

SUBMITTAL TO THE FLOOD CONTROL AND
WATER CONSERVATION DISTRICT
BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA



ITEM: 11.8
(ID # 14024)

MEETING DATE:
Tuesday, December 15, 2020

FROM : FLOOD CONTROL DISTRICT:

SUBJECT: FLOOD CONTROL DISTRICT: Accept and File the Comprehensive Annual Financial Report for Fiscal Year 2019-2020, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Accept and file the Comprehensive Annual Financial Report for Fiscal Year 2019-2020 prepared by Riverside County Flood Control and Water Conservation District staff;
2. Accept and file the Independent Auditor's Report prepared by Van Lant & Fankhanel, LLP;
3. Accept and file the Report on Internal Control prepared by Van Lant & Fankhanel, LLP; and
4. Accept and file the Auditor's Communication with Those Charged with Governance Report prepared by Van Lant & Fankhanel, LLP.

ACTION:

A handwritten signature in blue ink, appearing to read "J. Uhley".

Jason Uhley, GENERAL MGR-CHF FLD CNTRL ENG

12/2/2020

MINUTES OF THE BOARD OF SUPERVISORS

On motion of Supervisor Spiegel, seconded by Supervisor Jeffries and duly carried by unanimous vote, IT WAS ORDERED that the above matter is approved as recommended.

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: December 15, 2020
xc: Flood

Kecia R. Harper
Clerk of the Board
By: Deputy

**SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD
OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$0	\$0	\$0	\$0
NET COUNTY COST	\$0	\$0	\$0	\$0
SOURCE OF FUNDS: N/A			Budget Adjustment: No	
			For Fiscal Year: 19/20	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Government Finance Officers Association (GFOA) established the Certificate of Achievement for Excellence in Financial Reporting Program to encourage and assist state and local governments to go beyond the minimum requirements of generally accepted accounting principles to prepare comprehensive annual financial reports that evidence the spirit of transparency and full disclosure and then to recognize individual governments that succeed in achieving that goal. The Riverside County Flood Control and Water Conservation District (District) has received this prestigious award for twenty-nine (29) consecutive years. The Fiscal Year 2019-20 Comprehensive Annual Financial Report (CAFR) will mark the District's thirtieth (30) submission for this award.

The Fiscal Year 2019-2020 CAFR includes the District's financial statements audited by Van Lant & Fankhanel, LLP, statistical information and other pertinent data. The District has received an unmodified opinion from Van Lant & Fankhanel, LLP indicating that the District's financial statements have been presented fairly in all material respects in accordance with accounting principles generally accepted in the United States of America.

Impact on Residents and Businesses

There is no impact upon existing residents or business. The items provided are for informational purposes only.

Additional Fiscal Information

There is no cost to the District.

ATTACHMENTS:

1. 2020 RCFC Auditor's Report
2. 2020 RCFC Internal Control
3. 2020 Auditor's Communication with Those Charged with Governance Report (AU-C 260)
4. CAFR FY 19/20

SUBMITTAL TO THE FLOOD CONTROL AND WATER CONSERVATION DISTRICT BOARD
OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA


Scott Bruckner 12/7/2020



Independent Auditor's Report

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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, this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the schedules listed in the supplementary Information section of the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 12, 2020, 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.

Van Lant + Fankhomed, LLP

Loma Linda, California
November 12, 2020



**Independent Auditor's Report on Internal Control over Financial Reporting and
on Compliance and Other Matters Based on an Audit of Financial Statements
Performed in Accordance with *Government Auditing Standards***

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, and the State Controller's Minimum Audit Requirements for California Special Districts, the 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 (the "District"), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the organization's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant + Fankhanel, LLP

November 12, 2020



November 12, 2020

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

We have audited the 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 for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated May 12, 2020. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year. We noted no transactions entered into by the District during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. The most sensitive estimates affecting the financial statements were:

Management's estimate of the fair value of investments is based on information provided by financial institutions. We evaluated the key factors and assumptions used to develop the fair value of investments in determining that it is reasonable in relation to the financial statements as a whole.

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

909.856.6879

Management's estimate of capital assets depreciation is based on historical estimates of each capitalized item's useful life. We evaluated key factors and assumptions used to develop the estimated useful lives in determining that they are reasonable in relation to the financial statements as a whole.

Management's estimate of the net pension and net OPEB liabilities are based on actuarial information provided by the California Public Employee Retirement System's (CalPERS) actuarial office, and other sources. We evaluated the key factors and assumptions used to develop these liabilities in determining that the estimated liabilities are reasonable in relation to the financial statements as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were:

The disclosure of the fair value of investments in Note 2 to the financial statements represents amounts susceptible to market fluctuation.

The disclosure of accumulated depreciation in Note 4 to the financial statements is based on estimated useful lives which could differ from actual useful lives of each capitalized item.

The disclosures for the net OPEB and net pension liabilities in Notes 7 and 8 to the financial statements are based on assumptions for discount rates, etc., which could differ from actual experience. The notes disclose the differences in these liabilities if different assumptions are used in estimating these liabilities.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. The following material misstatements detected as a result of audit procedures were corrected by management:

Adjustments to record grant revenues and receivables were made at year-end.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the

financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated November 12, 2020.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the required supplementary information (RSI), as listed in the table of contents, that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on supplementary information, as listed in the table of contents, which accompany the financial statements but are not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

We were not engaged to report on the introductory and statistical sections, which accompany the financial statements but are not RSI. Such information has not been subjected to the auditing

procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

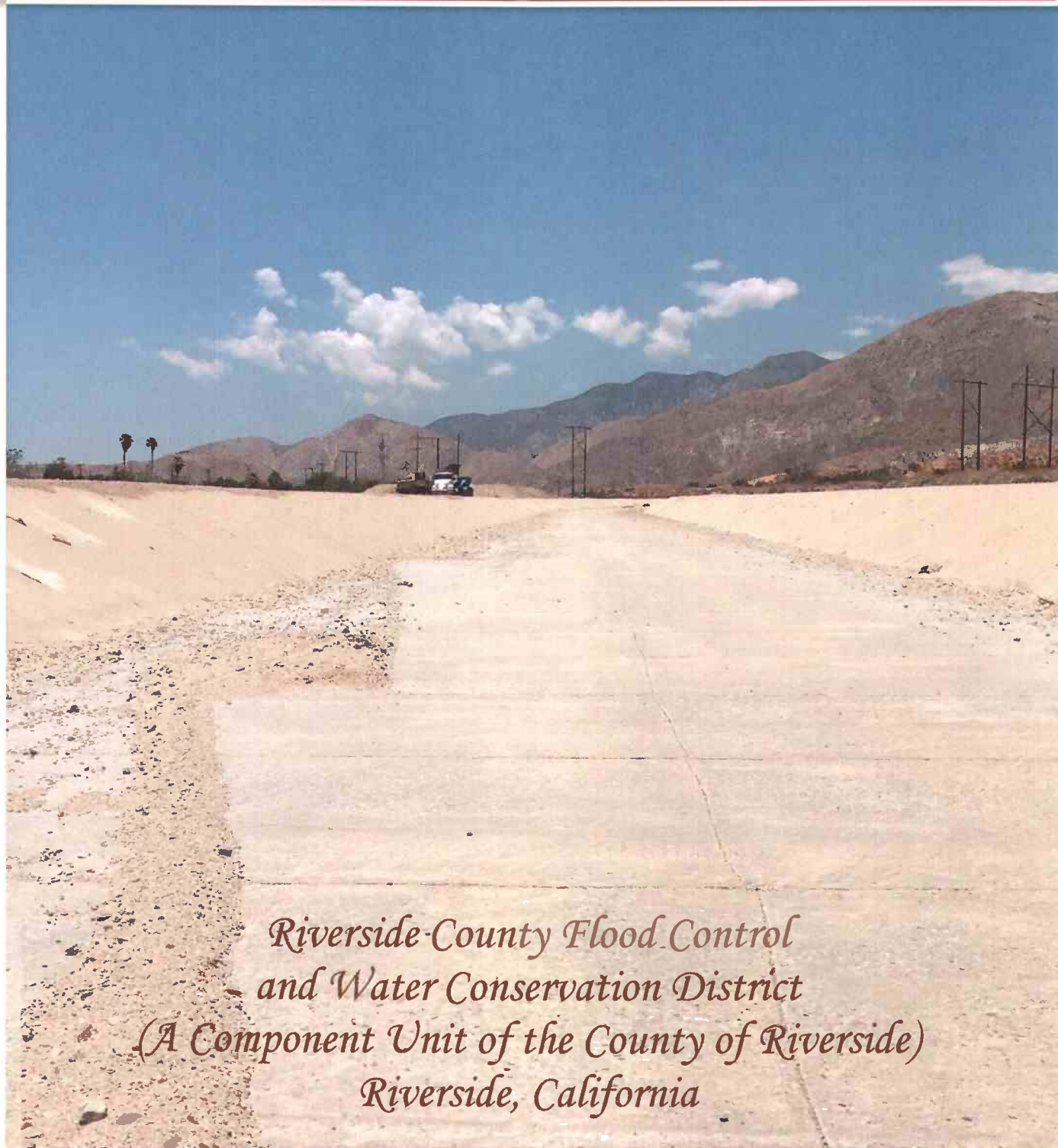
This information is intended solely for the use of the Board of Supervisors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

Van Lant + Fankhaed, LLP



*Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 2020*



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



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2020



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

*Jeanine J. Rey
Finance Director*

*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
Comprehensive Annual Financial Report
Year Ended June 30, 2020

TABLE OF CONTENTS

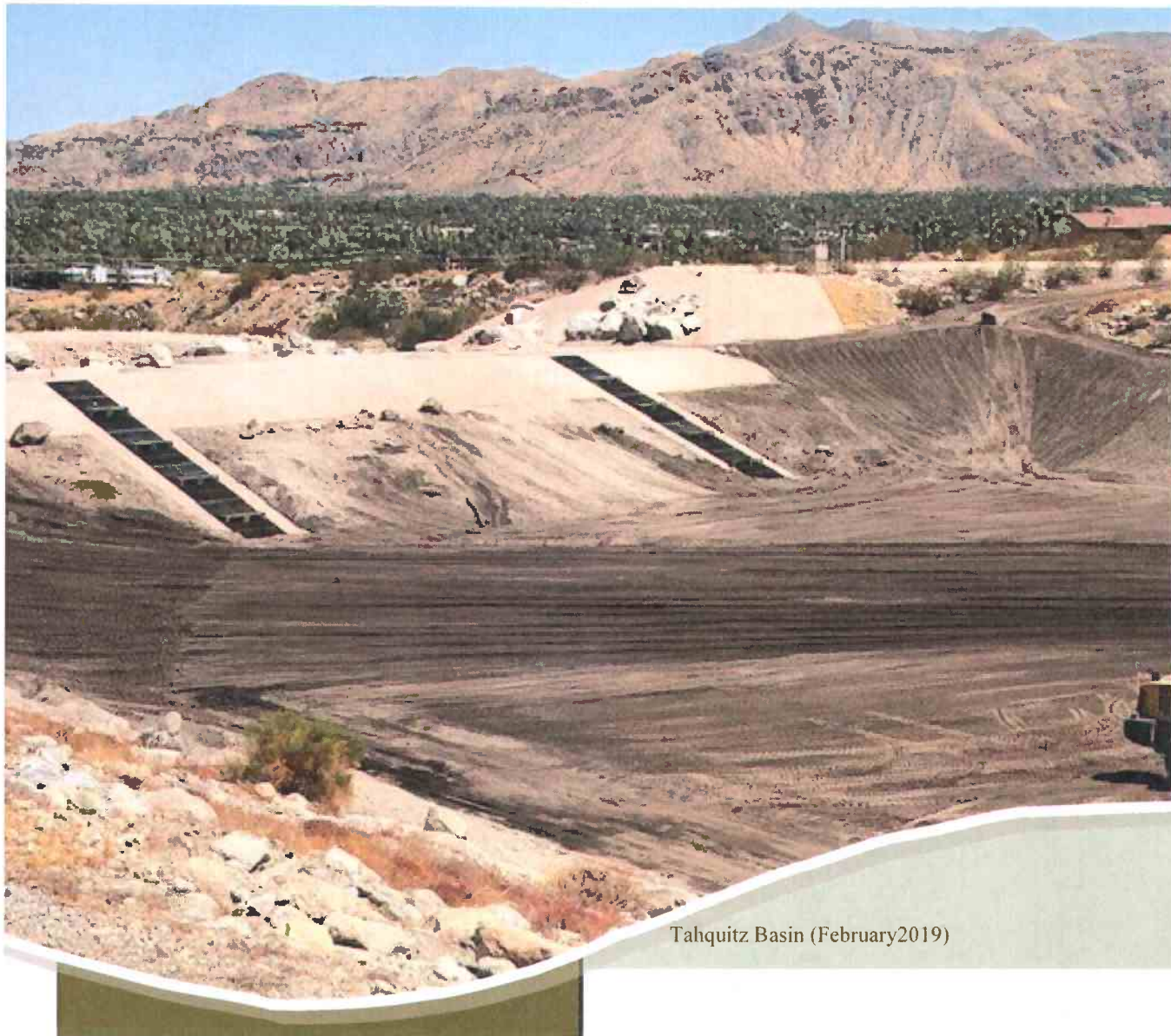
	<u>PAGE</u>
INTRODUCTORY SECTION	
Letter of Transmittal	i - v
District Officials	vi
Organizational Chart	vii
Certificate of Achievement for Excellence in Financial Reporting	viii
FINANCIAL SECTION	
Independent Auditors' Report	1 - 3
Management's Discussion and Analysis	4- 14
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	15
Statement of Activities	16 - 17
Fund Financial Statements:	
Balance Sheet - Governmental Funds	18 - 20
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	21
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Funds	22 - 24
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities	25
Statement of Net Position - Proprietary Funds	26
Statement of Revenues, Expenses and Changes in Net Position - Proprietary Funds	27
Statement of Cash Flows - Proprietary Funds	28
Notes to Financial Statements	29-54
Required Supplementary Information:	
Schedule of Changes in the Net Pension Liability and Related Ratios for Retirement Program, Schedule of Plan Contributions for Retirement Program, Schedule of Funding Progress for OPEB	55 - 58
Notes to Required Supplementary Information	59
General Fund	60
Budgetary Comparison Schedules:	
General Fund	61
Special Revenue Funds	62
Zone 1 Special Revenue Fund	63
Zone 2 Special Revenue Fund	64
Zone 3 Special Revenue Fund	65
Zone 4 Special Revenue Fund	66
Zone 5 Special Revenue Fund	67
Zone 6 Special Revenue Fund	68
Zone 7 Special Revenue Fund	69
NPDES Whitewater Special Revenue Fund	70
NPDES Santa Ana Special Revenue Fund	71
NPDES Santa Margarita Special Revenue Fund	

Riverside County Flood Control and Water Conservation District
Comprehensive Annual Financial Report
Year Ended June 30, 2020

TABLE OF CONTENTS - Continued

	<u>PAGE</u>
Supplementary Information:	
Other Governmental Funds	
Combining Balance Sheet - Other Governmental Funds	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances	74
Capital Project Fund	75-76
Zone 4 Debt Service Fund	77-78
Non-Major Enterprise Funds	
Combining Statement of Net Position	79
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	80
Combining Statement of Cash Flows	81
Internal Service Funds	
Combining Statement of Net Position	82 - 83
Combining Statement of Revenues, Expenses and Changes in Fund Net Position	84 - 85
Combining Statement of Cash Flows	86 - 87
Agency Funds	
Combining Statement of Changes in Assets and Liabilities	88
 STATISTICAL SECTION	
Net Position by Component	89- 90
Changes in Net Position	91 - 92
Governmental Activities Tax Revenues by Source	93
Fund Balances of Governmental Funds	94 - 95
Changes in Fund Balances of Governmental Funds	96 - 97
General Governmental Tax Revenues by Source	98
Assessed Value and Estimated Actual Value of Taxable Property	99 - 100
Property Tax Rates Direct and Overlapping Governments	101
Principal Property Taxpayers	102
Property Tax Levies and Collections	103
Ratios of Outstanding Debt by Type	104
Ratios of General Bonded Debt Outstanding	105
Direct and Overlapping Governmental Activities Debt	106
Legal Debt Margin Information	107
Pledged-Revenue Coverage	108
Demographic and Economic Statistics	109
Principal Employers	110
Full-Time Equivalent Government Employees by Function	111
Operating Indicators by Function	112
Capital Asset Statistics by Function	113

INTRODUCTORY SECTION



Tahquitz Basin (February 2019)

CONTENTS

- ◆ *Letter of Transmittal*
- ◆ *GFOA Certificate of Achievement for Excellence in Financial Reporting for 2019*
- ◆ *List of Elected and Appointed Officials*
- ◆ *Organizational Chart*



RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

November 12, 2020

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, 2020.

Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal control that it has established for this purpose. Because the cost of internal control should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements.

Van Lant & Fankhanel, LLP., Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2020. 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.

Profile of the Government

The District, formed in 1945 by an Act of the State Legislature, is located in the southern part of the state within the County of Riverside, which boasts the 7th largest cumulative numeric increase in population in the country.¹ The District currently occupies 2,676 square miles and serves a population of approximately 2.06 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.

¹ Source: U.S. Census Bureau, Estimates of the Components of Resident Population Change: April 1, 2010 to July 1, 2019

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 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; information technology services providing technical support to the District staff; and administrative services providing clerical, financial and personnel support to the District staff.

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 2nd of each year pursuant to Sections 29080 through 29092 of the Government Code. The Board of Supervisors adopted the District's 2020 fiscal year budget on June 25, 2019. The annual budget serves as the foundation for the District's financial planning and control. The District's budget is prepared by fund and 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

The District oversees the western portion of the Riverside County which includes twenty-two 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 6.14% of California's total population.² 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.

From June 2019 to February 2020, the unemployment rate was stable in the inland empire at an average rate of 4.1%. There was however an increase in the unemployment rate of 5.4% at the end of March 2020 due to the impact of the economic shutdown caused by COVID-19. This rose sharply to an average of 15% from March 2020 to June 2020. There was an estimated loss of 133,200 jobs, with the leisure and hospitality industry taking the hardest hit of 54,600. Trade, transportation and utilities accounted for 15,700 job losses and manufacturing and professional services accounted 22800 job losses. The government was also affected by losing 10,000 jobs with 12,000 attributed to other services³

Over the past ten years, the District's expenses related to the construction and maintenance of flood control facilities have not only increased in amount but have also increased as a percentage of total expenses (a ten-year increase of 89.1%). Maintenance costs for the current fiscal year ended have increased by 195.2% from the prior year. The increase is attributed to flood prevention in response to the Holy and Cranston fires.

² Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2019 and 2020. Sacramento, CA, May 2020

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

With the fluctuation 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 69.9%).

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.

Major Initiatives

During the fiscal year end June 30, 2020, the District issued notices of completion for three projects totaling over \$20 million in construction costs. At the close of the fiscal year, the District had five construction contracts in progress totaling an additional \$15.5 million. The majority of these projects are estimated for completion by the end of calendar year 2020.

The following District-administered flood control project contracts were completed during, or were under construction during Fiscal Year 2019-2020:

<u>Facilities</u>	<u>Status</u>	<u>Construction Cost</u>
Heacock Channel (Sunnymead MDP Line B), Stages 3 and 4	Completed – 09/10/2019	\$13,591,604
Norco MDP Line NA-1, Stage 2 & Lateral NA-1A, Stage 1	Completed – 12/10/2019	\$2,057,778
Palm Canyon Wash, Stage 94 (Emergency Sediment Excavation)	Completed – 05/12/2020	\$4,705,500
S. Norco Ch., Stg 6, Norco MDP Line S-1 and Line S-5, Stage 1	In- progress	\$7,744,444
Desert Hot Springs MDP Line E-5, Stage 1	In-progress	\$3,498,220
Jurupa-Pyrite MDP Line A-2, Stage 1	In-progress	\$350,637
Leach Canyon Dam, Stage 90 Spillway Restoration	In-progress	\$728,819
Banning MDP Line H, Stage 1	In-progress	\$3,255,550

Heacock Channel (Sunnymead MDP Line B), Stages 3 and 4 – A \$13.6 million project located in the city of Moreno Valley. This project constructed a 100-year reinforced concrete channel that provides flood hazard mitigation to March Air Reserve Base, adjacent businesses, and local residents. This project was mostly constructed and functional during Fiscal Year 2018-2019, with official acceptance anticipated early Fiscal Year 2019-2020.

Norco MDP Line NA-1, Stage 2 and Lateral NA-1A, Stage 1 – The \$2 million project will reduce flooding and mud flows in the neighborhood surrounding Crestview Drive and Mt. Rushmore Drive within the city of Norco. The storm drain will collect stormwater from the La Sierra Hills along Crestview Drive in an underground pipe and convey it southerly.

Palm Canyon Wash, Stage 94 (Emergency Sediment Excavation) – This \$4.7 million project is located in the southern portion of the city of Palm Springs. The emergency work consists of sediment and debris removal from within the facility limits. Sediment removal operations will occur from approximately South Araby Drive downstream to South Gene Autry Trail.

South Norco Channel, Stage 6, Norco MDP Line S-1, Stage 1 and Line S-5, Stage 1 – This is a District-led project that will reduce flooding and remove properties from the floodplain between Second and Fourth Streets east of Corona Circle. It is expected to benefit both local residences, traffic, as well as benefit Norco Intermediate School and Norco High School.

Desert Hot Springs MDP Line E-5, Stage 1 – This District-led project will reduce flooding along 8th Street between Mesquite Avenue and West Drive. Approximately 3,700 lineal feet of underground storm drain will be constructed along 8th Street beginning at the District's existing Line E Channel near West Drive with upstream end near Mesquite Avenue.

Jurupa-Pyrite MDP Line A-2 – This District-led project consists of constructing an interim portion of Line A-2 to alleviate flooding hazards to the properties located at the end of Bellmore Street and surrounding the proposed project site. This interim project follows the master drainage plan alignment and collects flows at the southern end of Bellmore Street and conveys the flows in a small concrete swale westerly across Agate Street. Once constructed, a majority of the project will be maintained by the District, with Agate Street crossing maintained by the City of Jurupa Valley.

Leach Canyon Dam, S 90 Spillway Restoration – This is a District-led project that will repair and reinforce the spillway that sustained significant damage after the major storm events in February 2019. The project includes the replacement of lost rock riprap, construction of two cut-off walls, and restoration of the earthwork grading. The District will be reimbursed a portion of the construction costs of this project, pursuant to the Federal Emergency Declaration No. 4431.

Banning MDP Line H, Stage 1 – This is a District-led project that will reduce flooding along Hathaway Street between Barbour Street and Wesley Street. It will collect flows in Hathaway Street beginning at Barbour Street and convey them south in an underground storm drain within Hathaway Street, then east along Wesley Street until discharging into Smith Creek.

Additionally, the District continued to collaborate with the Cities of Corona, Norco, Moreno Valley, San Jacinto, and Riverside to deliver priority infrastructure. Utilizing District funding (provided through Board-approved cooperation agreements), these Cities are managing design and construction of significant flood control projects.

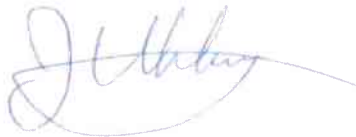
Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2019. This was the twenty-ninth consecutive year that the District published an easily readable and efficiently organized CAFR 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 CAFR 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.

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance and administration divisions. We wish to express our appreciation to all members of the District who assisted and contributed to the preparation of this report. A special thanks to Jeanine Rey, Finance Director, Darrylenn Prudholme-Brockington, Assistant Finance Director, and Sunita Jain, Administrative Services Supervisor 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



JEANINE J. REY
Finance Director

**RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT**
List of Principal Officials

TITLE	NAME
Board of Supervisors	Kevin Jeffries, 1 st District
Board of Supervisors	Karen Spiegel, District Chair, 2 nd District
Board of Supervisors	Chuck Washington, 3 rd District
Board of Supervisors	V. Manuel Perez, 4 th District
Board of Supervisors	Jeff Hewitt, District Vice-Chair, 5 th District
General Manager-Chief Engineer	Jason E. Uhley
Assistant Chief Engineer	Robert J. Cullen
Chief of Design & Construction	Claudio Padres
Chief of Operations & Maintenance	Henry Olivo
Chief of Planning	Edwin Quinonez
Chief of Regulatory	Joan Valle
Chief of Surveying & Mapping	Jim McNeill
Chief of Watershed Protection	Richard Boon
Finance Director	Jeanine J. Rey
Watershed Analytics Manager	John Carrillo

RIVERSIDE COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT

Board of Supervisors
 1. Kevin Jeffries 2. Karen Spiegel 3. Chuck Washington 4. V. Manuel Perez 5. Jeff Hewitt

GENERAL MANAGER
 CHIEF ENGINEER
Jason E. Uhley

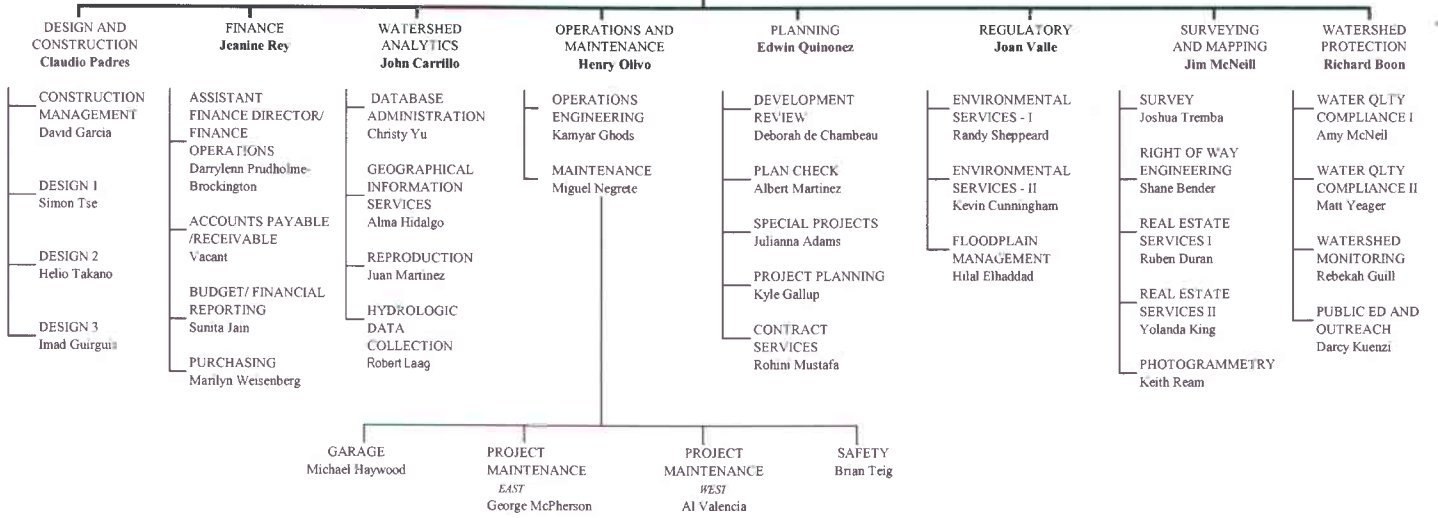
ZONE COMMISSIONERS
 Seven Zones
 Three Commissioners for each Zone

EXECUTIVE ASSISTANT
 Beth DeHayes

ASSISTANT
 CHIEF ENGINEER
Robert J. Cullen

SECRETARY
 Sabrina Ector

HUMAN RESOURCES OFFICER
 Brandy Quarles-Clark





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 Comprehensive Annual
Financial Report
For the Fiscal Year Ended

June 30, 2019

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



CONTENTS

- ◆ *Independent Auditor's Report*
- ◆ *Management's Discussion and Analysis*
- ◆ *Basic Financial Statements*
- ◆ *Required Supplementary Information*
- ◆ *Supplementary Information*





Independent Auditor's Report

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

Report on the Financial Statements

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, 2020, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility 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, this includes 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Van Lant & Fankhanel, LLP
25901 Kellogg Street
Loma Linda, CA 92354

909.856.6879

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective 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, 2020, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and required supplementary information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, 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.

Other Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The introductory section, the schedules listed in the supplementary Information section of the table of contents, and statistical section, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedules listed in the supplementary information section of the table of contents are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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 schedules listed in the supplementary information section of the table of contents are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a report dated November 12, 2020, 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.

Van Lant + Fankhanel, LLP

Loma Linda, California
November 12, 2020

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, 2020. 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 - v 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 \$1,248,263,563 (*net position*).
- ◆ The District's total net position increased by \$38,936,536. Approximately 76 percent of this increase is attributable to the addition of donated capital assets, i.e., infrastructure and land, net of investment related expenses.
- ◆ The (\$48,457,798) deficit reported in unrestricted net position is the result of the District's unfunded net pension and net OPEB liabilities.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$273,570,427, an increase of \$16,282,020 in comparison with the prior year. Approximately 1% of this amount (\$3,287,746) 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 \$5,553,431, or 104 percent of total general fund expenditures.
- ◆ The District's total net position was decreased by a prior period adjustment of \$5,150,338. The adjustment resulted from the determination that previously capitalized costs for nondepreciable capital assets should have been expensed in a prior year due to the discontinuance of construction on infrastructure related assets.

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).

Both 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 29-54 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 55-72 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 73-88 of this report.

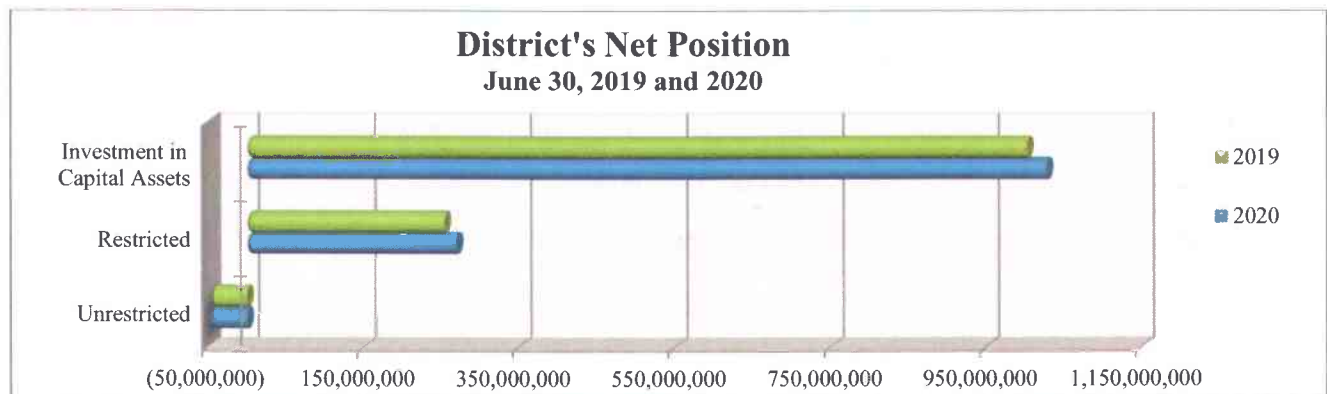
Government-wide Financial Analysis

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 \$1,248,263,563 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (82 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	
	2020	2019 (Restated)	2020	2019	2020	2019 (Restated)
Current and Other Assets	\$288,917,269	\$273,853,979	\$7,016,797	\$4,705,872	\$295,934,066	\$278,559,851
Capital Assets, Net	1,040,941,695	1,017,955,926	138,022	76,166	1,041,079,717	1,018,032,092
Total Assets	1,329,858,964	1,291,809,905	7,154,819	4,782,038	1,337,013,783	1,296,591,943
Deferred Outflows of Resources	17,992,645	12,408,982	491,242	423,367	18,483,887	12,832,349
Current and Other Liabilities	7,525,241	7,034,635	6,585,029	3,687,454	14,110,270	10,722,089
Long-term Liabilities	89,057,292	85,628,379	2,411,478	2,356,436	91,468,770	87,984,815
Total Liabilities	96,582,533	92,663,014	8,996,507	6,043,890	105,579,040	98,706,904
Deferred Inflows of Resources	1,610,310	1,347,286	44,757	46,075	1,655,067	1,393,361
Net Position:						
Investment in Capital Assets	1,027,200,051	1,001,811,954	138,022	76,166	1,027,338,073	1,007,038,458
Restricted	269,383,288	248,794,350	-	-	269,383,288	253,944,688
Unrestricted	(46,924,573)	(45,548,055)	(1,533,225)	(960,726)	(48,457,798)	(46,508,781)
Total Net Position	\$1,249,658,766	\$1,210,208,587	(\$1,395,203)	(\$884,560)	\$1,248,263,563	\$1,209,324,027

An additional portion of the District's net position (22 percent) represents resources that are subject to external restrictions on how they may be used. As noted earlier, the deficit balance of (\$48,457,798) reported in unrestricted net position (-4 percent) is primarily the result of the District's unfunded net pension and net OPEB liabilities.



The District's overall net position increased \$38,939,536 from the prior fiscal year. The District experienced a net increase primarily due to increases charges for services revenue and investment earnings received during the fiscal year.

Governmental activities. During the current fiscal year, net position for the governmental activities increased the District's net position by \$39,450,179 from the prior fiscal year, thereby accounting for 101 percent of the total increase in net position for the District. Key elements of the increase are as follows:

District's Changes in Net Position

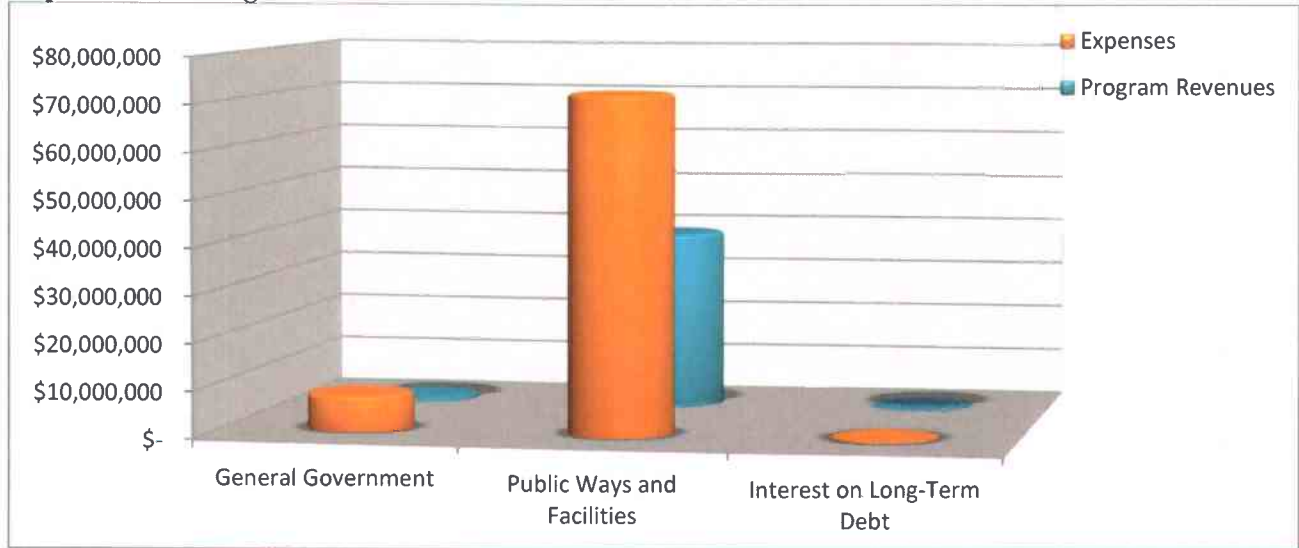
	Governmental Activities		Business-type Activities		Total	
	2020	2019 (Restated)	2020	2019	2020	2019 (Restated)
Revenues:						
Program Revenues:						
Charges for Services	\$10,176,693	\$4,589,643	\$1,608,201	\$2,210,790	\$11,784,894	\$6,800,433
Capital Grants and Contributions	29,276,672	27,711,393	-	-	29,276,672	27,711,393
General Revenues:						
Property Taxes	62,033,687	59,251,221	-	-	62,033,687	59,251,221
Redevelopment Pass-through	13,981,809	12,798,423	-	-	13,981,809	12,798,423
Unrestricted Interest and Investment Earnings (Loss)	4,434,950	7,523,589	116,621	219,297	4,551,571	7,742,886
Gain on Sale of Capital Assets	71,690	165,024	-	-	71,690	165,024
Total Revenues	119,975,501	112,039,293	1,724,822	2,430,087	121,700,323	114,469,380
Expenses:						
General Government	7,754,897	15,457,621	-	-	7,754,897	15,457,621
Public Ways and Facilities	72,378,253	60,397,627	-	-	72,378,253	60,397,627
Interest on Long-Term Debt	392,172	499,339	-	-	392,172	499,339
Subdivision Operations	-	-	1,594,555	1,926,803	1,594,555	1,926,803
Photogrammetry Operations	-	-	167,536	149,923	167,536	149,923
Encroachment Permits	-	-	473,374	361,918	473,374	361,918
Total Expenses	80,525,322	76,354,587	2,235,465	2,438,644	82,760,787	78,793,231
Increase (Decrease) in Net Position before Transfers	39,450,179	35,684,706	(510,643)	(8,557)	38,939,536	35,676,149
Transfers	-	271,920	-	(271,920)	-	-
Increase (Decrease) in Net Position	39,450,179	35,956,626	(510,643)	(280,477)	38,939,536	35,676,149
Net Position – Beginning, Restated	1,210,208,587	1,174,251,961	(884,560)	(604,083)	1,209,324,027	1,173,647,878
Net Position - Ending	\$1,249,658,766	\$1,210,208,587	(\$1,395,203)	(\$884,560)	\$1,248,263,563	\$1,209,324,027

- 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, overall revenues increased by 7 percent due primarily to an increase in charges for services revenue of 122 percent. Ongoing revenues continued to exceed expenses by \$9,662,864 (approximately 1 percent of net position).

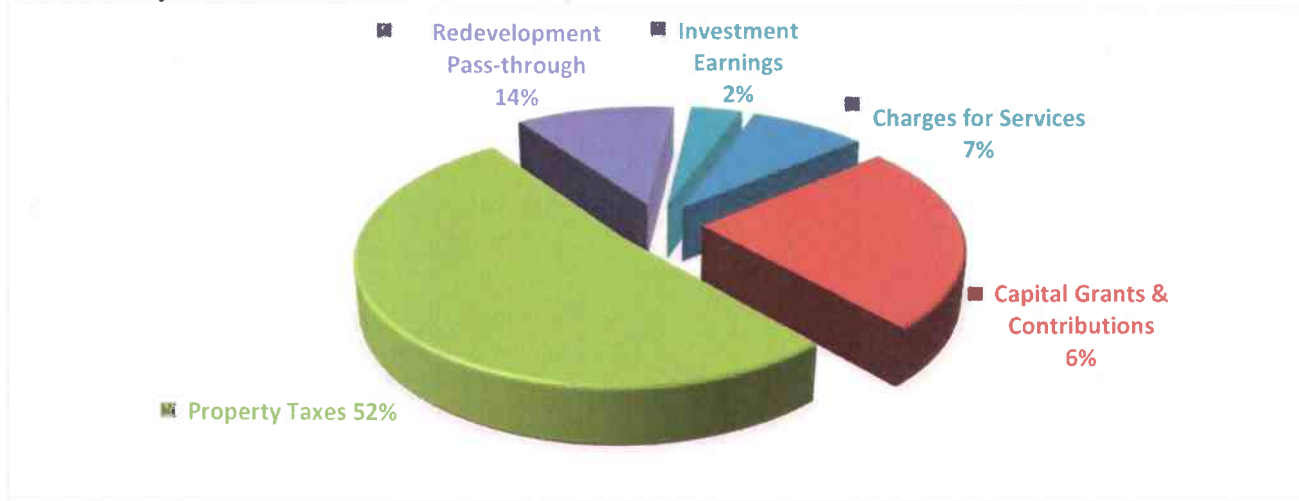
For the most part, increases and decreases in expenses paralleled inflation and growth in the demand for services. Noteworthy exceptions include the following:

- An increase in Capital Grants and Contributions revenue of \$1,565,279 (6 percent) associated with donated capital assets (infrastructure and land in various zones) being placed in service.
- An increase in Charges for Services revenue of \$5,587,050 (122 percent) largely associated with increased revenue received from the Federal Government during the fiscal year to cover expenses associated with emergency repairs to infrastructure damaged by the Holy Fire of 2018.

Expenses and Program Revenues - Governmental Activities



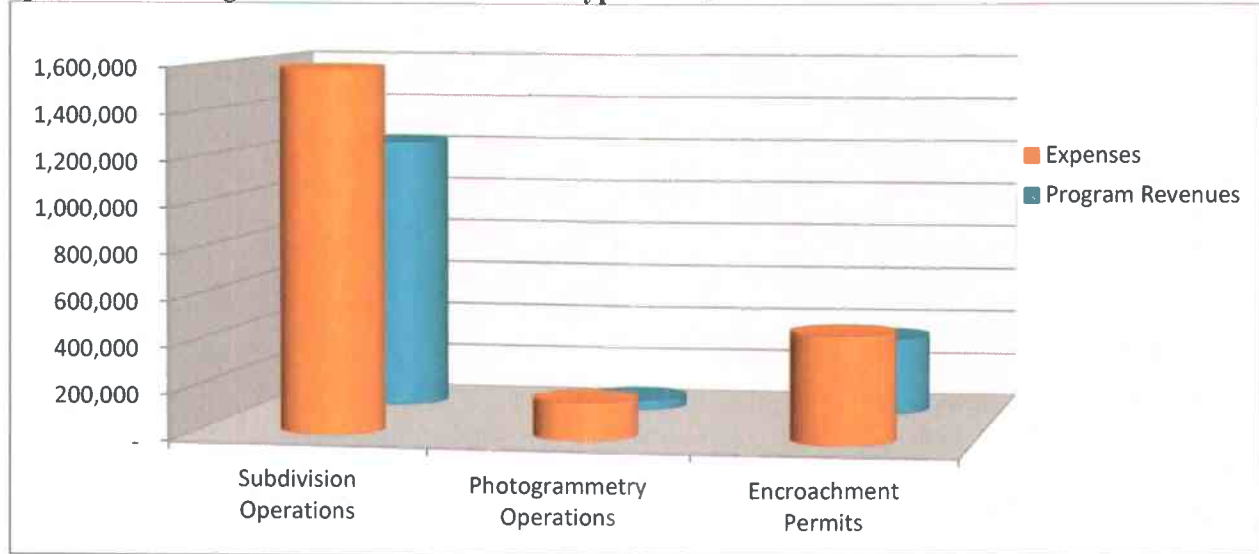
Revenues by Source - Governmental Activities



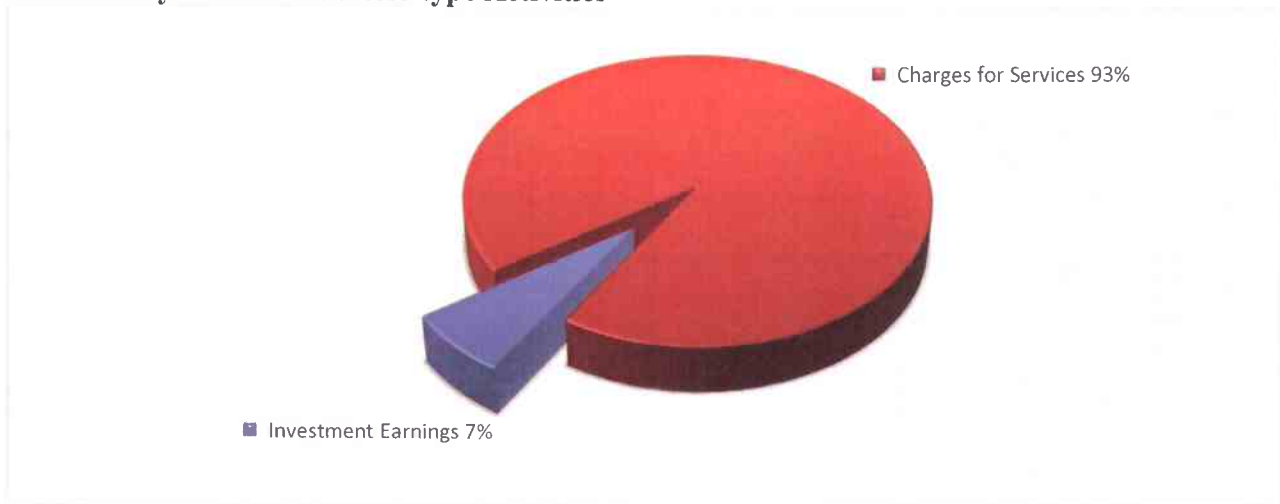
Business-type activities. Business-type activities decreased the District’s net position by \$510,643. Key elements of the decrease are as follows.

- ◆ Overall charges for services for business-type activities decreased by 27 percent while expenses decreased by 8 percent from the previous fiscal year. Historically, increases and decreases in charges for services and expenses are development related and will vary based on development activity within the County of Riverside. Development activity within Subdivision Operations has decreased by 34 percent over the past year due to fluctuation in the economy. Normal operating expenses decreased by 8 percent as a result of reduced personnel costs within the Subdivision Operations fund.

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 \$273,570,427 an increase of \$16,282,020 in comparison with the prior year. The majority of this total amount (\$268,016,396) 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* (\$3,287,746) 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* (\$2,265,685) and 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 \$3,287,746, while total fund balance reached \$5,554,031. 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 62 percent of total general fund expenditures, while total fund balance represents 104 percent of that same amount.

During the current fiscal year, the fund balance in the District's general fund increased by \$1,150,831. The increase in fund balance is primarily a result of decreases in expenditures and transfers in during the current fiscal year. General government expenditures decreased by \$4,944,305 and transfers in decreased by \$4,688,943 due to a change in accounting procedure that previously reported the reimbursement of services provided by the General Fund to other District funds as a contribution (transfer in) to the General Fund to now being reported as a reduction of general government expenditures.

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 \$258,437,796 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year was \$15,200,634. Key factors in the aggregate net increase are as follows:

- ◆ *Zone 1* reported a fund balance of \$45,753,019 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$7,365,379. Property tax and redevelopment revenues account for approximately 92 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects a decrease of approximately 8 percent (\$660,231). Overall revenues increased (\$614,547) as a result of increases in property tax revenue (\$344,829), redevelopment revenue (\$345,104), charges for services (\$128,787), and use of assets from the lease of land (\$112,766). These increases offset the decreases in intergovernmental revenue (\$8,024) and investment earnings (\$308,915). Additionally, expenditures increased (\$1,975,256) due largely in part to additional discretionary payments made to CalPERS in efforts to reduce the overall net pension and net OPEB liabilities.

- ◆ *Zone 2* reported a fund balance of \$82,750,130 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$4,769,666. Property tax and redevelopment revenues account for approximately 88 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 177 percent (\$10,999,649). Overall revenues increased (\$356,932) as a result of increases in property tax revenue (\$546,253), redevelopment revenue (\$244,846), intergovernmental revenue (\$307,612), charges for services (\$22,326), area drainage fees (\$368,000), and the use of assets from the lease of land (\$500). These increases offset the decrease in investment earnings (\$1,132,605). Additionally, expenditures increased (\$12,095,521) due to increased construction activity within the zone related to South Norco Channel as well as additional discretionary payments made to CalPERS in efforts to reduce the overall net pension and net OPEB liabilities.

- ◆ *Zone 3* reported a fund balance of \$8,323,641 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$1,962,916. Property tax and redevelopment revenues account for approximately 61 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 141 percent (\$6,725,088). Overall revenues increased (\$1,869,738) as a result of increases in property tax revenue (\$74,062), redevelopment revenue (\$96,632), intergovernmental revenue (\$1,875,256), and charges for services revenue (\$5,085). These increases offset the decreases in investment earnings (\$175,428) and special assessments (\$5,869). Additionally, expenditures decreased (\$6,556,198) compared to the prior fiscal year primarily as a result of costs related to emergency repairs to infrastructure being fully expended in the prior fiscal year.

- ◆ *Zone 4* reported a fund balance of \$57,088,125 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$10,806,072. Property tax and redevelopment revenues account for approximately 79 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 333 percent (\$8,313,150). Overall revenues increased (\$3,889,736) as a result of increases in property tax revenue (\$877,323), redevelopment revenue (\$329,296), intergovernmental revenue (\$3,333,153), and use of assets from the lease of land (\$7,200). These increases offset decreases in charges for services (\$8,514), area drainage fees (\$191,663), and investment earnings (\$457,059). Additionally, expenditures decreased (\$3,111,748) due primarily to decreased construction activity within the zone during the current fiscal year.

- ◆ *Zone 5* reported a fund balance of \$21,125,692 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$2,902,417. Property tax and redevelopment revenues account for approximately 92 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects a decrease of approximately 11 percent (\$376,660). Overall revenues increased (\$84,595) as a result of increases in property tax revenue (\$221,678), redevelopment revenue (\$41,686), charges for services (\$20,277). The increases offset the decreases in intergovernmental revenue (\$33,849) and investment earnings (\$165,197). Additionally, expenditures increased (\$655,378) due primarily to additional discretionary payments made to CalPERS in efforts to reduce the overall net pension and net OPEB liabilities.

- ◆ *Zone 6* reported a fund balance of \$14,237,259 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$5,414,014. Property tax and redevelopment revenues account for approximately 93 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 303 percent (\$8,078,195). Overall revenues decreased (\$29,260) due primarily to decreases in redevelopment revenue (\$10,754), charges for services (\$26,560), and investment earnings (\$266,413). These decreases were offset by increases in property tax revenue (\$166,648), intergovernmental revenue (\$105,419), and the use of assets from the lease of land (\$2,400). Additionally, expenditures increased (\$8,397,684) due to increased construction activity related to Norco MDP and Desert Hot Springs MDP. Expenditures also increased due to additional discretionary payments made to CalPERS in efforts to reduce the overall net pension and net OPEB liabilities.

- ◆ *Zone 7* reported a fund balance of \$29,159,930 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$2,347,530. Property tax and redevelopment revenues account for approximately 89 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects a decrease of approximately 28 percent (\$893,053). Overall revenues decreased (\$93,474) as a result of decreases in charges for services (\$12,190), area drainage fees (\$46,228), and investment earnings (\$291,168). These decreases were offset by increases in property tax revenue (\$211,324), redevelopment revenue (\$43,537), and intergovernmental revenue (\$1,251). Additionally, expenditures increased (\$1,196,410) due largely in part to additional discretionary payments made to CalPERS in efforts to reduce the overall net pension and net OPEB liabilities.

The NPDES funds had an aggregate fund balance of \$9,557,324 at the end of the current fiscal year. The aggregate net decrease in fund balance during the current year was \$70,285. Key factors in the net decrease are as follows:

- ◆ *NPDES Whitewater* reported a fund balance of \$2,367,040 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$219,431. Special assessment revenues account for approximately 40 percent of total revenues in this fund and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within the watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 49 percent (\$72,223). Overall revenues increased (\$200,934) due primarily to increases in special assessments revenue (\$4,970) and contributions from other agencies (\$216,298). These increases were offset by a decrease in investment earnings (\$20,334). Additionally, expenditures increased (\$174,619) due largely in part to increases in professional and operational expenses for the storm water/clean water educational programs.

- ◆ *NPDES Santa Ana* reported a fund balance of \$5,471,612 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$95,029. Special assessment revenues account for approximately 97 percent of total revenues in this fund and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within the watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 106 percent (\$1,708,625). Overall revenues decreased (\$30,153) as a result of the decrease in investment earnings (\$110,230). This decrease was offset by an increase in special assessment revenues (\$80,077). Additionally, expenditures increased (\$473,143) due largely in part to additional discretionary payments made to CalPERS in efforts to reduce the overall net pension and net OPEB liabilities.

- ◆ *NPDES Santa Margarita* reported a fund balance of \$1,718,672 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$384,745. Special assessment revenues account for approximately 31 percent of total revenues in this fund and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within the watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in fund balance.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 163 percent (\$996,880). Overall revenues decreased (\$477,290) as a result of decreases in contributions from other agencies (\$474,601) and investment earnings (\$11,042). These decreases were offset by an increase in special assessments (\$8,353). Additionally, expenditures increased (\$691,345) due largely in part to increases in professional and operational expenses for the storm water/clean water educational programs. Expenditures also increased due to additional discretionary payments made to CalPERS in efforts to reduce the overall net pension and net OPEB liabilities.

The nonmajor funds, Flood Control Capital Project Fund and Zone 4 Debt Service Fund, reported an aggregate total fund balance of \$21,276 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year in was \$840. 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 (\$2,154,740) while Photogrammetry Operations reported an unrestricted net position of \$525,765 and the Encroachment Permit Operations reported \$133,834. The total decrease in net position for Subdivision operations was \$285,495. The total decrease in net position for Photogrammetry Operations was \$112,291 and the total decrease for Encroachment Permit Operations was \$125,262. 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 \$8,228,366. This variance was due primarily to costs budgeted for building improvements to District grounds that were not expended during the fiscal year. There was a 48 percent decrease in actual expenditures from the prior year.
- ◆ Estimated revenues exceeded total actual revenues, including transfers in, by \$737,044. This variance was due largely in part to a change in accounting procedure that previously reported the reimbursement of services provided by the General Fund to other District funds as a contribution (transfer in) to the General Fund to now being reported as a reduction of general government expenditures. Budgeted charges for services revenues increased by 32 percent from the prior year due to anticipated increases in construction inspection revenue during the 2019-2020 fiscal year.

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, 2020, amounts to \$1,027,338,073 (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 2 percent.

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

- ◆ Capital assets (infrastructure and land) were donated to the District as a result of prior year development within the County; donated infrastructure and land at the end of the current fiscal year was \$25,895,552.
- ◆ 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 \$33,623,460.
- ◆ A prior period adjustment resulting from the determination that previously capitalized costs for nondepreciable capital assets should have been expensed in a prior year due to the discontinuance of construction on infrastructure related assets.

District's Capital Assets

	Governmental activities		Business-type activities		Total	
	2020	2019 (Restated)	2020	2019	2020	2019 (Restated)
Infrastructure	\$ 713,158,544	\$ 691,347,709	\$ -	\$ -	\$ 713,158,544	\$ 691,347,709
Land and easements	282,833,493	271,504,634	-	-	282,833,493	271,504,634
Buildings and improvements	78,860	8,735,536	-	-	78,860	8,735,536
Improvements other than buildings	8,453,474	79,976	-	-	8,453,474	79,976
Equipment	3,153,864	2,401,219	138,022	76,166	3,291,886	2,477,385
Construction in progress	33,263,460	43,886,852	-	-	33,263,460	43,886,852
Total	\$1,040,941,695	\$1,017,955,926	\$ 138,022	\$ 76,166	\$1,041,079,717	\$1,018,032,092

Additional information on the District's capital assets can be found in Note 4 on pages 45-46 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 \$13,741,644 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 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 45 of this report.

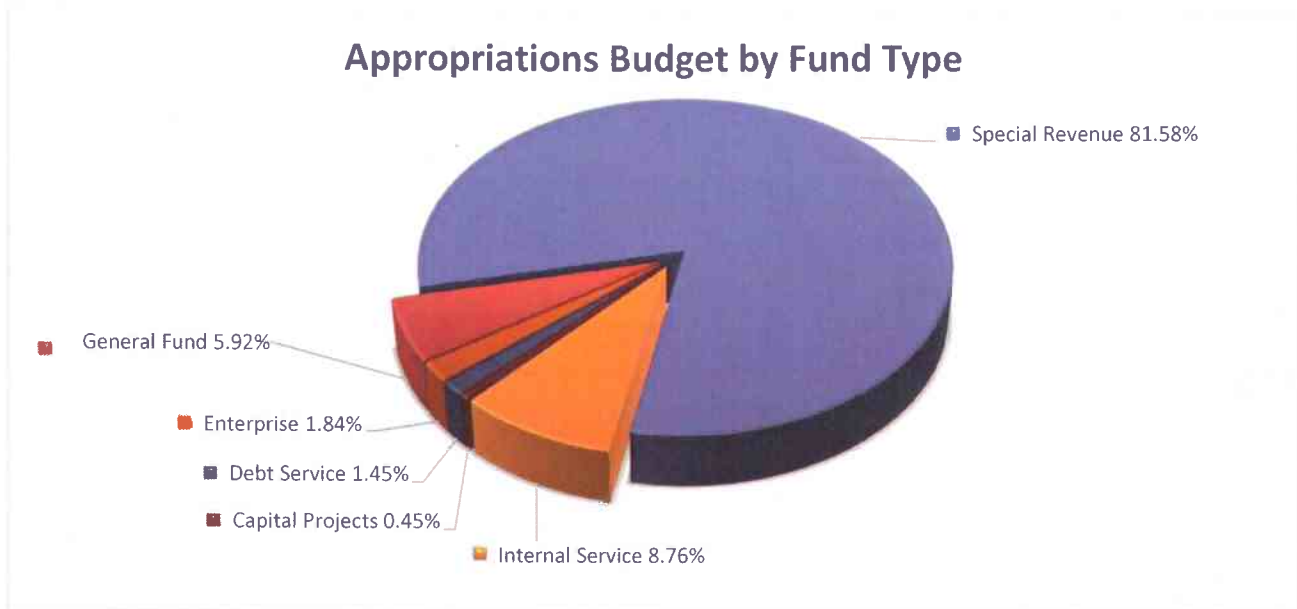
Economic Factors and Next Year's Budgets and Rates

The District's principal source of general-purpose revenue is ad valorem property taxes. The Riverside County Assessor is projecting an approximate 5 percent increase in tax revenue on the County assessment roll for the 2020-2021 fiscal year. The District is taking a more conservative approach and estimating an increase of 4 percent in tax revenues for the 2020-2021 fiscal year based on the Riverside County Assessor projections and on actual tax revenue received over the last three years.

The District estimates total revenue of \$125.9 million for fiscal year 2020-2021, an increase of \$25.1 million, or 24.9 percent, from fiscal year 2019-2020. A significant portion of this increase is related in estimated increases in Special Revenue Funds revenue. Special Revenue Funds revenue is projected to increase by \$23.3 million due to ADP contributions in zone 4 and FEMA reimbursements for emergency repairs made in zones 3 and 6.

The District's appropriation budget for all funds totals \$194.9 million for fiscal year 2020-2021, an increase of \$34.2 million from the District's fiscal year 2019-2020 adopted budget. The zone budgets for fiscal year 2020-2021 propose appropriations totaling \$152.9 million, a net increase of \$28.6 million from the 2019-2020 budget. This represents 79 percent of the District's total appropriations of \$194.9 million. The \$28.6 million increase in zone appropriations is primarily due to an increase in budget contributions for Partner Led capital infrastructure projects within Zones 2, 4, 5 and 7.

Appropriations are projected to increase by \$1.2 million in the General Fund. The Capital Project Fund appropriation is proposed to decrease by \$769,000 due to decreases in building upgrade plans. The Debt Service Fund requires \$2.8 million in payments for the Zone 4 promissory notes. Enterprise Fund appropriations are expected to increase by \$136,000 based on increased costs for salaries and benefits in the Subdivision Operations and Encroachment Permits funds. Appropriations for the Internal Service Funds are proposed to increase by \$4.6 million primarily due to increases in costs to replace capital asset equipment in the Garage/ Fleet 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 Office of the Finance Director, Riverside County Flood Control and Water Conservation District, 1995 Market Street, Riverside, CA 92501.

BASIC FINANCIAL STATEMENTS



CONTENTS

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

Riverside County Flood Control and Water Conservation District
Statement of Net Position
June 30, 2020

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 283,087,668	\$ 596,574	\$ 283,684,242
Restricted Cash	1,865,758	6,454,579	8,320,337
Receivables (net of allowance for uncollectibles)	3,494,671	153,286	3,647,957
Inventories	281,530	-	281,530
Internal Balances	187,642	(187,642)	-
Capital Assets:			
Nondepreciable	316,096,953	-	316,096,953
Depreciable, Net	724,844,742	138,022	724,982,764
Total Assets	<u>1,329,858,964</u>	<u>7,154,819</u>	<u>1,337,013,783</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to OPEB	1,268,902	-	1,268,902
Deferred Outflows of Resources Related to Pensions	16,723,743	491,242	17,214,985
Total Deferred Outflows of Resources	<u>17,992,645</u>	<u>491,242</u>	<u>18,483,887</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	2,773,411	74,853	2,848,264
Salaries and Benefits Payable	1,707,638	61,230	1,768,868
Developer and Other Agency Deposits	1,890,900	6,448,946	8,339,846
Due to Other Governments	447,792	-	447,792
Accrued Interest Payable	205,500	-	205,500
Unearned Revenue	500,000	-	500,000
Long-term Liabilities:			
Portion Due Within One Year:			
Compensated Absences	342,906	6,229	349,135
Promissory Notes	2,270,000	-	2,270,000
Portion Due in More Than One Year:			
Compensated Absences	3,121,285	56,697	3,177,982
Promissory Notes	11,471,644	-	11,471,644
Net OPEB Liability	678,319	-	678,319
Net Pension Liability	71,173,138	2,348,552	73,521,690
Total Liabilities	<u>96,582,533</u>	<u>8,996,507</u>	<u>105,579,040</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to OPEB	1,553	-	1,553
Deferred Inflows of Resources Related to Pensions	1,608,757	44,757	1,653,514
Total Deferred Inflows of Resources	<u>1,610,310</u>	<u>44,757</u>	<u>1,655,067</u>
NET POSITION			
Net Investment in Capital Assets	1,027,200,051	138,022	1,027,338,073
Restricted by Enabling Legislation for:			
Capital Projects	19,416	-	19,416
Debt Service	1,860	-	1,860
Public Ways and Facilities	269,362,012	-	269,362,012
Unrestricted (Deficit)	(46,924,573)	(1,533,225)	(48,457,798)
Total Net Position	<u>\$ 1,249,658,766</u>	<u>\$ (1,395,203)</u>	<u>\$ 1,248,263,563</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, 2020

FUNCTIONS/PROGRAMS:	Program Revenues		
	Expenses	Charges for Services	Capital Grants and Contributions
Governmental Activities			
General Government	\$ 7,754,897	\$ 804,886	\$ -
Public Ways and Facilities	72,378,253	9,371,807	29,276,672
Interest on Long-Term Debt	392,172	-	-
Total Governmental Activities	80,525,322	10,176,693	29,276,672
Business-type Activities			
Subdivision Operations	1,594,555	1,216,914	-
Photogrammetry Operations	167,536	47,747	-
Encroachment Permits	473,374	343,540	-
Total Business-type Activities	2,235,465	1,608,201	-
Total	\$ 82,760,787	\$ 11,784,894	\$ 29,276,672

General Revenues and Transfers:
Property Taxes
Redevelopment Pass-thru
Unrestricted Interest and Investment Earnings
Gain - Sale of Capital Assets

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year, as Previously Reported
Prior Period Adjustment (Note 11)
Restated 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
(6,950,011)	\$ -	\$ (6,950,011)
(33,729,774)	-	(33,729,774)
(392,172)	-	(392,172)
(41,071,957)	-	(41,071,957)
-	(377,641)	(377,641)
-	(119,789)	(119,789)
-	(129,834)	(129,834)
-	(627,264)	(627,264)
(41,071,957)	(627,264)	(41,699,221)
62,033,687	-	62,033,687
13,981,809	-	13,981,809
4,434,950	116,621	4,551,571
71,690	-	71,690
80,522,136	116,621	80,638,757
39,450,179	(510,643)	38,939,536
1,215,358,925	(884,560)	1,214,474,365
(5,150,338)	-	(5,150,338)
1,210,208,587	(884,560)	1,209,324,027
\$ 1,249,658,766	\$ (1,395,203)	\$ 1,248,263,563

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Balance Sheet
Governmental Funds
June 30, 2020

	General Fund	Zone 1	Zone 2	Zone 3
ASSETS				
Cash and Investments	\$ 5,483,198	\$ 45,973,687	\$ 83,561,239	\$ 7,665,500
Restricted Cash	1,683,915	12,237	30,000	18,910
Receivables (net of allowance for uncollectibles)				
Taxes Receivable	94,752	197,427	351,443	46,736
Accounts Receivable	57,811	28,261	7,804	2,933
Interest Receivable	13,971	82,135	161,690	12,933
Due From Other Funds	287,580	-	-	-
Due From Other Governments	-	43,498	398,911	831,483
Total Assets	<u>\$ 7,621,227</u>	<u>\$ 46,337,245</u>	<u>\$ 84,511,087</u>	<u>\$ 8,578,495</u>
LIABILITIES				
Accounts Payable	\$ 178,635	\$ 73,109	\$ 1,069,113	\$ 136,098
Salaries and Benefits Payable	77,428	301,080	309,283	52,678
Due to Other Funds	-	-	-	-
Developer and Other Agency Deposits	1,715,939	12,237	30,000	18,910
Due to Other Governments	442	372	1,118	432
Unearned Revenue	-	-	-	-
Total Liabilities	<u>1,972,444</u>	<u>386,798</u>	<u>1,409,514</u>	<u>208,118</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	94,752	197,428	351,443	46,736
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>94,752</u>	<u>197,428</u>	<u>351,443</u>	<u>46,736</u>
FUND BALANCES				
Nonspendable:				
Imprest Cash	600	-	-	-
Restricted for:				
Capital Projects	-	-	-	-
Public Ways and Facilities	-	45,753,019	82,750,130	8,323,641
Debt Service	-	-	-	-
Assigned to:				
Compensated Absences	2,265,685	-	-	-
Unassigned	3,287,746	-	-	-
Total Fund Balances	<u>5,554,031</u>	<u>45,753,019</u>	<u>82,750,130</u>	<u>8,323,641</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 7,621,227</u>	<u>\$ 46,337,245</u>	<u>\$ 84,511,087</u>	<u>\$ 8,578,495</u>

The accompanying notes are an integral part of this statement.

Zone 4	Zone 5	Zone 6	Zone 7	NPDES Whitewater	NPDES Santa Ana
\$ 57,977,616	\$ 21,156,159	\$ 14,921,059	\$ 29,776,099	\$ 2,412,454	\$ 5,633,280
-	36,923	48,032	35,741	-	-
375,211	83,228	102,812	120,493	12,445	65,164
14,773	-	-	-	-	-
102,734	38,540	27,263	54,951	4,222	10,042
-	-	-	110,038	-	-
67,926	21,112	20,914	11,794	-	-
<u>\$ 58,538,260</u>	<u>\$ 21,335,962</u>	<u>\$ 15,120,080</u>	<u>\$ 30,109,116</u>	<u>\$ 2,429,121</u>	<u>\$ 5,708,486</u>
\$ 262,314	\$ 38,335	\$ 592,813	\$ 71,912	\$ 30,048	\$ 88,993
368,011	58,352	139,133	110,762	19,588	82,718
-	-	-	110,038	-	-
-	30,041	48,032	35,741	-	-
444,600	314	30	240	-	-
-	-	-	500,000	-	-
<u>1,074,925</u>	<u>127,042</u>	<u>780,008</u>	<u>828,693</u>	<u>49,636</u>	<u>171,711</u>
375,210	83,228	102,813	120,493	-	-
-	-	-	-	12,445	65,163
<u>375,210</u>	<u>83,228</u>	<u>102,813</u>	<u>120,493</u>	<u>12,445</u>	<u>65,163</u>
-	-	-	-	-	-
-	-	-	-	-	-
57,088,125	21,125,692	14,237,259	29,159,930	2,367,040	5,471,612
-	-	-	-	-	-
-	-	-	-	-	-
<u>57,088,125</u>	<u>21,125,692</u>	<u>14,237,259</u>	<u>29,159,930</u>	<u>2,367,040</u>	<u>5,471,612</u>
<u>\$ 58,538,260</u>	<u>\$ 21,335,962</u>	<u>\$ 15,120,080</u>	<u>\$ 30,109,116</u>	<u>\$ 2,429,121</u>	<u>\$ 5,708,486</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, 2020

	NPDES Santa Margarita	Other Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 1,794,893	\$ 21,236	\$ 276,376,420
Restricted Cash	-	-	1,865,758
Receivables (net of allowance for uncollectibles)			
Taxes Receivable	11,933	-	1,461,644
Accounts Receivable	-	-	111,582
Interest Receivable	2,740	40	511,261
Due From Other Funds	-	-	397,618
Due From Other Governments	-	-	1,395,638
Total Assets	<u>\$ 1,809,566</u>	<u>\$ 21,276</u>	<u>\$ 282,119,921</u>
LIABILITIES			
Accounts Payable	\$ 34,335	\$ -	\$ 2,575,705
Salaries and Benefits Payable	44,626	-	1,563,659
Due to Other Funds	-	-	110,038
Developer and Other Agency Deposits	-	-	1,890,900
Due to Other Governments	-	-	447,548
Unearned Revenue	-	-	500,000
Total Liabilities	<u>78,961</u>	<u>-</u>	<u>7,087,850</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	-	1,372,103
Unavailable Revenue - Special Assessments	11,933	-	89,541
Total Deferred Inflows of Resources	<u>11,933</u>	<u>-</u>	<u>1,461,644</u>
FUND BALANCES			
Nonspendable for:			
Imprest Cash	-	-	600
Restricted for:			
Capital Projects	-	19,416	19,416
Public Ways and Facilities	1,718,672	-	267,995,120
Debt Service	-	1,860	1,860
Assigned to:			
Compensated Absences	-	-	2,265,685
Unassigned	-	-	3,287,746
Total Fund Balances	<u>1,718,672</u>	<u>21,276</u>	<u>273,570,427</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 1,809,566</u>	<u>\$ 21,276</u>	<u>\$ 282,119,921</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, 2020

Fund Balances - Total Governmental Funds (Page 20) \$ 273,570,427

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 \$2,320,684 reported in Internal Service Funds. 1,037,893,668

Internal service funds are used by management to charge the costs of hydrology services, garage, project maintenance, mapping services, 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 \$99,938 allocated to business-type activities. 9,487,302

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. 1,461,644

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	\$ 17,992,645	
Deferred inflows of resources	<u>(1,610,310)</u>	16,382,335

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

Net pension liability	(71,173,138)	
Net OPEB liability	(678,319)	
Promissory notes, including unamortized premiums	(13,741,644)	
Compensated absences, net of \$126,182 reported in internal service funds	(3,338,009)	
Accrued interest payable	<u>(205,500)</u>	<u>(89,136,610)</u>

Net Position of Governmental Activities (Page 15) \$ 1,249,658,766

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, 2020

	General Fund	Zone 1	Zone 2	Zone 3
REVENUES				
Property Taxes	\$ 4,259,621	\$ 8,912,955	\$ 15,744,789	\$ 2,106,874
Redevelopment Pass-through	899,565	3,769,079	2,544,900	1,009,782
Special Assessments	-	-	-	2,093
Intergovernmental	40,113	89,868	606,585	1,895,769
Charges for Services	648,724	38,476	22,596	3,090
Area Drainage Fees	-	-	375,630	-
Investment Earnings	93,259	682,640	1,394,932	109,528
Use of Assets	-	267,097	500	-
Total Revenues	<u>5,941,282</u>	<u>13,760,115</u>	<u>20,689,932</u>	<u>5,127,136</u>
EXPENDITURES				
Current:				
General Government	5,263,119	-	-	-
Public Ways and Facilities	-	5,983,990	20,500,627	2,469,480
Capital Outlay	59,747	339,285	4,849,084	658,819
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	<u>5,322,866</u>	<u>6,323,275</u>	<u>25,349,711</u>	<u>3,128,299</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>618,416</u>	<u>7,436,840</u>	<u>(4,659,779)</u>	<u>1,998,837</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	532,415	-	-	-
Transfers Out	-	(71,461)	(109,887)	(35,921)
Total Other Financing Sources (Uses)	<u>532,415</u>	<u>(71,461)</u>	<u>(109,887)</u>	<u>(35,921)</u>
Net Change in Fund Balances	1,150,831	7,365,379	(4,769,666)	1,962,916
Fund Balances, Beginning of Year	<u>4,403,200</u>	<u>38,387,640</u>	<u>87,519,796</u>	<u>6,360,725</u>
Fund Balances, End of Year	<u>\$ 5,554,031</u>	<u>\$ 45,753,019</u>	<u>\$ 82,750,130</u>	<u>\$ 8,323,641</u>

The accompanying notes are an integral part of this statement.

	Zone 4	Zone 5	Zone 6	Zone 7	NPDES Whitewater	NPDES Santa Ana
\$	16,887,584	\$ 3,734,073	\$ 4,693,991	\$ 5,385,873	\$ -	\$ -
	3,266,980	641,091	1,376,170	453,548	-	-
	-	-	-	-	313,464	2,527,551
	3,495,021	37,307	150,686	54,081	425,992	-
	24,400	34,525	1,792	97,324	-	-
	953,730	-	-	116,136	-	-
	811,736	322,052	278,659	466,345	36,394	87,342
	15,000	-	6,000	-	-	-
	<u>25,454,451</u>	<u>4,769,048</u>	<u>6,507,298</u>	<u>6,573,307</u>	<u>775,850</u>	<u>2,614,893</u>
	-	-	-	-	-	-
	11,612,553	1,843,341	9,186,887	4,169,899	549,248	2,493,034
	91,974	-	2,662,841	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	<u>11,704,527</u>	<u>1,843,341</u>	<u>11,849,728</u>	<u>4,169,899</u>	<u>549,248</u>	<u>2,493,034</u>
	13,749,924	2,925,707	(5,342,430)	2,403,408	226,602	121,859
	-	-	-	-	-	-
	(2,943,852)	(23,290)	(71,584)	(55,878)	(7,171)	(26,830)
	<u>(2,943,852)</u>	<u>(23,290)</u>	<u>(71,584)</u>	<u>(55,878)</u>	<u>(7,171)</u>	<u>(26,830)</u>
	10,806,072	2,902,417	(5,414,014)	2,347,530	219,431	95,029
	46,282,053	18,223,275	19,651,273	26,812,400	2,147,609	5,376,583
\$	<u>57,088,125</u>	<u>\$ 21,125,692</u>	<u>\$ 14,237,259</u>	<u>\$ 29,159,930</u>	<u>\$ 2,367,040</u>	<u>\$ 5,471,612</u>

Continued

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, 2020

	NPDES Santa Margarita	Other Governmental Funds	Total
REVENUES			
Property Taxes	\$ -	\$ -	\$ 61,725,760
Redevelopment Pass-through	-	-	13,961,115
Special Assessments	538,012	-	3,381,120
Intergovernmental	660,202	-	7,455,624
Charges for Services	-	-	870,927
Area Drainage Fees	-	-	1,445,496
Investment Earnings	28,907	840	4,312,634
Use of Assets	-	-	288,597
Total Revenues	<u>1,227,121</u>	<u>840</u>	<u>93,441,273</u>
EXPENDITURES			
Current:			
General Government	-	-	5,263,119
Public Ways and Facilities	1,594,825	-	60,403,884
Capital Outlay	-	-	8,661,750
Debt service:			
Principal	-	2,160,000	2,160,000
Interest	-	670,500	670,500
Total Expenditures	<u>1,594,825</u>	<u>2,830,500</u>	<u>77,159,253</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(367,704)</u>	<u>(2,829,660)</u>	<u>16,282,020</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	2,830,500	3,362,915
Transfers Out	(17,041)	-	(3,362,915)
Total Other Financing Sources (Uses)	<u>(17,041)</u>	<u>2,830,500</u>	<u>-</u>
Net Change in Fund Balances	(384,745)	840	16,282,020
Fund Balances, Beginning of Year	<u>2,103,417</u>	<u>20,436</u>	<u>257,288,407</u>
Fund Balances, End of Year	<u>\$ 1,718,672</u>	<u>\$ 21,276</u>	<u>\$ 273,570,427</u>

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, 2020

Net Change in Fund Balances - Total Governmental Funds (Page 24) \$ 16,282,020

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 \$1,590,031 reported in Internal Service Funds	\$ 8,669,847	
Donation of Capital Assets	25,895,552	
Less current year depreciation, net of \$862,688 reported in Internal Service Fund	<u>(12,306,973)</u>	22,258,426

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.		328,621
--	--	---------

Change in unavailable revenue		<u>328,621</u>
-------------------------------	--	----------------

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	510,815	
Pension expense	(4,802,736)	
Change in compensated absences, net of \$3,048 reported in internal service fund	(41,327)	
Amortization of bond premium	242,328	
Interest Expense	<u>36,000</u>	(4,054,920)

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 \$12,405 allocated to business-type activities.		2,476,032
--	--	-----------

The repayment of principal reduces long-term liabilities in the governmental activities statement of net position.		<u>2,160,000</u>
--	--	------------------

Change in Net Position of Governmental Activities (Page 17)		<u><u>\$ 39,450,179</u></u>
---	--	-----------------------------

Riverside County Flood Control and Water Conservation District
Statement of Net Position
Proprietary Funds
June 30, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 34,936	\$ 561,638	\$ 596,574	\$ 6,711,248
Receivables:				
Accounts Receivable (net of allowance for uncollectibles)	79,216	53,981	133,197	694
Interest Receivable	10,969	1,825	12,794	13,852
Due From Other Funds	-	-	-	-
Due From Other Governments	-	7,295	7,295	-
Inventories	-	-	-	281,530
Total Current Assets	<u>125,121</u>	<u>624,739</u>	<u>749,860</u>	<u>7,007,324</u>
Noncurrent Assets:				
Restricted Cash	6,064,829	389,750	6,454,579	-
Capital Assets:				
Depreciable, Net	-	138,022	138,022	3,048,027
Total Noncurrent Assets	<u>6,064,829</u>	<u>527,772</u>	<u>6,592,601</u>	<u>3,048,027</u>
Total Assets	<u>6,189,950</u>	<u>1,152,511</u>	<u>7,342,461</u>	<u>10,055,351</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pensions	491,242	-	491,242	-
Total Deferred Outflows of Resources	<u>491,242</u>	<u>-</u>	<u>491,242</u>	<u>-</u>
LIABILITIES				
Current Liabilities:				
Accounts Payable	73,182	1,671	74,853	197,706
Salaries and Benefits Payable	25,619	35,611	61,230	143,979
Due to Other Funds	244,500	43,080	287,580	-
Due to Other Governments	-	-	-	244
Compensated Absences - Current Portion	3,414	2,815	6,229	12,490
Developer and Other Agency Deposits	6,064,829	384,117	6,448,946	-
Total Current Liabilities	<u>6,411,544</u>	<u>467,294</u>	<u>6,878,838</u>	<u>354,419</u>
Noncurrent Liabilities:				
Compensated Absences	31,079	25,618	56,697	113,692
Net Pension Liability	2,348,552	-	2,348,552	-
Total Noncurrent Liabilities	<u>2,379,631</u>	<u>25,618</u>	<u>2,405,249</u>	<u>113,692</u>
Total Liabilities	<u>8,791,175</u>	<u>492,912</u>	<u>9,284,087</u>	<u>468,111</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	44,757	-	44,757	-
Total Deferred Inflows of Resources	<u>44,757</u>	<u>-</u>	<u>44,757</u>	<u>-</u>
NET POSITION				
Investment in Capital Assets	-	138,022	138,022	3,048,027
Unrestricted (Deficit)	(2,154,740)	521,577	(1,633,163)	6,539,213
Total Net Position	<u>\$ (2,154,740)</u>	<u>\$ 659,599</u>	<u>\$ (1,495,141)</u>	<u>\$ 9,587,240</u>
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			<u>99,938</u>	
Net Position of Business-type Activities			<u>\$ (1,395,203)</u>	

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, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 1,216,914	\$ 391,287	\$ 1,608,201	\$ 6,154,738
OPERATING EXPENSES				
Personnel Services	713,917	481,164	1,195,081	2,129,542
Administrative Services	244,850	44,577	289,427	-
Services and Supplies	642,517	99,701	742,218	4,651,749
Depreciation	-	21,144	21,144	862,688
Total Operating Expenses	1,601,284	646,586	2,247,870	7,643,979
Operating Income (Loss)	(384,370)	(255,299)	(639,669)	(1,489,241)
NONOPERATING REVENUES				
Investment Earnings	98,875	17,746	116,621	122,316
Gain on Sale of Capital Assets	-	-	-	71,690
Total Nonoperating Revenues	98,875	17,746	116,621	194,006
Income (Loss) Before Special Item	(285,495)	(237,553)	(523,048)	(1,295,235)
Transfers In	-	-	-	-
Transfers Out	-	-	-	-
Total Transfers In (Out)	-	-	-	-
SPECIAL ITEM				
Pension Allocation	-	-	-	3,783,672
Change in Net Position	(285,495)	(237,553)	(523,048)	2,488,437
Net Position, Beginning of Year	(1,869,245)	897,152	(972,093)	7,098,803
Net Position, End of Year	\$ (2,154,740)	\$ 659,599		\$ 9,587,240
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			12,405	
Change in Net Position of Business-type Activities			\$ (510,643)	

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, 2020

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers/Other Funds	\$ 1,401,713	\$ 545,837	\$ 1,947,550	\$ 6,677,690
Cash Paid to Suppliers for Goods and Services	2,112,171	(104,148)	2,008,023	(4,709,145)
Cash Paid to Employees for Services	(758,325)	(500,791)	(1,259,116)	(2,043,906)
Net Cash Provided by (Used In) Operating Activities	<u>2,755,559</u>	<u>(59,102)</u>	<u>2,696,457</u>	<u>(75,361)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				71,690
Acquisition and Construction of Capital Assets	-	(83,000)	(83,000)	(1,590,031)
Net Cash Used in Capital and Related Financing Activities	<u>-</u>	<u>(83,000)</u>	<u>(83,000)</u>	<u>(1,518,341)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	117,918	21,133	139,051	143,908
Net Cash Provided by Investing Activities	<u>117,918</u>	<u>21,133</u>	<u>139,051</u>	<u>143,908</u>
Net Change in Cash and Cash Equivalents	2,873,477	(120,969)	2,752,508	(1,449,794)
Cash and Cash Equivalents, Beginning of Year	3,226,288	1,072,357	4,298,645	8,161,042
Cash and Cash Equivalents, End of Year	<u>\$ 6,099,765</u>	<u>\$ 951,388</u>	<u>\$ 7,051,153</u>	<u>\$ 6,711,248</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating Income (Loss)	\$ (384,370)	\$ (255,299)	\$ (639,669)	\$ (1,489,241)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Depreciation	-	21,144	21,144	862,688
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in:				
Accounts Receivable	(11,976)	(23,515)	(35,491)	5,786
Due from Other Funds	-	-	-	517,166
Due from Other Governments	-	24,237	24,237	-
Inventories	-	-	-	5,319
Deferred Outflows of Resources Related to Pensions	(67,875)	-	(67,875)	849,852
Increase (Decrease) in:				
Accounts Payable	(21,442)	1,671	74,853	75,898
Salaries and Benefits Payable	(30,745)	(19,139)	(49,884)	70,866
Due to Other Funds	233,816	38,459	272,275	(8,019)
Compensated Absences	(30,837)	(488)	(31,325)	14,770
Net Pension Liability	86,367	-	86,367	(4,541,035)
Special Item - Pension Expense	-	-	-	3,783,672
Due to Other Governments	-	-	-	(130,594)
Deferred Inflows of Resources Related to Pensions	(1,318)	-	(1,318)	(92,489)
Developer and Other Agency Deposits	2,983,939	153,828	3,043,143	-
Net Cash Provided by (Used In) Operating Activities	<u>\$ 2,755,559</u>	<u>\$ (59,102)</u>	<u>\$ 2,696,457</u>	<u>\$ (75,361)</u>

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, 2020

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, except for fiduciary activities. 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, including fiduciary funds. Separate statements for each fund category - *governmental*, *proprietary*, and *fiduciary* - 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, 2020

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 funds:

- ◆ 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. Agency funds report only assets and liabilities under the accrual basis and have no measurement focus.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Basis of Accounting - Continued

Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied. Agency funds report only assets and liabilities under the accrual basis and have no measurement focus.

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 \$1,865,758 and \$6,454,579, 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 position 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 position 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 fund the current year but received in a future period. The District also recognizes deferred inflows of resources on the government-wide financial statements in relation to pensions and other postemployment benefits (OPEB).

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

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 st Installment
	February 1	-	2 nd Installment
Delinquent Date	December 10	-	1 st Installment
	April 10	-	2 nd Installment

H) Inventories

Inventories, which consist of materials and supplies held for consumption, are valued at the lower of cost (on a first-in, first-out basis) or market 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 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.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Capital Assets – Continued

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

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.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

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.

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.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Net Position/Fund Balances - Continued

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.

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.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Net Position/Fund Balances - Continued

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 2018-19 and the net pension liability is measured as of June 30, 2019. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2018 and were rolled forward to June 30, 2019.

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, 2020

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

R) Special Item

The Internal Service Funds are not expected to make contributions toward the Net Pension Liability and related deferred inflows and outflows. Management made the decision for the fiscal year ended June 30, 2020 to remove Net Pension Liability from the Internal Service Funds. This change in estimate has no effect on the Government-Wide Statements but resulted in a Special Item of \$3,783,672 to the Internal Service Funds.

S) 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, 2019
Measurement Date	June 30, 2019
Measurement Period	July 1, 2018 to June 30, 2019

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

Governmental Accounting Standards Board Statement No. 84

In January of 2017, GASB issued Statement No. 84, *Fiduciary Activities*. This Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. This statement does not have any effect on the District's financial statements.

Governmental Accounting Standards Board Statement No. 87

In June of 2017, GASB issued Statement No. 87, *Leases*. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources based on the payment provisions of the contract. Statement No. 87 are effective for reporting periods beginning after December 15, 2019. The District has evaluated, and it didn't report any leases, therefore has determined there is no 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, 2020

2) CASH AND INVESTMENTS

Cash and investments totaled \$292,004,579 as of June 30, 2020. 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	\$ 292,003,979
Imprest Cash Held at the District	600
Total Cash and Investments	<u>\$ 292,004,579</u>

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

Cash and Investments Summary:	
Total Governmental Activities	\$ 284,953,426
Total Business-type Activities	7,051,153
Total Cash and Investments	<u>\$ 292,004,579</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

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 market 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, 2020, the WAM for the Pooled Investment fund portfolio was 1.12 years. Additionally, the County Treasurer maintains at least 40 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. Investments held by Fiscal Agents have a maturity of 1 year or less.

As noted in the County Treasurer's Investment Fund Monthly Report for June 2020, the Pooled Investment fund was rated: Aaa-bf by Moody's Investor Service and AAAf/S1 by Fitch Ratings.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

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, 2020, 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, 2020, 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, 2020

3) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The amounts due to/from other funds as of June 30, 2020 are as follows:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Subdivision Operations	244,500
	Nonmajor Enterprise Funds	43,080
		<u>\$ 287,580</u>
Zone 7	Zone 7 Maintenance	110,038
		<u>\$ 110,038</u>
Total Due To/From Other Funds		<u>\$ 397,618</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 (in thousands):

<u>Transfer From</u>	<u>Transfer To</u>	<u>Amount</u>	<u>Purpose</u>
Operating or Debt Subsidy:			
Zone 1	General Fund	\$ 71,461	Funded Leave Balance
Zone 2	General Fund	109,887	Funded Leave Balance
Zone 3	General Fund	35,921	Funded Leave Balance
Zone 4	General Fund	113,352	Funded Leave Balance
Zone 5	General Fund	23,290	Funded Leave Balance
Zone 6	General Fund	71,584	Funded Leave Balance
Zone 7	General Fund	55,878	Funded Leave Balance
NPDES Whitewater	General Fund	7,171	Funded Leave Balance
NPDES Santa Ana	General Fund	26,830	Funded Leave Balance
NPDES Santa Margarita	General Fund	17,041	Funded Leave Balance
Zone 4	Other Governmental Funds	<u>2,830,500</u>	Transfer of Cash to Process Debt Service Payment
Total Transfers		<u>\$ 3,362,915</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, 2020

4) CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2020 was as follows:

	Beginning Balance (Restated)	Additions	Retirements	Transfers	Ending Balance
Governmental Activities:					
<i>Capital Assets, Nondepreciable:</i>					
Land and Easements ¹	\$271,504,634	\$ 11,328,859	-	\$ -	\$282,833,493
Construction in Progress ¹	43,886,852	8,485,100	-	(19,108,492)	33,263,460
Total Capital Assets, Nondepreciable	<u>315,391,486</u>	<u>19,813,959</u>	<u>-</u>	<u>(19,108,492)</u>	<u>316,096,953</u>
<i>Capital Assets, Depreciable</i>					
Infrastructure	873,134,030	14,683,693	-	19,108,492	906,926,215
Land Improvements	110,479	-	-	-	110,479
Buildings and Improvements	14,361,609	-	-	-	14,361,609
Equipment	16,871,830	1,657,778	(652,103)	-	17,877,505
Total Capital Assets, Depreciable	<u>904,477,948</u>	<u>16,341,471</u>	<u>(652,103)</u>	<u>19,108,492</u>	<u>939,275,808</u>
Less Accumulated Depreciation for:					
Infrastructure	(181,786,321)	(11,981,350)	-	-	(193,767,671)
Land Improvements	(30,503)	(1,116)	-	-	(31,619)
Buildings and Improvements	(5,626,073)	(282,062)	-	-	(5,908,135)
Equipment	(14,470,611)	(905,133)	652,103	-	(14,723,641)
Total Accumulated Depreciation	<u>(201,913,508)</u>	<u>(13,169,661)</u>	<u>652,103</u>	<u>-</u>	<u>(214,431,066)</u>
Total Capital Assets, Depreciable, Net	<u>702,564,440</u>	<u>3,171,810</u>	<u>-</u>	<u>19,108,492</u>	<u>724,844,742</u>
Governmental Activities Capital Assets, Net	<u>\$1,017,955,926</u>	<u>\$22,985,769</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$1,040,941,695</u>
Business-type Activities:					
<i>Capital Assets, Depreciable</i>					
Equipment	\$ 689,085	\$ 83,000	\$ (153,622)	\$ -	\$ 618,463
Total Capital Assets, Depreciable	<u>689,085</u>	<u>83,000</u>	<u>(153,622)</u>	<u>-</u>	<u>618,463</u>
Less Accumulated Depreciation for:					
Equipment	(612,919)	(21,144)	153,622	-	(480,441)
Total Accumulated Depreciation	<u>(612,919)</u>	<u>(21,144)</u>	<u>153,622</u>	<u>-</u>	<u>(480,441)</u>
Total Capital Assets, Depreciable, Net	<u>76,166</u>	<u>61,856</u>	<u>-</u>	<u>-</u>	<u>138,022</u>
Business-type Activities Capital Assets, Net	<u>\$ 76,166</u>	<u>\$ 61,856</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 138,022</u>

¹ Note 4 – Prior Period Adjustment – See Note 11.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

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, 2020 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	14,636,695	1,590,031	(597,197)	15,629,529
Total Capital Assets, Depreciable	<u>14,648,876</u>	<u>1,590,031</u>	<u>(597,197)</u>	<u>15,641,710</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(6,944)	(244)	-	(7,188)
Equipment	(12,321,248)	(862,444)	597,197	(12,586,495)
Total Accumulated Depreciation	<u>(12,328,192)</u>	<u>\$ (862,688)</u>	<u>\$ 597,197</u>	<u>(12,593,683)</u>
Internal Service Funds Capital Assets, Net	<u>\$ 2,320,684</u>	<u>\$ 727,343</u>	<u>\$ -</u>	<u>\$ 3,048,027</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 324,507
Public Ways and Facilities	11,982,466
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.	862,688
Total Depreciation Expense - Governmental Functions	<u>\$ 13,169,661</u>

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

Other Enterprise Funds	\$ 21,144
Total Depreciation Expense - Business-type Functions	<u>\$ 21,144</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, 2020, 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, 2020

5) LONG-TERM OBLIGATIONS

The following is a summary of long-term liability transactions for the year ended June 30, 2020:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
Governmental activities:					
Compensated Absences	\$ 3,425,912	\$ 267,243	\$ (228,964)	\$ 3,464,191	\$ 342,906
Promissory Note	14,690,000	-	(2,160,000)	12,530,000	2,270,000
Promissory Note Premium	1,453,972	-	(242,328)	1,211,644	-
Net OPEB Liability	-	678,319	-	678,319	-
Net Pension Liabilities	66,058,495	24,603,780	(19,489,137)	71,173,138	-
Total Governmental Activities - Long-term Liabilities	<u>\$ 85,628,379</u>	<u>\$ 25,549,342</u>	<u>\$ (22,120,429)</u>	<u>\$ 89,057,292</u>	<u>\$ 2,612,906</u>
Business-type activities:					
Compensated Absences	\$ 94,251	3,622	(34,947)	\$ 62,926	6,229
Net Pension Liabilities	2,262,185	772,733	(686,366)	2,348,552	-
Total Business-type Activities - Long-term Liabilities	<u>\$ 2,356,436</u>	<u>\$ 776,355</u>	<u>\$ (721,313)</u>	<u>\$ 2,411,478</u>	<u>\$ 6,229</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, 2020, the outstanding notes payable totaled \$12,530,000 and the unamortized premium amounted to \$1,211,644.

The annual debt service repayment schedule for the Zone 4 2015 Negotiable Promissory Notes as of June 30, 2020 is as follows:

Fiscal Year (June 30)	Principal	Interest	Total
2021	2,270,000	559,750	2,829,750
2022	2,380,000	443,500	2,823,500
2023	2,500,000	321,500	2,821,500
2024	2,625,000	193,375	2,818,375
2025	2,755,000	63,875	2,818,875
Total	<u>\$ 12,530,000</u>	<u>\$ 1,582,000</u>	<u>\$ 14,112,000</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

6) SELF-INSURANCE PROGRAM

The District participates in the County's self-insurance program. The County is self-insured for public liability, property damage, long-term and short-term disability, medical malpractice, unemployment and workers' compensation. The County records estimated liabilities for such claims filed or estimated to be filed for incidents that have occurred. The County supplements its self-insurance for long-term disability and workers' compensation with insurance policies. The insurance carrier pays all long-term disability payments exceeding the first two years of coverage.

The maximum coverage under the workers' compensation policy is \$500,000 per claim, 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 2020 was \$595,538.

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 comprehensive annual 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 PEPRA 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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

7) RETIREMENT PLAN – Continued

C) Contribution Description – Continued

unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the fiscal year ended June 30, 2020 the average active employee contribution rate is 8 percent of annual covered salary and the District's contribution rate is 10.861 percent of annual payroll. The District made contributions to CalPERS of \$12,731,387 for the fiscal year ended June 30, 2020. Included in this contribution was the District's required contribution of \$6,014,980 and an additional contribution towards the District's unfunded liability of \$6,716,407.

D) Net Pension Liability

The District's net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 with a roll-forward adjustment to June 30, 2019.

E) Actuarial Assumptions

For the measurement period ended June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 total pension liability. The June 30, 2019 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.15% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Payroll Growth	3.00%
Mortality Rates	The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.00% thereafter

F) Change of Assumptions

Demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

G) Discount Rate

The discount rate used to measure the total pension liability was 7.15% 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 7.15% percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

7) RETIREMENT PLAN - Continued

G) Discount Rate – Continued

long-term expected discount rate of 7.15% 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.

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 short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation.

Asset Class	New Strategic Allocation	Real Return Years 1-10	Real Return Years 11+
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

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 7/1/2018:</u>	\$ 200,029,144	\$ 131,708,464	\$ 68,320,680
<i>Changes During the Measurement Period:</i>			
Service Cost	3,114,469	-	3,114,469
Interest on the Total Pension Liability	14,237,382	-	14,237,382
Changes of Assumptions	-	-	-
Differences between Expected and Actual Experience	2,632,712	-	2,632,712
Net Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	5,019,882	(5,019,882)
Contributions from the Employee	-	1,240,294	(1,240,294)
Net Investment Income	-	8,617,060	(8,617,060)
Benefit Payments	(10,189,735)	(10,189,735)	-
Administrative Expense	-	(93,990)	93,990
Other Miscellaneous Income/(Expense)	-	307	(307)
Net Changes	<u>9,794,828</u>	<u>4,593,818</u>	<u>(5,201,010)</u>
<u>Balance at Measurement Date of 6/30/2019:</u>	<u>\$ 209,823,972</u>	<u>\$ 136,302,282</u>	<u>\$ 73,521,690</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 7.15 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 (6.15 percent) or 1 percent-point higher (8.15 percent) than the current rate:

	Discount Rate – 1% (6.15 %)	Discount Rate (7.15 %)	Discount Rate + 1% (8.15 %)
Plan's Net Pension Liability/ (Asset)	\$ 101,420,758	\$ 73,521,690	\$ 50,485,959

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, 2020

7) RETIREMENT PLAN - Continued

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

For the year ended June 30, 2020, the District recognized pension expense of \$13,768,342. At June 30, 2020, 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	\$12,731,387	\$ -
Changes of Assumptions	1,842,879	(476,064)
Differences between Expected and Actual Experience	2,640,719	(418,479)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	-	(758,971)
Total	\$ 17,214,985	\$ (1,653,514)

\$12,731,387 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, 2021. 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
2020	3,271,973
2021	(843,370)
2022	272,333
2023	129,148
2024	-
Thereafter	-
	<u>\$ 2,830,084</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, 2020

7) RETIREMENT PLAN – Continued

K) Recognition of Gains and Losses – Continued

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

The EARSL for the Plan for the June 30, 2019 measurement period is 3.7 years, which was obtained by dividing the total service years of 2,322 (the sum of remaining service lifetimes of the active employees) by 623 (the total number of participants: active, inactive, and retired).

L) Employees Covered

At June 30, 2018, the following employees were covered by the CalPERS Plan:

Active employees	220
Inactive employees or beneficiaries currently receiving benefits	263
<u>Inactive employees entitled to, but not yet receiving benefits</u>	<u>140</u>
Total	<u>623</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, 2020, 70 District employees meet the age eligibility requirements, 57 of which will be covered upon retirement while the remaining 13 will qualify upon reaching 5 years of service. Another 90 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, 2020

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

B) Employees Covered

As of the June 30, 2019 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	212
Inactive employees or beneficiaries currently receiving benefits	36
Inactive employees entitled to, but not yet receiving benefits	-
Total	248

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. These amounts do not increase in future years to account for inflation.

Dental and vision benefits offered to the District retirees are not considered to vary by age or demographics. Therefore, because a retiree must pay the entire premium amount to receive dental and vision benefits, this year there is a liability of \$678,319 to the District for providing these benefits. The liability was the result of implementation of the Implicit Rate Subsidy calculation.

The District made a pre-funding contribution of \$550,000 to the Plan prior to June 30, 2020 in recognition of the increase in the Actuarial Accrued Liability.

D) Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2019 based on the following actuarial methods and assumptions:

Actuarial Valuation Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal with Amortization of 7/1/2017 unfunded liability over a period ending 6/30/2027 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	Market Value
Discount Rate	6.22%
Investment Rate of Return	6.22%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	2.75%
Retirement Age	Retirement rates developed in the 2017 CalPERS Experience Study
Healthcare Cost Trend Rate	The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.
Mortality	Pub-2010 Headcount-Weighted Public Retirement Plans Mortality Tables using scale MP-2019
Inflation Rate	2.50%

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - Continued

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	22%	± 5%
Global Fixed Income	49%	± 5%
Treasury Inflation-Protected Securities (TIPS)	16%	± 3%
Real Estate Investment Trusts (REITs)	8%	± 5%
Commodities	5%	± 3%

E) Discount Rate

The discount rate used to measure the total OPEB liability was 6.22%. 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.

F) 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 7/1/2018:</u>	\$ 535,221	\$ 571,147	\$ (35,926)
<i>Changes During the Measurement Period:</i>			
Service Cost	3,463	-	3,463
Interest on the Total OPEB Liability	31,789	-	31,789
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	36,986	-	36,986
Changes of Assumptions	682,857	-	682,857
Benefits Payments	(39,081)	(39,081)	-
Contributions From the Employer	-	-	-
Net Investment Income	-	41,133	(41,133)
Administrative Expense	-	(283)	283
Net Changes	\$716,014	\$1,769	\$714,245
<u>Balance at Measurement Date of 6/30/2019:</u>	<u>\$1,251,235</u>	<u>\$572,916</u>	<u>\$678,319</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - Continued

G) 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, 2020:

	Discount Rate – 1% (5.22 %)	Discount Rate (6.22 %)	Discount Rate + 1% (7.22 %)
Net OPEB Liability/ (Asset)	\$859,586	\$678,319	\$531,477

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for the measurement period ended June 30, 2020:

	Trend Rate – 1%	Trend Rate	Trend Rate + 1%
Net OPEB Liability/ (Asset)	\$526,278	\$678,319	\$869,415

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

H) 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.

I) Recognition of Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2020, the District recognized OPEB expense of \$ 82,040. At June 30, 2020, 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	\$ 55,009	\$ -
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	2,328	-
Assumption Changes	618,710	(1,553)
Contributions Made Subsequent to Measurement Date	592,855	-
Total	\$ 1,268,902	\$ (1,553)

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
2021	80,273
2022	80,271
2023	78,331
2024	76,885
2024	78,358
Thereafter	280,376
	<u>\$ 674,494</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2020

9) CONTINGENCIES AND COMMITMENTS

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. The estimated amount of remaining construction contract obligations at year-end is \$4,024,125.

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 \$48,457,798 for the year ended June 30, 2020.

11) PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$5,150,338 was made to decrease the Governmental Activities - *Capital Assets, Nondepreciable* Land and Easements and Construction in Progress beginning balances. The adjustment was made to correct an overstatement of \$5,653,986 in Construction in Progress and record \$503,648 in Land and Easements for prior period costs not previously reported.

REQUIRED SUPPLEMENTARY INFORMATION



CONTENTS

- ◆ *Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Plan Contributions of Retirement Program, and Schedule of Funding Progress of OPEB*
- ◆ *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, 2020

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

Measurement Period¹	2019	2018
TOTAL PENSION LIABILITY		
Service Cost	\$ 3,114,469	\$ 3,238,686
Interest on Total Pension Liability	14,237,382	13,567,811
Changes of Assumptions ²	-	(1,005,026)
Difference Between Expected and Actual Experience	2,632,712	(883,457)
Benefit Payments, Including Refunds of Employee Contributions	<u>(10,189,735)</u>	<u>(9,835,189)</u>
Net Change in Total Pension Liability	\$ 9,794,828	\$ 5,082,825
Total Pension Liability – Beginning	<u>200,029,144</u>	<u>194,946,319</u>
Total Pension Liability – Ending (a)	<u>\$ 209,823,972</u>	<u>\$ 200,029,144</u>
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	\$ 5,019,882	\$ 4,252,929
Contributions – Employee	1,240,294	1,269,147
Net Investment Income	8,617,060	10,585,972
Benefit Payments, Including Refunds of Employee Contributions	(10,189,735)	(9,835,189)
Net Plan to Plan Resource Movement	-	(307)
Administrative Expense	(93,990)	(196,351)
Other Miscellaneous Income/(Expense)	307	(372,873)
Net Change in Fiduciary Net Position	\$ 4,593,818	\$ 5,703,328
Plan Fiduciary Net Position – Beginning	\$ 131,708,464	\$ 126,005,136
Plan Fiduciary Net Position – Ending (b)	<u>136,302,282</u>	<u>131,708,464</u>
Plan Net Pension Liability/(Asset) – Ending (a) - (b)	<u>\$ 73,521,690</u>	<u>\$ 68,320,680</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	64.96%	65.84%
Covered Payroll	\$ 17,304,528	\$ 17,580,534
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	424.87%	388.62%

Schedule of Plan Contributions – Retirement Program

Fiscal Year End¹	2020	2019	2018
Actuarially Determined Contribution	\$ 6,014,980	\$ 5,019,882	\$ 4,252,929
Contributions in Relation to the Actuarially Determined Contribution	<u>(12,731,387)</u>	<u>(5,019,882)</u>	<u>(4,252,929)</u>
Contribution Deficiency / (Excess)	<u>\$ (6,716,407)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll ³	\$ 17,823,664	\$ 17,304,528	\$ 17,580,534
Contributions as a Percentage of Covered Payroll	33.75%	29.01%	24.19%

¹ 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.

² In 2019, the accounting discount rate remained at 7.15 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, the amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent. In 2014, amounts reported were based on the 7.5 percent discount rate.

³ Includes one year's payroll growth using 3.00 percent payroll assumption.

2017	2016	2015	2014
\$ 3,195,682	\$ 2,736,183	\$ 2,605,929	\$ 2,658,904
13,181,756	12,355,012	11,562,462	10,888,518
11,057,277	-	1,641,380	-
4,317,304	3,136,481	(2,831,312)	-
(8,387,021)	(7,290,390)	(6,729,370)	(6,006,531)
\$ 23,364,998	\$ 10,937,286	\$ 6,249,089	\$ 7,540,891
171,581,321	160,644,035	154,394,946	146,854,055
\$ 194,946,319	\$ 171,581,321	\$ 160,644,035	\$ 154,394,946

\$ 3,898,709	\$ 3,444,770	\$ 2,917,761	\$ 2,792,524
1,343,302	1,355,866	1,276,885	1,393,782
12,841,732	665,782	2,659,895	17,670,115
(8,387,021)	(7,290,390)	(6,729,370)	(6,006,531)
828	-	-	-
(171,974)	(72,144)	(133,244)	-
-	-	-	-
\$ 9,525,576	\$ (1,896,116)	\$ (8,073)	\$ 15,849,890
\$ 116,479,560	\$ 118,375,676	\$ 118,383,749	\$ 102,533,859
126,005,136	116,479,560	118,375,676	118,383,749
\$ 68,941,183	\$ 55,101,761	\$ 42,268,359	\$ 36,011,197

64.64%	67.89%	73.69%	76.68%
\$ 17,427,507	\$ 16,643,449	\$ 15,837,660	\$ 15,385,395
395.59%	331.07%	266.89%	234.06%

2017	2016	2015	2014
\$ 3,898,709	\$ 3,444,770	\$ 2,917,761	\$ 2,792,524
(3,898,709)	(3,444,770)	(2,917,761)	(2,792,524)
\$ -	\$ -	\$ -	\$ -
\$ 17,427,507	\$ 16,643,449	\$ 15,837,660	\$ 15,385,395
22.37%	20.70%	18.42%	18.15%

Riverside County Flood Control and Water Conservation District
Schedule of Required Supplementary Information
For the Year Ended June 30, 2020

Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement Period	2019	2018	2017
TOTAL OPEB LIABILITY			
Service Cost	\$ 3,463	\$ 3,739	\$ 4,411
Interest on Total OPEB Liability	31,789	30,744	29,781
Difference Between Expected and Actual Experience	36,986	12,732	19,020
Changes of Assumptions	682,857	7,824	(2,438)
Benefit Payments, Including Refunds of Employee Contributions	(39,081)	(36,327)	(32,456)
Net Change in Total OPEB Liability	\$ 716,014	\$ 18,712	\$ 18,318
Total OPEB Liability – Beginning	535,221	516,509	498,191
Total OPEB Liability – Ending (a)	\$ 1,251,235	\$ 535,221	\$ 516,509
PLAN FIDUCIARY NET POSITION			
Contributions – Employer	\$ -	\$ 36,327	\$ -
Contributions – Employee	-	-	-
Net Investment Income	41,133	26,130	23,248
Benefit Payments, Including Refunds of Employee Contributions	(39,081)	(36,327)	(32,456)
Administrative Expense	(283)	(278)	(277)
Net Change in Fiduciary Net Position	\$ 1,769	\$ 25,852	\$ (9,485)
Plan Fiduciary Net Position – Beginning	\$ 571,147	\$ 545,295	\$ 554,780
Plan Fiduciary Net Position – Ending (b)	572,916	571,147	545,295
Plan Net OPEB Liability/(Asset) – Ending (a) - (b)	\$ 678,319	\$ (35,926)	\$ (28,786)
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	45.79%	106.71%	105.57%
Covered Employee Payroll	\$ 16,955,926	\$ 17,353,758	\$ 17,544,635
Net OPEB Liability/(Asset) as a Percentage of Covered Employee Payroll	4.00%	-0.21%	-0.16%

Notes to Schedule:

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.

Changes in assumptions: Mortality assumptions were revised to reflect newly released Society of Actuaries future improvement scale, MP-2019.

Riverside County Flood Control and Water Conservation District
Schedule of Required Supplementary Information
For the Year Ended June 30, 2020

Schedule of OPEB Plan Contributions

Fiscal Year End	2020	2019	2018	2017
Actuarially Determined Contribution	\$ 4,857	\$ -	\$ -	\$ -
Contributions in Relation to the Actuarially Determined Contribution	(550,000)	-	(36,327)	-
Contribution Deficiency / (Excess)	<u>\$ (545,143)</u>	<u>\$ -</u>	<u>\$ (36,327)</u>	<u>\$ -</u>
Covered Employee Payroll	\$ 17,422,214	\$ 16,955,926	\$ 17,353,758	\$ 17,544,635
Contributions as a Percentage of Covered Employee Payroll	3.16%	0.00%	0.21%	0.00%

Notes to Schedule:

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.

Valuation Date: Actuarially determined contribution rates are calculated as of June 30, one year prior to the end of the fiscal year in which contributions are reported.

Covered Employee Payroll: The Covered Employee Payroll for 2020 is calculated on the 2019 Covered Employee Payroll multiplied by the Salary Increases factor of 2.75% stated below in the methods and assumptions used to determine contributions note.

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal with period amortization of 7/1/2017 unfunded liability over a period ending 6/30/2037 and amortization of subsequent unanticipated changes in unfunded liability over a 15-year periods and any asset gain/loss over 5-year periods.
Asset Valuation Method	Market Value
Salary Increases	2.75%
Investment Rate of Return	6.22%, net of OPEB plan investment expense, including inflation.
Retirement Age	Retirement rates developed in the 2017 CalPERS Experience Study
Mortality	Pub-2010 Headcount-Weighted Public Retirement Plans Mortality Tables using Scale MP-2019

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 and Special Revenue funds 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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		Positive (Negative)
REVENUES				
Property Taxes	\$ 4,189,412	\$ 4,189,412	\$ 4,259,621	\$ 70,209
Redevelopment Pass-through	506,528	506,528	899,565	393,037
Intergovernmental	40,061	40,061	40,113	52
Charges for Services	1,238,200	1,238,200	648,724	(589,476)
Charges for Administrative Services	9,000	9,000	-	(9,000)
Investment Earnings	68,000	68,000	93,259	25,259
Total Revenues	<u>6,051,201</u>	<u>6,051,201</u>	<u>5,941,282</u>	<u>(109,919)</u>
EXPENDITURES				
General Government	11,855,350	12,075,350	5,263,119	6,812,231
Capital Outlay	1,695,882	1,475,882	59,747	1,416,135
Total Expenditures	<u>13,551,232</u>	<u>13,551,232</u>	<u>5,322,866</u>	<u>8,228,366</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,500,031)</u>	<u>(7,500,031)</u>	<u>618,416</u>	<u>8,118,447</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	1,159,540	1,159,540	532,415	(627,125)
Transfers Out	(108,000)	(108,000)	-	108,000
Total Other Financing Sources (Uses)	<u>1,051,540</u>	<u>1,051,540</u>	<u>532,415</u>	<u>(519,125)</u>
Net Change in Fund Balance	(6,448,491)	(6,448,491)	1,150,831	7,599,322
Fund Balance, Beginning of Year	<u>4,403,200</u>	<u>4,403,200</u>	<u>4,403,200</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (2,045,291)</u>	<u>\$ (2,045,291)</u>	<u>\$ 5,554,031</u>	<u>\$ 7,599,322</u>

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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 8,879,988	\$ 8,879,988	\$ 8,912,955	\$ 32,967
Redevelopment Pass-through	2,463,549	2,463,549	3,769,079	1,305,530
Intergovernmental	85,968	85,968	89,868	3,900
Charges for Services	-	-	38,476	38,476
Area Drainage Fees	5,000	5,000	-	(5,000)
Investment Earnings	266,753	266,753	682,640	415,887
Use of Assets	155,000	155,000	267,097	112,097
Total Revenues	<u>11,856,258</u>	<u>11,856,258</u>	<u>13,760,115</u>	<u>1,903,857</u>
EXPENDITURES				
Public Ways and Facilities	21,025,663	21,025,663	5,983,990	15,041,673
Capital Outlay	930,362	930,362	339,285	591,077
Total Expenditures	<u>21,956,025</u>	<u>21,956,025</u>	<u>6,323,275</u>	<u>15,632,750</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(10,099,767)</u>	<u>(10,099,767)</u>	<u>7,436,840</u>	<u>17,536,607</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	19,443	19,443	-	(19,443)
Transfers Out	(1,126,512)	(1,126,512)	(71,461)	1,055,051
Total Other Financing Sources (Uses)	<u>(1,107,069)</u>	<u>(1,107,069)</u>	<u>(71,461)</u>	<u>1,035,608</u>
Net Change in Fund Balance	(11,206,836)	(11,206,836)	7,365,379	18,572,215
Fund Balance, Beginning of Year	<u>38,387,640</u>	<u>38,387,640</u>	<u>38,387,640</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 27,180,804</u>	<u>\$ 27,180,804</u>	<u>\$ 45,753,019</u>	<u>\$ 18,572,215</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 2
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 15,612,126	\$ 15,612,126	\$ 15,744,789	\$ 132,663
Redevelopment Pass-through	1,849,188	1,849,188	2,544,900	695,712
Intergovernmental	153,222	153,222	606,585	453,363
Charges for Services	500	500	22,596	22,096
Area Drainage Fees	1,000	1,000	375,630	374,630
Investment Earnings	520,200	520,200	1,394,932	874,732
Use of Assets	100	100	500	400
Total Revenues	18,136,336	18,136,336	20,689,932	2,553,596
EXPENDITURES				
Public Ways and Facilities	16,468,828	23,668,828	20,500,627	3,168,201
Capital Outlay	18,856,799	11,756,799	4,849,084	6,907,715
Total Expenditures	35,325,627	35,425,627	25,349,711	10,075,916
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(17,189,291)</u>	<u>(17,289,291)</u>	<u>(4,659,779)</u>	<u>12,629,512</u>
OTHER FINANCING (USES)				
Transfers In	-	-	-	-
Transfers Out	<u>(1,574,463)</u>	<u>(1,474,463)</u>	<u>(109,887)</u>	<u>1,364,576</u>
Total Other Financing (Uses)	<u>(1,574,463)</u>	<u>(1,474,463)</u>	<u>(109,887)</u>	<u>1,364,576</u>
Net Change in Fund Balance	(18,763,754)	(18,763,754)	(4,769,666)	13,994,088
Fund Balance, Beginning of Year	<u>87,519,796</u>	<u>87,519,796</u>	<u>87,519,796</u>	<u>-</u>
Fund Balance, End of Year	<u><u>\$ 68,756,042</u></u>	<u><u>\$ 68,756,042</u></u>	<u><u>\$ 82,750,130</u></u>	<u><u>\$ 13,994,088</u></u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 3
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 2,070,302	\$ 2,070,302	\$ 2,106,874	\$ 36,572
Special Assessments	-	-	2,093	2,093
Redevelopment Pass-through	797,272	797,272	1,009,782	212,510
Intergovernmental	20,574	20,574	1,895,769	1,875,195
Charges for Services	-	-	3,090	3,090
Investment Earnings	114,137	114,137	109,528	(4,609)
Total Revenues	<u>3,002,285</u>	<u>3,002,285</u>	<u>5,127,136</u>	<u>2,124,851</u>
EXPENDITURES				
Public Ways and Facilities	4,222,698	4,222,698	2,469,480	1,753,218
Capital Outlay	8,044,989	8,044,989	658,819	7,386,170
Total Expenditures	<u>12,267,687</u>	<u>12,267,687</u>	<u>3,128,299</u>	<u>9,139,388</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(9,265,402)</u>	<u>(9,265,402)</u>	<u>1,998,837</u>	<u>11,264,239</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(330,717)	(330,717)	(35,921)	294,796
Total Other Financing Sources (Uses)	<u>(330,717)</u>	<u>(330,717)</u>	<u>(35,921)</u>	<u>294,796</u>
Net Change in Fund Balance	(9,596,119)	(9,596,119)	1,962,916	11,559,035
Fund Balance, Beginning of Year	<u>6,360,725</u>	<u>6,360,725</u>	<u>6,360,725</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ (3,235,394)</u>	<u>\$ (3,235,394)</u>	<u>\$ 8,323,641</u>	<u>\$ 11,559,035</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 4
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 16,328,967	\$ 16,328,967	\$ 16,887,584	\$ 558,617
Redevelopment Pass-through	2,255,929	2,255,929	3,266,980	1,011,051
Intergovernmental	162,039	162,039	3,495,021	3,332,982
Charges for Services	5,500	5,500	24,400	18,900
Area Drainage Fees	-	-	953,730	953,730
Investment Earnings	400,500	400,500	811,736	411,236
Use of Assets	7,800	7,800	15,000	7,200
Total Revenues	19,160,735	19,160,735	25,454,451	6,293,716
EXPENDITURES				
Public Ways and Facilities	17,263,135	17,263,135	11,612,553	5,650,582
Capital Outlay	500,000	500,000	91,974	408,026
Total Expenditures	17,763,135	17,763,135	11,704,527	6,058,608
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,397,600	1,397,600	13,749,924	12,352,324
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	-	-
Transfers Out	(6,062,034)	(6,062,034)	(2,943,852)	3,118,182
Total Other Financing Sources (Uses)	(6,062,034)	(6,062,034)	(2,943,852)	3,118,182
Net Change in Fund Balance	(4,664,434)	(4,664,434)	10,806,072	15,470,506
Fund Balance, Beginning of Year	46,282,053	46,282,053	46,282,053	-
Fund Balance, End of Year	\$ 41,617,619	\$ 41,617,619	\$ 57,088,125	\$ 15,470,506

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 5
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 3,543,278	\$ 3,543,278	\$ 3,734,073	\$ 190,795
Redevelopment Pass-through	521,235	521,235	641,091	119,856
Intergovernmental	35,920	35,920	37,307	1,387
Charges for Services	-	-	34,525	34,525
Investment Earnings	141,009	141,009	322,052	181,043
	<u>4,241,442</u>	<u>4,241,442</u>	<u>4,769,048</u>	<u>527,606</u>
EXPENDITURES				
Public Ways and Facilities	3,312,238	3,312,238	1,843,341	1,468,897
Capital Outlay	3,030,368	3,030,368	-	3,030,368
	<u>6,342,606</u>	<u>6,342,606</u>	<u>1,843,341</u>	<u>4,499,265</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(2,101,164)</u>	<u>(2,101,164)</u>	<u>2,925,707</u>	<u>5,026,871</u>
OTHER FINANCING (USES)				
Transfers Out	<u>(363,252)</u>	<u>(363,252)</u>	<u>(23,290)</u>	<u>339,962</u>
	<u>(363,252)</u>	<u>(363,252)</u>	<u>(23,290)</u>	<u>339,962</u>
Net Change in Fund Balance	(2,464,416)	(2,464,416)	2,902,417	5,366,833
Fund Balance, Beginning of Year	<u>5,625,015</u>	<u>5,625,015</u>	<u>18,223,275</u>	<u>12,598,260</u>
Fund Balance, End of Year	<u>\$ 3,160,599</u>	<u>\$ 3,160,599</u>	<u>\$ 21,125,692</u>	<u>\$ 17,965,093</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 6
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 4,671,149	\$ 4,671,149	\$ 4,693,991	\$ 22,842
Redevelopment Pass-through	1,128,870	1,128,870	1,376,170	247,300
Intergovernmental	50,270	50,270	150,686	100,416
Charges for Services	195	195	1,792	1,597
Investment Earnings	147,072	147,072	278,659	131,587
Use of Assets	3,600	3,600	6,000	2,400
Total Revenues	<u>6,001,156</u>	<u>6,001,156</u>	<u>6,507,298</u>	<u>506,142</u>
EXPENDITURES				
Public Ways and Facilities	5,520,995	10,071,378	9,186,887	884,491
Capital Outlay	8,162,902	3,989,519	2,662,841	1,326,678
Total Expenditures	<u>13,683,897</u>	<u>14,060,897</u>	<u>11,849,728</u>	<u>2,211,169</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(7,682,741)</u>	<u>(8,059,741)</u>	<u>(5,342,430)</u>	<u>2,717,311</u>
OTHER FINANCING (USES)				
Transfers Out	<u>(541,507)</u>	<u>(164,507)</u>	<u>(71,584)</u>	<u>92,923</u>
Total Other Financing (Uses)	<u>(541,507)</u>	<u>(164,507)</u>	<u>(71,584)</u>	<u>92,923</u>
Net Change in Fund Balance	(8,224,248)	(8,224,248)	(5,414,014)	2,810,234
Fund Balance, Beginning of Year	<u>9,683,574</u>	<u>9,683,574</u>	<u>19,651,273</u>	<u>9,967,699</u>
Fund Balance, End of Year	<u>\$ 1,459,326</u>	<u>\$ 1,459,326</u>	<u>\$ 14,237,259</u>	<u>\$ 12,777,933</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 7
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 5,321,226	\$ 5,321,226	\$ 5,385,873	\$ 64,647
Redevelopment Pass-through	393,854	393,854	453,548	59,694
Intergovernmental	54,450	54,450	54,081	(369)
Charges for Services	10,000	10,000	97,324	87,324
Area Drainage Fees	100,000	100,000	116,136	16,136
Investment Earnings	215,454	215,454	466,345	250,891
	<u>6,094,984</u>	<u>6,094,984</u>	<u>6,573,307</u>	<u>478,323</u>
EXPENDITURES				
Public Ways and Facilities	6,528,591	6,528,591	4,169,899	2,358,692
Capital Outlay	100	100	-	100
	<u>6,528,691</u>	<u>6,528,691</u>	<u>4,169,899</u>	<u>2,358,792</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(433,707)</u>	<u>(433,707)</u>	<u>2,403,408</u>	<u>2,837,115</u>
OTHER FINANCING SOURCES (USES)				
Transfers Out	<u>(507,020)</u>	<u>(507,020)</u>	<u>(55,878)</u>	<u>451,142</u>
Total Other Financing Sources (Uses)	<u>(507,020)</u>	<u>(507,020)</u>	<u>(55,878)</u>	<u>451,142</u>
Net Change in Fund Balance	(940,727)	(940,727)	2,347,530	3,288,257
Fund Balance, Beginning of Year	<u>26,812,400</u>	<u>26,812,400</u>	<u>26,812,400</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 25,871,673</u>	<u>\$ 25,871,673</u>	<u>\$ 29,159,930</u>	<u>\$ 3,288,257</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Whitewater
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special Assessments	\$ 310,000	\$ 310,000	\$ 313,464	\$ 3,464
Intergovernmental	412,737	412,737	425,992	13,255
Investment Earnings	36,000	36,000	36,394	394
Total Revenues	<u>758,737</u>	<u>758,737</u>	<u>775,850</u>	<u>17,113</u>
EXPENDITURES				
Public Ways and Facilities	625,478	609,978	549,248	60,730
Total Expenditures	<u>625,478</u>	<u>609,978</u>	<u>549,248</u>	<u>60,730</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>133,259</u>	<u>148,759</u>	<u>226,602</u>	<u>77,843</u>
OTHER FINANCING (USES)				
Transfers Out	(43,280)	(58,780)	(7,171)	51,609
Total Other Financing (Uses)	<u>(43,280)</u>	<u>(58,780)</u>	<u>(7,171)</u>	<u>51,609</u>
Net Change in Fund Balance	89,979	89,979	219,431	129,452
Fund Balance, Beginning of Year	2,147,609	2,147,609	2,147,609	-
Fund Balance, End of Year	<u>\$ 2,237,588</u>	<u>\$ 2,237,588</u>	<u>\$ 2,367,040</u>	<u>\$ 129,452</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Santa Ana
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special Assessments	\$ 2,450,000	\$ 2,450,000	\$ 2,527,551	\$ 77,551
Intergovernmental	418,462	418,462	-	(418,462)
Investment Earnings	135,000	135,000	87,342	(47,658)
Total Revenues	<u>3,003,462</u>	<u>3,003,462</u>	<u>2,614,893</u>	<u>(388,569)</u>
EXPENDITURES				
Public Ways and Facilities	<u>2,868,905</u>	<u>2,816,105</u>	<u>2,493,034</u>	<u>323,071</u>
Total Expenditures	<u>2,868,905</u>	<u>2,816,105</u>	<u>2,493,034</u>	<u>323,071</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>134,557</u>	<u>187,357</u>	<u>121,859</u>	<u>(65,498)</u>
OTHER FINANCING (USES)				
Transfers Out	<u>(98,680)</u>	<u>(151,480)</u>	<u>(26,830)</u>	<u>124,650</u>
Total Other Financing (Uses)	<u>(98,680)</u>	<u>(151,480)</u>	<u>(26,830)</u>	<u>124,650</u>
Net Change in Fund Balance	35,877	35,877	95,029	59,152
Fund Balance, Beginning of Year	<u>5,376,583</u>	<u>5,376,583</u>	<u>5,376,583</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 5,412,460</u>	<u>\$ 5,412,460</u>	<u>\$ 5,471,612</u>	<u>\$ 59,152</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Santa Margarita
For the Year Ended June 30, 2020

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Special Assessments	\$ 530,000	\$ 530,000	\$ 538,012	\$ 8,012
Intergovernmental	1,318,841	1,318,841	660,202	(658,639)
Investment Earnings	21,000	21,000	28,907	7,907
Total Revenues	<u>1,869,841</u>	<u>1,869,841</u>	<u>1,227,121</u>	<u>(642,720)</u>
EXPENDITURES				
Public Ways and Facilities	<u>1,950,225</u>	<u>1,915,525</u>	<u>1,594,825</u>	<u>320,700</u>
Total Expenditures	<u>1,950,225</u>	<u>1,915,525</u>	<u>1,594,825</u>	<u>320,700</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(80,384)</u>	<u>(45,684)</u>	<u>(367,704)</u>	<u>(322,020)</u>
OTHER FINANCING (USES)				
Transfers Out	<u>(104,290)</u>	<u>(138,990)</u>	<u>(17,041)</u>	<u>121,949</u>
Total Other Financing (Uses)	<u>(104,290)</u>	<u>(138,990)</u>	<u>(17,041)</u>	<u>121,949</u>
Net Change in Fund Balance	(184,674)	(184,674)	(384,745)	(200,071)
Fund Balance, Beginning of Year	<u>2,103,417</u>	<u>2,103,417</u>	<u>2,103,417</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 1,918,743</u>	<u>\$ 1,918,743</u>	<u>\$ 1,718,672</u>	<u>\$ (200,071)</u>

SUPPLEMENTARY

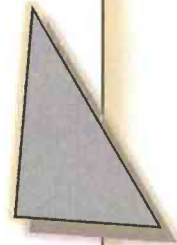
INFORMATION



Leach Canyon Dam Spillway Restoration

CONTENTS

- ◆ *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*
 - ⇒ *Agency Funds*



Riverside County Flood Control and Water Conservation District
Combining Balance Sheet
Other Governmental Funds
June 30, 2020

	Flood Control Capital Project Fund	Zone 4 Debt Service Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 19,379	\$ 1,857	\$ 21,236
Receivables:			
Interest Receivable	37	3	40
Total Assets	\$ 19,416	\$ 1,860	\$ 21,276
FUND BALANCES			
 Restricted for:			
Capital Projects	\$ 19,416	\$ -	\$ 19,416
Debt Service	-	1,860	1,860
Total Fund Balances	19,416	1,860	21,276
Total Liabilities and Fund Balances	\$ 19,416	\$ 1,860	\$ 21,276

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, 2020

	Flood Control Capital Projects Fund	Zone 4 Debt Service Fund	Total
REVENUES			
Investment Earnings	319	521	840
Total Revenues	319	521	840
EXPENDITURES			
Debt Service:			
Principal	-	2,160,000	2,160,000
Interest	-	670,500	670,500
Total Expenditures	-	2,830,500	2,830,500
Excess (Deficiency) of Revenues Over (Under) Expenditures	319	(2,829,979)	(2,829,660)
OTHER FINANCING SOURCES			
Transfers In	-	2,830,500	2,830,500
Total Other Financing Sources	-	2,830,500	2,830,500
Net Change in Fund Balances	319	521	840
Fund Balances, Beginning of Year	19,097	1,339	20,436
Fund Balances, End of Year	\$ 19,416	\$ 1,860	\$ 21,276

**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 funds types.

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Other Governmental Funds - Capital Project Fund
For the Year Ended June 30, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Charges for Services	500	500	-	(500)
Investment Earnings	350	350	319	(31)
Total Revenues	<u>850</u>	<u>850</u>	<u>319</u>	<u>(531)</u>
EXPENDITURES				
Capital Outlay	1,640,000	1,640,000	-	1,640,000
Total Expenditures	<u>1,640,000</u>	<u>1,640,000</u>	<u>-</u>	<u>1,640,000</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(1,639,150)</u>	<u>(1,639,150)</u>	<u>319</u>	<u>1,639,469</u>
OTHER FINANCING (USES)				
Transfers In	1,640,000	1,640,000	-	(1,640,000)
Total Other Financing (Uses)	<u>1,640,000</u>	<u>1,640,000</u>	<u>-</u>	<u>(1,640,000)</u>
Net Change in Fund Balance	850	850	319	(531)
Fund Balance, Beginning of Year	<u>18,881</u>	<u>18,881</u>	<u>19,097</u>	<u>216</u>
Fund Balance, End of Year	<u>\$ 19,731</u>	<u>\$ 19,731</u>	<u>\$ 19,416</u>	<u>\$ (315)</u>

**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, 2020

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Investment Earnings	800	800	521	(279)
Total Revenues	800	800	521	(279)
EXPENDITURES				
Debt Service Principal	2,160,000	2,160,000	2,160,000	-
Debt Service Interest	670,500	670,500	670,500	-
Total Expenditures	2,830,500	2,830,500	2,830,500	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,829,700)	(2,829,700)	(2,829,979)	(279)
OTHER FINANCING (USES)				
Transfers In	2,830,000	2,830,000	2,830,500	500
Total Other Financing (Uses)	2,830,000	2,830,000	2,830,500	500
Net Change in Fund Balance	300	300	521	221
Fund Balance, Beginning of Year	753	753	1,339	586
Fund Balance, End of Year	\$ 1,053	\$ 1,053	\$ 1,860	\$ 807

Riverside County Flood Control and Water Conservation District
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2020

	Photogrammetry Operations	Encroachment Permits	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 415,719	\$ 145,919	\$ 561,638
Receivables:			
Accounts Receivable	-	53,981	53,981
Interest Receivable	780	1,045	1,825
Due from Other Governments	-	7,295	7,295
Total Current Assets	416,499	208,240	624,739
Noncurrent Assets:			
Restricted Cash	5,634	384,116	389,750
Capital Assets:			
Depreciable, Net	138,022	-	138,022
Total Noncurrent Assets	143,656	384,116	527,772
Total Assets	560,155	592,356	1,152,511
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts Payable	1,671	-	1,671
Salaries and Benefits Payable	11,600	24,011	35,611
Due to Other Funds	17,220	25,860	43,080
Compensated Absences - Current Portion	386	2,429	2,815
Developer and Other Agency Deposits	-	384,117	384,117
Total Current Liabilities	30,877	436,417	467,294
Noncurrent Liabilities:			
Compensated Absences	3,513	22,105	25,618
Total Noncurrent Liabilities	3,513	22,105	25,618
Total Liabilities	34,390	458,522	492,912
NET POSITION			
Investment in Capital Assets	138,022	-	138,022
Unrestricted	387,743	133,834	521,577
Total Net Position	\$ 525,765	\$ 133,834	\$ 659,599

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, 2020

	Photogrammetry Operations	Encroachment Permits	Total
OPERATING REVENUES			
Charges for Services	\$ 47,747	\$ 343,540	\$ 391,287
OPERATING EXPENSES			
Personnel Services	99,521	381,643	481,164
Administrative Services	17,220	27,357	44,577
Services and Supplies	30,398	69,303	99,701
Depreciation	21,144	-	21,144
Total Operating Expenses	168,283	478,303	646,586
Operating (Loss)	(120,536)	(134,763)	(255,299)
NONOPERATING REVENUES			
Investment Earnings	8,245	9,501	17,746
Income (Loss)	(112,291)	(125,262)	(237,553)
Change in Net Position	(112,291)	(125,262)	(237,553)
Net Position, Beginning of Year	638,056	259,096	897,152
Net Position, End of Year	\$ 525,765	\$ 133,834	\$ 659,599

Riverside County Flood Control and Water Conservation District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2020

	Photogrammetry Operations	Encroachment Permits	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers/Other Funds	\$ 47,881	\$ 497,956	\$ 545,837
Cash Paid to Suppliers for Goods and Services	(29,167)	(74,981)	(104,148)
Cash Paid to Employees for Services	(94,650)	(406,141)	(500,791)
Net Cash Used In Operating Activities	<u>(75,936)</u>	<u>16,834</u>	<u>(59,102)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (To) Other Funds	-	-	-
Net Cash (Used In) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(83,000)	-	(83,000)
Net Cash Used in Capital and Related Financing Activities	<u>(83,000)</u>	<u>-</u>	<u>(83,000)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	10,200	10,933	21,133
Net Cash Provided by Investing Activities	<u>10,200</u>	<u>10,933</u>	<u>21,133</u>
Net Change in Cash and Cash Equivalents	(148,736)	27,767	(120,969)
Cash and Cash Equivalents, Beginning of Year	570,089	502,268	1,072,357
Cash and Cash Equivalents, End of Year	<u>\$ 421,353</u>	<u>\$ 530,035</u>	<u>\$ 951,388</u>
Reconciliation of Operating (Loss) to Net Cash Used In Operating Activities			
Operating (Loss)	\$ (120,536)	\$ (134,763)	\$ (255,299)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used In) Operating Activities:			
Depreciation	21,144	-	21,144
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in:			
Accounts Receivable	134	(23,649)	(23,515)
Due from Other Governments	-	24,237	24,237
Increase (Decrease) in:			
Accounts Payable	1,671	-	1,671
Salaries and Benefits Payable	8,981	(28,120)	(19,139)
Due to Other Funds	16,780	21,679	38,459
Compensated Absences	(4,110)	3,622	(488)
Developer and Other Agency Deposits	-	153,828	153,828
Net Cash Used In Operating Activities	<u>\$ (75,936)</u>	<u>\$ 16,834</u>	<u>\$ (59,102)</u>

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

Riverside County Flood Control and Water Conservation District
Combining Statement of Net Position
Internal Service Funds
June 30, 2020

	Hydrology Services	Garage	Project Maintenance
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 198,796	\$ 5,209,163	\$ 53,190
Receivables:			
Accounts Receivable	-	-	-
Interest Receivable	139	10,997	33
Due from Other Funds	-	-	-
Due from Other Governments	-	-	-
Inventories	-	56,029	225,501
Total Current Assets	<u>198,935</u>	<u>5,276,189</u>	<u>278,724</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	171,321	2,849,214	-
Total Noncurrent Assets	<u>171,321</u>	<u>2,849,214</u>	<u>-</u>
Total Assets	<u>370,256</u>	<u>8,125,403</u>	<u>278,724</u>
LIABILITIES			
Liabilities:			
Current Liabilities:			
Accounts Payable	149,958	28,991	2,761
Salaries and Benefits Payable	33,483	53,239	-
Due to Other Funds	-	-	-
Due to Other Governments	244	-	-
Compensated Absences - Current Portion	2,547	5,187	184
Total Current Liabilities	<u>186,232</u>	<u>87,417</u>	<u>2,945</u>
Noncurrent Liabilities:			
Compensated Absences	23,188	47,211	1,679
Net Pension Liability	-	-	-
Total Noncurrent Liabilities	<u>23,188</u>	<u>47,211</u>	<u>1,679</u>
Total Liabilities	<u>209,420</u>	<u>134,628</u>	<u>4,624</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	-	-	-
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION			
Investment in Capital Assets	171,321	2,849,214	-
Unrestricted (Deficit)	(10,485)	5,141,561	274,100
Total Net Position	<u>\$ 160,836</u>	<u>\$ 7,990,775</u>	<u>\$ 274,100</u>

<u>Data Processing</u>		<u>Total</u>	
\$	1,250,099	\$	6,711,248
	694		694
	2,683		13,852
	-		-
	-		-
	-		281,530
	<u>1,253,476</u>		<u>7,007,324</u>
	<u>27,492</u>		<u>3,048,027</u>
	<u>27,492</u>		<u>3,048,027</u>
	<u>1,280,968</u>		<u>10,055,351</u>
	15,996		197,706
	57,257		143,979
	-		-
	-		244
	4,572		12,490
	<u>77,825</u>		<u>354,419</u>
	41,614		113,692
	-		-
	<u>41,614</u>		<u>113,692</u>
	<u>119,439</u>		<u>468,111</u>
	-		-
	-		-
	27,492		3,048,027
	<u>1,134,037</u>		<u>6,539,213</u>
\$	<u>1,161,529</u>	\$	<u>9,587,240</u>

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, 2020

	Hydrology Services	Garage	Project Maintenance
OPERATING REVENUES			
Charges for Services	\$ 819,227	\$ 2,574,605	\$ 249,971
OPERATING EXPENSES			
Personnel Services	414,136	869,468	1,931
Administrative Services	-	-	-
Services and Supplies	439,603	1,201,526	262,318
Bad Debt	-	-	-
Depreciation	41,437	796,690	-
Total Operating Expenses	895,176	2,867,684	264,249
Operating Income (Loss)	(75,949)	(293,079)	(14,278)
NONOPERATING REVENUES			
Investment Earnings	1,552	95,820	546
Gain on Sale of Capital Assets	-	71,690	-
Total Nonoperating Revenues	1,552	167,510	546
Income (Loss) Before Transfers	(74,397)	(125,569)	(13,732)
SPECIAL ITEM			
Pension Allocation	725,020	1,670,252	90,919
Total Special Item	725,020	1,670,252	90,919
Changes in Net Position	650,623	1,544,683	77,187
Net Position, Beginning of Year	(489,787)	6,446,092	196,913
Net Position, End of Year	\$ 160,836	\$ 7,990,775	\$ 274,100

<u>Data Processing</u>	<u>Total</u>
\$ 2,510,935	\$ 6,154,738
844,007	2,129,542
-	-
2,748,302	4,651,749
-	-
<u>24,561</u>	<u>862,688</u>
<u>3,616,870</u>	<u>7,643,979</u>
<u>(1,105,935)</u>	<u>(1,489,241)</u>
24,398	122,316
-	71,690
<u>24,398</u>	<u>194,006</u>
<u>(1,081,537)</u>	<u>(1,295,235)</u>
<u>1,297,481</u>	<u>3,783,672</u>
<u>1,297,481</u>	<u>3,783,672</u>
215,944	2,488,437
<u>945,585</u>	<u>7,098,803</u>
<u>\$ 1,161,529</u>	<u>\$ 9,587,240</u>

Riverside County Flood Control and Water Conservation District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2020

	Hydrology Services	Garage	Project Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 934,227	\$ 2,798,879	\$ 249,971
Cash Paid to Suppliers for Goods and Services	(427,828)	(1,237,040)	(269,992)
Cash Paid to Employees for Services	(395,252)	(859,500)	(3,166)
Net Cash Provided by (Used In) Operating Activities	<u>111,147</u>	<u>702,339</u>	<u>(23,187)</u>
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Sale of Capital Assets	-	71,690	-
Acquisition and Construction of Capital Assets	(135,159)	(1,454,872)	-
Net Cash Used in Capital and Related Financing Activities	<u>(135,159)</u>	<u>(1,383,182)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	1,945	110,445	726
Net Cash Provided by Investing Activities	<u>1,945</u>	<u>110,445</u>	<u>726</u>
Net Change in Cash and Cash Equivalents	(22,067)	(570,398)	(22,461)
Cash and Cash Equivalents, Beginning of Year	220,863	5,779,561	75,651
Cash and Cash Equivalents, End of Year	<u>\$ 198,796</u>	<u>\$ 5,209,163</u>	<u>\$ 53,190</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (75,949)	\$ (293,079)	\$ (14,278)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	41,437	796,690	-
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in:			
Accounts Receivable	-	-	-
Due from Other Funds	115,000	224,274	-
Inventories	-	11,749	(6,430)
Deferred Outflows of Resources Related to Pensions	162,847	375,156	20,421
Increase (Decrease) in:			
Accounts Payable	147,154	(40,462)	(1,244)
Salaries and Benefits Payable	17,859	14,526	-
Due to Other Funds	(4,813)	(6,773)	-
Compensated Absences	1,025	(4,558)	(1,235)
Net Pension Liability	(870,144)	(2,004,580)	(109,118)
Special Item - Pension Allocation	725,020	1,670,252	90,919
Due to Other Governments	(130,566)	(28)	-
Deferred Inflows of Resources Related to Pensions	(17,723)	(40,828)	(2,222)
Net Cash Provided by (Used In) Operating Activities	<u>\$ 111,147</u>	<u>\$ 702,339</u>	<u>\$ (23,187)</u>

Data Processing	Total
\$ 2,694,613	\$ 6,677,690
(2,774,285)	(4,709,145)
(785,988)	(2,043,906)
<u>(865,660)</u>	<u>(75,361)</u>
-	-
-	71,690
-	<u>(1,590,031)</u>
-	<u>(1,518,341)</u>
30,792	143,908
30,792	143,908
(834,868)	(1,449,794)
2,084,967	8,161,042
<u>\$ 1,250,099</u>	<u>\$ 6,711,248</u>
\$ (1,105,935)	\$ (1,489,241)
24,561	862,688
5,786	5,786
177,892	517,166
-	5,319
291,428	849,852
(29,550)	75,898
38,481	70,866
3,567	(8,019)
19,538	14,770
(1,557,193)	(4,541,035)
1,297,481	3,783,672
-	(130,594)
<u>(31,716)</u>	<u>(92,489)</u>
<u>\$ (865,660)</u>	<u>\$ (75,361)</u>

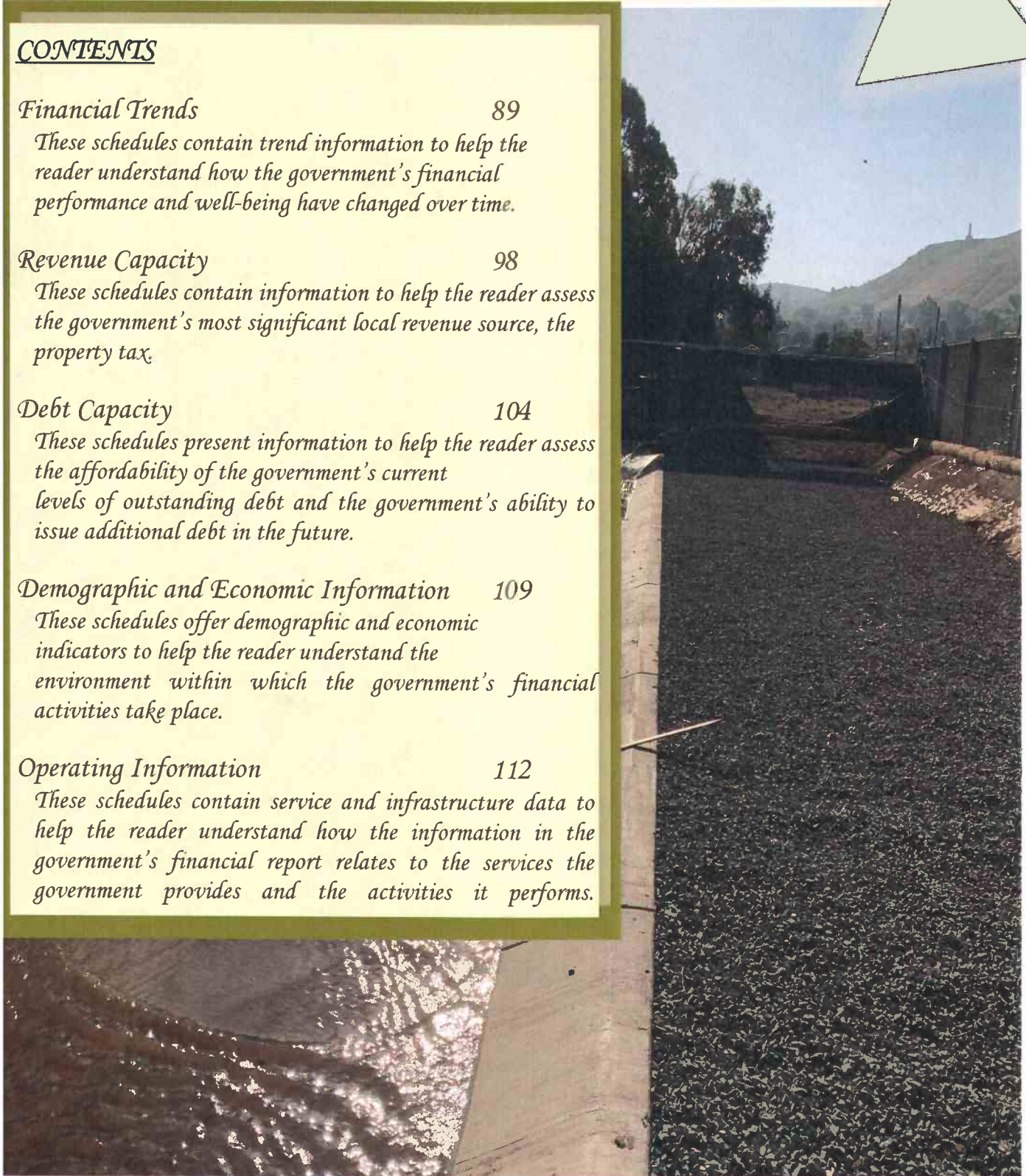
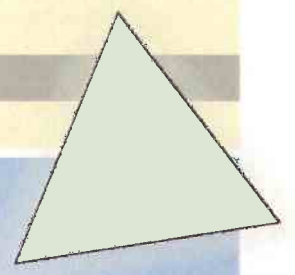
Riverside County Flood Control and Water Conservation District
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the Year Ended June 30, 2020

Flood Stop Notices	Beginning Balance	Additions	Deletions	Ending Balance
ASSETS				
Cash and Investments	\$ 6,883	\$ 2,311	\$ 9,194	\$ 0
Total Assets	<u>\$ 6,883</u>	<u>\$ 2,311</u>	<u>\$ 9,194</u>	<u>\$ 0</u>
LIABILITIES				
Accounts Payable	\$ 6,883	\$ 61,132	\$ 68,015	\$ -
Total Liabilities	<u>\$ 6,883</u>	<u>\$ 61,132</u>	<u>\$ 68,015</u>	<u>\$ -</u>
Special Subdivision				
ASSETS				
Cash and Investments	\$ 3,158,979	\$ 4,234,079	\$ 7,393,058	\$ 0
Interest Receivable	-	\$ 1,386	1,386	-
Total Assets	<u>\$ 3,158,979</u>	<u>\$ 4,235,465</u>	<u>\$ 7,394,444</u>	<u>\$ 0</u>
LIABILITIES				
Accounts Payable	\$ 3,158,979	\$ 3,793,870	\$ 6,952,849	\$ 0
Total Liabilities	<u>\$ 3,158,979</u>	<u>\$ 3,793,870</u>	<u>\$ 6,952,849</u>	<u>\$ 0</u>
Total Agency Funds				
ASSETS				
Cash and Investments	\$ 3,165,862	\$ 4,236,390	\$ 7,402,252	\$ 0
Interest Receivable	-	1,386	1,386	-
Total Assets	<u>\$ 3,165,862</u>	<u>\$ 4,237,776</u>	<u>\$ 7,403,638</u>	<u>\$ 0</u>
LIABILITIES				
Accounts Payable	\$ 3,165,862	\$ 3,855,002	\$ 7,020,864	\$ 0
Total Liabilities	<u>\$ 3,165,862</u>	<u>\$ 3,855,002</u>	<u>\$ 7,020,864</u>	<u>\$ 0</u>

STATISTICAL SECTION

CONTENTS

- 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

	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014¹</u>	<u>2015</u>
Governmental Activities					
Net Investment in Capital Assets	\$ 756,970	\$ 804,107	\$ 827,905	\$ 851,201	\$ 923,240
Restricted	251,826	256,317	252,220	255,222	215,008
Unrestricted	9,459	7,773	10,534	(33,751)	(35,251)
Total Governmental Activities Net Position	<u>\$1,018,255</u>	<u>\$1,068,197</u>	<u>\$1,090,659</u>	<u>\$1,072,672</u>	<u>\$1,102,997</u>
Business-type Activities					
Net Investment in Capital Assets	\$ 23	\$ 16	\$ 7	\$ 8	\$ 5
Unrestricted	2,263	2,613	2,601	1,269	942
Total Business-type Activities Net Position	<u>\$ 2,286</u>	<u>\$ 2,629</u>	<u>\$ 2,608</u>	<u>\$ 1,277</u>	<u>\$ 947</u>
Primary Government					
Net Investment in Capital Assets	\$ 756,993	\$ 804,123	\$ 827,912	\$ 851,209	\$ 923,245
Restricted	251,826	256,317	252,220	255,222	215,008
Unrestricted	11,722	10,386	13,135	(32,482)	(34,309)
Total Primary Government Net Position	<u>\$1,020,541</u>	<u>\$1,070,826</u>	<u>\$1,093,267</u>	<u>\$1,073,949</u>	<u>\$1,103,944</u>

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

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

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

³ 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					
2016	2017 ²	2018	2019	2020 ³	
\$ 946,551	\$ 958,273	\$ 982,108	\$ 1,006,962	\$ 1,027,200	Governmental Activities
203,985	223,412	233,481	253,945	269,383	Net Investment in Capital Assets
(33,778)	(36,026)	(41,337)	(45,548)	(46,925)	Restricted
<u>\$1,116,758</u>	<u>\$1,145,659</u>	<u>\$ 1,174,252</u>	<u>\$ 1,215,359</u>	<u>\$ 1,249,658</u>	Unrestricted
					Total Governmental Activities Net Position
					Business-type Activities
\$ 2	\$ 1	\$ 71	\$ 76	\$ 138	Net Investment in Capital Assets
740	395	(675)	(961)	(1,533)	Unrestricted
<u>\$ 742</u>	<u>\$ 396</u>	<u>\$ (604)</u>	<u>\$ (885)</u>	<u>\$ (1,395)</u>	Total Business-type Activities Net Position
					Primary Government
\$ 946,553	\$ 958,274	\$ 982,179	\$ 1,007,038	\$ 1,027,338	Net Investment in Capital Assets
203,985	223,412	233,481	253,945	269,383	Restricted
(33,038)	(35,631)	(42,012)	(46,509)	(48,458)	Unrestricted
<u>\$1,117,500</u>	<u>\$1,146,055</u>	<u>\$ 1,173,648</u>	<u>\$ 1,214,474</u>	<u>\$ 1,248,263</u>	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

	Fiscal Year				
	2011	2012	2013	2014	2015
Expenses					
Governmental Activities:					
General government	\$ 5,572	\$ 4,244	\$ 4,017	\$ 5,222	\$ 6,001
Public ways and facilities	39,192	42,219	45,046	43,526	48,921
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	<u>44,764</u>	<u>46,463</u>	<u>49,063</u>	<u>48,748</u>	<u>54,922</u>
Business-type Activities:					
Subdivision operations	2,298	1,329	1,428	1,453	1,547
Photogrammetry operations	285	112	234	171	91
Enroachment permits	157	154	100	146	178
Total business-type activities expenses	<u>2,740</u>	<u>1,595</u>	<u>1,762</u>	<u>1,770</u>	<u>1,816</u>
Total primary government expenses	<u>\$ 47,504</u>	<u>\$ 48,058</u>	<u>\$ 50,825</u>	<u>\$ 50,518</u>	<u>\$ 56,738</u>
Program Revenues					
Governmental Activities					
Charges for services:					
General government	\$ 915	\$ 1,179	\$ 600	\$ 517	\$ 835
Public ways and facilities	4,508	3,838	8,128	4,488	6,610
Capital grants and contributions	35,479	44,895	13,057	15,770	21,991
Total governmental activities program revenues	<u>40,902</u>	<u>49,912</u>	<u>21,785</u>	<u>20,775</u>	<u>29,436</u>
Business-type Activities					
Charges for services:					
Subdivision operations	992	1,506	1,375	1,399	1,131
Photogrammetry operations	342	228	247	216	124
Enroachment permits	181	171	114	126	192
Total business-type activities program revenues	<u>1,515</u>	<u>1,905</u>	<u>1,736</u>	<u>1,741</u>	<u>1,447</u>
Total primary government program revenues	<u>\$ 42,417</u>	<u>\$ 51,817</u>	<u>\$ 23,521</u>	<u>\$ 22,516</u>	<u>\$ 30,883</u>
Net (expense)/revenue					
Governmental Activities	\$ (3,862)	\$ 3,449	\$ (27,278)	\$ (27,973)	\$ (25,486)
Business-type Activities	(1,225)	310	(26)	(29)	(369)
Total primary government net (expense)/revenue	<u>\$ (5,087)</u>	<u>\$ 3,759</u>	<u>\$ (27,304)</u>	<u>\$ (28,002)</u>	<u>\$ (25,855)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	\$ 39,836	\$ 39,258	\$ 40,042	\$ 42,593	\$ 47,047
Redevelopment pass-thru	5,136	6,040	9,811	7,733	7,698
Unrestricted interest and investment earnings	1,425	1,173	(224)	1,444	1,022
Gain on sale of capital assets	123	22	111	74	45
Transfers	-	-	-	(26)	(1)
Total Governmental Activities	<u>46,520</u>	<u>46,493</u>	<u>49,740</u>	<u>51,818</u>	<u>55,811</u>
Business-type Activities:					
Unrestricted interest and investment earnings	46	33	5	40	38
Transfers	-	-	-	26	1
Total business-type activities	<u>46</u>	<u>33</u>	<u>5</u>	<u>66</u>	<u>39</u>
Total primary government	<u>\$ 46,566</u>	<u>\$ 46,526</u>	<u>\$ 49,745</u>	<u>\$ 51,884</u>	<u>\$ 55,850</u>
Change in Net Position					
Governmental Activities	\$ 42,658	\$ 49,942	\$ 22,462	\$ 23,845	\$ 30,325
Business-type Activities	(1,179)	343	(21)	37	(330)
Total primary government	<u>\$ 41,479</u>	<u>\$ 50,285</u>	<u>\$ 22,441</u>	<u>\$ 23,882</u>	<u>\$ 29,995</u>

Source: CAFR - 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)

Page 2

		Fiscal Year				
		2016	2017	2018	2019	2020
	\$	4,873	\$ 9,603	\$ 12,832	\$ 15,458	\$ 7,755
		50,921	48,541	58,610	55,247	72,378
		739	674	598	499	392
		<u>56,533</u>	<u>58,818</u>	<u>72,040</u>	<u>71,204</u>	<u>80,525</u>
		1,844	1,914	2,457	1,927	1,594
		163	194	170	150	168
		171	117	196	362	473
		<u>2,178</u>	<u>2,225</u>	<u>2,823</u>	<u>2,439</u>	<u>2,235</u>
	\$	<u>58,711</u>	<u>61,043</u>	<u>74,863</u>	<u>73,643</u>	<u>82,760</u>
	\$	681	\$ 758	\$ 1,055	\$ 923	\$ 805
		4,209	11,999	5,692	3,667	9,372
		4,524	11,527	24,176	27,711	29,276
		<u>9,414</u>	<u>24,284</u>	<u>30,923</u>	<u>32,301</u>	<u>39,453</u>
		1,502	1,557	1,551	1,855	1,217
		251	150	39	92	48
		192	126	159	264	343
		<u>1,945</u>	<u>1,833</u>	<u>1,749</u>	<u>2,211</u>	<u>1,608</u>
	\$	<u>11,359</u>	<u>26,117</u>	<u>32,672</u>	<u>34,512</u>	<u>41,061</u>
	\$	(47,119)	\$ (34,534)	\$ (41,117)	\$ (38,903)	\$ (41,072)
		(234)	(392)	(1,074)	(228)	(627)
	\$	<u>(47,352)</u>	<u>(34,926)</u>	<u>(42,191)</u>	<u>(39,131)</u>	<u>(41,699)</u>
	\$	49,854	\$ 53,020	\$ 56,030	\$ 59,251	\$ 62,033
		9,514	9,526	11,140	12,798	13,982
		1,352	805	2,322	7,524	4,435
		140	84	218	165	72
		21	-	-	272	-
		<u>60,881</u>	<u>63,435</u>	<u>69,710</u>	<u>80,010</u>	<u>80,522</u>
		51	46	74	219	116
		(21)	-	-	(272)	-
		<u>30</u>	<u>46</u>	<u>74</u>	<u>(53)</u>	<u>116</u>
	\$	<u>60,911</u>	<u>63,481</u>	<u>69,784</u>	<u>79,957</u>	<u>80,638</u>
	\$	13,762	\$ 28,901	\$ 28,593	\$ 41,107	\$ 34,300
		(204)	(346)	(1,000)	(281)	(511)
	\$	<u>13,558</u>	<u>28,555</u>	<u>27,593</u>	<u>40,826</u>	<u>33,789</u>

Expenses

Governmental Activities:

- General government
- Public ways and facilities
- Interest on long-term debt

Total governmental activities expenses

Business-type Activities:

- Subdivision operations
- Photogrammetry operations
- Enroachment permits

Total business-type activities expenses

Total primary government expenses

Program Revenues

Governmental Activities

Charges for services:

- General government
- Public ways and facilities
- Capital grants and contributions

Total governmental activities program revenues

Business-type Activities

Charges for services:

- Subdivision operations
- Photogrammetry operations
- Enroachment permits

Total business-type activities program revenues

Total primary government program revenues

Net (expense)/revenue

Governmental Activities

Business-type Activities

Total primary government net (expense)/revenue

General Revenues and Other Changes in

Net Position

Governmental Activities:

- Property Taxes
- Redevelopment pass-thru
- Unrestricted interest and investment earnings
- Gain on sale of capital assets
- Transfers

Total Governmental Activities

Business-type Activities:

- Unrestricted interest and investment earnings
- Transfers

Total business-type activities

Total primary government

Change in Net Position

Governmental Activities

Business-type Activities

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)

Fiscal Year	Property Taxes	Total
2010-11	39,836	39,836
2011-12	39,258	39,258
2012-13	40,042	40,042
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

Source: CAFR - 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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General Fund					
Nonspendable for:					
Imprest Cash	\$ -	\$ -	\$ 1	\$ 1	\$ 1
Assigned to:					
Compensated absences	1,402	1,600	1,807	2,024	2,255
Restricted for:					
Unassigned	2,290	2,530	2,708	2,357	919
Total general fund	<u>\$ 3,692</u>	<u>\$ 4,130</u>	<u>\$ 4,516</u>	<u>\$ 4,382</u>	<u>\$ 3,175</u>
All other governmental funds					
Nonspendable for:					
Prepaid Items	\$ -	\$ -	\$ 1,460	\$ 1,095	\$ 730
Restricted for:					
Capital project fund	421	44	151	45	18
Public ways and facilities	251,826	252,128	248,950	253,105	236,749
Debt service	-	-	-	-	-
Total all other governmental funds	<u>\$ 252,247</u>	<u>\$ 252,172</u>	<u>\$ 250,561</u>	<u>\$ 254,245</u>	<u>\$ 237,497</u>

Source: CAFR - 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					
2016	2017	2018	2019	2020	
					General Fund
\$ 1	\$ 1	\$ 1	\$ 1	\$ -	Nonspendable for:
					Imprest Cash
1,365	1,251	1,846	1,733	2,266	Assigned to:
					Compensated absences
1,968	1,672	1,681	2,669	3,288	Restricted for:
\$ 3,334	\$ 2,924	\$ 3,528	\$ 4,403	\$ 5,554	Unassigned
					Total general fund
					All other governmental funds
\$ 365	\$ 67	\$ -	\$ -	\$ -	Nonspendable for:
					Prepaid Items
18	18	19	19	19	Restricted for:
202,624	222,404	232,552	252,865	267,995	Capital project fund
-	-	-	1	2	Public ways and facilities
\$ 203,007	\$ 222,489	\$ 232,571	\$ 252,885	\$ 268,016	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

	Fiscal Year				
	2011	2012	2013	2014	2015
Revenues					
Property taxes	\$ 40,814	\$ 39,726	\$ 40,225	\$ 42,729	\$ 47,095
Redevelopment pass-thru	5,173	7,885	9,811	7,733	7,698
Special assessments	3,002	3,022	3,048	3,073	3,117
Intergovernmental	711	627	619	2,330	3,412
Charges for services	4,029	3,716	7,586	1,303	923
Area drainage fees	524	299	408	1,266	2,965
Investment Earnings (Loss)	1,389	1,143	(216)	1,405	1,004
Use of assets	123	264	211	114	102
Total revenues	55,765	56,682	61,692	59,953	66,316
Expenditures					
Current:					
General government	4,931	3,734	3,527	4,450	5,873
Public ways and facilities	38,540	43,061	56,415	48,122	97,120
Capital outlay	3,125	4,952	2,975	6,473	4,971
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	46,596	51,747	62,917	59,045	107,964
Excess of revenues over (under) expenditures	9,169	4,935	(1,225)	908	(41,648)
Other financing sources (uses)					
Issuance of debt	-	-	-	-	21,000
Original issue premium	-	-	-	-	2,423
Transfers in	1,409	1,303	7,262	4,048	661
Transfers out	(1,485)	(1,309)	(7,262)	(1,262)	(391)
Total other financing sources (uses)	(76)	(6)	-	2,786	23,693
 Net change in fund balances	 \$ 9,093	 \$ 4,929	 \$ (1,225)	 \$ 3,694	 \$ (17,955)
 Debt service as a percentage of noncapital expenditures	 0.00%	 0.00%	 0.00%	 0.00%	 0.00%

Source: CAFR - 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

		Fiscal Year								
		2016	2017	2018	2019	2020				
							Revenues			
\$	49,792	\$	53,078	\$	56,043	\$	59,111	\$	61,726	Property taxes
	9,514		9,526		11,140		12,798		13,961	Redevelopment pass-thru
	3,168		3,162		3,232		3,294		3,381	Special assessments
	2,815		10,151		2,171		2,134		7,456	Intergovernmental
	1,169		718		1,085		927		871	Charges for services
	587		1,654		2,610		1,315		1,445	Area drainage fees
	1,317		785		2,260		7,301		4,313	Investment Earnings (Loss)
	283		177		918		166		288	Use of assets
	<u>68,645</u>		<u>79,251</u>		<u>79,459</u>		<u>87,046</u>		<u>93,441</u>	Total revenues
							Expenditures			
							Current:			
	4,890		6,715		5,587		10,208		5,263	General government
	91,280		38,148		47,594		43,077		60,404	Public ways and facilities
	5,509		12,460		12,745		10,008		8,662	Capital outlay
	-		-		-		-		-	
	350		1,920		1,980		2,060		2,160	Debt service:
	660		936		867		776		670	Principal
	<u>102,689</u>		<u>60,179</u>		<u>68,773</u>		<u>66,129</u>		<u>77,159</u>	Interest
										Total expenditures
	(34,044)		19,072		10,686		20,917		16,282	Excess of revenues over (under) expenditures
							Other financing sources (uses)			
	-		-		-		-		-	Issuance of debt
	-		-		-		-		-	Original issue premium
	1,538		4,219		3,454		10,057		3,363	Transfers in
	(1,826)		(4,219)		(3,454)		(9,785)		(3,363)	Transfers out
	<u>(288)</u>		<u>-</u>		<u>-</u>		<u>272</u>		<u>-</u>	Total other financing sources (uses)
\$	<u>(34,332)</u>	\$	<u>19,072</u>	\$	<u>10,686</u>	\$	<u>21,189</u>	\$	<u>16,282</u>	Net change in fund balances
	1.04%		5.99%		5.08%		5.05%		4.13%	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)

Fiscal Year	Property Taxes	Total
2010-11	40,814	40,814
2011-12	39,726	39,726
2012-13	40,225	40,225
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

Source: CAFR - 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

Fiscal Year Ended June 30	Real Property			Personal Property
	Residential Property	Commercial Property	Other	Other
2010-11	116,682,034	44,399,930	39,131,300	4,974,428
2011-12	118,450,628	41,196,648	40,365,897	4,875,338
2012-13	125,539,662	41,735,886	40,917,312	4,782,681
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

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.

¹ 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

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage Actual Value ¹
6,800,011	198,387,681	1.00000	205,187,692	97%
7,098,792	197,789,720	1.00000	204,888,511	97%
7,285,965	205,689,576	1.00000	212,975,541	97%
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%

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

Fiscal Year	Overlapping Rates						Total Direct & Overlapping Rates
	Flood Control Zone 1	County		School District	City of Riverside	Metro Water West	
		Riverside County General	County Wide				
2010-11	0.00000	-	1.00000	0.43068	0.14552	0.00000	1.57620
2011-12	0.00000	-	1.00000	0.43068	0.14552	0.00000	1.57620
2012-13	0.00000	-	1.00000	0.04273	0.01331	0.00000	1.05604
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

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, 2020 and June 30, 2011
(Amounts Expressed in Thousands)

Taxpayer	2020			2011		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Southern California Edison Company	\$ 56,868	1	1.43%	\$ 18,359	1	0.65%
Southern California Gas Company	17,349	2	0.44%	6,372	4	0.22%
Frontier California, Inc.	8,373	3	0.21%			
Sentinel Energy Center, LLC	6,287	4	0.16%			
Costco Wholesale Corporation	4,273	5	0.11%			
Amazon Com Services INC	4,125	6	0.10%			
Chelsea GCA Realty Partnership	3,909	7	0.10%	2,373	14	0.08%
Woodside 05S	3,658	8	0.09%			
Duke Realty Ltd Partnership	3,654	9	0.09%			
Riverside Healthcare System	3,590	10	0.09%			
Lennar Homes of Calif Inc.	3,512	11	0.09%			
First Industrial	3,490	12	0.09%			
Tyler Mall Ltd Partnership	3,406	13	0.09%	2,880	8	0.10%
Garden of Champions	3,273	14	0.08%			
Walgreen Company	3,201	15	0.08%			
Verizon California				8,072	2	0.28%
Inland Empire Energy Ctr LLC				7,342	3	0.26%
Federal National Mortgage Association				3,461	5	0.12%
Centex Homes				3,434	6	0.12%
Abbott Vascular Inc.				3,171	7	0.11%
Blythe Energy LLC				2,852	9	0.10%
Deutsche Bank Natl Trust Company				2,851	10	0.10%
Ashby USA				2,523	11	0.09%
Standard Pacific Corp				2,456	12	0.09%
Federal Home Loans Mortgage Corporation				2,399	13	0.08%
Walmart Real Estate Business Trust				2,181	15	0.08%
	<u>\$ 128,968</u>		<u>3.25%</u>	<u>\$ 70,726</u>		<u>2.48%</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)

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy²		Amount	Percent of Levy
2010-11	38,469	38,417	99.9%	280	38,697	100.0%
2011-12	38,352	37,387	97.5%	254	37,641	98.1%
2012-13	38,336	37,878	98.8%	231	38,109	99.4%
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%

Notes: Delinquent taxes reported by year of collection; data by levy year unavailable.
¹ Source: Auditor-Controller - County of Riverside, Auditor-Controller's Office
² 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)

Fiscal Year	Government Activities		Total Primary Government	Percentage of Personal Income ³	Debt Per Capita ⁴
	General Obligation Bonds ¹	Special Assessment Bonds ²			
2011	-	2,685	2,685	4.25%	122
2012	-	2,380	2,380	3.70%	108
2013	-	2,055	2,055	3.07%	69
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% ⁵	458

Sources: CAFR - 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.

¹ Zone 4 Promissory Notes, net of original issuance premium

² Zone 3 Elsinore Valley Benefit Assessment

³ Personal income is disclosed in the Schedule of Demographic and Economic Statistics.

⁴ Population data can be found in the Schedule of Demographic and Economic Statistics.

⁵ Data not available for 2020. Data referenced is from 2019.

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

Fiscal Year	General Obligation Bonds ¹	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property ²	Per Capita ³
2010-11	-	-	-	0.00%	-
2011-12	-	-	-	0.00%	-
2012-13	-	-	-	0.00%	-
2013-14	-	-	-	0.00%	-
2014-15	23,423	-	23,423	0.01%	10
2015-16	22,831	-	22,831	0.01%	10
2016-17	20,669	-	20,669	0.01%	9
2017-18	18,446	-	18,446	0.01%	8
2018-19	16,144	-	16,144	0.01%	7
2019-20	13,742	-	13,742	0.00%	6

Sources: State of California, Department of Finance

Notes:

¹ Zone 4 Promissory Notes, net of original issuance premium

² Calculation based on assessed valuations reported for the District only.

³ 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, 2020
(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%	\$ -
Flood Control direct debt			<u>13,742</u>
Total direct and overlapping debt			<u><u>\$ 13,742</u></u>

Source: CAFR - 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> 2011	<u>Fiscal Year</u> 2012	<u>Fiscal Year</u> 2013	<u>Fiscal Year</u> 2014	<u>Fiscal Year</u> 2015	<u>Fiscal Year</u> 2016	<u>Fiscal Year</u> 2017	<u>Fiscal Year</u> 2018	<u>Fiscal Year</u> 2019	<u>Fiscal Year</u> 2020
Debt Limit	\$ 5,651,236	\$ 5,615,081	\$ 5,600,219	\$ 5,824,400	\$ 1,088,169	\$ 1,573,071	\$ 1,675,282	\$ 1,785,007	\$ 1,922,312	\$ 1,984,069
Total net debt applicable to limit	-	-	-	-	(23,423)	(22,831)	(20,669)	(18,446)	(16,144)	(13,742)
Legal debt margin	<u>\$ 5,651,236</u>	<u>\$ 5,615,081</u>	<u>\$ 5,600,219</u>	<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>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	2.15%	1.45%	1.23%	1.03%	0.84%	0.69%

Legal Debt Margin Calculation for Fiscal Year 2020

Assessed Value	\$ 53,396,520
Less: Homeowners exemptions	\$ (488,025)
Total assessed value	<u>\$ 52,908,495</u>
Debt limit (lesser of 3.75% of assessed valuation or \$21,000)	\$ 21,000
Debt applicable to limit:	
General obligation debt	13,742
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>13,742</u>
Legal debt margin	<u>\$ 7,258</u>

Source:

- ¹ Assessor, County of Riverside - District only assesses valuation note.
- ² 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.
2019-2020 Auditor Controller District Valuation Assessor Net was not available, instead we used the Equalized FY19-20 Tentative Valuation in this report

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

Special Assessment Bonds				
Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2011	323	280	222	0.64
2012	330	305	106	0.80
2013	166	325	175	0.33
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	-	-	-	-

Source: U.S. Bank Statements & Debt Service Schedule for Zone 3 Elsinore Valley Benefit Assessment.

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

Fiscal Year⁴	Population¹	Median Age¹	School Enrollment¹	Personal Income²	Per Capita Personal Income¹	Unemployment Rate Percent³
2010-11	2,203,332	34	660,725	63,228,086	22,373	15.0%
2011-12	2,239,620	34	651,554	64,376,498	22,359	13.0%
2012-13	2,268,783	34	664,724	67,024,780	29,927	11.1%
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%

Sources:

¹ U.S. Census Bureau

² U.S. Department of Commerce - Bureau of Economic Analysis

³ State of California, Labor Market Information

⁴ Personal Income data referenced is from 2019 for 2020

Riverside County Flood Control and Water Conservation District
Principal Employers
June 30, 2020 and June 30, 2011

Employer	2020			2011		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
County of Riverside	21,672	1	2.33%	17,699	1	2.27%
Amazon	10,500	2	1.13%			
University of California, Riverside	9,770	3	1.05%	5,790	4	0.74%
March Air Reserve Base	9,600	4	1.03%	8,500	2	1.09%
Stater Bros Markets	8,304	5	0.89%	6,900	3	0.89%
Kaiser Permanente Riverside Medical Center	5,700	6	0.61%			
Pechanga Resort & Casino	5,078	7	0.55%	4,000	7	0.51%
Wal-Mart	4,931	8	0.53%			
Corona-Norco Unified School District	4,903	9	0.53%	4,790	5	0.61%
Ross Dress For Less	4,321	10	0.46%			
Hemet Unified School District	4,046	11	0.43%	3,546	9	0.46%
Riverside Unified School District	4,000	12	0.43%	3,801	8	0.49%
Eisenhower Medical Center	3,900	13	0.42%	2,400	15	0.31%
Moreno Valley Unified School District	3,755	14	0.40%	3,481	10	0.45%
Lake Elsinore Unified School District	3,717	15	0.40%			
KSL Resort				4,000	6	0.51%
Abbott Vascular formerly Guidant Corp.				3,229	11	0.41%
Agua Caliente Band of Cahuilla Indians				2,800	12	0.36%
Temecula Valley Unified School District				2,749	13	0.35%
City of Riverside				2,600	14	0.33%
Riverside Community College District						
JW Marriot Desert						
Total	104,197		11.19%	76,285		9.79%

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General government										
Inspection	12	10	2	2	4	5	7	7	4	7
Administration	54	61	13	17	60	63	69	62	39	23
Public ways & facilities										
Engineering	112	113	158	140	119	99	96	93	103	117
Maintenance	68	69	90	83	69	82	81	84	92	114
NPDES	17	20	19	21	20	20	19	20	30	17
Photogrammetry operations	2	1	1	1	-	1	2	1	1	1
Subdivision operations	10	10	6	6	10	9	10	14	10	6
Encroachment permits	2	2	-	1	1	1	1	2	2	3
Hydrology services	4	5	4	4	4	2	2	3	4	3
Garage-Fleet operations	9	10	15	26	11	9	8	9	10	7
Mapping services	2	2	1	3	2	2	2	2	-	-
Data processing	15	14	9	10	8	4	4	4	7	7
Total	307	317	318	314	308	297	301	301	302	305

Source: The District

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

Function	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government										
Inspection services	89	150	49	75	38	52	173	91	78	85
Hydrology	4	5	4	5	5	5	4	5	5	4
Public ways and facilities										
Maintenance projects	1,169	1,198	1,141	1,151	1,142	1,162	1,310	1,374	464	437
Construction projects	322	371	373	343	304	323	296	296	91	98
NPDES - Santa Ana										
Public Education Outreach events	66	27	35	4	4	16	16	10	9	3
NPDES - Santa Margarita										
Public Education Outreach events	2	2	3	1	3	9	11	3	4	1
NPDES - Whitewater										
Public Education Outreach events	6	5	4	1	2	3	3	3	3	1
Photogrammetry operations	7	7	11	11	6	13	16	5	6	6
Subdivision operations										
Plan check cases processed	312	518	233	167	159	176	194	208	189	314
Flood plain cases processed	7	115	50	36	56	96	43	105	74	94
Enroachment permits										
Permits - Issuance and Inspection	441	142	165	230	103	262	143	240	120	266

Source: The District

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

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Function										
General Government										
Buildings and improvements	-	-	-	-	-	-	-	-	-	-
Equipment	16	24	24	17	25	27	21	8	31	27
Public ways and facilities										
Infrastructure										
Basins	-	-	-	1	-	1	-	-	-	1
Channels	6	6	6	-	3	1	2	2	2	-
Levees	-	-	-	-	-	-	-	-	-	-
Storm Drains	43	35	35	16	17	9	11	11	13	7

Source: The District