and changes in fund net position.

**M) Estimates**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

**N) Interfund Transactions**

Interfund transactions are reflected as loans, provided services, reimbursements or transfers. Loans are reported as receivables and payables as appropriate, are subject to elimination upon consolidation and are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the noncurrent portion of interfund loans). Any residual balances outstanding between the governmental activities and the business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a nonspendable fund balance in applicable governmental funds to indicate that they are not available for appropriation and are not available financial resources.

Provided services, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental or proprietary funds are netted as part of the reconciliation to the government-wide presentation.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**O) Net Position/Fund Balances**

The government-wide and business-type activities fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- ◆ Net Investment in Capital Assets - This category reports all capital assets, including infrastructure, into one component of net position. Accumulated depreciation reduces the balance in this category. The amount is further reduced by the associated debts, net of unspent debt proceeds.
- ◆ Restricted Net Position - This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- ◆ Unrestricted Net Position - This category represents the net position of the District, not restricted for any project or other purpose.

When expenses are incurred for purposes of which both restricted and unrestricted net positions are available, the District's policy is to apply restricted net position first, then unrestricted net position as needed.

In accordance with Government Accounting Standards Board Statement No. 54 - *Fund Balance Reporting and Governmental Fund Type Definitions* and the District's Fiscal Policy F2, Fund Balance Policy, the District classifies governmental fund balances as follows:

- ◆ Nonspendable - includes amounts either not in spendable form, or legally or contractually required to be maintained intact.
- ◆ Restricted - constraints placed on the use of amounts are either externally imposed by creditors, grantors, contributors, or laws and regulations of other governments; or imposed by law through constitutional provisions or enabling legislation.
- ◆ Committed - includes amount committed for specific purposes by the Board of Supervisors, the District's highest level of decision making authority, by adopting an ordinance prior to the end of the fiscal year to commit fund balance. Amounts classified as "Committed" are not subject to legal enforceability like restricted fund balance; however, those amounts cannot be used for any other purpose unless the Board of Supervisors removes or changes the limitation by taking the same form of action it employed to previously impose the limitation. Action to constrain resources must occur prior to year-end; however, the amount can be determined in the subsequent year.
- ◆ Assigned - includes amounts, intended by the District, to be used for specific purposes. Amounts are neither restricted nor limited. The Board of Supervisors has, by resolution, delegated the authority to assign amounts to be used for specific purposes to the Finance Director and District management for the purpose of reporting these amounts in the financial statements.
- ◆ Unassigned - includes any remaining amounts after classifying fund balances according to the fund balance categories of nonspendable, restricted, committed and assigned. The general fund is the only governmental fund that reports a positive amount of unassigned fund balance. However, if a governmental fund other than the general fund were to have nonspendable, restricted, and committed fund balance in excess of total fund balance, the difference would be reported as negative unassigned fund balance.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued**

**O) Net Position/Fund Balances- Continued**

Fund Balance Spending Order

Unless legal requirements disallow it, the District will spend the most restricted dollars before less restricted in the following order: (1) Nonspendable (if the funds become spendable), (2) Restricted, (3) Committed, (4) Assigned, (5) Unassigned.

Minimum Fund Balance Policy for Governmental Funds

The following minimum fund balance guidelines for governmental funds have been established by the District's Fiscal Policy F2, Fund Balance Policy, to ensure a sufficient level of fund balance is maintained for unanticipated expenditures, delays in revenue receipt, or revenue shortfalls:

◆ Unrestricted Fund Balance - General Fund

The District shall achieve an unrestricted fund balance in its General Fund equal to a minimum of 66 percent of General Fund expenditures. The District will annually evaluate the minimum fund balance provisions and make adjustments according to an assessment of current events and circumstances as well as changing forecasts, projections and other related risks.

The District has established a contingency account and budgets the minimum assigned fund balance in the General Fund with the recommended budget submitted to the Board of Supervisors for approval each fiscal year. Should the minimum fund balance drop below the prescribed level, the District will develop a plan to replenish the minimum fund balance within two years and include the plan with the recommended budget submitted to the Board of Supervisors for approval in the following budget year.

**P) Developer And Other Agency Deposits**

Developer and other agency deposits are deposits made by developers and other governmental agencies to support services or work performed by the District on behalf of said developers and governmental agencies. Revenue is recognized when it is earned and the liability is decreased accordingly.

**Q) Pensions**

The pension expense is for the measurement period of July 1, 2021 to June 30, 2022 and the net pension liability is measured as of June 30, 2022. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2021 and were rolled forward to June 30, 2022.

For the purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Plan and addition to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms.

Investments are reported at fair value. Projected earnings on pension investments are recognized as a component of pension expense. Differences between projected and actual investment earnings are reported as deferred inflows of resources or deferred outflows of resources and amortized as a component of pension expense on a closed basis over a five year period.

Other gains and losses related to changes in total pension liability and fiduciary net position are recognized as pension expenses over time. They are amortized straight-line over the average expected remaining service lives of all members that are provided with benefits as of the beginning of the measurement period.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued**

**R) Other Postemployment Benefits (OPEB)**

For the purposes of measuring the net OPEB liability, deferred outflows or resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date	July 1, 2022
Measurement Date	June 30, 2022
Measurement Period	July 1, 2021 to June 30, 2022

**S) Leases**

The District is a lessor for long-term noncancelable leases of land. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental funds financial statements. At the commencement of a lease, the District measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of the lease payment received. The deferred inflow of resources is measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. The deferred inflow of resources is recognized as revenue over the life of the lease term.

The IRS applicable federal rate at the time of lease commencement is used as the discount rate to measure the present value of the lease receivable. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable

**T) Implementation of Governmental Accounting Standards Board (GASB) Pronouncements**

Governmental Accounting Standards Board Statement No. 100

In June of 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*. This Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. Statement No. 100 is effective for fiscal years beginning after June 15, 2023. The District has not determined its effect on the District's financial statements.

Governmental Accounting Standards Board Statement No. 101

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences.. Statement No. 101 is effective for fiscal years beginning after December 15, 2023. The District has not determined its effect on the District's financial statements.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**2) CASH AND INVESTMENTS**

Cash and investments totaled \$320,371,919 as of June 30, 2023. Each fund's portion of this total is reflected in the financial statement accounts entitled "Cash and Investments", "Cash and Cash Equivalents", and "Restricted Cash".

All District cash and investments are on deposit with the County Treasurer with the exception of imprest cash on hand.

The County Treasurer maintains the County's Pooled Investment Fund pursuant to the California Government Code and the County Treasurer's Statement of Investment Policy. Portfolio income, including gains and losses, are distributed quarterly. All investment income is distributed prorata based upon each participant's average daily cash balance for the calendar year except for specific investments in which the interest income is to be credited directly to the fund from which the investment was made.

Investments related to the County's Pooled Investment Fund are restricted to those authorized in the California Government Code and the County Treasurer's Statement of Investment Policy. Investments and related credit, custodial credit, concentration of credit, interest rate and foreign currency risks associated with the County's Pooled Investment Funds are disclosed in Riverside County's basic financial statements.

The primary objectives of the Treasurer's investment of public funds are noted in order of priority as follows: to safeguard investment principal, to maintain sufficient liquidity within the portfolio to meet daily cash flow requirements, and to achieve a reasonable rate of return or yield on the portfolio.

Total District cash and investments at fair value are reported as follows:

Cash and Investments:	
Cash With and Pooled by the County Treasury	\$ 320,371,319
Imprest Cash Held at the District	600
Total Cash and Investments	<u>\$ 320,371,919</u>

Total District cash and investments at fair value are reported by the following activities:

Cash and Investments Summary:	
Total Governmental Activities	\$ 312,371,429
Total Business-type Activities	8,000,490
Total Cash and Investments	<u>\$ 320,371,919</u>

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**2) CASH AND INVESTMENTS – Continued**

**A) Investments**

Investments are governed by the District's Investment Policy Statement, the California Government Code, the particular bond indenture, Board of Supervisors' Resolution, and the Fiscal Agent agreement.

State statutes and the District's Investment Policy Statement authorize the District to invest in the following investment categories:

- ◆ Obligations of the U.S. Treasury Notes
- ◆ Federal agencies
- ◆ A U.S. Government-sponsored enterprise
- ◆ The State of California
- ◆ Local government agencies
- ◆ Commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record
- ◆ Bankers' acceptances
- ◆ Repurchase agreements
- ◆ Reverse repurchase agreements
- ◆ Guaranteed investment contracts
- ◆ Bond anticipation notes
- ◆ Corporate bonds
- ◆ Negotiable certificates of deposits issued by national and State licensed banks, chartered banks, or Federal/State savings and loan associations.

*Investments Authorized by Debt Agreements.* Investments of debt proceeds held by bond trustee (Fiscal Agent) are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy.

**B) Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

The County Treasurer manages exposure to declines in the fair value of the Pooled Investment fund portfolio by maintaining a weighted average days to maturity (WAM) of less than 541 days or 1.5 years in accordance with the County Treasurer's Statement of Investment Policy. As of June 30, 2023, the WAM for the Pooled Investment fund portfolio was 1.30 years. Additionally, the County Treasurer maintains at least 30 percent of the portfolio's total value in securities having maturities of 1 year or less to provide sufficient liquidity to meet daily expenditure requirements.

As noted in the County Treasurer's Investment Fund Monthly Report for June 2023, the Pooled Investment fund was rated: Aaa-bf by Moody's Investor Service and AAAs/S1 by Fitch Ratings.



**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**2) CASH AND INVESTMENTS – Continued**

**C) Custodial Credit Risk**

For an investment, custodial credit risk is the risk that, in the event of failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The California Government Code and the District's Investment Policy Statement do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments, other than the following provisions for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law. The fair value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

**D) Credit Risk**

The District's Investment Policy Statement sets forth the minimum acceptable credit ratings for investments from the following nationally recognized statistical rating organizations. For an issuer of short-term debt, the rating must be no less than A-1 (Standard & Poor's) and P-1 (Moody's). For an issuer of long-term debt, the rating must be no less than an "A". At June 30, 2023, the credit rating of the District's investments pursuant to the District's Investment Policy Statement was AA for Standard & Poor's.

**E) Concentration of Credit Risk**

As previously stated, the District's Investment Policy Statement is limited solely to the proceeds of bonds issued by the District and therefore does not address limitations with regards to pool funds. At June 30, 2023, there were no investments that constitute a concentration of credit risk.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**3) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The amounts due to/from other funds as of June 30, 2023 are as follows:

Receivable Fund	Payable Fund	Amount
Zone 1	General Fund	\$ 576,134
Zone 2	General Fund	647,133
Zone 3	General Fund	142,663
Zone 4	General Fund	879,149
Zone 5	General Fund	210,520
Zone 6	General Fund	283,488
Zone 7	General Fund	332,443
NPDES Whitewater	General Fund	23,907
NPDES Santa Ana	General Fund	121,543
NPDES Santa Margarita	General Fund	81,486
Nonmajor Enterprise Funds	General Fund	44,675
Total Due To/From Other Funds		<u>\$ 3,343,141</u>

These interfund balances resulted from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

**Transfers**

Transfers are indicative of funding for capital projects, lease payments or debt service, subsidies of various District operations and re-allocations of special revenues. The following schedule briefly summarizes the District's transfer activity:

Transfer From	Transfer To	Amount	Purpose
Operating or Debt Subsidy:			
Zone 1	General Fund	\$ 53,193	Funded Leave Balance
Zone 2	General Fund	68,183	Funded Leave Balance
Zone 3	General Fund	18,067	Funded Leave Balance
Zone 4	General Fund	88,074	Funded Leave Balance
Zone 5	General Fund	24,026	Funded Leave Balance
Zone 6	General Fund	28,157	Funded Leave Balance
Zone 7	General Fund	29,854	Funded Leave Balance
NPDES Whitewater	General Fund	5,605	Funded Leave Balance
NPDES Santa Ana	General Fund	19,504	Funded Leave Balance
NPDES Santa Margarita	General Fund	8,775	Funded Leave Balance
Zone 4	Other Governmental Funds	<u>2,821,500</u>	Transfer of Cash to Process Debt Service Payment
Total Transfers		<u>\$ 3,164,938</u>	

The internal balances on the government-wide statement of net position are created by the allocation of internal service fund activity to business-type activities.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**4) CAPITAL ASSETS**

Capital asset activity for the fiscal year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Governmental Activities:</u>					
<i>Capital Assets, Nondepreciable:</i>					
Land and Easements	\$ 295,645,789	\$ 9,319,868	\$ (34,429)	\$ -	\$ 304,931,228
Construction in Progress	37,761,575	27,963,453	(2,124,517)	(1,680,375)	61,920,136
Total Capital Assets, Nondepreciable	<u>333,407,364</u>	<u>37,283,321</u>	<u>(2,158,946)</u>	<u>(1,680,375)</u>	<u>366,851,364</u>
<i>Capital Assets, Depreciable</i>					
Infrastructure	978,603,824	23,761,832	-	1,680,375	1,004,046,031
Land Improvements	110,479	-	-	-	110,479
Buildings and Improvements	15,398,153	-	-	-	15,398,153
Equipment	17,985,884	1,906,321	(296,841)	-	19,595,364
Total Capital Assets, Depreciable	<u>1,012,098,340</u>	<u>25,668,153</u>	<u>(296,841)</u>	<u>1,680,375</u>	<u>1,039,150,027</u>
Less Accumulated Depreciation for:					
Infrastructure	(219,148,981)	(13,225,072)	-	-	(232,374,053)
Land Improvements	(33,572)	(1,116)	-	-	(34,688)
Buildings and Improvements	(7,500,206)	(282,062)	-	-	(7,782,268)
Equipment	(12,130,815)	(1,487,023)	296,841	-	(13,320,997)
Total Accumulated Depreciation	<u>(238,813,574)</u>	<u>(14,995,273)</u>	<u>296,841</u>	<u>-</u>	<u>(253,512,006)</u>
Total Capital Assets, Depreciable, Net	<u>773,284,766</u>	<u>10,672,880</u>	<u>-</u>	<u>1,680,375</u>	<u>785,638,021</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,106,692,130</u>	<u>\$47,956,201</u>	<u>\$ (2,158,946)</u>	<u>\$ -</u>	<u>\$1,152,489,385</u>
<u>Business-type Activities:</u>					
<i>Capital Assets, Depreciable</i>					
Equipment	\$ 158,342	\$ -	\$ -	\$ -	\$ 158,342
Total Capital Assets, Depreciable	<u>158,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,342</u>
Less Accumulated Depreciation for:					
Equipment	(101,805)	(11,857)	-	-	(113,662)
Total Accumulated Depreciation	<u>(101,805)</u>	<u>(11,857)</u>	<u>-</u>	<u>-</u>	<u>(113,662)</u>
Total Capital Assets, Depreciable, Net	<u>56,537</u>	<u>(11,857)</u>	<u>-</u>	<u>-</u>	<u>44,680</u>
Business-type Activities Capital Assets, Net	<u>\$ 56,537</u>	<u>\$ (11,857)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 44,680</u>

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**4) CAPITAL ASSETS - Continued**

Internal Service Funds predominantly serve the governmental funds. Accordingly, their capital assets are included within governmental activities. Capital asset activity for Internal Service Funds for the year ended June 30, 2023 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<u>Internal Service Funds:</u>				
<i>Capital Assets, Depreciable</i>				
Buildings and Improvements	\$ 12,181	\$ -	\$ -	\$ 12,181
Equipment	16,927,286	1,811,059	(161,076)	18,577,269
Total Capital Assets, Depreciable	<u>16,939,467</u>	<u>1,811,059</u>	<u>(161,076)</u>	<u>18,589,450</u>
 Less Accumulated Depreciation for:				
Buildings and Improvements	(7,674)	(244)	-	(7,918)
Equipment	(11,172,593)	(1,430,223)	161,076	(12,441,740)
Total Accumulated Depreciation	<u>(11,180,267)</u>	<u>(1,430,467)</u>	<u>161,076</u>	<u>(12,449,658)</u>
 Internal Service Funds Capital Assets, Net	<u>\$ 5,759,200</u>	<u>\$ 380,592</u>	<u>\$ -</u>	<u>\$ 6,139,792</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 338,618
Public Ways and Facilities	13,226,188
Depreciation on capital assets held by the District's internal service funds is charged to the various functions based on their usage of the assets.	<u>1,430,467</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 14,995,273</u>

Depreciation expense was charged to the business-type functions as follows:

Other Enterprise Funds	\$ 11,857
Total Depreciation Expense - Business-type Functions	<u>\$ 11,857</u>

**Replacement of Capital Assets**

In accordance with District rate methodology, a balance of resources has been accumulated in the proprietary fund financial statements for the replacement of District capital assets. As of June 30, 2023, the balance of resources amounted to \$2,000,000 and is reflected in Unrestricted Net Position.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**5) LONG-TERM OBLIGATIONS**

The following is a summary of long-term liability transactions for the year ended June 30, 2023:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Compensated Absences	\$ 4,358,179	\$ 738,578	\$ (797,059)	\$ 4,299,698	\$ 477,358
Promissory Note	7,880,000	-	(2,500,000)	5,380,000	2,625,000
Promissory Note Premium	726,988	-	(242,328)	484,660	-
Net OPEB Liability	1,409,255	3,633,312	(3,481,620)	1,560,947	-
Net Pension Liabilities	32,458,438	26,402,652	(6,093,646)	52,767,444	-
Total Governmental Activities - Long-term Liabilities	<u>\$ 46,832,860</u>	<u>\$ 30,774,542</u>	<u>\$ (13,114,653)</u>	<u>\$ 64,492,749</u>	<u>\$ 3,102,358</u>
<u>Business-type activities:</u>					
Compensated Absences	\$ 72,779	\$ 3,581	\$ (6,871)	\$ 69,489	\$ 7,715
Net Pension Liabilities	1,771,294	423,410	(97,721)	2,096,983	-
Total Business- type Activities - Long-term Liabilities	<u>\$ 1,844,073</u>	<u>\$ 426,991</u>	<u>\$ (104,592)</u>	<u>\$ 2,166,472</u>	<u>\$ 7,715</u>

For the governmental activities, compensated absences, OPEB liability and net pension liabilities are generally liquidated by the general fund.

**Promissory Notes**

On June 25, 2015, the District issued the Zone 4 2015 Negotiable Promissory Notes to fund certain flood control facilities located in Zone 4 of the District, including but not limited to construction of the Romoland MDP Lina A, Stage 4 for Zone 4 and certain expenses incidental thereto. The principal and interest on the Notes are payable from the revenues and taxes of Zone 4 ("Zone 4 Revenues"). The Notes are further secured by a first lien and specific pledge of the Zone 4 Revenues as the Zone 4 Revenues are received, except that any Zone 4 Revenues not needed for debt services on the Notes in any fiscal year will be available to the District for any lawful purpose. The Notes are not subject to optional redemption prior to maturity.

The Promissory Notes were issued in aggregate principal amount of \$21,000,000 plus an original issue premium \$2,423,284. The Notes are to be repaid at an interest rate between 2.0% and 5.0%. As of June 30, 2023, the outstanding notes payable totaled \$5,380,000 and the unamortized premium amounted to \$484,660.

The annual debt service repayment schedule for the Zone 4 2015 Negotiable Promissory Note as of June 30, 2023 is as follows:

Fiscal Year (June 30)	Principal	Interest	Total
2024	\$ 2,625,000	\$ 193,375	\$ 2,818,375
2025	2,755,000	63,875	2,818,875
Total	<u>\$ 5,380,000</u>	<u>\$ 257,250</u>	<u>\$ 5,637,250</u>

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**6) SELF-INSURANCE PROGRAM**

The District participates in the County's self-insurance program. The County is self-insured for general liability, medical malpractice, unemployment, and workers' compensation claims. The County records estimated liabilities for such claims filed or estimated to be filed for incidents that have occurred. Life insurance and long-term disability programs are fully insured. Depending on the plan, group health, dental, and vision may be either self-insured or fully insured. The County transitioned from full self-insured Short Term Disability to the State of California State Disability Insurance (SDI) program in fiscal year 2021-22.

The maximum coverage under the workers' compensation policy is \$2 million per occurrence, and there is no deductible. The County allocates an annual premium to the District based on current payroll costs and an experience modification. The annual premium to the District in fiscal year 2023 was \$525,737.

In the past three fiscal years, the District has not experienced settlements or judgements that exceeded the self-insured coverage.

**7) RETIREMENT PLAN**

**A) Plan Description**

The District contributes to the California Public Employees Retirement System (CalPERS), an agent multiple-employer public employee defined benefit pension plan. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. State statutes within the Public Employees' Retirement Law establish a menu of benefit provisions as well as other requirements. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance. CalPERS issues a separate annual comprehensive financial report. However, a report for the District's plan within CalPERS is not available.

Copies of the CalPERS' annual financial report may be obtained from the CalPERS Executive Office - 400P Street, Sacramento, CA 95814 or an electronic version may be obtained at CalPERS' website under Forms and Publications.

**B) Benefits Provided**

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. At service retirement, a monthly allowance equal to the product of the benefit factor, years of service, and final compensation is paid to the retiree in the form of an annuity. A classic CalPERS member, an employee hired prior to January 1, 2013 becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service with a benefit formula of 3% at 60. A classic CalPERS member, hired on or after August 23, 2012 has a modified retirement formula of 2% at 60. A PEPR member, an employee hired after January 1, 2013, will be eligible for service retirement at age 55 with at least 5 years of service with a benefit formula of 2% at 62.

**C) Contribution Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.



**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**7) RETIREMENT PLAN – Continued**

**C) Contribution Description – Continued**

For the fiscal year ended June 30, 2023 the average active employee contribution rate is 7.31 percent of annual covered salary and the District's contribution rate is 10.98 percent of annual payroll. The District made contributions to CalPERS of \$17,744,377 for the fiscal year ended June 30, 2023. Included in this contribution was the District's required contribution of \$8,716,485 and an additional contribution towards the District's unfunded liability of \$9,027,892.

**D) Net Pension Liability**

The District's net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021 with a roll-forward adjustment to June 30, 2022.

**E) Actuarial Assumptions**

The June 30, 2021 valuation was rolled forward to determine the June 30, 2022 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by Entry Age and Service
Mortality Rates	The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.30% thereafter
Payroll Growth	2.80%
Investment Rate of Return	6.90% Net of pension plan investment Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019.

**F) Change of Assumptions**

Changes of Assumptions: Effective with the June 30, 2021 valuation date (2022 measurement date) the accounting discount rate was reduced from 7.15% to 6.90%. On November 1, 2021, the board adopted a new strategic asset allocation. In addition, demographic assumptions and the inflation rate assumptions were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The discount rate was 7.15% for measurement dates 2017 through 2021, 7.65% for measurement dates 2015 through 2016, and 7.50% for measurement date 2014.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**7) RETIREMENT PLAN - Continued**

**G) Discount Rate**

The discount rate used to measure the total pension liability was 6.90 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 6.90 percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 6.90 percent is applied to all plans in the Public Employees Retirement Fund.

The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 Basis points. The expected real rates of return by asset class are as follows:

Asset Class <sup>1</sup>	Assumed Asset Allocation	Real Return <sup>1,2</sup>
Global Equity – Cap-weighted	30.00%	4.54%
Global Equity – Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%

<sup>1</sup> An expected inflation of 2.30% used for this period.

<sup>2</sup> Figures are based on the 2021 Asset Liability Management study.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**7) RETIREMENT PLAN - Continued**

**H) Net Pension Liability**

The changes in the Net Pension Liability are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<u>Balance at Valuation Date of 06/30/2021:</u>	<u>\$ 223,587,383</u>	<u>\$ 189,357,651</u>	<u>\$ 34,229,732</u>
<i>Changes During the Measurement Period:</i>			
Service Cost	3,559,418	-	3,559,418
Interest on the Total Pension Liability	15,626,060	-	15,626,060
Changes of Assumptions	7,522,625	-	7,522,625
Differences between Expected and Actual Experience	(195,559)	-	(195,559)
Net Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	19,317,245	(19,317,245)
Contributions from the Employee	-	1,359,229	(1,359,229)
Net Investment Income	-	(14,680,666)	14,680,666
Benefit Payments	(12,459,011)	(12,459,011)	-
Administrative Expense	-	(117,959)	117,959
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	<u>14,053,533</u>	<u>(6,581,162)</u>	<u>20,634,695</u>
Balance at Measurement Date of 6/30/2022:	<u><u>\$ 237,640,916</u></u>	<u><u>\$ 182,776,489</u></u>	<u><u>\$ 54,864,427</u></u>

**Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 6.90 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.90 percent) or 1 percent-point higher (7.90 percent) than the current rate:

	Discount Rate – 1% (5.90 %)	Discount Rate (6.90 %)	Discount Rate + 1% (7.90 %)
Plan's Net Pension Liability/ (Asset)	\$ 86,631,767	\$ 54,864,427	\$ 28,687,185

**I) Pension Plan Fiduciary Net Position**

Detailed information about the CalPERS pension plan Fiduciary Net Position is available in a separately issued financial report. That report may be obtained at CalPERS' website under Forms and Publications.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**7) RETIREMENT PLAN - Continued**

**J) Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

For the year ended June 30, 2023, the District recognized pension expense of \$8,368,531. At June 30, 2023, the District reported deferred inflows of resources of related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 17,744,377	\$ -
Changes of Assumptions	5,542,987	-
Differences between Expected and Actual Experience	56,546	(147,251)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	9,537,161	-
Total	<u>\$ 32,881,071</u>	<u>\$ (147,251)</u>

\$17,744,377 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the fiscal year ending June 30, 2024. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in future pension expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2023	\$ 3,581,817
2024	3,396,912
2025	2,406,841
2026	5,603,873
Thereafter	-
Total	<u>\$ 14,989,443</u>

**K) Recognition of Gains and Losses**

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expense.

The amortization period differs depending on the source of the gain or loss:

Difference between projected and actual earnings	5 year straight-line amortization
All other amounts	Straight-line amortization over the average expected remaining service lives of all members that are provided with benefits (active, inactive and retired) as of the beginning of the measurement period

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**7) RETIREMENT PLAN – Continued**

**K) Recognition of Gains and Losses – Continued**

The expected average remaining service lifetime (EARS�) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARS� for the Plan for the June 30, 2022 measurement period is 3.8 years, which was obtained by dividing the total service years of 2,596 (the sum of remaining service lifetimes of the active employees) by 683 (the total number of participants: active, inactive, and retired).

**L) Employees Covered**

At June 30, 2021, the following employees were covered by the CalPERS Plan:

Active employees	226
Inactive employees or beneficiaries currently receiving benefits	295
Inactive employees entitled to, but not yet receiving benefits	162
Total	<u>683</u>

**8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS**

**A) Plan Description**

The District participates in the County’s program that provides retiree medical benefits for eligible retirees enrolled in County-sponsored and administered retiree medical plans. The postemployment benefit plan is an agent multiple-employer defined benefit post-employment healthcare plan (OPEB Plan). Benefit provisions are established and amended through negotiations between the County and the respective unions. All employees who retire from active employment after age 50 with 5 years of District service (and are immediately eligible for CalPERS pension benefits) are eligible to participate. Former employees eligible for CalPERS pension benefits but who are not eligible for retirement at termination of employment are not eligible for retiree health benefits. As of June 30, 2023, 71 District employees meet the age eligibility requirements, 62 of which will be covered upon retirement while the remaining 9 will qualify upon reaching 5 years of service. Another 87 employees have sufficient time in service to qualify for these benefits upon retirement after age 50.

The District provides retirees access to the same medical coverage as active participants. Prior to age 65, the retiree premiums are the same as active premiums and are developed by blending active and retiree costs. This benefit ceased on January 1, 2011. Currently, all retirees are required to pay “retiree only” (i.e. unblended) premium rates. Participants who retired prior to January 1, 2009 were eligible for this benefit. After age 65, retiree premiums are based exclusively on retiree costs.

The District has established a qualified Internal Revenue Code Section 115 trust with the California Employers’ Retiree Trust (CERBT) to administer the assets of retiree medical plan benefits for District employees. The CERBT issues a publicly available financial report that includes financial statements and required supplementary information related to the established trust. The report may be obtained from CalPERS Employer Services Division, P.O. Box 942709, Sacramento, CA 94229-2709.

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued**

**B) Employees Covered**

As of the June 30, 2022 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	228
Inactive employees or beneficiaries currently receiving benefits	58
Inactive employees entitled to, but not yet receiving benefits	-
<b>Total</b>	<b><u>286</u></b>

**C) Contributions**

The District contributes a portion of an eligible retiree's medical plan premium under a County sponsored health plan (either at retirement or during a subsequent annual enrollment) for the retiree's lifetime. The current monthly amount paid by the District ranges from \$25 - \$256, depending on the retiree's bargaining unit at retirement. All bargaining units are eligible for the greater of the stated Public Employees' Medical and Hospital Care Act (PEMHCA) amounts and the bargaining unit's negotiated amount. The PEMHCA monthly amounts are \$149.00 and \$151.00 in 2022 and 2023, respectively, and increase annually thereafter by Medical CPI. These are the only groups that have inflation-indexed benefits.

**D) Net OPEB Liability**

The District's net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2022 with a roll forward adjustment to June 30, 2023.

**E) Actuarial Assumptions**

The June 30, 2023 total OPEB liability is based on the following actuarial methods and assumptions:

Actuarial Valuation Date	July 1, 2022
Actuarial Cost Method	Entry Age Normal with Amortization of 7/1/2017 unfunded liability over a period ending 6/30/2037 and amortization of subsequent unanticipated changes in unfunded liability over 15-year periods and any asset gain/loss over 5-year periods.
Asset Valuation Method	Fair Value
Discount Rate	6.80%
Investment Rate of Return	6.80%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	2.80%
Retirement Age	Retirement rates developed in the 2021 CalPERS Experience Study
Healthcare Cost Trend Rate	6.66% for Pre Medicare and 7.44% for Post Medicare
Mortality	Pub-2010 Headcount-Weighted Public Retirement Plans Mortality Tables using scale MP-2021
Inflation Rate	2.30%

The healthcare cost trend rate for the Pre Medicare Plan was 6.66 percent, decreasing 0.27 percent per year to an ultimate rate of 4.50 percent for 2028 and later years. The healthcare cost trend rate for the Post Medicare Plan was 7.44 percent, decreasing 0.36 percent per year to an ultimate rate of 4.50 percent for 2028 and later years.



**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued**

**F) Discount Rate**

The discount rate used to measure the total OPEB liability was 6.80%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

The long-term expected rate of return on OPEB plan investments was determined using a building block method in which expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Target Range
Global Equity	49%	± 5%
Global Fixed Income	23%	± 5%
Treasury Inflation-Protected Securities (TIPS)	5%	± 3%
Real Estate Investment Trusts (REITs)	20%	± 5%
Commodities	3%	± 3%

**G) Changes in the OPEB Liability**

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
<u>Balance at 06/30/2022:</u>	\$ 4,950,795	\$ 3,541,540	\$ 1,409,255
<i>Changes During the Measurement Period:</i>			
Service Cost	155,150	-	155,150
Interest on the Total OPEB Liability	309,364	-	309,364
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(215,345)	-	(215,345)
Changes of Assumptions	(337,082)	-	(337,082)
Benefits Payments	(235,940)	(235,940)	-
Contributions From the Employer	-	235,940	(235,940)
Net Investment Income	-	(473,824)	473,824
Administrative Expense	-	(1,721)	1,721
Net Changes	(323,853)	(475,545)	151,692
Balance at Measurement Date of 6/30/2023:	<u>\$ 4,626,942</u>	<u>\$ 3,065,995</u>	<u>\$ 1,560,947</u>

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - Continued**

**H) Sensitivity of the Net OPEB Liability to Changes in the Discount Rate**

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for the measurement period ended June 30, 2023:

	Discount Rate – 1% (5.80%)	Discount Rate (6.80 %)	Discount Rate + 1% (7.80 %)
Net OPEB Liability/ (Asset)	\$ 2,078,485	\$ 1,560,947	\$ 1,125,677

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for the measurement period ended June 30, 2022:

	Trend Rate – 1%	Trend Rate	Trend Rate + 1%
Net OPEB Liability/ (Asset)	\$ 1,070,583	\$ 1,560,947	\$ 2,157,358

Annual Medical Inflation (“Trend”) – All District contributions excluding PEMHCA are assumed to remain at the current level.

**I) OPEB Plan Fiduciary Net Position**

CalPERS issues a publicly available financial report that may be obtained from the from the CalPERS Executive Office 400P Street, Sacramento, CA 95814 or an electronic version may be obtained at CalPERS’ website under Forms and Publications.

**J) Recognition of Deferred Outflows and Deferred Inflows of Resources**

For the year ended June 30, 2023, the District recognized OPEB expense of \$722,948. At June 30, 2023, the District reported deferred inflows of resources of related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference Between Actual and Expected Experience	\$ 340,371	\$ 191,836
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	396,821	-
Assumption Changes	2,665,959	300,951
Total	<u>\$ 3,403,151</u>	<u>\$ 492,787</u>

Amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in future OPEB expense as follows:

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2024	\$ 474,790
2025	476,265
2026	479,142
2027	526,369
2028	386,718
Thereafter	567,080
Total	<u>\$ 2,910,364</u>

**Riverside County Flood Control and Water Conservation District**  
**Notes to the Financial Statements**  
For the Year Ended June 30, 2023

**9) CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS**

Construction commitments

The District has active construction projects as of June 30, 2023. The projects include enhancement of existing infrastructure and new construction of basins, channels, dams, and storm drains. At year end, The District's commitments with contractors are as follows:

<u>Project-Zone</u>	<u>Spent to Date</u>	<u>Remaining Commitment</u>
Woodcrest Dam Outlet Modification Stg 90 – Zone 1	\$ 869,679	\$ 113,555
North Norco Channel Line NB – Zone 2	2,090,159	358,541
Lakeland Village MDP Line H - Zone 3	6,372,433	6,772,697
Bautista Creek Channel Basin Expansion Stg 50 - Zone 4	1,746,394	9,842
Romoland MDP Ln A-3 Stgs 2, 3 - Zone 4	4,243,825	36,458
Noble Creek Channel Stg 92 - Zone 5	2,948,360	51,640
Beaumont MDP Line 16 Stg 50 Recharge - Zone 5	7,480,920	77,730
Palm Springs MDP Line 41 - Zone 6	13,944,162	2,041,024
District Total	<u>\$ 39,695,932</u>	<u>\$ 9,461,487</u>

Lawsuits and Other Claims

The District is named in various legal actions. Management believes that the ultimate resolution of these actions will not have a significant effect on the District's financial position, results or operations.

**10) UNRESTRICTED NET POSITION DEFICIT**

GASB 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, requires the reporting of the District's unfunded pension liability resulting in the government-wide financial statements reporting a deficit unrestricted net position of \$13,178,908 for the year ended June 30, 2023.

**11) LEASES**

The District currently leases property to third parties under long-term noncancelable contracts ranging from 5 to 20 years. The District recognized \$99,654 in lease revenue and \$11,702 in interest revenue during the current fiscal year related to various leases. As of June 30, 2023, the District's receivable for lease payments was \$1,105,710. The District also has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2023, the balance of the deferred inflow of resources was \$1,081,703.

# REQUIRED SUPPLEMENTARY INFORMATION



Prado Dam Mural Restoration

- ◆ **Schedule of Changes in the Net Pension Liability and Related Ratios**
- ◆ **Schedule of Plan Contributions of Retirement Program**
- ◆ **Notes to the Required Supplementary Information**
- ◆ **Budgetary Comparison Schedules:**
  - › **General Fund**
  - › **Special Revenue Funds**

**Riverside County Flood Control and Water Conservation District**  
**Schedule of Required Supplementary Information**  
For the Year Ended June 30, 2023

*Schedule of Changes in Net Pension Liability and Related Ratios  
During the Measurement Period – Retirement Program*

<b>Measurement Period<sup>1</sup></b>	<b>2022</b>	<b>2021</b>
<b>TOTAL PENSION LIABILITY</b>		
Service Cost	\$ 3,559,418	\$ 3,162,509
Interest on Total Pension Liability	15,626,060	15,201,134
Changes of Assumptions <sup>2</sup>	7,522,625	-
Difference Between Expected and Actual Experience	(195,559)	(7,097)
Benefit Payments, Including Refunds of Employee Contributions	(12,459,011)	(11,596,516)
<b>Net Change in Total Pension Liability</b>	<b>\$ 14,053,533</b>	<b>\$ 6,760,030</b>
Total Pension Liability – Beginning	223,587,383	216,827,353
<b>Total Pension Liability – Ending (a)</b>	<b>\$ 237,640,916</b>	<b>\$ 223,587,383</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions – Employer	\$ 19,317,245	\$ 19,468,855
Contributions – Employee	1,359,229	1,376,469
Net Investment Income	(14,680,666)	34,442,801
Benefit Payments, Including Refunds of Employee Contributions	(12,459,011)	(11,596,516)
Net Plan to Plan Resource Movement	-	(49,378)
Administrative Expense	(117,959)	(145,706)
Other Miscellaneous Income/(Expense)	-	-
<b>Net Change in Fiduciary Net Position</b>	<b>\$ (6,581,162)</b>	<b>\$ 43,496,525</b>
Plan Fiduciary Net Position – Beginning	\$ 189,357,651	\$ 145,861,126
Plan Fiduciary Net Position – Ending (b)	182,776,489	189,357,651
<b>Plan Net Pension Liability – Ending (a) - (b)</b>	<b>\$ 54,864,427</b>	<b>\$ 34,229,732</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>	<b>76.91%</b>	<b>84.69%</b>
Covered Payroll <sup>3</sup>	\$ 18,519,347	\$ 17,907,752
<b>Plan Net Pension Liability - as a Percentage of Covered Payroll</b>	<b>296.25%</b>	<b>191.14%</b>

*Schedule of Plan Contributions – Retirement Program*

<b>Fiscal Year End<sup>1</sup></b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
Actuarially Determined Contribution	\$ 8,716,485	\$ 8,564,032	\$ 6,891,217
Contributions in Relation to the Actuarially Determined Contribution	(17,744,377)	(19,317,245)	(19,468,855)
Contribution Deficiency / (Excess)	<u>\$ (9,027,892)</u>	<u>\$ (10,753,213)</u>	<u>\$ (12,577,638)</u>
Covered Payroll <sup>3</sup>	\$ 19,037,889	\$ 18,519,347	\$ 17,907,752
Contributions as a Percentage of Covered Payroll	93.21%	104.31%	108.72%

<sup>1</sup> Historical information is presented only for measurement periods for which GASB Statement No. 68 is available. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which GASB 68 is applicable.

<sup>2</sup> In 2021, the accounting discount rate was reduced from 7.15 percent to 6.90 percent. The accounting discount rate was 7.15 percent for measurement dates 2017 through 2021, 7.65 percent for measurement dates 2015 through 2016, and 7.50 percent for measurement date 2014.

<sup>3</sup> Includes one year's payroll growth using 2.80 percent growth assumption for fiscal year ended June 30, 2022; 2.75 percent payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00 percent payroll growth assumption for fiscal years ended June 30, 2014-17.

2020	2019	2018	2017	2016	2015	2014
\$ 3,019,876 14,738,030 - 339,275 (11,093,800)	\$ 3,114,469 14,237,382 - 2,632,712 (10,189,735)	\$ 3,238,686 13,567,811 (1,005,026) (883,457) (9,835,189)	\$ 3,195,682 13,181,756 11,057,277 4,317,304 (8,387,021)	\$ 2,736,183 12,355,012 - 3,136,481 (7,290,390)	\$ 2,605,929 11,562,462 1,641,380 (2,831,312) (6,729,370)	\$ 2,658,904 10,888,518 - - (6,006,531)
<b>\$ 7,003,381</b> 209,823,972	<b>\$ 9,794,828</b> 200,029,144	<b>\$ 5,082,825</b> 194,946,319	<b>\$ 23,364,998</b> 171,581,321	<b>\$ 10,937,286</b> 160,644,035	<b>\$ 6,249,089</b> 154,394,946	<b>\$ 7,540,891</b> 146,854,055
<b>\$ 216,827,353</b>	<b>\$ 209,823,972</b>	<b>\$ 200,029,144</b>	<b>\$ 194,946,319</b>	<b>\$ 171,581,321</b>	<b>\$ 160,644,035</b>	<b>\$ 154,394,946</b>
\$ 12,731,388 1,306,590 6,806,819 (11,093,800) - (192,153) -	\$ 5,019,882 1,240,294 8,617,060 (10,189,735) - (93,990) 307	\$ 4,252,929 1,269,147 10,585,972 (9,835,189) (307) (196,351) (372,873)	\$ 3,898,709 1,343,302 12,841,732 (8,387,021) 828 (171,974) -	\$ 3,444,770 1,355,866 665,782 (7,290,390) - (72,144) -	\$ 2,917,761 1,276,885 2,659,895 (6,729,370) - (133,244) -	\$ 2,792,524 1,393,782 17,670,115 (6,006,531) - - -
<b>\$ 9,558,844</b>	<b>\$ 4,593,818</b>	<b>\$ 5,703,328</b>	<b>\$ 9,525,576</b>	<b>\$ (1,896,116)</b>	<b>\$ (8,073)</b>	<b>\$ 15,849,890</b>
\$ 136,302,282 145,861,126	\$ 131,708,464 136,302,282	\$ 126,005,136 131,708,464	\$ 116,479,560 126,005,136	\$ 118,375,676 116,479,560	\$ 118,383,749 118,375,676	\$ 102,533,859 118,383,749
<b>\$ 70,966,227</b>	<b>\$ 73,521,690</b>	<b>\$ 68,320,680</b>	<b>\$ 68,941,183</b>	<b>\$ 55,101,761</b>	<b>\$ 42,268,359</b>	<b>\$ 36,011,197</b>
<b>67.27%</b> \$ 16,889,688 <b>420.17%</b>	<b>64.96%</b> \$ 17,304,528 <b>424.87%</b>	<b>65.84%</b> \$ 17,580,534 <b>388.62%</b>	<b>64.64%</b> \$ 17,427,507 <b>395.59%</b>	<b>67.89%</b> \$ 16,643,449 <b>331.07%</b>	<b>73.69%</b> \$ 15,837,660 <b>266.89%</b>	<b>76.68%</b> \$ 15,385,395 <b>234.06%</b>

2020	2019	2018	2017	2016	2015
\$ 6,014,981 (12,731,388) <b>\$ (6,716,407)</b>	\$ 5,019,882 (5,019,882) <b>\$ -</b>	\$ 4,252,929 (4,252,929) <b>\$ -</b>	\$ 3,898,709 (3,898,709) <b>\$ -</b>	\$ 3,444,770 (3,444,770) <b>\$ -</b>	\$ 2,917,761 (2,917,761) <b>\$ -</b>
\$ 16,889,688 75.38%	\$ 17,304,528 29.01%	\$ 17,580,534 24.19%	\$ 17,427,507 22.37%	\$ 16,643,449 20.70%	\$ 15,837,660 18.42%



**Riverside County Flood Control and Water Conservation District**  
**Schedule of Required Supplementary Information**  
For the Year Ended June 30, 2023

*Schedule of Changes in Net OPEB Liability and Related Ratios*

Measurement Period <sup>1</sup>	2023	2022
<b>TOTAL OPEB LIABILITY</b>		
Service Cost	\$ 155,150	\$ 99,280
Interest on Total OPEB Liability	309,364	214,790
Difference Between Expected and Actual Experience	(215,345)	284,585
Changes of Assumptions <sup>2</sup>	(337,082)	1,208,219
Benefit Payments, Including Refunds of Employee Contributions	(235,940)	(171,060)
<b>Net Change in Total OPEB Liability</b>	<b>\$ (323,853)</b>	<b>\$ 1,635,814</b>
Total OPEB Liability – Beginning	4,950,795	3,314,981
<b>Total OPEB Liability – Ending (a)</b>	<b>\$ 4,626,942</b>	<b>\$ 4,950,795</b>
<b>PLAN FIDUCIARY NET POSITION</b>		
Contributions – Employer	\$ 235,940	\$ 2,171,060
Contributions – Employee	-	-
Net Investment Income	(473,824)	356,737
Benefit Payments, Including Refunds of Employee Contributions	(235,940)	(171,060)
Administrative Expense	(1,721)	(659)
<b>Net Change in Plan Fiduciary Net Position</b>	<b>\$ (475,545)</b>	<b>\$ 2,356,078</b>
Plan Fiduciary Net Position – Beginning	\$ 3,541,540	\$ 1,185,462
Plan Fiduciary Net Position – Ending (b)	3,065,995	3,541,540
<b>Plan Net OPEB Liability/(Asset) – Ending (a) - (b)</b>	<b>\$ 1,560,947</b>	<b>\$ 1,409,255</b>
<b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b>	<b>66.26%</b>	<b>71.53%</b>
Covered Employee Payroll <sup>3</sup>	\$ 19,754,283	\$ 18,514,738
<b>Net OPEB Liability/(Asset) as a Percentage of Covered Employee Payroll</b>	<b>7.90%</b>	<b>7.61%</b>

**Notes to Schedule:**

<sup>1</sup>Historical information is presented only for measurement periods for which GASB Statement No. 75 is available. This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, the information will be presented for those years for which GASB 75 is applicable.

<sup>2</sup>Changes of assumptions: In 2021, the expected return on assets and discount rates were reduced from 6.80 percent to 6.20 percent. The funding discount rate was increased from 6.20 percent to 7.00 percent. The inflation rate was reduced from 2.50 percent to 2.30 percent per the 2021 CalPERS Experience Study.

<sup>3</sup>Contributions to the OPEB plan are based on a flat rate; covered employee payroll is the measure of pay used. Payroll increase was updated from 2.75 percent to 2.80 percent per the 2021 CalPERS Experience Study.

2021	2020	2019	2018
\$ 20,416	\$ 3,463	\$ 3,739	\$ 4,411
77,005	31,789	30,744	29,781
123,548	36,986	12,732	19,020
1,911,061	682,857	7,824	(2,438)
(68,284)	(39,081)	(36,327)	(32,456)
<b>\$ 2,063,746</b>	<b>\$ 716,014</b>	<b>\$ 18,712</b>	<b>\$ 18,318</b>
1,251,235	535,221	516,509	498,191
<b>\$ 3,314,981</b>	<b>\$ 1,251,235</b>	<b>\$ 535,221</b>	<b>\$ 516,509</b>
\$ 618,284	\$ -	\$ 36,327	\$ -
-	-	-	-
62,882	41,133	26,130	23,248
(68,284)	(39,081)	(36,327)	(32,456)
(336)	(283)	(278)	(277)
<b>\$ 612,546</b>	<b>\$ 1,769</b>	<b>\$ 25,852</b>	<b>\$ (9,485)</b>
\$ 572,916	\$ 571,147	\$ 545,295	\$ 554,780
1,185,462	572,916	571,147	545,295
<b>\$ 2,129,519</b>	<b>\$ 678,319</b>	<b>\$ (35,926)</b>	<b>\$ (28,786)</b>
<b>35.76%</b>	<b>45.79%</b>	<b>106.71%</b>	<b>105.57%</b>
\$ 18,075,824	\$ 16,955,926	\$ 17,353,758	\$ 17,544,635
<b>11.78%</b>	<b>4.00%</b>	<b>(0.21%)</b>	<b>(0.16%)</b>

## **Riverside County Flood Control and Water Conservation District**

### **Notes to Required Supplemental Information**

#### **BUDGETARY COMPARISON SCHEDULES**

In accordance with the provisions of the State of California, County Budget Act, Government Code Sections 29000-29144 and Section 30200, the District prepares and adopts a budget under the supervision and control of the Riverside County, Board of Supervisors (the Board) on or before August 30 for each fiscal year. Budgets are adopted for the General fund, Special Revenue funds, Capital Project fund, and Debt Service fund and are prepared on the modified accrual basis of accounting in conformity with generally accepted accounting principles.

As adopted by the Board, the District controls expenditures at the class or appropriation level within each category presented on the financial statements as follows:

- General Government
- Public Ways and Facilities
- Capital outlay
- Debt service payments for principal and interest
- Transfers

Encumbrances are commitments related to contracts executed for goods or services. Encumbrances are recorded for budgetary control and accountability purposes in the General and Special Revenue funds. Any outstanding encumbrances at year-end represent the estimated amount of expenditures that may result if the contracts in progress at year-end are completed. If the District has recorded these outstanding contracts in the next fiscal year's budget then encumbrances are not recorded. The unencumbered balances (appropriations less expenditures and encumbrances) lapse at year-end.

Any deficiency of budgeted revenues and other financing sources compared to expenditures and other financing uses is financed by beginning available fund balances as provided for in the State of California, County Budget Act.

**Riverside County Flood Control and Water Conservation District**  
**Notes to Required Supplemental Information**

The *General Fund* is available for any authorized purpose and is used to account for all financial resources except for those accounted for in other funds.

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule - General Fund**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Property Taxes	\$ 6,420,076	\$ 6,420,076	\$ 7,021,102	\$ 601,026
Intergovernmental	59,245	59,245	39,074	(20,171)
Charges for Services	1,068,762	1,068,762	761,592	(307,170)
Investment Earnings	25,063	25,063	193,761	168,698
Total Revenues	7,573,146	7,573,146	8,015,529	442,383
<b>EXPENDITURES</b>				
General Government	10,564,531	10,564,531	7,507,445	3,057,086
Capital Outlay	95,000	95,000	78,762	16,238
Total Expenditures	10,659,531	10,659,531	7,586,207	3,073,324
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(3,086,385)	(3,086,385)	429,322	3,515,707
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	400,000	400,000	343,438	(56,562)
Transfers Out	(2,000)	(2,000)	-	2,000
Total Other Financing Sources	398,000	398,000	343,438	(54,562)
Net Change in Fund Balance	(2,688,385)	(2,688,385)	772,760	3,461,145
Fund Balance, Beginning of Year	5,571,131	5,571,131	5,571,131	-
Fund Balance, End of Year	\$ 2,882,746	\$ 2,882,746	\$ 6,343,891	\$ 3,461,145

## **Riverside County Flood Control and Water Conservation District Special Revenue Funds**

*Zone 1:* This special revenue fund represents District Zone 1. This fund was established to account for revenues and expenditures related to providing flood control in this geographical zone. Ad valorem property taxes, developer fees, local cooperative agreements and Federal monies primarily finance this fund.

*Zone 2:* This special revenue fund represents District Zone 2. This fund was established to account for revenues and expenditures related to providing flood control in this geographical zone. Ad valorem property taxes, developer fees, local cooperative agreements and Federal monies primarily finance this fund.

*Zone 3:* This special revenue fund represents District Zone 3. This fund was established to account for revenues and expenditures related to providing flood control in this geographical zone. Ad valorem property taxes, developer fees, local cooperative agreements and Federal monies primarily finance this fund.

*Zone 4:* This special revenue fund represents District Zone 4. This fund was established to account for revenues and expenditures related to providing flood control in this geographical zone. Ad valorem property taxes, developer fees, local cooperative agreements and Federal monies primarily finance this fund.

*Zone 5:* This special revenue fund represents District Zone 5. This fund was established to account for revenues and expenditures related to providing flood control in this geographical zone. Ad valorem property taxes, developer fees, local cooperative agreements and Federal monies primarily finance this fund.

*Zone 6:* This special revenue fund represents District Zone 6. This fund was established to account for revenues and expenditures related to providing flood control in this geographical zone. Ad valorem property taxes, developer fees, local cooperative agreements and Federal monies primarily finance this fund.

*Zone 7:* This special revenue fund represents District Zone 7. This fund was established to account for revenues and expenditures related to providing flood control in this geographical zone. Ad valorem property taxes, developer fees, local cooperative agreements and Federal monies primarily finance this fund.

*NPDES – Whitewater:* This special revenue fund was established to account for revenue and expenditures related to the National Pollutant Discharge Elimination System (NPDES) in the Whitewater assessment area. A benefit assessment area primarily finances this fund.

*NPDES – Santa Ana:* This special revenue fund was established to account for revenue and expenditures related to the National Pollutant Discharge Elimination System (NPDES) in the Santa Ana assessment area. A benefit assessment area primarily finances this fund.

*NPDES – Santa Margarita:* This special revenue fund was established to account for revenue and expenditures related to the National Pollutant Discharge Elimination System (NPDES) in the Santa Margarita assessment area. A benefit assessment area primarily finances this fund.

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - Zone 1**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Property Taxes	\$ 14,371,086	\$ 14,371,086	\$ 17,678,341	\$ 3,307,255
Intergovernmental	81,236	81,236	80,161	(1,075)
Charges for Services	-	-	1,122	1,122
Area Drainage Fees	5,000	5,000	-	(5,000)
Investment Earnings	21,226	21,226	1,085,732	1,064,506
Use of Assets	153,000	153,000	1,290,499	1,137,499
Total Revenues	14,631,548	14,631,548	20,135,855	5,504,307
<b>EXPENDITURES</b>				
Public Ways and Facilities	17,797,461	17,797,461	12,322,771	5,474,690
Capital Outlay	3,036,595	3,036,595	362,942	2,673,653
Total Expenditures	20,834,056	20,834,056	12,685,713	8,148,343
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(6,202,508)	(6,202,508)	7,450,142	13,652,650
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(416,627)	(416,627)	(53,193)	363,434
Total Other Financing (Uses)	(416,627)	(416,627)	(53,193)	363,434
Net Change in Fund Balance	(6,619,135)	(6,619,135)	7,396,949	14,016,084
Fund Balance, Beginning of Year	46,560,639	46,560,639	46,560,639	-
Fund Balance, End of Year	\$ 39,941,504	\$ 39,941,504	\$ 53,957,588	\$ 14,016,084

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - Zone 2**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 19,515,125	\$ 19,515,125	\$ 24,173,662	\$ 4,658,537
Intergovernmental	404,154	404,154	144,631	(259,523)
Charges for Services	-	-	7,176	7,176
Area Drainage Fees	1,000	1,000	33,841	32,841
Investment Earnings	25,991	25,991	2,340,356	2,314,365
Use of Assets	300	300	300	-
Total Revenues	19,946,570	19,946,570	26,699,966	6,753,396
<b>EXPENDITURES</b>				
Public Ways and Facilities	23,502,826	30,102,826	23,583,045	6,519,781
Capital Outlay	19,401,828	12,801,828	5,193,015	7,608,813
Total Expenditures	42,904,654	42,904,654	28,776,060	14,128,594
Excess (Deficiency) of Revenues Over (Under) Expenditures	(22,958,084)	(22,958,084)	(2,076,094)	20,881,990
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(608,244)	(608,244)	(68,183)	540,061
Total Other Financing (Uses)	(608,244)	(608,244)	(68,183)	540,061
Net Change in Fund Balance	(23,566,328)	(23,566,328)	(2,144,277)	21,422,051
Fund Balance, Beginning of Year	91,587,214	91,587,214	91,587,214	-
Fund Balance, End of Year	\$ 68,020,886	\$ 68,020,886	\$ 89,442,937	\$ 21,422,051



**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - Zone 3**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Property Taxes	\$ 3,435,500	\$ 3,435,500	\$ 4,050,725	\$ 615,225
Special Assessments	-	-	170	170
Intergovernmental	264,741	264,741	1,060,339	795,598
Charges for Services	-	-	6,480	6,480
Investment Earnings	8,040	8,040	236,187	228,147
Use of Assets	-	-	5,500	5,500
Total Revenues	3,708,281	3,708,281	5,359,401	1,651,120
<b>EXPENDITURES</b>				
Public Ways and Facilities	3,781,593	3,781,593	2,356,971	1,424,622
Capital Outlay	7,162,505	7,162,505	6,697,840	464,665
Total Expenditures	10,944,098	10,944,098	9,054,811	1,889,287
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(7,235,817)	(7,235,817)	(3,695,410)	3,540,407
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(153,974)	(153,974)	(18,067)	135,907
Total Other Financing (Uses)	(153,974)	(153,974)	(18,067)	135,907
Net Change in Fund Balance	(7,389,791)	(7,389,791)	(3,713,477)	3,676,314
Fund Balance, Beginning of Year	9,281,799	9,281,799	9,281,799	-
Fund Balance, End of Year	\$ 1,892,008	\$ 1,892,008	\$ 5,568,322	\$ 3,676,314

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - Zone 4**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Property Taxes	\$ 21,677,322	\$ 21,677,322	\$ 28,372,549	\$ 6,695,227
Intergovernmental	171,551	171,551	4,251,692	4,080,141
Charges for Services	-	-	110,609	110,609
Area Drainage Fees	100,000	100,000	1,032,859	932,859
Investment Earnings	44,738	44,738	1,329,529	1,284,791
Use of Assets	14,000	14,000	61,011	47,011
Total Revenues	22,007,611	22,007,611	35,158,249	13,150,638
<b>EXPENDITURES</b>				
Public Ways and Facilities	29,531,053	29,531,053	15,364,359	14,166,694
Capital Outlay	6,345,001	6,345,001	4,746,827	1,598,174
Total Expenditures	35,876,054	35,876,054	20,111,186	15,764,868
Excess (Deficiency) of Revenues Over (Under) Expenditures	(13,868,443)	(13,868,443)	15,047,063	28,915,506
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(3,513,598)	(3,513,598)	(2,909,574)	604,024
Total Other Financing (Uses)	(3,513,598)	(3,513,598)	(2,909,574)	604,024
Net Change in Fund Balance	(17,382,041)	(17,382,041)	12,137,489	29,519,530
Fund Balance, Beginning of Year	59,718,287	59,718,287	59,718,287	-
Fund Balance, End of Year	\$ 42,336,246	\$ 42,336,246	\$ 71,855,776	\$ 29,519,530

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - Zone 5**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Property Taxes	\$ 4,834,704	\$ 4,834,704	\$ 6,369,445	\$ 1,534,741
Intergovernmental	3,429,101	3,429,101	1,135,507	(2,293,594)
Investment Earnings	1,278	1,278	450,396	449,118
Total Revenues	8,265,083	8,265,083	7,955,348	(309,735)
<b>EXPENDITURES</b>				
Public Ways and Facilities	12,976,558	9,176,558	5,315,077	3,861,481
Capital Outlay	5,076,094	8,876,094	6,578,487	2,297,607
Total Expenditures	18,052,652	18,052,652	11,893,564	6,159,088
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(9,787,569)	(9,787,569)	(3,938,216)	5,849,353
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(172,936)	(172,936)	(24,026)	148,910
Total Other Financing (Uses)	(172,936)	(172,936)	(24,026)	148,910
Net Change in Fund Balance	(9,960,505)	(9,960,505)	(3,962,242)	5,998,263
Fund Balance, Beginning of Year	17,121,808	17,121,808	17,121,808	-
Fund Balance, End of Year	\$ 7,161,303	\$ 7,161,303	\$ 13,159,566	\$ 5,998,263

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - Zone 6**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Property Taxes	\$ 6,596,360	\$ 6,596,360	\$ 8,672,531	\$ 2,076,171
Intergovernmental	3,967,836	3,967,836	42,158	(3,925,678)
Charges for Services	150	150	-	(150)
Investment Earnings	428	428	420,915	420,487
Use of Assets	6,000	6,000	6,000	-
Total Revenues	10,570,774	10,570,774	9,141,604	(1,429,170)
<b>EXPENDITURES</b>				
Public Ways and Facilities	6,868,335	5,418,335	4,206,966	1,211,369
Capital Outlay	9,298,538	10,748,538	10,693,667	54,871
Total Expenditures	16,166,873	16,166,873	14,900,633	1,266,240
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(5,596,099)	(5,596,099)	(5,759,029)	(162,930)
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(244,917)	(244,917)	(28,157)	216,760
Total Other Financing (Uses)	(244,917)	(244,917)	(28,157)	216,760
Net Change in Fund Balance	(5,841,016)	(5,841,016)	(5,787,186)	53,830
Fund Balance, Beginning of Year	14,521,128	14,521,128	14,521,128	-
Fund Balance, End of Year	\$ 8,680,112	\$ 8,680,112	\$ 8,733,942	\$ 53,830

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - Zone 7**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Property Taxes	\$ 6,443,054	\$ 6,443,054	\$ 7,341,674	\$ 898,620
Intergovernmental	638,898	638,898	54,802	(584,096)
Charges for Services	50,000	50,000	234,646	184,646
Area Drainage Fees	100,000	100,000	355,009	255,009
Investment Earnings	29,316	29,316	804,909	775,593
Total Revenues	7,261,268	7,261,268	8,791,040	1,529,772
<b>EXPENDITURES</b>				
Public Ways and Facilities	12,074,899	12,074,899	6,272,703	5,802,196
Capital Outlay	11,117,001	11,117,001	11,432	11,105,569
Total Expenditures	23,191,900	23,191,900	6,284,135	16,907,765
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(15,930,632)	(15,930,632)	2,506,905	18,437,537
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(207,829)	(207,829)	(29,854)	177,975
Total Other Financing (Uses)	(207,829)	(207,829)	(29,854)	177,975
Net Change in Fund Balance	(16,138,461)	(16,138,461)	2,477,051	18,615,512
Fund Balance, Beginning of Year	33,354,774	33,354,774	33,354,774	-
Fund Balance, End of Year	\$ 17,216,313	\$ 17,216,313	\$ 35,831,825	\$ 18,615,512

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - NPDES - Whitewater**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Special Assessments	\$ 330,938	\$ 330,938	\$ 309,365	\$ (21,573)
Intergovernmental	443,745	443,745	523,799	80,054
Investment Earnings	2,000	2,000	63,160	61,160
Total Revenues	776,683	776,683	896,324	119,641
<b>EXPENDITURES</b>				
Public Ways and Facilities	902,555	902,555	634,217	268,338
Total Expenditures	902,555	902,555	634,217	268,338
Excess (Deficiency) of Revenues Over (Under) Expenditures	(125,872)	(125,872)	262,107	387,979
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(6,000)	(6,000)	(5,605)	395
Total Other Financing (Uses)	(6,000)	(6,000)	(5,605)	395
Net Change in Fund Balance	(131,872)	(131,872)	256,502	388,374
Fund Balance, Beginning of Year	2,826,340	2,826,340	2,826,340	-
Fund Balance, End of Year	\$ 2,694,468	\$ 2,694,468	\$ 3,082,842	\$ 388,374

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - NPDES - Santa Ana**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
<b>REVENUES</b>				
Special Assessments	\$ 2,594,474	\$ 2,594,474	\$ 2,592,685	\$ (1,789)
Investment Earnings	4,000	4,000	122,828	118,828
Total Revenues	2,598,474	2,598,474	2,715,513	117,039
<b>EXPENDITURES</b>				
Public Ways and Facilities	4,058,969	4,058,969	3,057,458	1,001,511
Total Expenditures	4,058,969	4,058,969	3,057,458	1,001,511
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,460,495)	(1,460,495)	(341,945)	1,118,550
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(24,000)	(24,000)	(19,504)	4,496
Total Other Financing (Uses)	(24,000)	(24,000)	(19,504)	4,496
Net Change in Fund Balance	(1,484,495)	(1,484,495)	(361,449)	1,123,046
Fund Balance, Beginning of Year	5,210,359	5,210,359	5,210,359	-
Fund Balance, End of Year	\$ 3,725,864	\$ 3,725,864	\$ 4,848,910	\$ 1,123,046

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Special Revenue Fund - NPDES - Santa Margarita**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Special Assessments	\$ 562,915	\$ 562,915	\$ 534,761	\$ (28,154)
Intergovernmental	1,751,815	1,751,815	1,681,968	(69,847)
Investment Earnings	1,200	1,200	28,451	27,251
Total Revenues	2,315,930	2,315,930	2,245,180	(70,750)
<b>EXPENDITURES</b>				
Public Ways and Facilities	2,549,115	2,549,115	1,700,870	848,245
Total Expenditures	2,549,115	2,549,115	1,700,870	848,245
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(233,185)	(233,185)	544,310	777,495
<b>OTHER FINANCING (USES)</b>				
Transfers Out	(17,000)	(17,000)	(8,775)	8,225
Total Other Financing (Uses)	(17,000)	(17,000)	(8,775)	8,225
Net Change in Fund Balance	(250,185)	(250,185)	535,535	785,720
Fund Balance, Beginning of Year	1,981,091	1,981,091	1,981,091	-
Fund Balance, End of Year	\$ 1,730,906	\$ 1,730,906	\$ 2,516,626	\$ 785,720



# SUPPLEMENTARY INFORMATION

Palm Canyon Wash

- ◆ **Other Governmental Funds**
  - › Capital Project Fund
  - › Debt Service Fund
- ◆ **Budgetary Comparison Schedule**
  - › Capital Project Fund
  - › Debt Service Fund
- ◆ **Combining Statements:**
  - › Non-Major Enterprise Funds
  - › Internal Service Funds



**Riverside County Flood Control and Water Conservation District**  
**Combining Balance Sheet**  
**Other Governmental Funds**  
June 30, 2023

	Flood Control Capital Project Fund	Zone 4 Debt Service Fund	Total
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ 19,441	\$ 3,619	\$ 23,060
Receivables:			
Interest Receivable	170	30	200
Total Assets	19,611	3,649	23,260
<b>FUND BALANCES</b>			
<b>Restricted for:</b>			
Capital Projects	19,611	-	19,611
Debt Service	-	3,649	3,649
Total Fund Balances	19,611	3,649	23,260
Total Liabilities and Fund Balances	\$ 19,611	\$ 3,649	\$ 23,260

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Combining Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Other Governmental Funds**  
For the Year Ended June 30, 2023

	Flood Control Capital Projects Fund	Zone 4 Debt Service Fund	Total
<b>REVENUES</b>			
Investment Earnings	\$ 474	\$ 871	\$ 1,345
Total Revenues	474	871	1,345
<b>EXPENDITURES</b>			
Debt Service:			
Principal	-	2,500,000	2,500,000
Interest	-	321,500	321,500
Total Expenditures	-	2,821,500	2,821,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	474	(2,820,629)	(2,820,155)
<b>OTHER FINANCING SOURCES</b>			
Transfers In	-	2,821,500	2,821,500
Total Other Financing Sources	-	2,821,500	2,821,500
Net Change in Fund Balances	474	871	1,345
Fund Balances, Beginning of Year	19,137	2,778	21,915
Fund Balances, End of Year	\$ 19,611	\$ 3,649	\$ 23,260

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District  
Capital Project Fund**

The *Flood Control Capital Project Fund* was established to account for financial resources to be used for the acquisition or construction of major capital facilities other than those financed by proprietary fund types.

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Other Governmental Funds - Capital Project Fund**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 61	\$ 61	\$ 474	\$ 413
Total Revenues	61	61	474	413
<b>EXPENDITURES</b>				
Capital Outlay	500,000	500,000	-	500,000
Total Expenditures	500,000	500,000	-	500,000
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(499,939)	(499,939)	474	500,413
<b>OTHER FINANCING SOURCES</b>				
Transfers In	500,000	500,000	-	(500,000)
Total Other Financing Sources	500,000	500,000	-	(500,000)
Net Change in Fund Balance	61	61	474	413
Fund Balance, Beginning of Year	19,137	19,137	19,137	-
Fund Balance, End of Year	\$ 19,198	\$ 19,198	\$ 19,611	\$ 413

**Riverside County Flood Control and Water Conservation District**  
**Zone 4 Debt Service Fund**

The *Zone 4 Debt Service fund* was established to service the debt incurred by Zone 4 for the construction of Zone 4 flood control facilities. The fund receives transfers from Zone 4 revenues to pay principal and interest on promissory notes.

**Riverside County Flood Control and Water Conservation District**  
**Budgetary Comparison Schedule**  
**Other Governmental Funds - Zone 4 Debt Service**  
For the Year Ended June 30, 2023

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
<b>REVENUES</b>				
Investment Earnings	\$ 550	\$ 550	\$ 871	\$ 321
Total Revenues	550	550	871	321
<b>EXPENDITURES</b>				
Debt Service Principal	2,500,000	2,500,000	2,500,000	-
Debt Service Interest	321,500	321,500	321,500	-
Total Expenditures	2,821,500	2,821,500	2,821,500	-
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(2,820,950)	(2,820,950)	(2,820,629)	321
<b>OTHER FINANCING SOURCES</b>				
Transfers In	2,821,500	2,821,500	2,821,500	-
Total Other Financing Sources	2,821,500	2,821,500	2,821,500	-
Net Change in Fund Balance	550	550	871	321
Fund Balance, Beginning of Year	2,778	2,778	2,778	-
Fund Balance, End of Year	\$ 3,328	\$ 3,328	\$ 3,649	\$ 321

## **Riverside County Flood Control and Water Conservation District Non-Major Enterprise Funds**

*Photogrammetry Operations Fund:* This fund was established to account for revenues and expenses related to surveying and mapping services performed within the County of Riverside by the Photogrammetry section. Surveying and mapping services are provided to other governmental agencies, private enterprises and individuals.

*Encroachment Permits Fund:* This fund was established to account for revenue and expenses related to encroachment permit services performed by the Encroachment Permit section. These services are provided to other governmental agencies, developers and individuals. Governmental agencies, developers and individuals must obtain an encroachment permit from the District to gain temporary access to flood control facilities for purposes of completing other construction projects not sponsored by the District.



**Riverside County Flood Control and Water Conservation District**  
**Combining Statement of Net Position**  
**Nonmajor Enterprise Funds**  
June 30, 2023

	Photogrammetry Operations	Encroachment Permits	Total
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 121,353	\$ 42,300	\$ 163,653
Receivables:			
Accounts Receivable	-	10,296	10,296
Interest Receivable	1,216	2,855	4,071
Due from Other Funds	13,976	30,699	44,675
Personnel Services	-	4,323	4,323
Total Current Assets	<u>136,545</u>	<u>90,473</u>	<u>227,018</u>
<b>Noncurrent Assets:</b>			
Restricted Cash	5,634	291,244	296,878
Capital Assets:			
Depreciable, Net	<u>44,680</u>	<u>-</u>	<u>44,680</u>
Total Noncurrent Assets	<u>50,314</u>	<u>291,244</u>	<u>341,558</u>
Total Assets	<u>186,859</u>	<u>381,717</u>	<u>568,576</u>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
<b>Current liabilities:</b>			
Accounts Payable	-	9,352	9,352
Salaries and Benefits Payable	6,799	16,541	23,340
Compensated Absences - Current Portion	763	2,551	3,314
Developer and Other Agency Deposits	-	291,244	291,244
Total Current Liabilities	<u>7,562</u>	<u>319,688</u>	<u>327,250</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences	<u>6,107</u>	<u>20,432</u>	<u>26,539</u>
Total Noncurrent Liabilities	<u>6,107</u>	<u>20,432</u>	<u>26,539</u>
Total Liabilities	<u>13,669</u>	<u>340,120</u>	<u>353,789</u>
<b>NET POSITION</b>			
Investment in Capital Assets	44,680	-	44,680
Unrestricted	<u>128,510</u>	<u>41,597</u>	<u>170,107</u>
Total Net Position	<u>\$ 173,190</u>	<u>\$ 41,597</u>	<u>\$ 214,787</u>

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Nonmajor Enterprise Funds**  
For the Year Ended June 30, 2023

	Photogrammetry Operations	Encroachment Permits	Total
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 49,684	\$ 390,099	\$ 439,783
<b>OPERATING EXPENSES</b>			
Personnel Services	105,968	356,490	462,458
Administrative Services	5,290	1,120	6,410
Services and Supplies	18,447	65,718	84,165
Depreciation	11,857	-	11,857
Total Operating Expenses	141,562	423,328	564,890
Operating (Loss)	(91,878)	(33,229)	(125,107)
<b>NONOPERATING REVENUES</b>			
Investment Earnings	5,971	7,500	13,471
Total Nonoperating Revenues	5,971	7,500	13,471
Income (Loss)	(85,907)	(25,729)	(111,636)
Change in Net Position	(85,907)	(25,729)	(111,636)
Net Position, Beginning of Year	259,097	67,326	326,423
Net Position, End of Year	\$ 173,190	\$ 41,597	\$ 214,787

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Combining Statement of Cash Flows**  
**Nonmajor Enterprise Funds**  
For the Year Ended June 30, 2023

	Photogrammetry Operations	Encroachment Permits	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Received from Customers/Other Funds	\$ 35,708	\$ 428,802	\$ 464,510
Cash Paid to Suppliers for Goods and Services	(23,852)	(58,453)	(82,305)
Cash Paid to Employees for Services	(118,824)	(354,740)	(473,564)
Net Cash Provided by (Used In) Operating Activities	(106,968)	15,609	(91,359)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	5,177	5,168	10,345
Net Cash Provided by Investing Activities	5,177	5,168	10,345
Net Change in Cash and Cash Equivalents	(101,791)	20,777	(81,014)
Cash and Cash Equivalents, Beginning of Year	228,778	312,767	541,545
<b>Cash and Cash Equivalents, End of Year</b>	<u>\$ 126,987</u>	<u>\$ 333,544</u>	<u>\$ 460,531</u>
<b>Reconciliation of Operating (Loss) to</b>			
<b>Net Cash Provided by (Used In) Operating Activities</b>			
Operating (Loss)	\$ (91,878)	\$ (33,229)	\$ (125,107)
Adjustments to Reconcile Operating (Loss) to Net Cash Provided by (Used In) Operating Activities:			
Depreciation	11,857	-	11,857
Changes in Operating Assets and Liabilities:			
Decrease in:			
Accounts Receivable	-	17,236	17,236
Due from Other Funds	(13,976)	(30,699)	(44,675)
Due from Other Governments	-	5,567	5,567
Increase (Decrease) in:			
Accounts Payable	-	8,572	8,572
Salaries and Benefits Payable	(6,936)	2,701	(4,235)
Due to Other Funds	(115)	(187)	(302)
Compensated Absences	(5,920)	(951)	(6,871)
Developer and Other Agency Deposits	-	46,599	46,599
Net Cash Provided by (Used In) Operating Activities	<u>\$ (106,968)</u>	<u>\$ 15,609</u>	<u>\$ (91,359)</u>

**There were no significant noncash investing, financing, or capital activities.**

The accompanying notes are an integral part of this statement.

## **Riverside County Flood Control and Water Conservation District**

### **Internal Service Funds**

*Hydrology Services Fund:* This fund was established to account for revenues and expenses related to hydrological information services performed by the Hydrology section. These services are provided to support zone projects and are charged to the special revenue funds on a cost reimbursement basis.

*Garage Fund:* This fund was established to account for revenue and expenses related to the operation and maintenance of the District's vehicles. Garage services are provided to support the fleet of vehicles and heavy equipment needed to maintain flood control facilities. These services are charged to all District funds on a cost reimbursement basis.

*Project Maintenance Fund:* This fund was established to account for revenues and expenses related to the maintenance of the District's flood control facilities. Project maintenance services include weed abatement, repair and preventative maintenance of flood control facilities. These services are charged to the special revenue funds on a cost reimbursement basis.

*Data Processing Fund:* This fund was established to account for revenues and expenses related to data processing services performed by the Information Technology section and reproduction and binding services. Data processing services include software system support for the computer network, data structure design, organization of the District computer systems, scanning and binding. These services are charged to all District funds on a cost reimbursement basis.

**Riverside County Flood Control and Water Conservation District**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
For the Year Ended June 30, 2023

	Hydrology Services	Garage	Project Maintenance
<b>ASSETS</b>			
<b>Current Assets:</b>			
Cash and Cash Equivalents	\$ 198,186	\$ 2,822,315	\$ 39,743
Receivables:			
Accounts Receivable	-	-	-
Interest Receivable	1,157	22,869	245
Inventories	-	75,183	241,645
Total Current Assets	<u>199,343</u>	<u>2,920,367</u>	<u>281,633</u>
<b>Noncurrent Assets:</b>			
Capital Assets:			
Depreciable, Net	187,218	5,896,823	-
Total Noncurrent Assets	<u>187,218</u>	<u>5,896,823</u>	<u>-</u>
Total Assets	<u>386,561</u>	<u>8,817,190</u>	<u>281,633</u>
<b>LIABILITIES</b>			
<b>Liabilities:</b>			
<b>Current Liabilities:</b>			
Accounts Payable	53,334	69,705	7,613
Salaries and Benefits Payable	17,053	42,262	-
Due to Other Governments	63,139	72	-
Compensated Absences - Current Portion	2,861	8,011	-
Total Current Liabilities	<u>136,387</u>	<u>120,050</u>	<u>7,613</u>
<b>Noncurrent Liabilities:</b>			
Compensated Absences	22,906	64,145	-
Total Noncurrent Liabilities	<u>22,906</u>	<u>64,145</u>	<u>-</u>
Total Liabilities	<u>159,293</u>	<u>184,195</u>	<u>7,613</u>
<b>NET POSITION</b>			
Investment in Capital Assets	187,218	5,896,823	-
Unrestricted	40,050	2,736,172	274,020
Total Net Position	<u>\$ 227,268</u>	<u>\$ 8,632,995</u>	<u>\$ 274,020</u>

The accompanying notes are an integral part of this statement.

<u>Data Processing</u>	<u>Total</u>
\$ 1,679,179	\$ 4,739,423
336	336
8,062	32,333
-	316,828
<u>1,687,577</u>	<u>5,088,920</u>
<u>55,751</u>	<u>6,139,792</u>
<u>55,751</u>	<u>6,139,792</u>
<u>1,743,328</u>	<u>11,228,712</u>
42,328	172,980
38,125	97,440
-	63,211
<u>7,920</u>	<u>18,792</u>
<u>88,373</u>	<u>352,423</u>
<u>63,422</u>	<u>150,473</u>
<u>63,422</u>	<u>150,473</u>
<u>151,795</u>	<u>502,896</u>
55,751	6,139,792
<u>1,535,782</u>	<u>4,586,024</u>
<u>\$ 1,591,533</u>	<u>\$ 10,725,816</u>

The accompanying notes are an integral part of this statement.

**Riverside County Flood Control and Water Conservation District**  
**Combining Statement of Revenues, Expenses and Changes in Net Position**  
**Internal Service Funds**  
For the Year Ended June 30, 2023

	Hydrology Services	Garage	Project Maintenance
<b>OPERATING REVENUES</b>			
Charges for Services	\$ 1,050,404	\$ 3,347,274	\$ 336,842
<b>OPERATING EXPENSES</b>			
Personnel Services	365,513	1,045,761	-
Administrative Services	1,600	33,630	490
Services and Supplies	553,188	1,460,120	324,075
Depreciation	109,284	1,287,954	-
Total Operating Expenses	1,029,585	3,827,465	324,565
Operating Income (Loss)	20,819	(480,191)	12,277
<b>NONOPERATING REVENUES</b>			
Investment Earnings (Loss)	2,210	88,640	(99)
Gain on Sale of Capital Assets	-	300	-
Total Nonoperating Revenues	2,210	88,940	(99)
Income (Loss)	23,029	(391,251)	12,178
Changes in Net Position	23,029	(391,251)	12,178
Net Position, Beginning of Year	204,239	9,024,246	261,842
Net Position, End of Year	\$ 227,268	\$ 8,632,995	\$ 274,020

The accompanying notes are an integral part of this statement.

<u>Data Processing</u>	<u>Total</u>
<u>\$ 4,437,374</u>	<u>\$ 9,171,894</u>
1,022,752	2,434,026
16,150	51,870
2,651,494	4,988,877
<u>33,229</u>	<u>1,430,467</u>
<u>3,723,625</u>	<u>8,905,240</u>
<u>713,749</u>	<u>266,654</u>
2,253	93,004
<u>-</u>	<u>300</u>
<u>2,253</u>	<u>93,304</u>
<u>716,002</u>	<u>359,958</u>
716,002	359,958
<u>875,531</u>	<u>10,365,858</u>
<u>\$ 1,591,533</u>	<u>\$ 10,725,816</u>

The accompanying notes are an integral part of this statement.



**Riverside County Flood Control and Water Conservation District**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
For the Year Ended June 30, 2023

	Hydrology Services	Garage	Project Maintenance
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash Receipts from Interfund Services Provided	\$ 1,050,404	\$ 3,386,330	\$ 336,842
Cash Paid to Suppliers for Goods and Services	(572,535)	(1,483,275)	(327,521)
Cash Paid to Employees for Services	(367,249)	(1,033,917)	(732)
Net Cash Provided by Operating Activities	<u>110,620</u>	<u>869,138</u>	<u>8,589</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Proceeds from Sale of Capital Assets	-	300	-
Acquisition and Construction of Capital Assets	(77,265)	(1,691,371)	-
Net Cash Used in Capital and Related Financing Activities	<u>(77,265)</u>	<u>(1,691,071)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest on Investments	<u>1,283</u>	<u>71,866</u>	<u>(364)</u>
Net Cash Provided by (Used In) Investing Activities	<u>1,283</u>	<u>71,866</u>	<u>(364)</u>
Net Change in Cash and Cash Equivalents	34,638	(750,067)	8,225
Cash and Cash Equivalents, Beginning of Year	<u>163,548</u>	<u>3,572,382</u>	<u>31,518</u>
<b>Cash and Cash Equivalents, End of Year</b>	<u><u>\$ 198,186</u></u>	<u><u>\$ 2,822,315</u></u>	<u><u>\$ 39,743</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities</b>			
Operating Income (Loss)	\$ 20,819	\$ (480,191)	\$ 12,277
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	109,284	1,287,954	-
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in:			
Accounts Receivable	-	27,810	-
Due from Other Funds	-	11,246	-
Inventories	-	5,489	(6,872)
Increase (Decrease) in:			
Accounts Payable	44,729	5,595	4,125
Salaries and Benefits Payable	170	3,291	-
Due to Other Funds	(496)	(655)	-
Compensated Absences	(1,906)	8,553	(732)
Due to Other Governments	(61,980)	46	(209)
Net Cash Provided by Operating Activities	<u><u>\$ 110,620</u></u>	<u><u>\$ 869,138</u></u>	<u><u>\$ 8,589</u></u>

**There were no significant noncash investing, financing, or capital activities.**

The accompanying notes are an integral part of this statement.

Data Processing	Total
\$ 4,451,573	\$ 9,225,149
(2,632,647)	(5,015,978)
(1,020,437)	(2,422,335)
<u>798,489</u>	<u>1,786,836</u>
-	300
(42,423)	(1,811,059)
(42,423)	(1,810,759)
(5,383)	67,402
(5,383)	67,402
750,683	43,479
928,496	4,695,944
<u>\$ 1,679,179</u>	<u>\$ 4,739,423</u>
\$ 713,749	\$ 266,654
33,229	1,430,467
362	28,172
13,837	25,083
-	(1,383)
34,997	89,446
1,751	5,212
-	(1,151)
564	6,479
-	(62,143)
<u>\$ 798,489</u>	<u>\$ 1,786,836</u>

The accompanying notes are an integral part of this statement.



An aerial photograph of a construction or mining site. The ground is heavily eroded, showing deep, winding tracks from heavy machinery. A yellow bulldozer is visible in the middle ground, and a yellow dump truck is in the lower right. The terrain is a mix of dark brown soil and lighter, sandy areas. In the background, there are some green trees and a utility pole.

# STATISTICAL SECTION

## Financial Trends 89

These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.

## Revenue Capacity 98

These schedules contain information to help the reader assess the government's most significant local revenue source, the property tax.

## Debt Capacity 104

These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

## Demographic and Economic Information 109

These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.

## Operating Information 112

These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.

**Riverside County Flood Control and Water Conservation District**  
**Net Position by Component**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Accrual Basis of Accounting)*

Page 1

	<b>2014 <sup>1</sup></b>	<b>2015</b>	<b>2016</b>	<b>2017 <sup>2</sup></b>	<b>2018</b>
Governmental Activities					
Net Investment in Capital Assets	\$ 851,201	\$ 923,240	\$ 946,551	\$ 958,273	\$ 982,108
Restricted	255,222	215,008	203,985	223,412	233,481
Unrestricted	(33,751)	(35,251)	(33,778)	(36,026)	(41,337)
Total Governmental Activities Net Position	<u>\$ 1,072,672</u>	<u>\$ 1,102,997</u>	<u>\$ 1,116,758</u>	<u>\$ 1,145,659</u>	<u>\$ 1,174,252</u>
Business-type Activities					
Net Investment in Capital Assets	\$ 8	\$ 5	\$ 2	\$ 1	\$ 71
Unrestricted	1,269	942	740	395	(675)
Total Business-type Activities Net Position	<u>\$ 1,277</u>	<u>\$ 947</u>	<u>\$ 742</u>	<u>\$ 396</u>	<u>\$ (604)</u>
Primary Government					
Net Investment in Capital Assets	\$ 851,209	\$ 923,245	\$ 946,553	\$ 958,274	\$ 982,179
Restricted	255,222	215,008	203,985	223,412	233,481
Unrestricted	(32,482)	(34,309)	(33,038)	(35,631)	(42,012)
Total Primary Government Net Position	<u>\$ 1,073,949</u>	<u>\$ 1,103,944</u>	<u>\$ 1,117,500</u>	<u>\$ 1,146,055</u>	<u>\$ 1,173,648</u>

Source: ACFR - Statement of Net Position for the Government-wide Financial Statements

<sup>1</sup> Unrestricted net positions for fiscal year 2014 were restated to reflect the implementation of GASB Statement No. 68 and 71

<sup>2</sup> Unrestricted net position within the Governmental Activities for fiscal year 2017 was restated to reflect the implementation of GASB Statement No. 75

<sup>3</sup> Unrestricted net positions for fiscal year 2020 were restated to reflect the prior period adjustment to the beginning balance



**Riverside County Flood Control and Water Conservation District**  
**Net Position by Component**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Accrual Basis of Accounting)*

Page 2

**Fiscal Year**

<b>2019</b>	<b>2020 <sup>3</sup></b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	
\$ 1,006,962	\$ 1,027,200	\$ 1,054,620	\$ 1,098,085	\$ 1,146,624	Governmental Activities
253,945	269,383	270,458	283,714	290,189	Net Investment in Capital Assets
(45,548)	(46,925)	(38,463)	(22,545)	(11,992)	Restricted
\$ 1,215,359	\$ 1,249,658	\$ 1,286,615	\$ 1,359,254	\$ 1,424,821	Unrestricted
					Total Governmental Activities Net Position
\$ 76	\$ 138	\$ 111	\$ 57	\$ 45	Business-type Activities
(961)	(1,533)	(1,704)	(1,386)	(1,187)	Net Investment in Capital Assets
\$ (885)	\$ (1,395)	\$ (1,593)	\$ (1,329)	\$ (1,142)	Unrestricted
					Total Business-type Activities Net Position
\$ 1,007,038	\$ 1,027,338	\$ 1,054,731	\$ 1,098,142	\$ 1,146,669	Primary Government
253,945	269,383	270,458	283,714	290,189	Net Investment in Capital Assets
(46,509)	(48,458)	(40,167)	(23,931)	(13,179)	Restricted
\$ 1,214,474	\$ 1,248,263	\$ 1,285,022	\$ 1,357,925	\$ 1,423,679	Unrestricted
					Total Primary Government Net Position

# Riverside County Flood Control and Water Conservation District

## Changes in Net Position

### Last Ten Fiscal Years

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

Page 1

	2014	2015	2016	2017
<b>Expenses</b>				
Governmental Activities:				
General government	\$ 5,222	\$ 6,001	\$ 4,873	\$ 9,603
Public ways and facilities	43,526	48,921	50,921	48,541
Interest on long-term debt	-	-	739	674
Total governmental activities expenses	\$ 48,748	\$ 54,922	\$ 56,533	\$ 58,818
Business-type Activities:				
Subdivision operations	1,453	1,547	1,844	1,914
Photogrammetry operations	171	91	163	194
Enroachment permits	146	178	171	117
Total business-type activities expenses	1,770	1,816	2,178	2,225
Total primary government expenses	\$ 50,518	\$ 56,738	\$ 58,711	\$ 61,043
<b>Program Revenues</b>				
Governmental Activities				
Charges for services:				
General government	\$ 517	\$ 835	\$ 681	\$ 758
Public ways and facilities	4,488	6,610	4,209	11,999
Capital grants and contributions	15,770	21,991	4,524	11,527
Total governmental activities program revenues	\$ 20,775	\$ 29,436	\$ 9,414	\$ 24,284
Business-type Activities				
Charges for services:				
Subdivision operations	1,399	1,131	1,502	1,557
Photogrammetry operations	216	124	251	150
Enroachment permits	126	192	192	126
Total business-type activities program revenues	1,741	1,447	1,945	1,833
Total primary government program revenues	\$ 22,516	\$ 30,883	\$ 11,359	\$ 26,117
Net (expense)/revenue				
Governmental Activities	\$ (27,973)	\$ (25,486)	\$ (47,119)	\$ (34,534)
Business-type Activities	(29)	(369)	(234)	(392)
Total primary government net (expense)/revenue	(28,002)	(25,855)	(47,352)	(34,926)
<b>General Revenues and Other Changes in Net Position</b>				
Governmental Activities:				
Property Taxes	\$ 42,593	\$ 47,047	\$ 49,854	\$ 53,020
Unrestricted interest and investment earnings	1,444	1,022	1,352	805
Gain on sale of capital assets	74	45	140	84
Transfers	(26)	(1)	21	-
Total Governmental Activities	\$ 51,818	\$ 55,811	\$ 60,881	\$ 63,435
Business-type Activities:				
Unrestricted interest and investment earnings	40	38	51	46
Transfers	26	1	(21)	-
Gain on sale of capital assets	-	-	-	-
Total business-type activities	66	39	30	46
Total primary government	\$ 51,884	\$ 55,850	\$ 60,911	\$ 63,481
<b>Change in Net Position</b>				
Governmental Activities	\$ 23,845	\$ 30,325	\$ 13,762	\$ 28,901
Business-type Activities	37	(330)	(204)	(346)
Total primary government	\$ 23,882	\$ 29,995	\$ 13,558	\$ 28,555

Source: ACFR - Statement of Activities for the Government-wide Financial Statements

# Riverside County Flood Control and Water Conservation District

## Changes in Net Position

### Last Ten Fiscal Years

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

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Fiscal Year						
2018	2019	2020	2021	2022	2023	
\$ 12,832	\$ 15,458	\$ 7,755	\$ 8,185	\$ 5,133	\$ 6,438	<b>Expenses</b>
58,610	55,247	72,378	84,512	52,890	82,345	Governmental Activities:
598	499	392	280	161	38	General government
\$ 72,040	\$ 71,204	\$ 80,525	\$ 92,977	\$ 58,184	\$ 88,821	Public ways and facilities
						Interest on long-term debt
						Total governmental activities expenses
2,457	1,927	1,594	1,789	1,898	1,964	Business-type Activities:
170	150	168	200	207	140	Subdivision operations
196	362	473	384	402	417	Photogrammetry operations
2,823	2,439	2,235	2,373	2,507	2,521	Enroachment permits
\$ 74,863	\$ 73,643	\$ 82,760	\$ 95,350	\$ 60,691	\$ 91,342	Total business-type activities expenses
						Total primary government expenses
						<b>Program Revenues</b>
						Governmental Activities
\$ 1,055	\$ 923	\$ 805	\$ 11,573	\$ 1,083	\$ 824	Charges for services:
5,692	3,667	9,372	5,496	7,629	12,146	General government
24,176	27,711	29,276	26,765	35,801	30,177	Public ways and facilities
\$ 30,923	\$ 32,301	\$ 39,453	\$ 43,834	\$ 44,513	\$ 43,147	Capital grants and contributions
						Total governmental activities program revenues
						Business-type Activities
						Charges for services:
1,551	1,855	1,217	1,752	2,438	2,090	Subdivision operations
39	92	48	82	108	49	Photogrammetry operations
159	264	343	338	384	390	Enroachment permits
1,749	2,211	1,608	2,172	2,930	2,529	Total business-type activities program revenues
\$ 32,672	\$ 34,512	\$ 41,061	\$ 46,006	\$ 47,443	\$ 45,676	Total primary government program revenues
						Net (expense)/revenue
\$ (41,117)	\$ (38,903)	\$ (41,072)	\$ (49,143)	\$ (13,671)	\$ (45,674)	Governmental Activities
(1,074)	(228)	(627)	(201)	423	8	Business-type Activities
(42,191)	(39,131)	(41,699)	(49,344)	(13,248)	(45,666)	Total primary government net (expense)/revenue
						<b>General Revenues and Other Changes in Net Position</b>
						Governmental Activities:
\$ 56,030	\$ 59,251	\$ 62,033	\$ 66,289	\$ 70,004	\$ 104,054	Property Taxes
2,322	7,524	4,435	85	(4,702)	7,171	Unrestricted interest and investment earnings
218	165	72	139	95	17	Gain on sale of capital assets
-	272	-	-	-	-	Transfers
\$ 69,710	\$ 80,010	\$ 80,522	\$ 86,099	\$ 86,310	\$ 111,242	Total Governmental Activities
						Business-type Activities:
74	219	116	3	(114)	178	Unrestricted interest and investment earnings
-	(272)	-	-	-	-	Transfers
-	-	-	-	(46)	-	Gain on sale of capital assets
74	(53)	116	3	(158)	178	Total business-type activities
\$ 69,784	\$ 79,957	\$ 80,638	\$ 86,102	\$ 86,152	\$ 111,420	Total primary government
						<b>Change in Net Position</b>
\$ 28,593	\$ 41,107	\$ 34,300	\$ 36,956	\$ 72,639	\$ 65,568	Governmental Activities
(1,000)	(281)	(511)	(198)	265	186	Business-type Activities
\$ 27,593	\$ 40,826	\$ 33,789	\$ 36,758	\$ 72,904	\$ 65,755	Total primary government

**Riverside County Flood Control and Water Conservation District**  
**Governmental Activities Tax Revenues by Source**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Accrual Basis of Accounting)*

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Total</b>
2013-14	42,593	42,593
2014-15	47,047	47,047
2015-16	49,854	49,854
2016-17	53,020	53,020
2017-18	56,030	56,030
2018-19	59,251	59,251
2019-20	62,033	62,033
2020-21	66,289	66,289
2021-22	70,004	70,004
2022-23	104,054	104,054

Source: ACFR - Statement of Activities for the Government-wide Financial Statements



**Riverside County Flood Control and Water Conservation District**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)*

Page 1

	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>
General Fund					
Nonspendable for:					
Imprest Cash	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Assigned to:					
Compensated absences	2,024	2,255	1,365	1,251	1,846
Restricted for:					
Unassigned	2,357	919	1,968	1,672	1,681
Total general fund	<u>\$ 4,382</u>	<u>\$ 3,175</u>	<u>\$ 3,334</u>	<u>\$ 2,924</u>	<u>\$ 3,528</u>
All other governmental funds					
Nonspendable for:					
Prepaid Items	\$ 1,095	\$ 730	\$ 365	\$ 67	\$ -
Restricted for:					
Capital project fund	45	18	18	18	19
Public ways and facilities	253,105	236,749	202,624	222,404	232,552
Debt service	-	-	-	-	-
Total all other governmental funds	<u>\$ 254,245</u>	<u>\$ 237,497</u>	<u>\$ 203,007</u>	<u>\$ 222,489</u>	<u>\$ 232,571</u>

Source: ACFR - Balance Sheet for the Governmental Funds

**Riverside County Flood Control and Water Conservation District**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)*

Page 2

Fiscal Year					
2019	2020	2021	2022	2023	
					General Fund
\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	Nonspendable for:
					Imprest Cash
1,733	2,266	1,590	1,339	1,425	Assigned to:
					Compensated absences
2,669	3,288	3,600	4,231	4,918	Restricted for:
\$ 4,403	\$ 5,555	\$ 5,191	\$ 5,571	\$ 6,343	Unassigned
					Total general fund
					All other governmental funds
\$ -	\$ -	\$ -	\$ -	\$ -	Nonspendable for:
					Prepaid Items
19	19	19	19	19	Restricted for:
252,865	267,995	269,410	282,163	288,998	Capital project fund
1	2	2	3	4	Public ways and facilities
\$ 252,885	\$ 268,016	\$ 269,431	\$ 282,185	\$ 289,021	Debt service
					Total all other governmental funds

**Riverside County Flood Control and Water Conservation District**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)*

Page 1

	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>
<b>Revenues</b>					
Property taxes	\$ 42,729	\$ 47,095	\$ 49,792	\$ 53,078	\$ 56,043
Special assessments	3,073	3,117	3,168	3,162	3,232
Intergovernmental	2,330	3,412	2,815	10,151	2,171
Charges for services	1,303	923	1,169	718	1,085
Area drainage fees	1,266	2,965	587	1,654	2,610
Investment Earnings (Loss)	1,405	1,004	1,317	785	2,260
Use of assets	114	102	283	177	918
Total revenues	<u>59,953</u>	<u>66,316</u>	<u>68,645</u>	<u>79,251</u>	<u>79,459</u>
<b>Expenditures</b>					
<b>Current:</b>					
General government	4,450	5,873	4,890	6,715	5,587
Public ways and facilities	48,122	97,120	91,280	38,148	47,594
Capital outlay	6,473	4,971	5,509	12,460	12,745
<b>Debt service:</b>					
Principal	-	-	350	1,920	1,980
Interest	-	-	660	936	867
Total expenditures	<u>59,045</u>	<u>107,964</u>	<u>102,689</u>	<u>60,179</u>	<u>68,773</u>
Excess of revenues over (under) expenditures	<u>908</u>	<u>(41,648)</u>	<u>(34,044)</u>	<u>19,072</u>	<u>10,686</u>
<b>Other financing sources (uses)</b>					
Issuance of debt	-	21,000	-	-	-
Original issue premium	-	2,423	-	-	-
Transfers in	4,048	661	1,538	4,219	3,454
Transfers out	(1,262)	(391)	(1,826)	(4,219)	(3,454)
Total other financing sources (uses)	<u>2,786</u>	<u>23,693</u>	<u>(288)</u>	<u>-</u>	<u>-</u>
Net change in fund balances	<u>\$ 3,694</u>	<u>\$ (17,955)</u>	<u>\$ (34,332)</u>	<u>\$ 19,072</u>	<u>\$ 10,686</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	1.04%	5.99%	5.08%

Source: ACFR - Statement of Revenues, Expenditures and Changes in Fund Balance - Government Funds

**Riverside County Flood Control and Water Conservation District**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)*

Page 2

<b>Fiscal Year</b>					
<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>	<b>2023</b>	
					<b>Revenues</b>
\$ 59,111	\$ 61,726	\$ 66,686	\$ 70,179	\$ 103,680	Property taxes
3,294	3,381	3,421	3,467	3,437	Special assessments
2,134	7,456	3,345	4,222	9,014	Intergovernmental
927	871	1,065	1,776	1,122	Charges for services
1,315	1,445	1,601	2,189	1,422	Area drainage fees
7,301	4,313	87	(4,628)	7,077	Investment Earnings (Loss)
166	288	459	389	1,363	Use of assets
<u>87,046</u>	<u>93,441</u>	<u>96,249</u>	<u>98,509</u>	<u>127,115</u>	Total revenues
					<b>Expenditures</b>
					<b>Current:</b>
10,208	5,263	7,469	6,958	7,507	General government
43,077	60,404	69,825	54,701	74,814	Public ways and facilities
10,008	8,662	15,074	20,891	34,363	Capital outlay
					<b>Debt service:</b>
2,060	2,160	2,270	2,380	2,500	Principal
776	670	559	443	322	Interest
<u>66,129</u>	<u>77,159</u>	<u>95,197</u>	<u>85,373</u>	<u>119,506</u>	Total expenditures
					Excess of revenues
<u>20,917</u>	<u>16,282</u>	<u>1,052</u>	<u>13,136</u>	<u>7,609</u>	over (under) expenditures
					<b>Other financing sources (uses)</b>
-	-	-	-	-	Issuance of debt
-	-	-	-	-	Original issue premium
10,057	3,363	3,301	3,171	3,165	Transfers in
(9,785)	(3,363)	(3,301)	(3,174)	(3,165)	Transfers out
<u>272</u>	<u>-</u>	<u>-</u>	<u>(2)</u>	<u>-</u>	Total other financing sources (uses)
<u>\$ 21,189</u>	<u>\$ 16,282</u>	<u>\$ 1,052</u>	<u>\$ 13,134</u>	<u>\$ 7,609</u>	Net change in fund balances
5.05%	4.13%	3.53%	4.38%	3.31%	Debt service as a percentage of noncapital expenditures

**Riverside County Flood Control and Water Conservation District**  
**General Governmental Tax Revenues by Source**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands - Modified Accrual Basis of Accounting)*

<b>Fiscal Year</b>	<b>Property Taxes</b>	<b>Total</b>
2013-14	42,729	42,729
2014-15	47,095	47,095
2015-16	49,792	49,792
2016-17	53,078	53,078
2017-18	56,043	56,043
2018-19	59,111	59,111
2019-20	61,726	61,726
2020-21	66,686	66,686
2021-22	70,179	70,179
2022-23	103,680	103,680

Source: ACFR - Combined Statement of Revenues, Expenditures and  
Changes in Fund Balances All Governmental Fund Types

**Riverside County Flood Control and Water Conservation District**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**

*(Amounts Expressed in Thousands)*

Page 1

	<b>Real Property</b>			<b>Personal Property</b>
<b>Fiscal Year Ended June 30</b>	<b>Residential Property</b>	<b>Commercial Property</b>	<b>Other</b>	<b>Other</b>
2013-14	138,386,778	43,110,284	43,075,267	4,888,497
2014-15	147,264,519	45,223,550	45,338,854	4,889,808
2015-16	155,090,500	47,339,392	47,457,075	5,166,191
2016-17	163,900,000	50,213,646	49,790,363	5,243,330
2017-18	174,114,892	54,116,680	52,227,058	5,542,766
2018-19	185,370,885	61,186,708	50,284,592	5,933,187
2019-20	197,900,697	58,551,327	57,869,862	6,090,188
2020-21	209,348,185	61,321,232	67,611,642	6,351,201
2021-22	229,401,739	68,437,184	65,019,788	6,760,209
2022-23	247,557,496	75,706,960	73,178,099	7,791,834

Source: Assessor Annual Report - County of Riverside. Assessed Valuations are reported for all of Riverside County.

Notes: Property in the county is reassessed annually. The county assesses property at 100 percent of actual value, subject to the limitations of Prop 13, for all types of real and personal property.

Estimated actual value is calculated by dividing assessed value by those percentages. Tax rates are per \$1,000 of assessed value.

<sup>1</sup> Includes tax exempt property

**Riverside County Flood Control and Water Conservation District**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
*(Amounts Expressed in Thousands)*

Page 2

<b>Less: Tax Exempt Real Property</b>	<b>Total Taxable Assessed Value</b>	<b>Total Direct Tax Rate</b>	<b>Estimated Actual Taxable Value</b>	<b>Assessed Value as a Percentage Actual Value <sup>1</sup></b>
7,473,953	221,986,873	1.00000	229,460,826	97%
7,743,168	234,973,563	1.00000	242,716,731	97%
8,006,110	247,047,048	1.00000	255,053,158	97%
8,526,218	260,621,121	1.00000	269,147,339	97%
9,066,704	276,934,692	1.00000	286,001,396	97%
9,354,330	293,421,042	1.00000	302,775,372	97%
9,765,217	310,646,857	1.00000	320,412,074	97%
10,006,504	334,625,756	1.00000	338,287,410	99%
10,285,134	359,333,786	1.00000	369,618,920	97%
10,206,567	394,027,822	1.00000	404,234,390	97%

**Riverside County Flood Control and Water Conservation District**  
**Property Tax Rates**  
**Direct and Overlapping Governments**  
**Last Ten Fiscal Years**

<b>Overlapping Rates</b>							
<b>Fiscal Year</b>	<b>Flood Control Zone 1</b>	<b>County</b>		<b>School District</b>	<b>City of Riverside</b>	<b>Metro Water West</b>	<b>Total Direct &amp; Overlapping Rates</b>
		<b>Riverside County General</b>	<b>County Wide</b>				
2013-14	0.00000	-	1.00000	0.04226	0.01313	0.00000	1.05539
2014-15	0.00000	-	1.00000	0.04153	0.01279	0.00000	1.05432
2015-16	0.00422	-	1.00000	0.04113	0.01257	0.00000	1.05370
2016-17	0.00422	-	1.00000	0.04113	0.01242	0.00000	1.05355
2017-18	0.00420	-	1.00000	0.04093	0.01225	0.00000	1.05318
2018-19	0.00418	-	1.00000	0.04081	0.01209	0.00000	1.05291
2019-20	0.00417	-	1.00000	0.04087	0.01195	0.00000	1.05282
2020-21	0.00415	-	1.00000	0.04104	0.01181	0.00000	1.05285
2021-22	0.00411	-	1.00000	0.04100	0.01166	0.00000	1.05266
2022-23	0.00403	-	1.00000	0.04053	0.01143	0.00000	1.05196

Source: Auditor-Controller - County of Riverside, Auditor-Controller's Office

Notes:

- (1) The tax rate for Tax Rate Area 009-000, which applies to most property within the City of Riverside, is used to illustrate the breakdown of the tax rate within the County.
- (2) Flood Control would receive approximately 3.168% of the county-wide rate in Tax Rate Area 009-000.



**Riverside County Flood Control and Water Conservation District**  
**Principal Property Taxpayers**  
**June 30, 2023 and June 30, 2014**  
*(Amounts Expressed in Thousands)*

Taxpayer	2023			2014		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
SOUTHERN CALIFORNIA EDISON COMPANY	\$ 86,316,458	1	1.70%	\$ 27,265	1	0.92%
SOUTHERN CALIFORNIA GAS COMPANY	32,182,582	2	0.63%	6,464	4	0.22%
AMAZON COM SERVICES LLC	7,803,811	3	0.15%			
DUKE REALTY LTD PARTNERSHIP	6,751,202	4	0.13%			
FRONTIER CALIFORNIA, INC	6,646,573	5	0.13%			
COSTCO WHOLESALE CORP	5,348,162	6	0.11%	2,595	12	0.09%
FIRST INDUSTRIAL	5,172,697	7	0.10%			
SENTINEL ENERGY CENTER, LLC	5,165,480	8	0.10%			
KB HOME COASTAL INC	4,528,155	9	0.09%	2,565	14	0.09%
USEF CROSSROADS II	4,342,081	10	0.09%			
CHELSEA GCA REALTY PARTNERSHIP	4,064,388	11	0.08%	2,601	11	0.09%
SPECTRUM PACIFIC WEST LLC	3,848,362	12	0.08%			
WALGREEN CO	3,756,912	13	0.07%	3,047	6	0.10%
TYLER MALL LTD PARTNERSHIP	3,595,130	14	0.07%	2,986	7	0.10%
WAL MART REAL ESTATE BUSINESS TRUST	3,550,031	15	0.07%	2,582	13	0.09%
CPV SENTINEL LLC				8,528	2	0.29%
VERIZON CALIFORNIA INC				7,445	3	0.25%
INLAND EMPIRE ENERGY CTR LLC				4,725	5	0.16%
TIME WARNER CABLE PACIFIC WEST LLC				2,923	8	0.10%
LOWES HIW INC				2,740	9	0.09%
TARGET CORP				2,655	10	0.09%
FEDERAL NATL MORTGAGE ASSN				2,539	15	0.09%
	<u>\$ 183,072,023</u>		<u>3.60%</u>	<u>\$ 81,660</u>		<u>2.77%</u>

Source: County Treasurer-Tax Collector

**Riverside County Flood Control and Water Conservation District**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**  
*(Amounts Expressed in Thousands)*

<b>Fiscal Year Ended June 30</b>	<b>Total Tax Levy for Fiscal Year<sup>1</sup></b>	<b>Collected within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Amount</b>	<b>Percent of Levy<sup>2</sup></b>		<b>Amount</b>	<b>Percent of Levy</b>
2013-14	\$ 39,993	\$ 39,759	99.4%	-	\$ 39,759	99.4%
2014-15	43,862	44,015	100.0%	-	44,015	100.0%
2015-16	46,562	46,694	100.0%	-	46,694	100.0%
2016-17	49,009	49,563	100.0%	-	49,563	100.0%
2017-18	51,826	52,298	100.0%	-	52,298	100.0%
2018-19	54,956	55,569	100.0%	-	55,569	100.0%
2019-20	59,208	58,430	98.7%	-	58,430	98.7%
2020-21	62,715	66,289	100.0%	-	66,289	100.0%
2021-22	66,067	70,004	100.0%	-	70,004	100.0%
2022-23	71,926	71,294	99.1%	-	71,294	99.1%

Notes: Delinquent taxes reported by year of collection; data by levy year unavailable.

<sup>1</sup> Source: Auditor-Controller - County of Riverside, Auditor-Controller's Office

<sup>2</sup> Adjusted to exclude Prior Year collections in excess of 100%

**Riverside County Flood Control and Water Conservation District**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
*(Amounts Expressed in Thousands)*

<b>Fiscal Year</b>	<b>Government Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income<sup>3</sup></b>	<b>Debt Per Capita<sup>4</sup></b>
	<b>General Obligation Bonds<sup>1</sup></b>	<b>Special Assessment Bonds<sup>2</sup></b>			
2014	\$ -	\$ 1,705	\$ 1,705	2.54%	\$ 53
2015	23,423	1,325	24,748	32.44%	750
2016	22,831	915	23,746	30.35%	950
2017	20,669	475	21,144	25.16%	881
2018	18,446	-	18,446	21.00%	683
2019	16,144	-	16,144	16.21%	505
2020	13,742	-	13,742	13.80%	458
2021	11,229	-	11,229	10.72%	387
2022	8,607	-	8,607	7.54%	287
2023	5,864	-	5,864	4.66%	183

Sources: ACFR - Long-term Debt Schedule

Assessor, County of Riverside - Assessed valuations are reported for the District only.

Notes: Special Assessment Data is reflected in the Agency Fund Financial Statements.

<sup>1</sup> Zone 4 Promissory Note

<sup>2</sup> Zone 3 Elsinore Valley Benefit Assessment

<sup>3</sup> Personal income is disclosed in the Schedule of Demographic and Economic Statistics.

<sup>4</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

**Riverside County Flood Control and Water Conservation District**  
**Ratios of General Bonded Debt Outstanding**  
**Last Ten Fiscal Years**  
*(Amounts Expressed in Thousands)*

<b>Fiscal Year</b>	<b>Population (1)</b>	<b>Assessed Value (2)</b>	<b>General Obligation Bonds<sup>1</sup></b>	<b>Less: Amounts Available in Debt Service Fund</b>	<b>Total</b>	<b>Percentage of Estimated Actual Taxable Value of Property<sup>2</sup></b>	<b>Per Capita<sup>3</sup></b>
2013-14	2,296	\$ 64,876,307	\$ -	\$ -	\$ -	0.00%	-
2014-15	2,328	234,973,563	23,423	-	23,423	0.01%	<b>10</b>
2015-16	2,361	247,047,048	22,831	-	22,831	0.01%	<b>10</b>
2016-17	2,388	260,621,121	20,669	-	20,669	0.01%	<b>9</b>
2017-18	2,423	276,934,692	18,446	-	18,446	0.01%	<b>8</b>
2018-19	2,451	293,421,042	16,144	-	16,144	0.01%	<b>7</b>
2019-20	2,471	310,646,857	13,742	-	13,742	0.00%	<b>6</b>
2020-21	2,471	334,625,756	11,229	-	11,229	0.00%	<b>5</b>
2021-22	2,438	359,333,786	8,607	-	8,607	0.00%	<b>4</b>
2022-23	2,474	359,333,786	5,864	-	5,864	0.00%	<b>2</b>

Sources:

State of California, Department of Finance

Notes:

<sup>1</sup> Zone 4 Promissory Notes, net of original issuance premium

<sup>2</sup> Calculation based on assessed valuations reported for the District only.

<sup>3</sup> Population data can be found in the Schedule of Demographic and Economic Statistics.

**Riverside County Flood Control and Water Conservation District**  
**Direct and Overlapping Governmental Activities Debt**  
**As of June 30, 2023**  
*(Amounts Expressed in Thousands)*

<u>Government Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>Estimated Share of Overlapping Debt</u>
Overlapping debt	\$ -	0.00%	<u>\$ -</u>
Flood Control direct debt			<u>\$ 5,864</u>
Total direct and overlapping debt			<u><u>\$ 5,864</u></u>

Source: ACFR - Notes to Basic Financial Statements, Note 6 Long-term Obligations

**Riverside County Flood Control and Water Conservation District**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
*(Amounts Expressed in Thousands)*

	<u>Fiscal Year</u> <u>2014</u>	<u>Fiscal Year</u> <u>2015</u>	<u>Fiscal Year</u> <u>2016</u>	<u>Fiscal Year</u> <u>2017</u>	<u>Fiscal Year</u> <u>2018</u>	<u>Fiscal Year</u> <u>2019</u>	<u>Fiscal Year</u> <u>2020</u>	<u>Fiscal Year</u> <u>2021</u>	<u>Fiscal Year</u> <u>2022</u>	<u>Fiscal Year</u> <u>2023</u>
Debt Limit	\$ 5,824,400	\$ 1,088,169	\$ 1,573,071	\$ 1,675,282	\$ 1,785,007	\$ 1,922,312	\$ 1,984,069	\$ 2,143,801	\$ 2,144,129	\$ 2,582,138
Total net debt applicable to limit	-	(23,423)	(22,831)	(20,669)	(18,446)	(16,144)	(13,742)	(11,229)	(8,607)	(5,864)
Legal debt margin	<u>\$ 5,824,400</u>	<u>\$ 1,064,746</u>	<u>\$ 1,550,240</u>	<u>\$ 1,654,613</u>	<u>\$ 1,766,561</u>	<u>\$ 1,906,168</u>	<u>\$ 1,970,327</u>	<u>\$ 2,132,572</u>	<u>\$ 2,135,522</u>	<u>\$ 2,576,274</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	2.15%	1.45%	1.23%	1.03%	0.84%	0.69%	0.52%	0.40%	0.23%

**Legal Debt Margin Calculation for Fiscal Year 2023**

Assessed Value	\$ 69,325,500
Less: Homeowners exemptions	(468,491)
Total assessed value	<u>\$ 68,857,009</u>
Debt limit (lesser of 3.75% of assessed valuation or \$21,000)	\$ 21,000
Debt applicable to limit:	
General obligation debt	5,864
Less: Amount set aside for repayment of general obligation debt	<u>-</u>
Total net debt applicable to limit	<u>5,864</u>
Legal debt margin	<u>\$ 15,136</u>

Source:

<sup>1</sup> Assessor, County of Riverside - District only assesses valuation note.

<sup>2</sup> California State Treasurer - Statutory Debt Limits

Notes: Excludes voter approved, land based and special assessments debt and up to \$475 debt for administrative facilities.  
Debt limit is the maximum amount of outstanding gross or net debt legally permitted (lesser of 3.75% of assessed valuation or \$21,000).  
Legal debt margin is the excess of the amount of debt legally authorized over the amount of debt outstanding.

**Riverside County Flood Control and Water Conservation District**  
**Pledged-Revenue Coverage**  
**Last Ten Fiscal Years**  
*(Dollars Expressed in Thousands)*

<b>Special Assessment Bonds</b>					
<b>Fiscal Year</b>	<b>Special Assessment Collections</b>	<b>Debt Service</b>		<b>Coverage</b>	
		<b>Principal</b>	<b>Interest</b>		
2014	\$ 435	\$ 350	\$ 148	0.87	
2015	259	380	119	0.52	
2016	151	410	88	0.30	
2017	28	440	55	0.06	
2018	7	48	19	0.10	
2019	-	-	-	-	
2020	-	-	-	-	
2021	-	-	-	-	
2022	-	-	-	-	
2023	-	-	-	-	

Source: U.S. Bank Statements & Debt Service Schedule for Zone 3 Elsinore Valley Benefit Assessment.  
Note: Zone 3 Elsinore Valley Benefit Assessment was fully paid in FY 2018

**Riverside County Flood Control and Water Conservation District**  
**Demographic and Economics Statistics**  
**Last Ten Fiscal Years**

<b>Fiscal Year<sup>4</sup></b>	<b>Population<sup>1</sup></b>	<b>Median Age<sup>1</sup></b>	<b>School Enrollment<sup>1</sup></b>	<b>Personal Income<sup>2</sup></b>	<b>Per Capita Personal Income<sup>1</sup></b>	<b>Unemployment Rate Percent<sup>3</sup></b>
2013-14	2,292,507	34	658,651	72,015,057	31,742	9.5%
2014-15	2,329,271	35	666,715	76,289,477	33,278	6.6%
2015-16	2,361,026	35	660,914	78,239,388	24,739	6.7%
2016-17	2,387,741	35	660,858	84,025,987	23,783	5.7%
2017-18	2,423,266	35	665,533	87,827,068	27,186	4.8%
2018-19	2,450,758	35	668,113	99,591,680	32,397	3.9%
2019-20	2,470,546	36	671,906	99,591,680	30,383	10.5%
2020-21	2,470,546	36	431,521	104,794,676	28,596	7.6%
2021-22	2,458,395	36	420,687	114,090,413	29,913	4.0%
2022-23	2,473,902	36	422,804	125,820,553	32,079	5.4%

Sources:

<sup>1</sup> U.S. Census Reporter

<sup>2</sup> U.S. Department of Commerce - Bureau of Economic Analysis

<sup>3</sup> State of California, Labor Market Information

<sup>4</sup> Personal Income data referenced is from 2021



**Riverside County Flood Control and Water Conservation District**  
**Principal Employers**  
**June 30, 2023 and June 30, 2014**

Employer	2023			2014		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
COUNTY OF RIVERSIDE	25,366	1	2.35%	20,808	1	2.41%
AMAZON	14,317	2	1.32%			
MARCH AIR RESERVE BASE	9,600	3	0.89%	8,500	2	0.99%
NESTLE UA	8,874	4	0.82%			
UNIVERSITY OF CALIFORNIA, RIVERSIDE	8,623	5	0.80%	5,514	4	0.64%
STATE OF CALIFORNIA	8,383	6	0.78%			
WAL-MART	7,494	7	0.69%	4,068	8	0.47%
MORENO VALLEY UNIFIED SCHOOL DISTRICT	6,020	8	0.56%	3,345	11	0.39%
KAISER PERMANENTE RIVERSIDE MEDICAL CENTER	5,817	9	0.54%	5,270	5	0.61%
CORONO-NORCO UNIFIED SCHOOL DISTRICT	5,478	10	0.51%	4,300	7	0.50%
RIVERSIDE UNIFIED SCHOOL DISTRICT	5,431	11	0.50%	4,000	9	0.47%
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT	4,638	12	0.43%			
MARIE CALLENDAR WHOLESALERS INC.	4,454	13	0.41%			
TEMECULA VALLEY SCHOOL DISTRICT	4,022	14	0.37%	2,600	13	0.30%
EISENHOWER MEDICAL CENTER	4,001	15	0.37%	2,480	15	0.29%
STATER BROS MARKETS				6,900	3	0.80%
PECHANGA RESORT & CASINO				4,500	6	0.52%
HEMET UNIFIED SCHOOL DISTRICT				3,572	10	0.41%
MORONGO CASINO, RESORT & SPA				2,925	12	0.34%
CITY OF RIVERSIDE				2,500	14	0.29%
	<u>122,518</u>		<u>11.33%</u>	<u>81,282</u>		<u>9.43%</u>

Source: Riverside County Economic Development Agency

Note: Statistical table is a requirement of GASB 44, Economic Condition Reporting: The Statistical Section.

**Riverside County Flood Control and Water Conservation District**  
**Full-Time Equivalent Government Employees by Function**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Function</b>										
General government										
Inspection	2	4	5	7	7	4	7	6	6	2
Administration	17	60	63	69	62	39	23	8	33	14
Public ways & facilities										
Engineering	140	119	99	96	93	103	117	105	126	139
Maintenance	83	69	82	81	84	92	114	83	101	123
NPDES	21	20	20	19	20	30	17	12	16	14
Photogrammetry operations	1	-	1	2	1	1	1	1	1	1
Subdivision operations	6	10	9	10	14	10	6	2	3	5
Encroachment permits	1	1	1	1	2	2	3	1	2	1
Hydrology services	4	4	2	2	3	4	3	2	2	3
Garage-Fleet operations	26	11	9	8	9	10	7	3	4	9
Mapping services	3	2	2	2	2	-	-	-	-	-
Data processing	10	8	4	4	4	7	7	3	5	9
Total	314	308	297	301	301	302	305	226	299	320

Source: The District

**Riverside County Flood Control and Water Conservation District**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Function</b>										
General government										
Inspection services	75	38	52	173	91	78	85	96	97	97
Hydrology	5	5	5	4	5	5	4	-	-	-
Public ways and facilities										
Maintenance projects	1,151	1,142	1,162	1,310	1,374	464	437	2,179	2,464	2,569
Construction projects	343	304	323	296	296	91	98	420	400	336
NPDES - Santa Ana										
Public Education Outreach events	4	4	16	16	10	9	3	1	3	4
NPDES - Santa Margarita										
Public Education Outreach events	1	3	9	11	3	4	1	1	1	2
NPDES - Whitewater										
Public Education Outreach events	1	2	3	3	3	3	1	-	1	1
Photogrammetry operations	11	6	13	16	5	6	6	15	11	9
Subdivision operations										
Plan check cases processed	167	159	176	194	208	189	314	139	158	110
Flood plain cases processed	36	56	96	43	105	74	94	113	101	113
Enroachment permits										
Permits - Issuance and Inspection	230	103	262	143	240	120	266	383	249	325

Source: The District

**Riverside County Flood Control and Water Conservation District**  
**Capital Asset Additions by Function**  
**Last Ten Fiscal Years**

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
<b>Function</b>										
General Government										
Equipment	17	25	27	21	8	31	27	39	23	28
Public ways and facilities										
Infrastructure										
Basins	1	-	1	-	-	-	1	1	3	1
Channels	-	3	1	2	2	2	-	3	5	1
Levees	-	-	-	-	-	-	-	1	1	-
Storm Drains	16	17	9	11	11	13	7	26	26	20
Dams	-	-	-	-	-	-	-	-	1	-

Source: The District