

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



ITEM: 14.2
(ID # 29160)

MEETING DATE:
Tuesday, November 04, 2025

FROM : FLOOD CONTROL DISTRICT

SUBJECT: FLOOD CONTROL DISTRICT: Accept and File the Annual Comprehensive Financial Report for Fiscal Year 2024-2025, All Districts. [\$0]

RECOMMENDED MOTION: That the Board of Supervisors:

1. Accept and file the Annual Comprehensive Financial Report for Fiscal Year 2024-2025 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 Conclusion Communication with Those Charged with Governance Report prepared by Van Lant & Fankhanel, LLP.

ACTION:Consent

Jason Uhley, GENERAL MGR-CHF FLD CNTRL ENG

10/21/2025

MINUTES OF THE BOARD OF SUPERVISORS

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

Ayes: Medina, Spiegel, Washington, Perez and Gutierrez
Nays: None
Absent: None
Date: November 4, 2025
xc: Flood

Kimberly A. Rector
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 24/25	

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

The Government Finance Officers Association 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 annual comprehensive 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 34 consecutive fiscal years. The Fiscal Year 2024-2025 Annual Comprehensive Financial Report ("ACFR") will mark the District's 35th submission for this award.

The Fiscal Year 2024-2025 ACFR 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. FY24-25 Annual Comprehensive Financial Report
2. FY24-25 Audit Report
3. FY24-25 Internal Control Report
4. FY24-25 Auditor's Conclusion Communication with Those Charged with Governance Report


Douglas Cardonez Jr. 10/22/2025



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



Wildomar MDP Lateral C, Stage 3

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



Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025



North Norco Channel, Stage 11

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

Darrylenn Prudholme-Brockington
Chief of Finance

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

Riverside County Flood Control and Water Conservation District
Annual Comprehensive Financial Report
Year Ended June 30, 2025

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Riverside County Flood Control and Water Conservation District
Annual Comprehensive Financial Report
Year Ended June 30, 2025

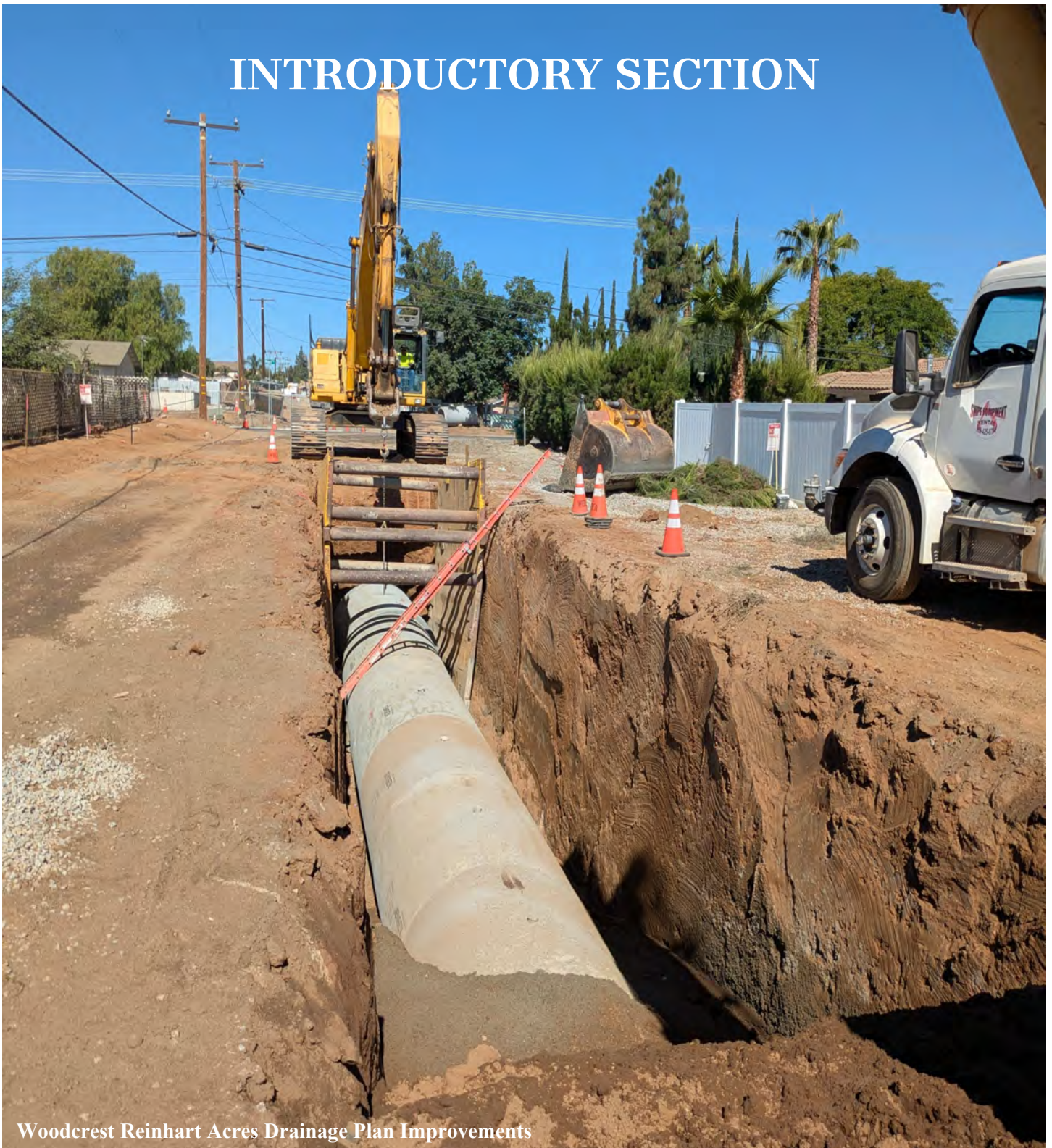
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INTRODUCTORY SECTION



Woodcrest Reinhart Acres Drainage Plan Improvements

- ◆ Letter of Transmittal
- ◆ List of District Officials
- ◆ Organizational Chart
- ◆ GFOA Certificate of Achievement for Excellence in Financial Reporting for the Fiscal Year Ended June 30, 2024



RIVERSIDE COUNTY FLOOD CONTROL
AND WATER CONSERVATION DISTRICT

October 14, 2025

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, 2025.

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

Van Lant & Fankhanel, LLP, Certified Public Accountants, has issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2025. The independent auditor's report is located at the front of the financial section of this report.

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

Riverside County Flood Control and Water Conservation District and Its Services

The District, formed in 1945 by an Act of the State Legislature, is in the southern part of the State within the County of Riverside, which boasts the 14th largest cumulative numeric increase in population in the country.¹ The District currently occupies 2,700 square miles and serves a population of approximately 2.5 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, 2020, to July 1, 2024

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

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

The Board of Supervisors is required to adopt by resolution a final budget for the County of Riverside, including all districts, agencies, and authorities governed by the Board of Supervisors, no later than October 2nd of each year pursuant to Sections 29080 through 29092 of the Government Code. The Board of Supervisors adopted the District's 2025 fiscal year budget on June 25, 2024. The annual budget serves as the foundation for the District's financial planning and control. The District's legal level of budgetary control is by class or appropriation level (e.g., salaries and benefits, services, and supplies) within each category present on the financial statements. The District may transfer resources between appropriation levels within the same fund at their discretion and with approval by the County of Riverside Executive Office. Increase of resources or establishment of a new appropriation level requires approval by the Board of Supervisors.

Local Economy

Riverside County is California's fourth largest populated county according to the State Department of Finance. It represents 6.31% of California's total population.² Rapid population growth has outpaced infrastructure development in many unincorporated areas, leading to a critical need for improvements in flood control. The District's finances are strong, the concerns are about future costs. The escalating costs for personnel and other expenditures may put pressure on the District's budget. The District oversees the western portion of the Riverside County. It extends easterly far enough to include twenty-eight cities, including the cities of Palm Springs, Cathedral City and Desert Hot Springs, and unincorporated county communities west of the San Jacinto and Santa Rosa Mountains.

The District's mission is to responsibly manage stormwater in service of safe, sustainable and livable communities and find more avenues for revenue generation to accomplish it. Demands on the County's already scarce water supply will continue to rise due to population growth and drought. The District's revenue is primarily supported by special assessments and property taxes.

From July 2024 to June 2025, the Inland Empire unemployment rate increased from 5.90% to 6.00%³. Riverside County, on the other hand, experienced a slight decrease in unemployment, from 6.03% to 6.02% during the same period. Nonfarm employment increased by 17,000, a 1.00% change. Agricultural employment decreased by 1,500 jobs or 10.30% within the year. Private education and health services added 19,000 jobs over the year. Government increased by 11,800 jobs with all the gains registered in local government (up 13,400) but were offset by losses in federal government (down 800) and state

² Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2024, and 2025. Sacramento, CA, May 2025

³ Source: U.S. Bureau of Labor Statistics, Unemployment Rate in Riverside-San Bernardino-Ontario, CA (MSA); July 2024 to June 2025

government (down 800). Manufacturing lost 3,300 jobs. Lastly, Construction lost the most jobs over the year, declining by 7,200 jobs.⁴

Over the past ten years, the District's expenses related to the construction and maintenance of flood control facilities have increased by 45.82%. Maintenance costs for the current fiscal year ended June 30, 2025, have decreased by 12.24% from the prior year. The decrease in maintenance costs is largely attributable to the reduction in the number of sediment removal emergency projects and homeless encampment cleanup work. During the last fiscal year, there have been less flood related natural disasters to clean up and the homeless encampment work was outsourced to other agencies.

With the variation of the economy, the District continues to follow a moderate construction schedule. The District's practice has been to accumulate monies for large projects while maintaining a prudent reserve for operations and maintenance. The construction costs have increased by \$11 million over the last ten years.

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 145.09%.

Long-term Financial Planning

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

Relevant Financial Policies

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

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

Major Initiatives - Design and Construction

During the fiscal year ending June 30, 2025, the District issued notices of completion for three projects totaling over \$32.1 million dollars in construction costs. At the close of the fiscal year, the District had two construction contracts in progress totaling an additional \$31.1 million dollars. Wildomar MDP Lateral C is expected to be completed by December 2025 and Woodcrest - Rinehart Estates Drainage Plan Improvements at the end of July 2026.

⁴ Source: State of California, Employment Development Department, Labor Force Data – Riverside and San Bernardino Counties.

The following District-administered flood control project contracts were completed during, or were under construction during the fiscal year ended June 30, 2025:

Facilities	Status	Construction Costs
El Cerrito Channel Restoration, Stage 90	Completed	\$4,542,970.00
Lakeland Village MDP Line H	Completed	\$14,318,162.00
North Norco Channel, Stage 11	Completed	\$13,222,321.00
Wildomar MDP Lateral C, Stage 3	In-Progress	\$18,935,473.30
Woodcrest - Rinehart Acres Drainage Plan Improvements, Stage 1	In-Progress	\$12,184,512.00

EL CERRITO CHANNEL RESTORATION, STAGE 90 (\$4,542,970.00 – Final Contract Price):

This District-led project replaced approximately 2,300 feet of existing concrete trapezoidal channel with higher capacity reinforced concrete box and concrete rectangular channel. The primary objective is to provide 100-year flow capacity within the proposed facility and remove the existing Federal Emergency Management Agency (FEMA) floodplain. The project collected flows from two existing storm drain systems at the El Cerrito Road-Temescal Canyon Road/Ontario Avenue intersection and conveyed water northeasterly to Temescal Creek.

LAKELAND VILLAGE MDP LINE H, STAGE 1 (\$14,318,162.00 – Final Contract Price):

This District-led storm drains improvement project of approximately 6,123 feet of various size underground pipe and box storm drain and a 2-acre sediment basin. The project provides flood protection to the residential area of Lakeland Village by capturing stormwater runoff from the Elsinore Mountains between Coleman Avenue and Landerville Boulevard and safely conveys it in an underground storm drain along Cottrell Boulevard and Maiden Lane to Lake Elsinore. The Federal Emergency Management Agency (FEMA) floodplain was successfully removed following completion of the project, reducing flood insurance costs to property owners in the area. The sediment basin helps protect lake water quality by removing sediment and pollutants in runoff.

NORTH NORCO CHANNEL, STAGE 11 (\$13,222,321.00 – Final Contract Price):

This District-led project replaced an interim existing earthen channel with a higher capacity concrete-lined channel that can safely contain and convey the 100-year flow, thereby significantly reducing the floodplain along the channel. The mainline includes approximately 5,900 feet of trapezoidal and rectangular channel and replaced culverts under three street crossings (Corona Avenue, Valley View Avenue and Sixth Street). Stage 11 collects flow from the existing North Norco Channel Line N-1 storm drain at the westerly end of Rose Court and conveys them southerly to the existing confluence with North Norco Channel Line NA northwest of Valley View Avenue and Fifth Street. The project also constructed two water quality basins to reduce runoff pollutants from adjacent land. The District included sewer and waterline utility relocations in the construction contract on behalf of the City of Norco.

WILDOMAR MDP LATERAL C, STAGE 3 (\$18,935,473.30 – Awarded Contract Amount):

This is a District-led project to reduce flooding along Bundy Canyon Wash in the city of Wildomar. The project consists of a 19-acre detention basin at the southeast corner of Monte Vista Drive and Bundy Canyon Road to collect and attenuate flows, and 930 feet of reinforced concrete box storm drain (predominantly 8'H x 14'W) to convey flows from the basin southerly along Monte Vista Drive to an existing Caltrans culvert crossing underneath Interstate 15. The District is also incorporating betterments requested and funded by the City, including widening of Monte Vista Drive.

WOODCREST – RINEHART ACRES DRAINAGE PLAN IMPROVEMENTS, STAGE 1 (\$12,184,512.00 – Awarded Contract Amount):

community flooding in the Woodcrest Rinehart Acres subdivision. The project consists of 10,250 feet of drainage-related street improvements and 8,000 feet of underground storm drain system ranging in diameter from 18 inches to 66 inches to collect flows from Mariposa Avenue to Dallas Avenue and from Obsidian Drive to Wood Road and convey them to their natural outlet in the watercourse southeast of the Wood Road and Dallas Avenue intersection. The street improvements identified for this project are necessary to collect and deliver runoff to the proposed storm drains.

The District also kept up its cooperation with the cities of Corona, Norco, Menifee, Moreno Valley, Jurupa Valley, Wildomar, San Jacinto, and Riverside to deliver priority infrastructure. These cities are overseeing the design and implementation of substantial flood control projects using District financing (given through Board-approved cooperative agreements).

Other Division Accomplishments

The Emergency Management and Government Affairs Division collaborated with the U.S. Army Corps of Engineers to advertise the \$44 million Murrieta Creek Phase 2B construction project, restart construction of the \$90 million Riverside Levees Rehabilitation Project, and successfully complete and transfer the \$3 million Upper Norco Bluff emergency project and BNSF Bridge Protection project for operation and maintenance.

During the beginning of this year the Developer Services Division went through a reorganization after the development community shared that their business plans were expected to grow beyond existing baselines. The Developer Services Division had 85 plan check projects approved and completed over 355 entitlement case submittals. Additionally, a total of 50 new encroachment permits were issued. With new projects and plan checks, it shows that there are new land developments happening in Riverside County, which also benefits the economy.

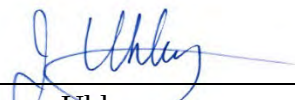
Awards and Acknowledgments

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its annual comprehensive financial report (ACFR) for the fiscal year ended June 30, 2024. This was the thirty-fourth consecutive year that the District published an easily readable and efficiently organized ACFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Jason Uhley
General Manager-Chief Engineer

Darrylenn Prudholme-Brockington
Chief of Finance

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

List of Principal Officials

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

Board of Supervisors



Jose Medina
District 1



Karen Spiegel
District 2



Chuck Washington
District 3



V. Manuel Perez
District 4



Yxstian Gutierrez
District 5

Zone Commissioners



Executive Assistant IV
Beth DeHayes

General Manager-Chief Engineer
Jason Uhley



Human Resources
Officer
Sabrina Gadsden



Assistant Chief Engineer
Business Services
Edwin Quiñonez



Assistant Chief Engineer
Capital Projects and Facilities
Claudio Padres



Administrative Services
Supervisor
Toni Irvin



Administrative Services
Supervisor
Carmen Gonzalez



Developer
Services
Albert Martinez



Emergency Mgmt
& Govt Affairs
Julianna Adams



Finance
Darrylenn
Prudholme-
Brockington



Watershed
Analytics
John Carrillo



Watershed
Protection
Richard Boon

DG

Construction &
Maintenance
David Garcia



Design
Komy Ghods



Operations
Helio Takano



Planning
Rohini Mustafa



Regulatory
Joan Valle



Surveying &
Mapping
Josh Tremba



Contract Services
Ann Marie Rolle



Emergency
Management
Simon Tse



Budgets
Sunita Jain



Geographic
Information Systems
Alma Hidalgo



Watershed
Monitoring
Rebekah Guill



Construction
Management
Nick Guizado



Design I
Ryan Gosliga



Buildings
and Grounds
Elias Santos



Project Planning
Andy Leung



Environmental
Regulatory Services I
Jerry Aguirre



Photogrammetry
Keith Ream



Developer ROW Srvcs
Dennis Odenbaugh



Federal Projects
Kelly O'Sullivan



General Accounting/
Accounts Payable
Alex Geronimo



Hydrologic Data
Collection
Robert Laag



Water Quality
Compliance I
Ryan Kearns



Maintenance
Vacant



Design II
Mike Venable



Garage
Albert Lopez



Special Projects
Kahlil Amin



Environmental
Regulatory Services II
Kevin Cunningham



Right of Way
Engineering
Shane Bender



Development Review
Amy McNeill



Payroll
Lisa McFarland



Data Analytics
and Reporting
James Reed



Water Quality
Compliance II
Matt Yeager



Zones 1, 2, 3, 7
Armando Castillo



Design III
Entcho Anguelov



O&M Warehousing
Carlos Villegas



Floodplain
Management
Hilal Elhaddad



Environmental
Regulatory Services III
Jason Swenson



Real Estate Services
Yolanda Wilder



Permitting Services
Ava Moussavi



Purchasing
Marilyn Weisenberg



Digital Media Services
Nabil Saleeb



Public Education
and Outreach
Darcy Kuenzi



Zones 4, 5, 6
Josh Gutknecht



Design IV
Robert Vasquez



Operations
Engineering
Jeff Shim



Environmental
Regulatory Services IV
Margaret Bornyasz



Surveys
Vacant



Plan Check
Ruddy Argueta



Accounts Receivable
Ruth Goller



Safety
Gabriela Perez-Bravo





Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

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

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morill

Executive Director/CEO

FINANCIAL SECTION



Lime St. Channel Bollards

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

- ◆ Required Supplementary Information
- ◆ Supplementary Information



Riverside Levee

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Flood Control and Water Conservation District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Flood Control and Water Conservation District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 14, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Murrieta, California
October 14, 2025

Management's Discussion and Analysis

As management of the Riverside County Flood Control and Water Conservation District ("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, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages i - vi of this report. All monetary amounts, unless otherwise indicated, are expressed in the nearest dollar.

Financial Highlights

- ◆ The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$1,621,277,492 (*net position*).
- ◆ The District's total net position increased by \$96,913,928. Approximately 59% of this increase is attributable to the addition of donated capital assets, i.e., infrastructure and land, net of investment related expenses.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$330,721,549, an increase of \$19,324,597 in comparison with the prior year. Approximately 1% of this amount (\$4,557,241) 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 \$5,747,185, or approximately 42% of total general fund expenditures.
- ◆ During the fiscal year, the District identified and corrected two errors related to the prior fiscal year. In accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, the corrections have been applied retroactively, resulting in a \$1,952,000 adjustment to beginning fund balance and a \$5,289,400 net adjustment to beginning net position. Additional details are provided in the analysis sections below as well as in Note 11 on page 53 of this report.

Overview of the Financial Statements

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

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

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

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

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

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

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

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

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

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

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

Proprietary funds. The District maintains two different types of proprietary funds. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. The District uses *enterprise funds* to account for its subdivision, photogrammetry, and encroachment permit operations. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to account for its hydrology, garage, project maintenance, and data processing services. 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 four internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of *combining statements* elsewhere in this report.

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

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

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

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

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

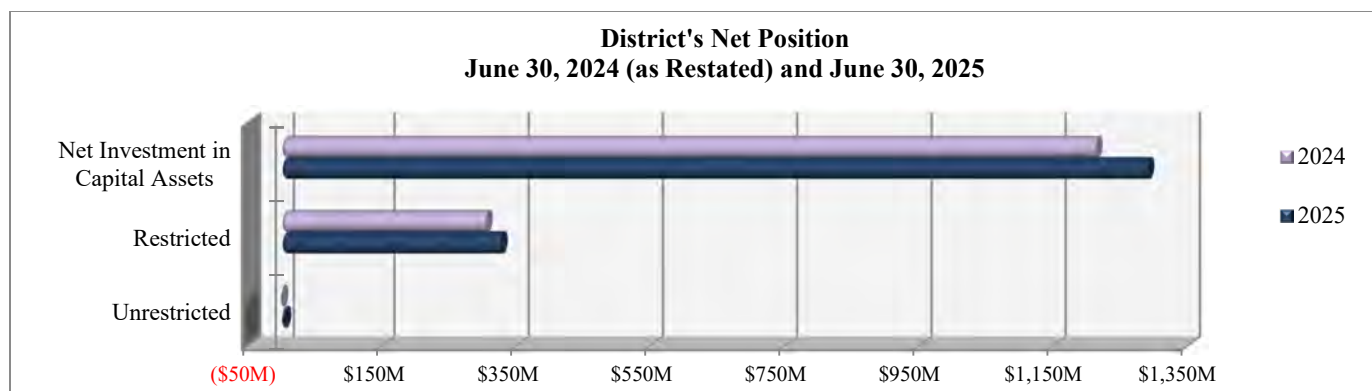
Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$1,621,277,492 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (80%) 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	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	\$ 352,670,576	\$ 332,864,037	\$ 8,974,041	\$ 7,661,227	\$ 361,644,617	\$ 340,525,264
Capital Assets, Net	1,290,193,590	1,223,359,833	20,966	32,823	1,290,214,556	1,223,392,656
Total Assets	1,642,864,166	1,556,223,870	8,995,007	7,694,050	1,651,859,173	1,563,917,920
Deferred Outflows of Resources	29,281,705	37,399,048	-	874	29,281,705	37,399,922
Current and Other Liabilities	13,299,478	12,503,140	6,542,047	6,036,012	19,841,525	18,539,152
Long-term Liabilities	35,796,153	54,613,519	2,339,948	2,291,438	38,136,101	56,904,957
Total Liabilities	49,095,631	67,116,659	8,881,995	8,327,450	57,977,626	75,444,109
Deferred Inflows of Resources	1,860,518	1,483,931	25,242	26,238	1,885,760	1,510,169
Net Position:						
Net Investment in Capital Assets	1,290,193,590	1,220,362,501	20,966	32,823	1,290,214,556	1,220,395,324
Restricted	326,717,823	304,459,499	-	-	326,717,823	304,459,499
Unrestricted	4,278,309	200,328	66,804	(691,587)	4,345,113	(491,259)
Total Net Position	\$ 1,621,189,722	\$ 1,525,022,328	\$ 87,770	\$ (658,764)	\$ 1,621,277,492	\$ 1,524,363,564

An additional portion of the District's net position (20%) represents resources that are subject to external restrictions on how they may be used.



The District's overall net position increased \$96,913,928 from the prior fiscal year. The net increase was mainly the result of significant capital grants and contributions stemming from the donation of land and infrastructure assets.

Governmental activities. During the current fiscal year, net position for the governmental activities increased the District's net position by \$96,167,394 from the prior fiscal year, thereby accounting for 99% of the total increase in net position for the District. This increase includes the impact of a \$5,289,400 prior year correction, which resulted in the restatement of beginning net position. Additional information on the restatement of beginning net position is provided in Note 11 on page 53 of this report. Key elements of the increase are as follows:

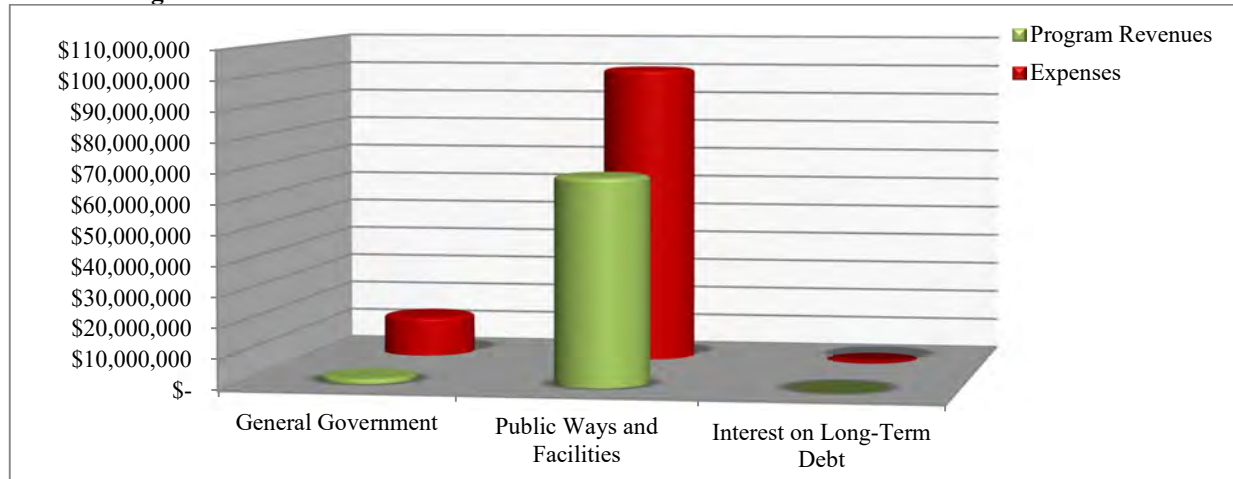
District's Changes in Net Position						
	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	\$ 13,449,272	\$ 11,365,878	\$3,302,478	\$ 2,582,594	\$ 16,751,750	\$ 13,948,472
Capital Grants and Contributions	56,931,249	51,044,029	-	-	56,931,249	51,044,029
General Revenues:						
Property Taxes	122,444,755	115,515,535	-	-	122,444,755	115,515,535
Unrestricted Interest and Investment Earnings	17,016,947	15,952,517	425,325	422,985	17,442,272	16,375,502
Gain on Sale of Capital Assets	-	254,081	-	-	-	254,081
Total Revenues	209,842,223	194,132,040	3,727,803	3,005,579	213,570,026	197,137,619
Expenses:						
General Government	13,443,909	7,447,825			13,443,909	7,447,825
Public Ways and Facilities	100,209,628	86,333,845			100,209,628	86,333,845
Interest on Long-Term Debt	21,292	149,625			21,292	149,625
Subdivision Operations			2,217,569	1,938,851	2,217,569	1,938,851
Photogrammetry Operations			159,070	151,936	159,070	151,936
Encroachment Permits			604,630	431,047	604,630	431,047
Total Expenses	113,674,829	93,931,295	2,981,269	2,521,834	116,656,098	96,453,129
Increase in Net Position	96,167,394	100,200,745	746,534	483,745	96,913,928	100,684,490
Net Position - Beginning, as Previously Presented	1,519,732,928	1,424,821,583	(658,764)	(1,142,509)	1,519,074,164	1,423,679,074
Error Correction	5,289,400	-	-	-	5,289,400	-
Net Position - Beginning, as Restated	1,525,022,328	1,424,821,583	(658,764)	(1,142,509)	1,524,363,564	1,423,679,074
Net Position - Ending	\$1,621,189,722	\$1,525,022,328	\$ 87,770	\$ (658,764)	\$1,621,277,492	\$1,524,363,564

- Historically, ongoing revenues (charges for services and general revenues) for governmental activities have exceeded expenses as a percent of net position by approximately 1% to 2% in a given fiscal year. During the fiscal year ended June 30, 2025, ongoing revenues exceeded expenses by \$39,236,145 (approximately 2% of net position). The increase in ongoing revenues is largely attributable to the 6% growth in property taxes over the previous fiscal year.
- Property tax revenue increased by \$6,929,220 largely due to an increase in unsecured property values.

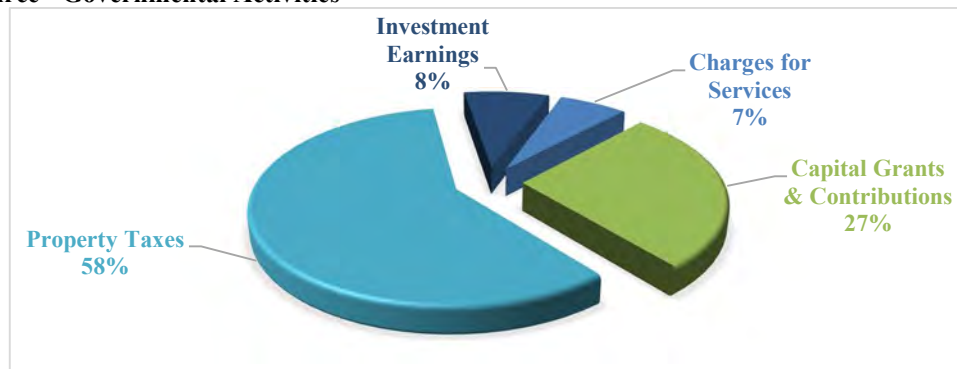
For the most part, increases and decreases in expenses paralleled inflation and growth in the demand for services. Noteworthy exceptions include the following:

- An increase in Capital Grants and Contributions revenue of \$5,887,220 (12%) associated with an increase in donated capital assets (infrastructure and land in various zones) being placed in service.
- An increase in expenses of \$19,743,534 (21%) due primarily to increases to other governmental agencies to finance various infrastructure projects within Riverside County, namely the Murrieta Creek Phase 2B project contribution to the United States Army Corp of Engineers.

Expenses and Program Revenues - Governmental Activities



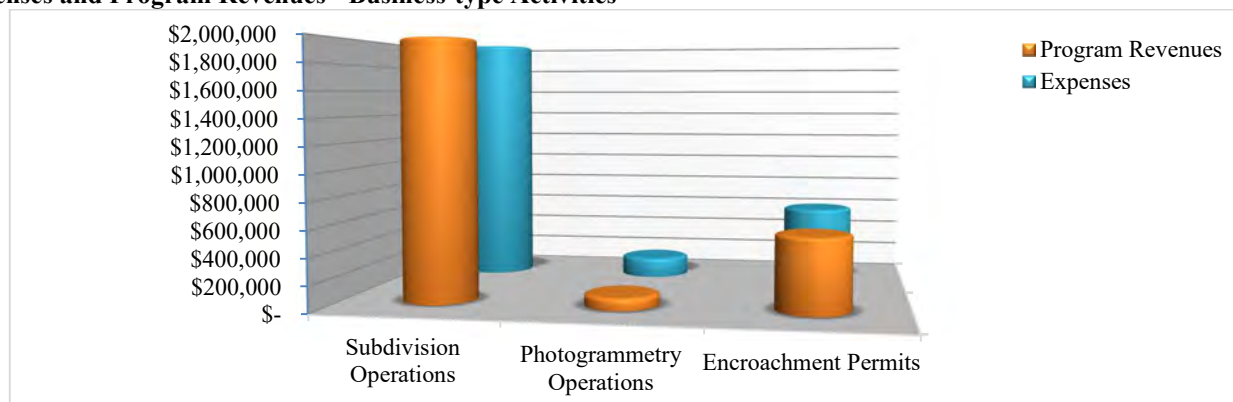
Revenues by Source - Governmental Activities



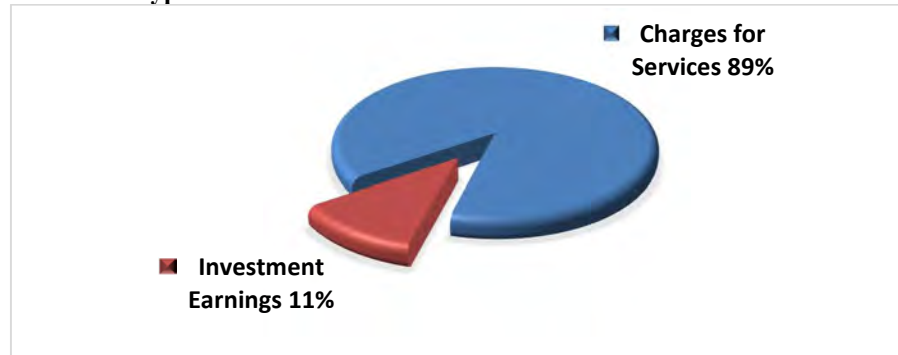
Business-type activities. Business-type activities increased the District's net position by \$746,534, thereby accounting for 1% of the total increase in net position for the District. Key elements of the increase are as follows.

- ◆ Overall charges for services for business-type activities increased by 28% while expenses increased by 18% from the previous fiscal year. Historically, increases and decreases in charges for services and expenses are development related and will vary based on the level of private development activity within the County of Riverside. Normal operating expenses within the Subdivision Operations fund increased by 14%, primarily due to higher development activity, which led to increased personnel and professional service costs.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the District's Funds

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$330,721,549 an increase of \$19,324,597 compared to the prior year. This increase includes the impact of a \$1,952,000 prior year correction resulting from an incorrectly recorded invoice that overstated revenue and the related receivable in the Zone 5 special revenue fund. The correction was applied retroactively in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*, resulting in the restatement of beginning fund balance. Additional information on this error correction is provided in Note 11 on page 53 of this report. Most of the total fund balance (\$324,973,764) constitutes *restricted fund balances*, which reflect resources that are subject to externally enforceable legal restrictions that arise when the authorization to raise revenues is conditioned upon the revenue being used for a particular purpose, e.g., maintenance and construction of flood control facilities within designated zone boundaries. *Unassigned fund balance* (\$4,557,241) reflects surplus resources in the District's general fund that are available for spending at the District's discretion. The remainder of fund balance is *assigned fund balance* (\$1,189,944), which reflects resources that the District intends to use to fund accrued compensated absence liabilities as required, and *nonspendable fund balance* (\$600) for imprest cash.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$4,557,241, while total fund balance reached \$5,747,785. The general fund's liquidity remains strong, with unassigned fund balance representing 33% of total general fund expenditures and total fund balance representing 42% of that same amount. These ratios indicate the District's current reserve levels relative to annual expenditures, providing a measure of operational liquidity and fiscal capacity.

During the current fiscal year, the fund balance in the District's general fund decreased by \$2,712,176. The decrease in fund balance is directly attributable to the \$5,871,646 increase in general government expenditures. The expenditure growth was primarily driven by increased personnel costs stemming from salary and benefit adjustments negotiated through various labor contracts that became effective during the fiscal year as well as additional discretionary payments made to reduce the District's net pension liability.

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 \$311,493,333 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year was \$20,795,803. Property tax revenues account for approximately 82% of total zone fund revenues and can fluctuate from year to year based on property values and foreclosures within each zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenue can positively or negatively impact growth in total fund balance. Key factors in the aggregate net increase are as follows:

- ◆ *Zone 1* reported a fund balance of \$74,746,083 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$9,492,839. Property tax revenue accounts for approximately 83% of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects a decrease of approximately 16% (\$1,802,817). Overall revenues increased (\$1,053,429) primarily due to increases in property tax revenue (\$1,298,667), intergovernmental revenue (\$4,344), and investment earnings (\$769,860). These increases offset the decreases in charges for services (\$1,674), area drainage fees (\$940,425), and use of assets from the lease of land (\$77,343). Additionally, expenditures increased (\$2,781,723) primarily due to increased personnel costs as well as increased outlays to pay down the District's net pension liability.

- ◆ *Zone 2* reported a fund balance of \$92,530,335 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$11,872,544. Property tax revenue accounts for approximately 82% of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 235% (\$20,657,690). Overall revenues increased (\$2,174,204) primarily due to increases in property tax revenue (\$1,073,396), intergovernmental revenue (\$998,230), charges for services (\$1,738), investment earnings (\$89,628), and use of assets from the lease of land (\$30,783). These increases offset the decrease in area drainage fees (\$19,571). Additionally, expenditures decreased (\$18,569,021) due primarily to a reduction in capital outlay compared to the prior fiscal year. During the previous fiscal year, the District incurred significant capital expenditures related to the completion of major infrastructure projects such as the El Cerrito Channel Restoration project and the North Norco Channel project.

- ◆ *Zone 3* reported a fund balance of \$2,309,195 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$1,451,882. Property tax revenue accounts for approximately 94% of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 131% (\$6,162,891). Overall revenues decreased (\$327,177) due to decreases in special assessments revenue (\$136), intergovernmental revenue (\$515,302), charges for services (\$251), and investment earnings (\$176,262). The decreases were partially offset by the increase in property tax revenue (\$364,774). Additionally, expenditures decreased (\$6,499,746) due primarily to a reduction in capital outlay compared to the prior fiscal year. During the previous fiscal year, the District incurred significant capital expenditures for the Lakeland Village MDP Line H project. Although the project was completed in the current fiscal year, the majority of costs were recognized in the prior fiscal year.

- ◆ *Zone 4* reported a fund balance of \$89,093,983 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$8,802,356. Property tax revenue account for approximately 86% of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 4% (\$366,505). Overall revenues increased (\$2,738,364) due to increases in property tax revenue (\$2,032,183), intergovernmental revenue (\$790,970), charges for services (\$9,849), investment earnings (\$399,881), and use of assets from the lease of land (\$7,150). These increases offset the decrease in area drainage fees (\$501,669). Additionally, expenditures increased (\$2,239,054) resulting primarily from the purchase of land for the future construction of the Monroe MDP Sinclair Basin.

- ◆ *Zone 5* reported a restated fund balance of \$23,687,650 at the end of the current fiscal year. The restated fund balance is the result of an error correction previously addressed above. The net increase in fund balance during the current fiscal year was \$6,028,368. Property tax revenue accounts for approximately 88% of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 34% (\$1,528,652). Overall revenues decreased (\$1,938,747) due to a decrease in intergovernmental revenue (\$2,996,356). The decrease was partially offset by increases in property tax revenue (\$806,619), charges for services (\$5,571), and investment earnings

(\$245,419). Additionally, expenditures decreased (\$3,487,449) due to the completion of various emergency restoration projects during the previous fiscal year, specifically the Noble Creek Channel repair project.

- ◆ *Zone 6* reported a fund balance of \$12,117,223 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$5,833,841. Property tax revenue accounts for approximately 64% of total revenues in this zone fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 338% (\$8,284,401). Overall revenues increased (\$5,863,014) due primarily to increases in property tax revenue (\$657,279) and intergovernmental revenue (\$5,266,159). The increases were offset by the decrease in investment earnings (\$60,424). Additionally, expenditures decreased (\$2,446,726) due primarily to decreased construction costs related to the completion of Palm Springs MDP Line 41 Stages 3 & 4 in comparison to the prior fiscal year.

- ◆ *Zone 7* reported a fund balance of \$17,008,864 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$22,686,027. Property tax revenue accounts for approximately 83% of total revenues in this zone fund.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 687% (\$26,549,093). Overall revenues decreased (\$114,958) due to decreases in area drainage fees (\$71,015) and investment earnings (\$497,888). These decreases were partially offset by increases in property tax revenue (\$365,115), intergovernmental revenue (\$4,551), and charges for services (\$84,279). Additionally, expenditures increased (\$26,402,782) due to a large contribution to the Army Corp of Engineers for the construction of the Murrieta Creek project as well as increased capital expenditures for the construction of the Wildomar MDP Lateral C infrastructure project.

The NPDES funds had an aggregate fund balance of \$13,210,468 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year was \$999,948. Special assessment revenues account for approximately 54% of total revenues in the NPDES funds and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within each watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in total fund balance. Key factors in the net increase are as follows:

- ◆ *NPDES Whitewater* reported a fund balance of \$4,151,393 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$597,306. Special assessment revenues account for approximately 30% of total revenues in this NPDES fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 27% (\$126,061). Overall revenues increased (\$72,703) due to increases in special assessments (\$3,879), contributions from other governmental agencies (\$25,190), and investment earnings (\$43,634). Additionally, expenditures decreased (\$52,396) due primarily to decreases in personnel costs resulting from reduced activity within the fund compared to the prior fiscal year.

- ◆ *NPDES Santa Ana* reported a fund balance of \$5,590,144 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$407,288. Special assessment revenues account for approximately 78% of total revenues in this NPDES fund.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 22% (\$73,342). Overall revenues increased (\$75,253) due to increases in special assessments (\$33,498) and investment earnings (\$41,755). Additionally, expenditures increased (\$1,624) due primarily to increases in personnel costs compared to the prior fiscal year resulting from regional permit renewals.

- ◆ *NPDES Santa Margarita* reported a fund balance of \$3,468,931 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$4,646. Special assessment revenues account for approximately 27% of total revenues in this NPDES fund.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 100% (\$961,597). Overall revenues decreased (\$510,596) due to a decrease in contributions from other agencies (\$591,130). This decrease was partially offset by increases in special assessments (\$15,060) and investment earnings (\$65,475). Additionally, expenditures increased (\$447,152) due primarily to increases in personnel costs resulting from reduced activity within the fund compared to the prior fiscal year.

The nonmajor funds, Flood Control Capital Project Fund and Zone 4 Debt Service Fund, reported an aggregate total fund balance of \$269,963 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year in was \$241,022. 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 (\$161,916) while the Photogrammetry Operations fund reported an unrestricted net position of \$20,532 and the Encroachment Permit Operations fund reported \$38,996. The total increase in net position for Subdivision Operations was \$816,492. The total decrease in net position for Photogrammetry Operations was \$64,388 and the total decrease for Encroachment Permit Operations was \$13,946. 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 was an adjustment made between the original and final amended budget increasing general fund appropriations by \$1,200,000 to accommodate unanticipated increases in personnel related costs resulting from union negotiated salary and benefit adjustments. Significant budgetary variances between the final amended budget and the actual amounts are a result of the following components:

- ◆ Total actual expenditures exceeded budgetary estimates by \$194,945. This variance is attributable to a contra expenditure account that provided a smaller offset than originally anticipated. While this accounting treatment increased reported net expenditures, it does not represent actual overspending. There was a 74% increase in actual expenditures compared to the prior fiscal year.
- ◆ Estimated revenues, including transfers in, exceeded actual revenues by \$1,570,810, primarily due to lower-than-anticipated charges for services related to construction inspection activity. Budgeted charges for services revenue increased by 221% over the prior year in anticipation of higher inspection volume, which did not fully materialize.

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, 2025, amounts to \$1,290,214,556 (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 6%.

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

- ◆ Capital assets (infrastructure, land and easements) were donated to the District resulting from prior year development within the County; donated infrastructure, land and easements at the end of the current fiscal year was \$53,356,082.
- ◆ 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 \$35,080,649.

District's Capital Assets

	Governmental activities		Business-type activities		Total	
	2025	2024	2025	2024	2025	2024
Land and Easements	\$ 344,074,176	\$ 319,539,811	\$ -	\$ -	\$ 344,074,176	\$ 319,539,811
Construction in Progress	35,080,649	85,139,736	-	-	35,080,649	85,139,736
Infrastructure	897,506,660	798,355,060	-	-	897,506,660	798,355,060
Land Improvements	73,559	74,675	-	-	73,559	74,675
Buildings and Improvements	7,197,746	7,333,823	-	-	7,197,746	7,333,823
Equipment	6,260,800	5,675,328	20,966	32,823	6,281,766	5,708,151
Total	\$ 1,290,193,590	\$ 1,216,118,433	\$ 20,966	\$ 32,823	\$ 1,290,214,556	\$ 1,216,151,256

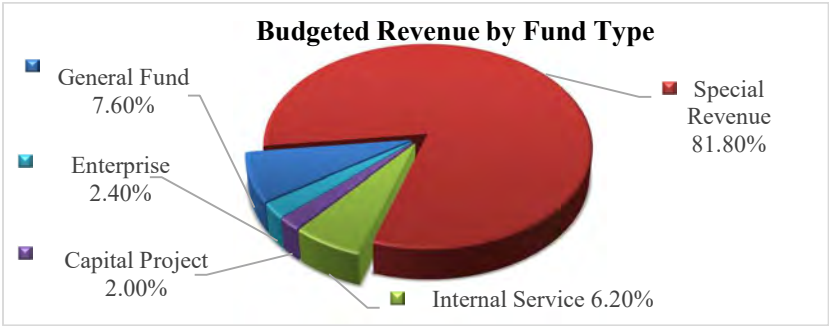
Additional information on the District's capital assets can be found in Note 4 on pages 41-42 of this report.

Long-term debt. The District Act limits the amount of general obligation debt the District may issue to the lesser of 3.75% of assessed valuation or \$21 million. The District issued the final payment to retire the negotiable promissory notes used 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, premium, and interest on the promissory notes were payable from the revenues and taxes of Zone 4. The retirement of this debt reflects the completion of related capital obligations. Additional information on the District’s promissory notes can be found in Note 5 on page 43 of this report.

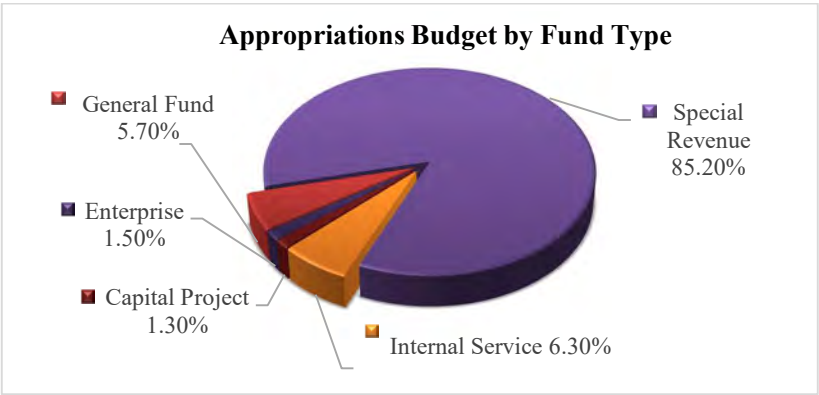
Economic Factors and Next Year’s Budgets and Rates

The District's principal source of general-purpose revenue is ad valorem property taxes. The estimated property tax revenue for fiscal year 2025-26 is \$125.5 million, an increase of approximately \$14.5 million compared to the District's fiscal year 2024-25 legally adopted budget. The District is taking a conservative approach and is estimating an increase of 5.0% in tax revenues for fiscal year 2025-26 based on the Riverside County Assessor’s Office projections in conjunction with actual tax revenue received by the District over the last three fiscal years.

The District estimates total revenue of \$183.4 million for fiscal year 2025-26, an increase of 20.4% from the District’s fiscal year 2024-25 budget. General Fund revenue is projected to increase by \$1.4 million. The Special Revenue Funds is budgeted to increase by \$28.8 million due to an increase in other agency contributions to Zone 4. Budgeted revenue allocations to the Capital Project Fund for capital improvements is increasing by \$1.7 million due to contributions from other funds for the replacement of an existing maintenance trailer that has reached the end of life as well as for the architecture, design, and construction costs for the remodel of District Buildings 1 and 1A. Budgeted fee revenue for the Enterprise Funds is expected to decrease by \$855,000 primarily due to anticipated decreases in revenue for plan check fees in the Subdivision Operations fund and inspections in the Encroachment Permits fund.



The District's appropriation budget for all funds totals \$284.1 million for fiscal year 2025-26, a decrease of 9.4% from the District’s fiscal year 2024-25 budget. General fund appropriations are expected to increase by \$3.6 million. The Special Revenue Funds are expected to decrease by \$31.9 million due to decreases in budgeted contributions to non-county agencies and infrastructure costs for District Led and Partner Led projects in Zones 2, 4, 6, and 7. The Capital Project Fund appropriation is proposed to increase by \$1.7 million due to the demolition, design, utility relocation, and construction of an existing maintenance office trailer that has reached the end of life, and similar costs for the remodeling of the District’s Buildings 1 and 1A. Enterprise Fund appropriations are expected to increase by \$667,000 based on higher personnel costs in the Subdivision Operations Fund and anticipated increases in engineering services in the Encroachment Permits fund each directly attributable to anticipated growth in development activity.



Requests for Information

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

BASIC FINANCIAL STATEMENTS



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

Riverside County Flood Control and Water Conservation District
Statement of Net Position
June 30, 2025

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 338,651,760	\$ 3,924,904	\$ 342,576,664
Restricted Cash	5,271,105	4,710,955	9,982,060
Receivables (net of allowance for uncollectibles)	8,589,858	168,990	8,758,848
Inventories	327,045	-	327,045
Internal Balances	(169,192)	169,192	-
Capital Assets:			
Nondepreciable	379,154,825	-	379,154,825
Depreciable, Net	911,038,765	20,966	911,059,731
Total Assets	<u>1,642,864,166</u>	<u>8,995,007</u>	<u>1,651,859,173</u>
DEFERRED OUTFLOWS OF RESOURCES			
OPEB related	2,710,941	-	2,710,941
Pension related	26,570,764	-	26,570,764
Total Deferred Outflows of Resources	<u>29,281,705</u>	<u>-</u>	<u>29,281,705</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	5,282,972	1,769,317	7,052,289
Salaries and Benefits Payable	1,770,659	61,775	1,832,434
Developer and Other Agency Deposits	5,264,222	4,710,955	9,975,177
Due to Other Governments	481,625	-	481,625
Unearned Revenue	500,000	-	500,000
Long-term Liabilities:			
Portion Due Within One Year:			
Compensated Absences	973,111	18,675	991,786
Portion Due in More Than One Year:			
Compensated Absences	5,162,862	99,082	5,261,944
Net OPEB Liability	1,721,904	-	1,721,904
Net Pension Liability	27,938,276	2,222,191	30,160,467
Total Liabilities	<u>49,095,631</u>	<u>8,881,995</u>	<u>57,977,626</u>
DEFERRED INFLOWS OF RESOURCES			
OPEB related	614,063	-	614,063
Pension related	15,928	25,242	41,170
Leases related	1,230,527	-	1,230,527
Total Deferred Inflows of Resources	<u>1,860,518</u>	<u>25,242</u>	<u>1,885,760</u>
NET POSITION			
Net Investment in Capital Assets	1,290,193,590	20,966	1,290,214,556
Restricted by Enabling Legislation for:			
Capital Projects	251,852	-	251,852
Debt Service	18,111	-	18,111
Public Ways and Facilities	326,447,860	-	326,447,860
Unrestricted (Deficit)	4,278,309	66,804	4,345,113
Total Net Position	<u>\$ 1,621,189,722</u>	<u>\$ 87,770</u>	<u>\$ 1,621,277,492</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, 2025

	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
FUNCTIONS/PROGRAMS:			
Governmental Activities			
General Government	\$ 13,443,909	\$ 1,777,601	\$ -
Public Ways and Facilities	100,209,628	11,671,671	56,931,249
Interest on Long-Term Debt	21,292	-	-
Total Governmental Activities	113,674,829	13,449,272	56,931,249
Business-type Activities			
Subdivision Operations	2,217,569	2,644,853	-
Photogrammetry Operations	159,070	92,707	-
Encroachment Permits	604,630	564,918	-
Total Business-type Activities	2,981,269	3,302,478	-
Total	\$ 116,656,098	\$ 16,751,750	\$ 56,931,249

General Revenues and Transfers:

Property Taxes

Unrestricted Interest and Investment Earnings

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year, as Previously Presented
Error Correction

Net Position, Beginning of Year, as Restated

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
\$ (11,666,308)	\$ -	\$ (11,666,308)
(31,606,708)	-	(31,606,708)
(21,292)	-	(21,292)
(43,294,308)	-	(43,294,308)
-	427,284	427,284
-	(66,363)	(66,363)
-	(39,712)	(39,712)
-	321,209	321,209
(43,294,308)	321,209	(42,973,099)
122,444,755	-	122,444,755
17,016,947	425,325	17,442,272
139,461,702	425,325	139,887,027
96,167,394	746,534	96,913,928
1,519,732,928	(658,764)	1,519,074,164
5,289,400	-	5,289,400
1,525,022,328	(658,764)	1,524,363,564
\$ 1,621,189,722	\$ 87,770	\$ 1,621,277,492

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Balance Sheet
Governmental Funds
June 30, 2025

	General Fund	Zone 1	Zone 2	Zone 3
ASSETS				
Cash and Investments	\$ 6,482,831	\$ 74,775,957	\$ 93,613,675	\$ 2,163,013
Restricted Cash	5,057,638	32,941	26,073	9,857
Receivables (net of allowance for uncollectibles)				
Taxes Receivable	122,688	238,815	439,755	56,248
Accounts Receivable	18,181	-	-	-
Interest Receivable	90,244	604,957	791,418	12,335
Lease Receivable	-	920,933	348,153	-
Due From Other Governments	-	6,020	3,451	181,023
Total Assets	<u>11,771,582</u>	<u>76,579,623</u>	<u>95,222,525</u>	<u>2,422,476</u>
LIABILITIES				
Accounts Payable	261,497	149,949	1,631,245	30,643
Salaries and Benefits Payable	561,197	173,402	217,422	15,183
Developer and Other Agency Deposits	5,057,638	32,941	26,073	9,857
Due to Other Governments	20,777	380,597	33,800	1,350
Unearned Revenue	-	-	-	-
Total Liabilities	<u>5,901,109</u>	<u>736,889</u>	<u>1,908,540</u>	<u>57,033</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	122,688	238,815	439,755	56,248
Unavailable Revenue - Special Assessments	-	-	-	-
Lease Related	-	857,836	343,895	-
Total Deferred Inflows of Resources	<u>122,688</u>	<u>1,096,651</u>	<u>783,650</u>	<u>56,248</u>
FUND BALANCES				
Nonspendable:				
Imprest Cash	600	-	-	-
Restricted for:				
Capital Projects	-	-	-	-
Public Ways and Facilities	-	74,746,083	92,530,335	2,309,195
Debt Service	-	-	-	-
Assigned to:				
Compensated Absences	1,189,944	-	-	-
Unassigned	<u>4,557,241</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>5,747,785</u>	<u>74,746,083</u>	<u>92,530,335</u>	<u>2,309,195</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 11,771,582</u>	<u>\$ 76,579,623</u>	<u>\$ 95,222,525</u>	<u>\$ 2,422,476</u>

The accompanying notes are an integral part of this statement.

Zone 4	Zone 5	Zone 6	Zone 7	NPDES Whitewater	NPDES Santa Ana
\$ 88,171,577 29,699	\$ 22,359,145 46,343	\$ 11,660,710 29,693	\$ 19,486,930 38,861	\$ 4,171,526 -	\$ 5,747,679 -
514,194	133,007	140,953	151,798	11,400	48,850
-	-	-	-	-	-
721,103	182,727	97,430	172,406	32,389	44,731
29,372	-	-	-	-	-
698,131	1,224,038	464,793	4,714	-	-
90,164,076	23,945,260	12,393,579	19,854,709	4,215,315	5,841,260
110,702	14,330	68,523	2,024,321	45,218	139,181
381,323	32,378	36,866	130,357	7,304	63,085
29,699	39,460	29,693	38,861	-	-
5,379	38,435	321	508	-	-
-	-	-	500,000	-	-
527,103	124,603	135,403	2,694,047	52,522	202,266
514,194	133,007	140,953	151,798	-	-
-	-	-	-	11,400	48,850
28,796	-	-	-	-	-
542,990	133,007	140,953	151,798	11,400	48,850
-	-	-	-	-	-
-	-	-	-	-	-
89,093,983	23,687,650	12,117,223	17,008,864	4,151,393	5,590,144
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
89,093,983	23,687,650	12,117,223	17,008,864	4,151,393	5,590,144
\$ 90,164,076	\$ 23,945,260	\$ 12,393,579	\$ 19,854,709	\$ 4,215,315	\$ 5,841,260

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, 2025

	NPDES Santa Margarita	Other Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 3,666,995	\$ 269,621	\$ 332,569,659
Restricted Cash	-	-	5,271,105
Receivables (net of allowance for uncollectibles)			
Taxes Receivable	9,039	-	1,866,747
Accounts Receivable	-	-	18,181
Interest Receivable	27,120	342	2,777,202
Lease Receivable	-	-	1,298,458
Due From Other Governments	-	-	2,582,170
Total Assets	<u>3,703,154</u>	<u>269,963</u>	<u>346,383,522</u>
LIABILITIES			
Accounts Payable	187,184	-	4,662,793
Salaries and Benefits Payable	38,000	-	1,656,517
Developer and Other Agency Deposits	-	-	5,264,222
Due to Other Governments	-	-	481,167
Unearned Revenue	-	-	500,000
Total Liabilities	<u>225,184</u>	<u>-</u>	<u>12,564,699</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	-	1,797,458
Unavailable Revenue - Special Assessments	9,039	-	69,289
Lease Related	-	-	1,230,527
Total Deferred Inflows of Resources	<u>9,039</u>	<u>-</u>	<u>3,097,274</u>
FUND BALANCES			
Nonspendable for:			
Imprest Cash	-	-	600
Restricted for:			
Capital Projects	-	251,852	251,852
Public Ways and Facilities	3,468,931	-	324,703,801
Debt Service	-	18,111	18,111
Assigned to:			
Compensated Absences	-	-	1,189,944
Unassigned	-	-	4,557,241
Total Fund Balances	<u>3,468,931</u>	<u>269,963</u>	<u>330,721,549</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u><u>\$ 3,703,154</u></u>	<u><u>\$ 269,963</u></u>	<u><u>\$ 346,383,522</u></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, 2025

Fund Balances - Total Governmental Funds (Page 20)

\$ 330,721,549

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of \$6,102,794 reported in Internal Service Funds.

1,284,090,796

Internal service funds are used by management to charge the costs of hydrology services, garage, project maintenance, and data processing to individual funds. The assets and liabilities of these funds are included in governmental activities in the statement of Net Position, net of \$169,192 allocated to business-type activities.

11,402,115

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.

1,866,747

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

29,281,705

Deferred inflows of resources

(629,991)

28,651,714

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

Net pension liability

(27,938,276)

Net OPEB liability

(1,721,904)

Compensated absences, net of \$252,954 reported in internal service funds

(5,883,019)

(35,543,199)

Net Position of Governmental Activities (Page 15)

\$ 1,621,189,722

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Zone 1	Zone 2	Zone 3
REVENUES				
Property Taxes	\$ 8,238,635	\$ 21,154,183	\$ 27,241,526	\$ 4,651,282
Special Assessments	-	-	-	9
Intergovernmental	52,481	81,995	1,165,613	199,615
Charges for Services	1,585,035	7,670	4,178	-
Area Drainage Fees	-	282,950	-	-
Investment Earnings	664,153	3,674,994	4,640,518	87,039
Use of Assets	-	162,127	31,083	-
Total Revenues	10,540,304	25,363,919	33,082,918	4,937,945
EXPENDITURES				
Current:				
General Government	13,608,267	-	-	-
Public Ways and Facilities	-	15,213,795	15,646,566	2,365,438
Capital Outlay	54,172	519,845	5,389,818	1,087,974
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	13,662,439	15,733,640	21,036,384	3,453,412
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,122,135)	9,630,279	12,046,534	1,484,533
OTHER FINANCING SOURCES (USES)				
Transfers In	409,959	-	-	-
Transfers Out	-	(137,440)	(173,990)	(32,651)
Total Other Financing Sources (Uses)	409,959	(137,440)	(173,990)	(32,651)
Net Change in Fund Balances	(2,712,176)	9,492,839	11,872,544	1,451,882
Fund Balances, Beginning of Year, as Previously Presented	8,459,961	65,253,244	80,657,791	857,313
Error Correction	-	-	-	-
Fund Balances, Beginning of Year, as Restated	8,459,961	65,253,244	80,657,791	857,313
Fund Balances, End of Year	\$ 5,747,785	\$ 74,746,083	\$ 92,530,335	\$ 2,309,195

The accompanying notes are an integral part of this statement.

Zone 4	Zone 5	Zone 6	Zone 7	NPDES Whitewater	NPDES Santa Ana
\$ 34,508,825	\$ 7,828,546	\$ 10,318,558	\$ 8,258,113	\$ -	\$ -
-	-	-	-	332,180	2,689,929
990,409	41,756	5,359,584	53,315	576,515	500,000
37,400	5,581	-	84,279	-	-
555,819	-	-	131,608	-	-
4,130,044	993,949	435,143	1,433,127	197,048	271,266
21,561	-	6,000	-	-	-
40,244,058	8,869,832	16,119,285	9,960,442	1,105,743	3,461,195
-	-	-	-	-	-
16,269,646	2,802,354	10,070,487	23,795,861	504,778	3,032,946
12,114,190	-	160,311	8,781,138	-	-
-	-	-	-	-	-
-	-	-	-	-	-
28,383,836	2,802,354	10,230,798	32,576,999	504,778	3,032,946
11,860,222	6,067,478	5,888,487	(22,616,557)	600,965	428,249
-	-	-	-	-	-
(3,057,866)	(39,110)	(54,646)	(69,470)	(3,659)	(20,961)
(3,057,866)	(39,110)	(54,646)	(69,470)	(3,659)	(20,961)
8,802,356	6,028,368	5,833,841	(22,686,027)	597,306	407,288
80,291,627	19,611,282	6,283,382	39,694,891	3,554,087	5,182,856
-	(1,952,000)	-	-	-	-
80,291,627	17,659,282	6,283,382	39,694,891	3,554,087	5,182,856
\$ 89,093,983	\$ 23,687,650	\$ 12,117,223	\$ 17,008,864	\$ 4,151,393	\$ 5,590,144

Continued

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Continued
For the Year Ended June 30, 2025

	NPDES Santa Margarita	Other Governmental Funds	Total
REVENUES			
Property Taxes	\$ -	\$ -	\$ 122,199,668
Special Assessments	560,172	-	3,582,290
Intergovernmental	1,372,613	-	10,393,896
Charges for Services	-	-	1,724,143
Area Drainage Fees	-	-	970,377
Investment Earnings	174,158	11,539	16,712,978
Use of Assets	-	-	220,771
Total Revenues	2,106,943	11,539	155,804,123
EXPENDITURES			
Current:			
General Government	-	-	13,608,267
Public Ways and Facilities	2,097,080	-	91,798,951
Capital Outlay	-	145,985	28,253,433
Debt service:			
Principal	-	2,755,000	2,755,000
Interest	-	63,875	63,875
Total Expenditures	2,097,080	2,964,860	136,479,526
Excess (Deficiency) of Revenues Over (Under) Expenditures	9,863	(2,953,321)	19,324,597
OTHER FINANCING SOURCES (USES)			
Transfers In	-	3,194,343	3,604,302
Transfers Out	(14,509)	-	(3,604,302)
Total Other Financing Sources (Uses)	(14,509)	3,194,343	-
Net Change in Fund Balances	(4,646)	241,022	19,324,597
Fund Balances, Beginning of Year, as Previously Presented	3,473,577	28,941	313,348,952
Error Correction	-	-	(1,952,000)
Fund Balances, Beginning of Year, as Restated	3,473,577	28,941	311,396,952
Fund Balances, End of Year	\$ 3,468,931	\$ 269,963	\$ 330,721,549

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, 2025

Net Change in Fund Balances - Total Governmental Funds (Page 24) \$ 19,324,597

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 \$2,369,711 reported in Internal Service Funds	28,244,350	
Donation of Capital Assets	53,356,082	
Less current year depreciation, net of (\$1,755,242) reported in Internal Service Funds	<u>(15,381,144)</u>	<u>66,219,288</u>

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

Change in unavailable revenue	<u>237,964</u>	<u>237,964</u>
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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	(435,692)	
Pension credit	9,448,219	
Change in compensated absences, net of \$72,058 reported in Internal Service Funds	(1,368,006)	
Amortization of bond premium	242,332	
Interest Expense	<u>42,583</u>	<u>7,929,436</u>

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 (\$8,376) allocated to business-type activities. (298,891)

The repayment of principal reduces long-term liabilities in the governmental activities statement of net position. 2,755,000

Change in Net Position of Governmental Activities (Page 17) \$ 96,167,394

Riverside County Flood Control and Water Conservation District
Statement of Net Position
Proprietary Funds
June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 3,823,818	\$ 101,086	\$ 3,924,904	\$ 6,082,101
Receivables:				
Accounts Receivable (net of allowance for uncollectibles)	57,923	11,030	68,953	325
Interest Receivable	68,478	4,250	72,728	46,775
Due From Other Governments	-	27,309	27,309	-
Inventories	-	-	-	327,045
Total Current Assets	3,950,219	143,675	4,093,894	6,456,246
Noncurrent Assets:				
Restricted Cash	4,355,371	355,584	4,710,955	-
Capital Assets:				
Depreciable, Net	-	20,966	20,966	6,102,794
Total Noncurrent Assets	4,355,371	376,550	4,731,921	6,102,794
Total Assets	8,305,590	520,225	8,825,815	12,559,040
LIABILITIES				
Current Liabilities:				
Accounts Payable	1,757,468	11,849	1,769,317	620,179
Salaries and Benefits Payable	40,154	21,621	61,775	114,142
Due to Other Governments	-	-	-	458
Compensated Absences - Current Portion	10,638	8,037	18,675	40,117
Developer and Other Agency Deposits	4,355,371	355,584	4,710,955	-
Total Current Liabilities	6,163,631	397,091	6,560,722	774,896
Noncurrent Liabilities:				
Compensated Absences	56,442	42,640	99,082	212,837
Net Pension Liability	2,222,191	-	2,222,191	-
Total Noncurrent Liabilities	2,278,633	42,640	2,321,273	212,837
Total Liabilities	8,442,264	439,731	8,881,995	987,733
DEFERRED INFLOWS OF RESOURCES				
Pension Related	25,242	-	25,242	-
Total Deferred Inflows of Resources	25,242	-	25,242	-
NET POSITION				
Investment in Capital Assets	-	20,966	20,966	6,102,794
Unrestricted (Deficit)	(161,916)	59,528	(102,388)	5,468,513
Total Net Position	\$ (161,916)	\$ 80,494	\$ (81,422)	\$ 11,571,307
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			169,192	
Net Position of Business-type Activities			<u>\$ 87,770</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, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 2,644,853	\$ 657,625	\$ 3,302,478	\$ 9,900,187
OPERATING EXPENSES				
Personnel Services	653,493	571,417	1,224,910	2,556,795
Administrative Services	14,772	2,700	17,472	44,258
Services and Supplies	1,556,899	178,507	1,735,406	6,138,376
Depreciation	-	11,857	11,857	1,755,242
Total Operating Expenses	2,225,164	764,481	2,989,645	10,494,671
Operating Income (Loss)	419,689	(106,856)	312,833	(594,484)
NONOPERATING REVENUES				
Investment Earnings	396,803	28,522	425,325	303,969
Total Nonoperating Revenues	396,803	28,522	425,325	303,969
Income (Loss)	816,492	(78,334)	738,158	(290,515)
Change in Net Position	816,492	(78,334)	738,158	(290,515)
Net Position, Beginning of Year	(978,408)	158,828	(819,580)	11,861,822
Net Position, End of Year	\$ (161,916)	\$ 80,494		\$ 11,571,307
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			8,376	
Change in Net Position of Business-type Activities			<u>\$ 746,534</u>	

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Statement of Cash Flows
Proprietary Funds
For the Year Ended June 30, 2025

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from (Paid To) Customers/Other Funds	\$ 2,998,707	\$ 595,915	\$ 3,594,622	\$ 9,900,612
Cash Paid to Suppliers for Goods and Services	(1,400,102)	(194,913)	(1,595,015)	(5,783,807)
Cash Paid to Employees for Services	(604,944)	(539,024)	(1,143,968)	(2,441,940)
Net Cash Provided by (Used In) Operating Activities	993,661	(138,022)	855,639	1,674,865
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	-	-	(2,369,711)
Net Cash (Used In) Capital and Related Financing Activities	-	-	-	(2,369,711)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	394,532	29,030	423,562	313,062
Net Cash Provided by Investing Activities	394,532	29,030	423,562	313,062
Net Change in Cash and Cash Equivalents	1,388,193	(108,992)	1,279,201	(381,784)
Cash and Cash Equivalents, Beginning of Year	6,790,996	565,662	7,356,658	6,463,885
Cash and Cash Equivalents, End of Year	<u>\$ 8,179,189</u>	<u>\$ 456,670</u>	<u>\$ 8,635,859</u>	<u>\$ 6,082,101</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating Income (Loss)	\$ 419,689	\$ (106,856)	\$ 312,833	\$ (594,484)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Depreciation	-	11,857	11,857	1,755,242
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in:				
Accounts Receivable	(4,905)	(5,541)	(10,446)	425
Due from Other Governments	-	(13,028)	(13,028)	-
Inventories	-	-	-	10,803
Deferred Outflows of Resources Related to Pensions	874	-	874	-
Increase (Decrease) in:				
Accounts Payable	171,569	(13,706)	157,863	388,017
Salaries and Benefits Payable	20,305	12,249	32,554	42,797
Compensated Absences	24,635	20,144	44,779	72,058
Net Pension Liability	3,731	-	3,731	-
Due to Other Governments	-	-	-	7
Deferred Inflows of Resources Related to Pensions	(996)	-	(996)	-
Developer and Other Agency Deposits	358,759	(43,141)	315,618	-
Net Cash Provided by (Used In) Operating Activities	<u>\$ 993,661</u>	<u>\$ (138,022)</u>	<u>\$ 855,639</u>	<u>\$ 1,674,865</u>

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

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

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

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

B) Basis of Presentation

Government-wide Financial Statements

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

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

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

C) Fund Financial Statements

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Fund Financial Statements - Continued

The District reports the following as major governmental funds:

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

The District reports the following major enterprise fund:

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

The District reports the following additional fund types:

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

D) Basis of Accounting and Measurement Focus

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Basis of Accounting and Measurement Focus - Continued

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

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

The District's cash from operations is deposited in the County Treasury. The County pools its funds with other government agencies in the County and invests them as prescribed by the California Government Code and the County of Riverside's Investment Policy. The District's deposits in the County pool may be accessed at any time. The District is allocated interest income on monies deposited with the County based on its proportional share of the pooled investments. All pooled investments and investments with fiscal agent are carried at fair value. The fair value of participants' positions in the pool is not the same as the value of the pooled shares. Restricted cash of \$5,271,105 and \$4,710,955, for governmental and business-type activities respectively, consists mostly of developer and other agency deposits for specific purposes.

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

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

F) Deferred Outflows/Inflows of Resources

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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

I) Capital Assets

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

The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend asset lives are not capitalized. The capitalization thresholds are as follows: \$10,000 for equipment, \$1 dollar for buildings (structures), land and land improvements, and \$150,000 for infrastructure.

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

J) Compensated Absences

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

Upon termination or retirement, District employees are entitled to receive compensation at their current salary for all unused vacation time. If an employee retires from the District with at least five years of service, the employee is entitled to receive 50 percent or more of the value of any unused sick leave up to 960 hours.

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, apart from interest expense, are treated as operating expenses on the accompanying statement of revenues, expenses and changes in fund net position.

M) Estimates

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

N) Interfund Transactions

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

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Net Position/Fund Balances

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

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

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

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – Continued

O) Net Position/Fund Balances- Continued

Fund Balance Spending Order

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

Minimum Fund Balance Policy for Governmental Funds

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

◆ Unrestricted Fund Balance - General Fund

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

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

P) Developer And Other Agency Deposits

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

Q) Pensions

The pension expense is for the measurement period of July 1, 2023 to June 30, 2024 and the net pension liability is measured as of June 30, 2024. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2023 and were rolled forward to June 30, 2024.

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, 2025

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

R) Other Postemployment Benefits (OPEB)

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

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

Valuation Date	July 1, 2024
Measurement Date	June 30, 2024
Measurement Period	July 1, 2023 to June 30, 2024

S) Leases

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

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

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

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

Governmental Accounting Standards Board Statement No. 101

In June of 2022, GASB issued Statement No. 101, *Compensated Absences*. This Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. Statement No. 101 is effective for fiscal years beginning after December 15, 2023. The District has implemented this statement.

Governmental Accounting Standards Board Statement No. 103

In April of 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. Statement No. 103 is effective for fiscal years beginning after June 15, 2025. The District has determined that there is no effect on the District's financial statements. All requirements have already been in place.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

2) CASH AND INVESTMENTS

Cash and investments totaled \$350,830,581 as of June 30, 2025. 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 pro rata 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	\$ 352,558,124
Imprest Cash Held at the District	600
Total Cash and Investments	<u>\$ 352,558,724</u>

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

Cash and Investments Summary:	
Total Governmental Activities	\$ 343,922,865
Total Business-type Activities	8,635,859
Total Cash and Investments	<u>\$ 352,558,724</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

2) CASH AND INVESTMENTS – Continued

A) Investments

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

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

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

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

B) Interest Rate Risk

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

The County Treasurer manages exposure to declines in the fair value of the Pooled Investment fund portfolio by maintaining a weighted average days to maturity (WAM) of less than 541 days or 1.5 years in accordance with the County Treasurer's Statement of Investment Policy. As of June 30, 2025, the WAM for the Pooled Investment fund portfolio was 1.28 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.

As noted in the County Treasurer's Investment Fund Monthly Report for June 2025, the Pooled Investment fund was rated: Aa-bf by Moody's Investor Service and AAAs/S1 by Fitch Ratings.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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, 2025, 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, 2025, 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, 2025

3) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

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

Transfer From	Transfer To	Amount	Purpose
Operating or Debt Subsidy:			
Zone 1	General Fund	\$ 68,842	Funded Leave Balance
Zone 2	General Fund	80,048	Funded Leave Balance
Zone 3	General Fund	16,919	Funded Leave Balance
Zone 4	General Fund	128,791	Funded Leave Balance
Zone 5	General Fund	14,366	Funded Leave Balance
Zone 6	General Fund	20,967	Funded Leave Balance
Zone 7	General Fund	40,897	Funded Leave Balance
NPDES Whitewater	General Fund	3,659	Funded Leave Balance
NPDES Santa Ana	General Fund	20,961	Funded Leave Balance
NPDES Santa Margarita	General Fund	14,509	Funded Leave Balance
Zone 1	Capital Project Fund	68,598	To Fund District Grounds Project
Zone 2	Capital Project Fund	93,942	To Fund District Grounds Project
Zone 3	Capital Project Fund	15,732	To Fund District Grounds Project
Zone 4	Capital Project Fund	110,200	To Fund District Grounds Project
Zone 5	Capital Project Fund	24,743	To Fund District Grounds Project
Zone 6	Capital Project Fund	33,680	To Fund District Grounds Project
Zone 7	Capital Project Fund	28,573	To Fund District Grounds Project
			Transfer of Cash to Process
Zone 4	Other Governmental Funds	2,818,875	Debt Service Payment
Total Transfers		<u>\$ 3,604,302</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, 2025

4) CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2025 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Governmental Activities:</u>					
<i>Capital Assets, Nondepreciable:</i>					
Land and Easements ¹	\$ 319,539,811	\$ 24,543,449	\$ (9,084)	\$ -	\$ 344,074,176
Construction in Progress	85,139,736	15,922,377	-	(65,981,464)	35,080,649
Total Capital Assets, Nondepreciable	<u>404,679,547</u>	<u>40,465,826</u>	<u>(9,084)</u>	<u>(65,981,464)</u>	<u>379,154,825</u>
<i>Capital Assets, Depreciable</i>					
Infrastructure	1,044,455,765	48,184,933	-	65,981,464	1,158,622,162
Land Improvements	110,479	-	-	-	110,479
Buildings and Improvements	15,398,153	145,985	-	-	15,544,138
Equipment	19,150,306	2,423,883	-	-	21,574,189
Total Capital Assets, Depreciable	<u>1,079,114,703</u>	<u>50,754,801</u>	<u>-</u>	<u>65,981,464</u>	<u>1,195,850,968</u>
Less Accumulated Depreciation for:					
Infrastructure	(246,100,705)	(15,014,797)	-	-	(261,115,502)
Land Improvements	(35,804)	(1,116)	-	-	(36,920)
Buildings and Improvements	(8,064,330)	(282,062)	-	-	(8,346,392)
Equipment	(13,474,978)	(1,838,411)	-	-	(15,313,389)
Total Accumulated Depreciation	<u>(267,675,817)</u>	<u>(17,136,386)</u>	<u>-</u>	<u>-</u>	<u>(284,812,203)</u>
Total Capital Assets, Depreciable, Net	<u>811,438,886</u>	<u>33,618,415</u>	<u>-</u>	<u>65,981,464</u>	<u>911,038,765</u>
Governmental Activities Capital Assets, Net	<u>\$ 1,216,118,433</u>	<u>\$74,084,241</u>	<u>\$ (9,084)</u>	<u>\$ -</u>	<u>\$ 1,290,193,590</u>
<u>Business-type Activities:</u>					
<i>Capital Assets, Depreciable</i>					
Equipment	\$ 158,342	\$ -	\$ -	\$ -	\$ 158,342
Total Capital Assets, Depreciable	<u>158,342</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>158,342</u>
Less Accumulated Depreciation for:					
Equipment	(125,519)	(11,857)	-	-	(137,376)
Total Accumulated Depreciation	<u>(125,519)</u>	<u>(11,857)</u>	<u>-</u>	<u>-</u>	<u>(137,376)</u>
Total Capital Assets, Depreciable, Net	<u>32,823</u>	<u>(11,857)</u>	<u>-</u>	<u>-</u>	<u>20,966</u>
Business-type Activities Capital Assets, Net	<u>\$ 32,823</u>	<u>\$ (11,857)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 20,966</u>

¹ Included in the amount reported for Land and Easements is a \$7,241,400 adjustment for land purchases from the prior year. See Note 11, *Error Corrections*, for additional information on this adjustment.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

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, 2025 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Ending Balance</u>
<u>Internal Service Funds:</u>				
<i>Capital Assets, Depreciable</i>				
Buildings and Improvements	\$ 12,181	\$ -	\$ -	\$ 12,181
Equipment	<u>18,011,174</u>	<u>2,369,711</u>	<u>-</u>	<u>20,380,885</u>
Total Capital Assets, Depreciable	<u>18,023,355</u>	<u>2,369,711</u>	<u>-</u>	<u>20,393,066</u>
 Less Accumulated Depreciation for:				
Buildings and Improvements	(8,162)	(244)	-	(8,406)
Equipment	<u>(12,526,868)</u>	<u>(1,754,998)</u>	<u>-</u>	<u>(14,281,866)</u>
Total Accumulated Depreciation	<u>(12,535,030)</u>	<u>(1,755,242)</u>	<u>-</u>	<u>(14,290,272)</u>
 Internal Service Funds Capital Assets, Net	<u>\$ 5,488,325</u>	<u>\$ 614,469</u>	<u>\$ -</u>	<u>\$ 6,102,794</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 365,231
Public Ways and Facilities	15,015,913
Depreciation on capital assets held by the District's internal service funds is charged to the various functions based on their usage of the assets.	<u>1,755,242</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 17,136,386</u>

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

5) LONG-TERM OBLIGATIONS

The following is a summary of long-term liability transactions for the year ended June 30, 2025:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Compensated Absences, Net	\$ 4,695,909	\$ 1,440,064	\$ -	\$ 6,135,973	\$ 973,111
Promissory Note	2,755,000	-	(2,755,000)	-	-
Promissory Note Premium	242,332	-	(242,332)	-	-
Net OPEB Liability	2,175,449	549,474	(1,003,019)	1,721,904	-
Net Pension Liabilities	44,744,829	11,140,627	(27,947,180)	27,938,276	-
Total Governmental Activities - Long-term Liabilities	<u>\$ 54,613,519</u>	<u>\$ 13,130,165</u>	<u>\$ (31,947,531)</u>	<u>\$ 35,796,153</u>	<u>\$ 973,111</u>
<u>Business-type activities:</u>					
Compensated Absences, Net	\$ 72,978	\$ 44,779	\$ -	\$ 117,757	\$ 18,675
Net Pension Liabilities	2,218,460	95,947	(92,216)	2,222,191	-
Total Business- type Activities - Long-term Liabilities	<u>\$ 2,291,438</u>	<u>\$ 140,726</u>	<u>\$ (92,216)</u>	<u>\$ 2,339,948</u>	<u>\$ 18,675</u>

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 Line A, Stage 4 for certain expenses incidental thereto. The principal and interest on the Notes were payable from the revenues and taxes of Zone 4 ("Zone 4 Revenues"). The Notes were further secured by a first lien and specific pledge of the Zone 4 Revenues as received, except that any Zone 4 Revenues not needed for debt service on the Notes in any fiscal year were available to the District for any lawful purpose. The Notes were not subject to optional redemption prior to maturity.

As of June 30, 2025, the District retired the remaining outstanding balance of the Zone 4 Negotiable Promissory Notes. The full repayment of the Notes resulted in the removal of the related liability from the District's Statement of Net Position.

6) SELF-INSURANCE PROGRAM

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

The maximum coverage under the workers' compensation policy is \$2 million per occurrence, and there is no deductible. The County allocates an annual premium to the District based on current payroll costs and an experience modification. The annual premium to the District in fiscal year 2025 was \$548,685.

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

7) RETIREMENT PLAN

A) Plan Description

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

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

B) Benefits Provided

CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. At service retirement, a monthly allowance equal to the product of the benefit factor, years of service, and final compensation is paid to the retiree in the form of an annuity. A classic CalPERS member, an employee hired prior to January 1, 2013 becomes eligible for service retirement upon attainment of age 50 with at least 5 years of credited service with a benefit formula of 3% at 60. A classic CalPERS member, hired on or after August 23, 2012 has a modified retirement formula of 2% at 60. A 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 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, 2025, the average active employee contribution rate is 7.79 percent of annual covered salary and the District's contribution rate is 11.65 percent of annual payroll. The District made contributions to CalPERS of \$18,647,326 for the fiscal year ended June 30, 2025. Included in this contribution was the District's required contribution of \$9,347,326 and an additional contribution towards the District's unfunded liability of \$9,300,000.

D) Net Pension Liability

The District's net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2023 with a roll-forward adjustment to June 30, 2024.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

7) RETIREMENT PLAN – Continued

E) Actuarial Assumptions

The June 30, 2023 valuation was rolled forward to determine the June 30, 2024 total pension liability, based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation	2.30%
Salary Increases	Varies by entry age and service
Mortality Rates	The probabilities of mortality are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. Mortality rates include full generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries.
Post Retirement Benefit Increase	The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on Purchasing Power applies, 2.30% thereafter
Payroll Growth	2.80%
Investment Rate of Return	6.80% net of pension plan investment and administrative expenses; includes inflation.
Retirement Age	The probabilities of retirement are based on the 2021 CalPERS Experience Study and Review of Actuarial Assumptions.

F) Change of Assumptions

Changes of Assumptions: There were no assumption changes in 2023 or 2024. Effective with the June 30, 2021 valuation date (June 30, 2022 measurement date), the accounting discount rate was reduced from 7.15% to 6.90%. On November 1, 2021, the board adopted a new strategic asset allocation. In addition, demographic assumptions and the inflation rate assumptions were changed in accordance with the 2021 CalPERS Experience Study and Review of Actuarial Assumptions. The discount rate was 7.15% for measurement dates June 30, 2017 through June 30, 2021, 7.65% for measurement dates June 30, 2015 through June 30, 2016, and 7.50% for measurement date June 30, 2014.

G) Discount Rate

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

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

7) RETIREMENT PLAN - Continued

G) Discount Rate – Continued

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

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

¹ An expected inflation of 2.30% used for this period.

² Figures are based on the 2021 Asset Liability Management study.

H) Net Pension Liability

The changes in the Net Pension Liability are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<u>Balance at Valuation Date of 06/30/2023:</u>	<u>\$ 247,144,645</u>	<u>\$ 200,181,356</u>	<u>\$ 46,963,289</u>
<i>Changes During the Measurement Period:</i>			
Service Cost	3,856,007	-	3,856,007
Interest on the Total Pension Liability	16,908,445	-	16,908,445
Changes in Benefit Terms	-	-	-
Changes of Assumptions	-	-	-
Differences between Expected and Actual Experience	2,898,785	-	2,898,785
Net Plan to Plan Resource Movement	-	-	-
Contributions from the Employer	-	19,594,920	(19,594,920)
Contributions from the Employee	-	1,713,462	(1,713,462)
Net Investment Income	-	19,320,565	(19,320,565)
Benefit Payments	(13,843,008)	(13,843,008)	-
Administrative Expense	-	(162,888)	162,888
Other Miscellaneous Income/(Expense)	-	-	-
Net Changes	<u>9,820,229</u>	<u>26,623,051</u>	<u>(16,802,822)</u>
<u>Balance at Measurement Date of 6/30/2024:</u>	<u>\$ 256,964,874</u>	<u>\$ 226,804,407</u>	<u>\$ 30,160,467</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

7) RETIREMENT PLAN – Continued

H) Net Pension Liability – Continued

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

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

	Discount Rate – 1% (5.90 %)	Discount Rate (6.90 %)	Discount Rate + 1% (7.90 %)
Plan's Net Pension Liability/ (Asset)	\$ 64,236,882	\$ 30,160,467	\$ 2,086,763

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.

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

For the year ended June 30, 2025, the District recognized pension expense of \$9,203,067. At June 30, 2025, 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	\$ 18,647,326	\$ -
Changes of Assumptions	1,583,711	-
Differences between Expected and Actual Experience	3,313,765	(41,170)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	3,025,962	-
Total	<u>\$ 26,570,764</u>	<u>\$ (41,170)</u>

\$18,647,326 reported as deferred outflows of resources related to contributions after the measurement date will be recognized as a reduction to the net pension liability in the fiscal year ending June 30, 2026. 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
2025	\$ 3,059,377
2026	6,123,248
2027	(248,295)
2028	(1,052,062)
Thereafter	-
Total	<u>\$ 7,882,268</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

7) RETIREMENT PLAN - Continued

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

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

The EARS� for the Plan for the June 30, 2024 measurement period is 3.7 years, which was obtained by dividing the total service years of 2,732 (the sum of remaining service lifetimes of the active employees) by 732 (the total number of participants: active, inactive, and retired).

L) Employees Covered

At June 30, 2023, the following employees were covered by the CalPERS Plan:

Active employees	236
Inactive employees or beneficiaries currently receiving benefits	315
Inactive employees entitled to, but not yet receiving benefits	181
Total	<u>732</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, 2025, 77 District employees meet the age eligibility requirements, 60 of which will be covered upon retirement while the remaining 17 will qualify upon reaching 5 years of service. Another 92 employees have sufficient time in service to qualify for these benefits upon retirement after age 50.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

A) Plan Description - Continued

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.

B) Employees Covered

As of the June 30, 2024 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	244
Inactive employees or beneficiaries currently receiving benefits	61
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>305</u>

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 is either the Public Employees’ Medical and Hospital Care Act (PEMHCA) amount or \$256, depending on the retiree’s bargaining unit at retirement. All bargaining units are eligible for the greater of the stated PEMHCA amounts and the bargaining unit’s negotiated amount. The PEMHCA monthly amounts are \$157.00 and \$158.00 in 2024 and 2025, respectively, and increase annually thereafter by Medical CPI. These are the only groups that have inflation-indexed benefits.

D) Net OPEB Liability

The District’s net OPEB liability was measured as of June 30, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2024 with a roll forward adjustment to June 30, 2025.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

E) Actuarial Assumptions

The June 30, 2025 total OPEB liability is based on the following actuarial methods and assumptions:

Actuarial Valuation Date	July 1, 2024
Actuarial Cost Method	Entry Age Normal with Amortization of 7/1/2017 unfunded liability over a period ending 6/30/2037 and amortization of subsequent unanticipated changes in unfunded liability over 15-year periods and any asset gain/loss over 5-year periods.
Asset Valuation Method	Market Value
Discount Rate	7.00%
Investment Rate of Return	7.00%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	2.80%
Retirement Age	Retirement rates developed in the 2021 CalPERS Experience Study
Healthcare Cost Trend Rate	7.10% for Pre Medicare and 8.05% for Post Medicare
Mortality	Pub-2010 Headcount-Weighted Public Retirement Plans Mortality Tables using scale MP-2021
Inflation Rate	2.30%

The healthcare cost trend rate for the Pre Medicare Plan was 7.10 percent, decreasing 0.33 percent per year to an ultimate rate of 4.50 percent for 2032 and later years. The healthcare cost trend rate for the Post Medicare Plan was 8.05 percent, decreasing 0.44 percent per year to an ultimate rate of 4.50 percent for 2032 and later years.

F) Discount Rate

The discount rate used to measure the total OPEB liability was 7.00 percent. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Asset Class	Target Allocation	Target Range
Global Equity	49%	± 5%
Global Fixed Income	23%	± 5%
Treasury Inflation-Protected Securities (TIPS)	5%	± 3%
Real Estate Investment Trusts (REITs)	20%	± 5%
Commodities	3%	± 3%
Cash	-	+2%

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

G) Changes in the OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
<u>Balance at 06/30/2024:</u>	<u>\$ 5,436,846</u>	<u>\$ 3,261,397</u>	<u>\$ 2,175,449</u>
<i>Changes During the Measurement Period:</i>			
Service Cost	168,315	-	168,315
Interest on the Total OPEB Liability	379,502	-	379,502
Changes of Benefit Terms	-	-	-
Difference Between Expected and Actual Experience	(271,178)	-	(271,178)
Changes of Assumptions	-	-	-
Benefits Payments	(373,729)	(373,729)	-
Contributions From the Employer	-	373,729	(373,729)
Contributions From the Employee	-	-	-
Net Investment Income	-	358,112	(358,112)
Administrative Expense	-	(1,657)	1,657
Net Changes	<u>(97,090)</u>	<u>356,455</u>	<u>(453,545)</u>
Balance at Measurement Date of 6/30/2025:	<u>\$ 5,339,756</u>	<u>\$ 3,617,852</u>	<u>\$ 1,721,904</u>

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

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for the measurement period ended June 30, 2025:

	Discount Rate – 1% (6.00%)	Discount Rate (7.00 %)	Discount Rate + 1% (8.00 %)
Net OPEB Liability/ (Asset)	\$ 2,272,918	\$ 1,721,904	\$ 1,254,510

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for the measurement period ended June 30, 2025:

	Trend Rate – 1%	Trend Rate	Trend Rate + 1%
Net OPEB Liability/ (Asset)	\$ 1,189,008	\$ 1,721,904	\$ 2,366,732

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

I) OPEB Plan Fiduciary Net Position

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

J) Recognition of Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2025, the District recognized OPEB expense of \$435,692. At June 30, 2025, 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	\$ 684,636	\$ 387,300
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	131,110	-
Assumption Changes	1,895,195	226,763
Total	<u>\$ 2,710,941</u>	<u>\$ 614,063</u>

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

Measurement Period Ended June 30	Deferred Outflows/(Inflows) of Resources
2026	\$ 491,065
2027	538,292
2028	398,639
2029	377,122
2030	256,987
Thereafter	34,773
Total	<u>\$ 2,096,878</u>

9) CONSTRUCTION AND OTHER SIGNIFICANT COMMITMENTS

Construction Commitments

The District has active construction projects as of June 30, 2025. The projects include enhancement of existing infrastructure and new construction of basins, channels, dams, and storm drains. At year end, the District's commitments with contractors are as follows:

District Fund	Project	Spent to Date	Remaining Commitment
Zone 2	Woodcrest-Rinehart Acres MDP	\$ 821,138	\$ 11,363,374
Zone 4	Bautista Creek Channel Basin Expansion Stg 50	1,746,394	9,842
Zone 7	Wildomar MDP Lateral C Stg 3 and Bundy Canyon Basin	8,135,581	10,799,893
District Total		<u>\$ 10,703,113</u>	<u>\$ 22,173,109</u>

Lawsuits and Other Claims

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2025

10) LEASES

The District currently leases property to third parties under long-term noncancelable contracts ranging from 5 to 20 years. The District recognized \$105,351 in lease revenue and \$32,440 in interest revenue during the current fiscal year related to various leases. As of June 30, 2025, the District's receivable for lease payments was \$1,298,458. The District also has a deferred inflow of resources associated with leases that will be recognized as revenue over the lease terms. As of June 30, 2025, the balance of the deferred inflow of resources related to leases was \$1,230,527.

11) ERROR CORRECTIONS

In the Statement of Revenues, Expenditures, and Changes in Fund Balances, the District reported an error correction of (\$1,952,000) due to an overstatement of receivables and revenues from other governments in the prior year. In addition, in the Statement of Activities, the District reported an error correction to add land purchased in the prior year for \$7,241,400 to capital assets. These corrections were applied retroactively in accordance with GASB Statement No. 100, *Accounting Changes and Error Corrections*. The net effect of both adjustments is reflected as a single restatement of beginning net position for governmental activities on the face of the Government-Wide financial statements. Refer to the table below for a summary of reporting units affected by the error corrections and the resulting restatements of beginning balances.

Reporting Units Affected by Adjustments to and Restatements of Beginning Balances		
	Funds	Government-Wide
	Zone 5	Governmental Activities
Net Position or Fund Balance, Beginning of Year, As Previously Presented	\$ 19,611,282	\$ 1,519,732,928
Error Correction	(1,952,000)	5,289,400
Net Position or Fund Balance, Beginning of Year, As Restated	\$ 17,659,282	\$ 1,525,022,328

REQUIRED SUPPLEMENTARY INFORMATION



Van Buren Sewer Improvement Project

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

Riverside County Flood Control and Water Conservation District
Schedule of Required Supplementary Information
For the Year Ended June 30, 2025

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

Measurement Period	2024	2023	2022
TOTAL PENSION LIABILITY			
Service Cost	\$ 3,856,007	\$ 3,726,269	\$ 3,559,418
Interest on Total Pension Liability	16,908,445	16,257,585	15,626,060
Changes of Benefit Terms	-	176,351	-
Changes of Assumptions ¹	-	-	7,522,625
Difference Between Expected and Actual Experience	2,898,785	2,530,031	(195,559)
Benefit Payments, Including Refunds of Employee Contributions	(13,843,008)	(13,186,507)	(12,459,011)
Net Change in Total Pension Liability	\$ 9,820,229	\$ 9,503,729	\$ 14,053,533
Total Pension Liability – Beginning	247,144,645	237,640,916	223,587,383
Total Pension Liability – Ending (a)	\$ 256,964,874	\$ 247,144,645	\$ 237,640,916
PLAN FIDUCIARY NET POSITION			
Contributions – Employer	\$ 19,594,920	\$ 17,744,855	\$ 19,317,245
Contributions – Employee	1,713,462	1,448,789	1,359,229
Net Investment Income	19,320,565	11,532,135	(14,680,666)
Benefit Payments, Including Refunds of Employee Contributions	(13,843,008)	(13,186,507)	(12,459,011)
Net Plan to Plan Resource Movement	-	-	-
Administrative Expense	(162,888)	(134,405)	(117,959)
Other Miscellaneous Income/(Expense) ²	-	-	-
Net Change in Fiduciary Net Position	\$ 26,623,051	\$ 17,404,867	\$ (6,581,162)
Plan Fiduciary Net Position – Beginning	\$ 200,181,356	\$ 182,776,489	\$ 189,357,651
Plan Fiduciary Net Position – Ending (b)	226,804,407	200,181,356	182,776,489
Plan Net Pension Liability – Ending (a) - (b)	\$ 30,160,467	\$ 46,963,289	\$ 54,864,427
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	88.26%	81.00%	76.91%
Covered Payroll ³	\$ 20,609,335	\$ 19,642,957	\$ 18,519,347
Plan Net Pension Liability - as a Percentage of Covered Payroll	146.34%	239.08%	296.25%

Schedule of Plan Contributions – Retirement Program

Fiscal Year End	2025	2024	2023	2022
Actuarially Determined Contribution	\$ 9,135,716	\$ 9,094,569	\$ 8,716,963	\$ 8,564,032
Contributions in Relation to the Actuarially Determined Contribution	(13,558,283)	(19,594,920)	(17,744,855)	(19,317,245)
Contribution Deficiency / (Excess)	<u>\$ (4,422,567)</u>	<u>\$ (10,500,351)</u>	<u>\$ (9,027,892)</u>	<u>\$ (10,753,213)</u>
Covered Payroll ³	\$ 21,779,616	\$ 20,609,335	\$ 19,642,957	\$ 18,519,347
Contributions as a Percentage of Covered Payroll	62.25%	95.08%	90.34%	104.31%

¹ There were no assumption changes in 2023 or 2024. In 2021, the accounting discount rate was reduced from 7.15 percent to 6.90 percent. The accounting discount rate was 7.15 percent for measurement dates 2017 through 2021, 7.65 percent for measurement dates 2015 through 2016, and 7.50 percent for measurement date 2014.

² CalPERS employees participate in various State of California agent pension plans and during fiscal year ended 2018, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68)

³ Includes one year's payroll growth using 2.80 percent growth assumption for fiscal years ended 2022 through 2024; 2.75 percent payroll growth assumption for fiscal years ended 2018 through 2021; 3.00 percent payroll growth assumption for fiscal years ended 2014 through 2017.

2021	2020	2019	2018	2017	2016	2015
\$ 3,162,509	\$ 3,019,876	\$ 3,114,469	\$ 3,238,686	\$ 3,195,682	\$ 2,736,183	\$ 2,605,929
15,201,134	14,738,030	14,237,382	13,567,811	13,181,756	12,355,012	11,562,462
-	-	-	-	-	-	-
-	-	-	(1,005,026)	11,057,277	-	1,641,380
(7,097)	339,275	2,632,712	(883,457)	4,317,304	3,136,481	(2,831,312)
(11,596,516)	(11,093,800)	(10,189,735)	(9,835,189)	(8,387,021)	(7,290,390)	(6,729,370)
\$ 6,760,030	\$ 7,003,381	\$ 9,794,828	\$ 5,082,825	\$ 23,364,998	\$ 10,937,286	\$ 6,249,089
216,827,353	209,823,972	200,029,144	194,946,319	171,581,321	160,644,035	154,394,946
\$ 223,587,383	\$ 216,827,353	\$ 209,823,972	\$ 200,029,144	\$ 194,946,319	\$ 171,581,321	\$ 160,644,035

\$ 19,468,855	\$ 12,731,388	\$ 5,019,882	\$ 4,252,929	\$ 3,898,709	\$ 3,444,770	\$ 2,917,761
1,376,469	1,306,590	1,240,294	1,269,147	1,343,302	1,355,866	1,276,885
34,442,801	6,806,819	8,617,060	10,585,972	12,841,732	665,782	2,659,895
(11,596,516)	(11,093,800)	(10,189,735)	(9,835,189)	(8,387,021)	(7,290,390)	(6,729,370)
(49,378)	-	-	(307)	828	-	-
(145,706)	(192,153)	(93,990)	(196,351)	(171,974)	(72,144)	(133,244)
-	-	307	(372,873)	-	-	-
\$ 43,496,525	\$ 9,558,844	\$ 4,593,818	\$ 5,703,328	\$ 9,525,576	\$ (1,896,116)	\$ (8,073)
\$ 145,861,126	\$ 136,302,282	\$ 131,708,464	\$ 126,005,136	\$ 116,479,560	\$ 118,375,676	\$ 118,383,749
189,357,651	145,861,126	136,302,282	131,708,464	126,005,136	116,479,560	118,375,676
\$ 34,229,732	\$ 70,966,227	\$ 73,521,690	\$ 68,320,680	\$ 68,941,183	\$ 55,101,761	\$ 42,268,359

84.69%	67.27%	64.96%	65.84%	64.64%	67.89%	73.69%
\$ 17,907,752	\$ 16,889,688	\$ 17,304,528	\$ 17,580,534	\$ 17,427,507	\$ 16,643,449	\$ 15,837,660
191.14%	420.17%	424.87%	388.62%	395.59%	331.07%	266.89%

2021	2020	2019	2018	2017	2016	2015
\$ 6,891,217	\$ 6,014,981	\$ 5,019,882	\$ 4,252,929	\$ 3,898,709	\$ 3,444,770	\$ 2,917,761
(19,468,855)	(12,731,388)	(5,019,882)	(4,252,929)	(3,898,709)	(3,444,770)	(2,917,761)
\$ (12,577,638)	\$ (6,716,407)	\$ -	\$ -	\$ -	\$ -	\$ -
\$ 17,907,752	\$ 16,889,688	\$ 17,304,528	\$ 17,580,534	\$ 17,427,507	\$ 16,643,449	\$ 15,837,660
108.72%	75.38%	29.01%	24.19%	22.37%	20.70%	18.42%

Riverside County Flood Control and Water Conservation District
Schedule of Required Supplementary Information
For the Year Ended June 30, 2025

Schedule of Changes in Net OPEB Liability and Related Ratios

Measurement Period ¹	2025	2024
TOTAL OPEB LIABILITY		
Service Cost	\$ 168,315	\$ 144,133
Interest on Total OPEB Liability	379,502	315,881
Difference Between Expected and Actual Experience	(271,178)	566,867
Changes of Assumptions ²	-	38,764
Benefit Payments, Including Refunds of Employee Contributions	(373,729)	(255,741)
Net Change in Total OPEB Liability	\$ (97,090)	\$ 809,904
Total OPEB Liability – Beginning	5,436,846	4,626,942
Total OPEB Liability – Ending (a)	\$ 5,339,756	\$ 5,436,846
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	\$ 373,729	\$ 255,741
Contributions – Employee	-	-
Net Investment Income	358,112	196,933
Benefit Payments, Including Refunds of Employee Contributions	(373,729)	(255,741)
Administrative Expense	(1,657)	(1,531)
Net Change in Plan Fiduciary Net Position	\$ 356,455	\$ 195,402
Plan Fiduciary Net Position – Beginning	\$ 3,261,397	\$ 3,065,995
Plan Fiduciary Net Position – Ending (b)	3,617,852	3,261,397
Plan Net OPEB Liability/(Asset) – Ending (a) - (b)	\$ 1,721,904	\$ 2,175,449
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	67.75%	59.99%
Covered Employee Payroll ³	\$ 23,851,822	\$ 20,829,812
Net OPEB Liability/(Asset) as a Percentage of Covered Employee Payroll	7.22%	10.44%

Notes to Schedule:

¹GASB 75 was effective first for employer fiscal years beginning after June 15, 2017. 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.

²Changes of assumptions: In 2023, the expected return on assets and discount rates was increased from 6.80 percent to 7.00 percent. The funding discount rate was increased from 6.80 percent to 7.00 percent. The claims and trend tables were updated to reflect the current medical cost growth expectation. Aging factors were updated to reflect most recent CalPERS demographic experience.

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

2023	2022	2021	2020	2019	2018
\$ 155,150	\$ 99,280	\$ 20,416	\$ 3,463	\$ 3,739	\$ 4,411
309,364	214,790	77,005	31,789	30,744	29,781
(215,345)	284,585	123,548	36,986	12,732	19,020
(337,082)	1,208,219	1,911,061	682,857	7,824	(2,438)
(235,940)	(171,060)	(68,284)	(39,081)	(36,327)	(32,456)
\$ (323,853)	\$ 1,635,814	\$ 2,063,746	\$ 716,014	\$ 18,712	\$ 18,318
4,950,795	3,314,981	1,251,235	535,221	516,509	498,191
\$ 4,626,942	\$ 4,950,795	\$ 3,314,981	\$ 1,251,235	\$ 535,221	\$ 516,509
\$ 235,940	\$ 2,171,060	\$ 618,284	\$ -	\$ 36,327	\$ -
-	-	-	-	-	-
(473,824)	356,737	62,882	41,133	26,130	23,248
(235,940)	(171,060)	(68,284)	(39,081)	(36,327)	(32,456)
(1,721)	(659)	(336)	(283)	(278)	(277)
\$ (475,545)	\$ 2,356,078	\$ 612,546	\$ 1,769	\$ 25,852	\$ (9,485)
\$ 3,541,540	\$ 1,185,462	\$ 572,916	\$ 571,147	\$ 545,295	\$ 554,780
3,065,995	3,541,540	1,185,462	572,916	571,147	545,295
\$ 1,560,947	\$ 1,409,255	\$ 2,129,519	\$ 678,319	\$ (35,926)	\$ (28,786)
66.26%	71.53%	35.76%	45.79%	106.71%	105.57%
\$ 19,754,283	\$ 18,514,738	\$ 18,075,824	\$ 16,955,926	\$ 17,353,758	\$ 17,544,635
7.90%	7.61%	11.78%	4.00%	(0.21%)	(0.16%)

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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 7,615,980	\$ 7,615,980	\$ 8,238,635	\$ 622,655
Intergovernmental	42,610	42,610	52,481	9,871
Charges for Services	3,691,703	3,691,703	1,585,035	(2,106,668)
Investment Earnings	266,512	266,512	664,153	397,641
Total Revenues	11,616,805	11,616,805	10,540,304	(1,076,501)
EXPENDITURES				
General Government	11,891,589	13,341,589	13,608,267	(266,678)
Capital Outlay	375,905	125,905	54,172	71,733
Total Expenditures	12,267,494	13,467,494	13,662,439	(194,945)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(650,689)	(1,850,689)	(3,122,135)	(1,271,446)
OTHER FINANCING SOURCES (USES)				
Transfers In	904,268	904,268	409,959	(494,309)
Transfers Out	(2,000)	(2,000)	-	2,000
Total Other Financing Sources	902,268	902,268	409,959	(492,309)
Net Change in Fund Balance	251,579	(948,421)	(2,712,176)	(1,763,755)
Fund Balance, Beginning of Year	8,459,961	8,459,961	8,459,961	-
Fund Balance, End of Year	\$ 8,711,540	\$ 7,511,540	\$ 5,747,785	\$ (1,763,755)

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, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property Taxes	\$ 18,762,496	\$ 18,762,496	\$ 21,154,183	\$ 2,391,687
Intergovernmental	80,161	80,161	81,995	1,834
Charges for Services	-	-	7,670	7,670
Area Drainage Fees	-	-	282,950	282,950
Investment Earnings	503,437	503,437	3,674,994	3,171,557
Use of Assets	188,500	188,500	162,127	(26,373)
Total Revenues	19,534,594	19,534,594	25,363,919	5,829,325
EXPENDITURES				
Public Ways and Facilities	27,232,694	27,232,694	15,213,795	12,018,899
Capital Outlay	1,290,026	1,290,026	519,845	770,181
Total Expenditures	28,522,720	28,522,720	15,733,640	12,789,080
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,988,126)	(8,988,126)	9,630,279	18,618,405
OTHER FINANCING (USES)				
Transfers Out	(529,144)	(529,144)	(137,440)	391,704
Total Other Financing (Uses)	(529,144)	(529,144)	(137,440)	391,704
Net Change in Fund Balance	(9,517,270)	(9,517,270)	9,492,839	19,010,109
Fund Balance, Beginning of Year	65,253,244	65,253,244	65,253,244	-
Fund Balance, End of Year	\$ 55,735,974	\$ 55,735,974	\$ 74,746,083	\$ 19,010,109

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 2
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 25,652,636	\$ 25,652,636	\$ 27,241,526	\$ 1,588,890
Intergovernmental	1,343,779	1,343,779	1,165,613	(178,166)
Charges for Services	-	-	4,178	4,178
Investment Earnings	943,829	943,829	4,640,518	3,696,689
Use of Assets	300	300	31,083	30,783
Total Revenues	27,940,544	27,940,544	33,082,918	5,142,374
EXPENDITURES				
Public Ways and Facilities	65,312,087	65,312,087	15,646,566	49,665,521
Capital Outlay	13,900,977	13,900,977	5,389,818	8,511,159
Total Expenditures	79,213,064	79,213,064	21,036,384	58,176,680
Excess (Deficiency) of Revenues Over (Under) Expenditures	(51,272,520)	(51,272,520)	12,046,534	63,319,054
OTHER FINANCING (USES)				
Transfers Out	(696,568)	(696,568)	(173,990)	522,578
Total Other Financing (Uses)	(696,568)	(696,568)	(173,990)	522,578
Net Change in Fund Balance	(51,969,088)	(51,969,088)	11,872,544	63,841,632
Fund Balance, Beginning of Year	80,657,791	80,657,791	80,657,791	-
Fund Balance, End of Year	\$ 28,688,703	\$ 28,688,703	\$ 92,530,335	\$ 63,841,632

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 3
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 4,746,802	\$ 4,746,802	\$ 4,651,282	\$ (95,520)
Special Assessments	-	-	9	9
Intergovernmental	188,423	188,423	199,615	11,192
Investment Earnings	112,363	112,363	87,039	(25,324)
Total Revenues	5,047,588	5,047,588	4,937,945	(109,643)
EXPENDITURES				
Public Ways and Facilities	4,996,243	4,156,243	2,365,438	1,790,805
Capital Outlay	1,237,239	2,077,239	1,087,974	989,265
Total Expenditures	6,233,482	6,233,482	3,453,412	2,780,070
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,185,894)	(1,185,894)	1,484,533	2,670,427
OTHER FINANCING (USES)				
Transfers Out	(122,057)	(122,057)	(32,651)	89,406
Total Other Financing (Uses)	(122,057)	(122,057)	(32,651)	89,406
Net Change in Fund Balance	(1,307,951)	(1,307,951)	1,451,882	2,759,833
Fund Balance, Beginning of Year	857,313	857,313	857,313	-
Fund Balance, End of Year	\$ (450,638)	\$ (450,638)	\$ 2,309,195	\$ 2,759,833

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 4
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 29,884,474	\$ 29,884,474	\$ 34,508,825	\$ 4,624,351
Intergovernmental	1,856,742	1,856,742	990,409	(866,333)
Charges for Services	-	-	37,400	37,400
Area Drainage Fees	200,000	200,000	555,819	355,819
Investment Earnings	591,471	591,471	4,130,044	3,538,573
Use of Assets	14,700	14,700	21,561	6,861
Total Revenues	<u>32,547,387</u>	<u>32,547,387</u>	<u>40,244,058</u>	<u>7,696,671</u>
EXPENDITURES				
Public Ways and Facilities	48,872,187	48,872,187	16,269,646	32,602,541
Capital Outlay	<u>27,522,736</u>	<u>27,522,736</u>	<u>12,114,190</u>	<u>15,408,546</u>
Total Expenditures	<u>76,394,923</u>	<u>76,394,923</u>	<u>28,383,836</u>	<u>48,011,087</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(43,847,536)</u>	<u>(43,847,536)</u>	<u>11,860,222</u>	<u>55,707,758</u>
OTHER FINANCING (USES)				
Transfers Out	<u>(3,702,205)</u>	<u>(3,702,205)</u>	<u>(3,057,866)</u>	<u>644,339</u>
Total Other Financing (Uses)	<u>(3,702,205)</u>	<u>(3,702,205)</u>	<u>(3,057,866)</u>	<u>644,339</u>
Net Change in Fund Balance	(47,549,741)	(47,549,741)	8,802,356	56,352,097
Fund Balance, Beginning of Year	<u>80,291,627</u>	<u>80,291,627</u>	<u>80,291,627</u>	<u>-</u>
Fund Balance, End of Year	<u>\$ 32,741,886</u>	<u>\$ 32,741,886</u>	<u>\$ 89,093,983</u>	<u>\$ 56,352,097</u>

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 5
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final	Amounts	
REVENUES				
Property Taxes	\$ 6,863,241	\$ 6,863,241	\$ 7,828,546	\$ 965,305
Intergovernmental	36,353	36,353	41,756	5,403
Charges for Services	-	-	5,581	5,581
Investment Earnings	175,056	175,056	993,949	818,893
Total Revenues	7,074,650	7,074,650	8,869,832	1,795,182
EXPENDITURES				
Public Ways and Facilities	13,955,855	13,955,855	2,802,354	11,153,501
Capital Outlay	1,000	1,000	-	1,000
Total Expenditures	13,956,855	13,956,855	2,802,354	11,154,501
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,882,205)	(6,882,205)	6,067,478	12,949,683
OTHER FINANCING (USES)				
Transfers Out	(186,808)	(186,808)	(39,110)	147,698
Total Other Financing (Uses)	(186,808)	(186,808)	(39,110)	147,698
Net Change in Fund Balance	(7,069,013)	(7,069,013)	6,028,368	13,097,381
Fund Balances, Beginning of Year, as Restated	17,659,282	17,659,282	17,659,282	-
Fund Balance, End of Year	\$ 10,590,269	\$ 10,590,269	\$ 23,687,650	\$ 13,097,381

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 6
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 9,561,465	\$ 9,561,465	\$ 10,318,558	\$ 757,093
Intergovernmental	3,965,479	3,965,479	5,359,584	1,394,105
Investment Earnings	138,290	138,290	435,143	296,853
Use of Assets	6,000	6,000	6,000	-
Total Revenues	13,671,234	13,671,234	16,119,285	2,448,051
EXPENDITURES				
Public Ways and Facilities	17,058,914	17,058,914	10,070,487	6,988,427
Capital Outlay	294,965	294,965	160,311	134,654
Total Expenditures	17,353,879	17,353,879	10,230,798	7,123,081
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,682,645)	(3,682,645)	5,888,487	9,571,132
OTHER FINANCING (USES)				
Transfers Out	(265,274)	(265,274)	(54,646)	210,628
Total Other Financing (Uses)	(265,274)	(265,274)	(54,646)	210,628
Net Change in Fund Balance	(3,947,919)	(3,947,919)	5,833,841	9,781,760
Fund Balance, Beginning of Year	6,283,382	6,283,382	6,283,382	-
Fund Balance, End of Year	\$ 2,335,463	\$ 2,335,463	\$ 12,117,223	\$ 9,781,760

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 7
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 7,912,592	\$ 7,912,592	\$ 8,258,113	\$ 345,521
Intergovernmental	352,104	352,104	53,315	(298,789)
Charges for Services	50,000	50,000	84,279	34,279
Area Drainage Fees	30,000	30,000	131,608	101,608
Investment Earnings	450,000	450,000	1,433,127	983,127
Total Revenues	8,794,696	8,794,696	9,960,442	1,165,746
EXPENDITURES				
Public Ways and Facilities	13,513,615	26,513,615	23,795,861	2,717,754
Capital Outlay	22,340,071	20,944,571	8,781,138	12,163,433
Total Expenditures	35,853,686	47,458,186	32,576,999	14,881,187
Excess (Deficiency) of Revenues Over (Under) Expenditures	(27,058,990)	(38,663,490)	(22,616,557)	16,046,933
OTHER FINANCING (USES)				
Transfers Out	(236,312)	(1,631,812)	(69,470)	1,562,342
Total Other Financing (Uses)	(236,312)	(1,631,812)	(69,470)	1,562,342
Net Change in Fund Balance	(27,295,302)	(40,295,302)	(22,686,027)	17,609,275
Fund Balance, Beginning of Year	39,694,891	39,694,891	39,694,891	-
Fund Balance, End of Year	\$ 12,399,589	\$ (600,411)	\$ 17,008,864	\$ 17,609,275

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Whitewater
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Special Assessments	\$ 310,000	\$ 310,000	\$ 332,180	\$ 22,180
Intergovernmental	489,279	489,279	576,515	87,236
Investment Earnings	105,000	105,000	197,048	92,048
Total Revenues	904,279	904,279	1,105,743	201,464
EXPENDITURES				
Public Ways and Facilities	1,069,939	1,069,939	504,778	565,161
Total Expenditures	1,069,939	1,069,939	504,778	565,161
Excess (Deficiency) of Revenues Over (Under) Expenditures	(165,660)	(165,660)	600,965	766,625
OTHER FINANCING (USES)				
Transfers Out	(5,535)	(5,535)	(3,659)	1,876
Total Other Financing (Uses)	(5,535)	(5,535)	(3,659)	1,876
Net Change in Fund Balance	(171,195)	(171,195)	597,306	768,501
Fund Balance, Beginning of Year	3,554,087	3,554,087	3,554,087	-
Fund Balance, End of Year	\$ 3,382,892	\$ 3,382,892	\$ 4,151,393	\$ 768,501

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Santa Ana
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Special Assessments	\$ 2,600,000	\$ 2,600,000	\$ 2,689,929	\$ 89,929
Intergovernmental	362,000	362,000	500,000	138,000
Investment Earnings	168,000	168,000	271,266	103,266
Total Revenues	3,130,000	3,130,000	3,461,195	331,195
EXPENDITURES				
Public Ways and Facilities	7,103,614	7,101,614	3,032,946	4,068,668
Total Expenditures	7,103,614	7,101,614	3,032,946	4,068,668
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,973,614)	(3,971,614)	428,249	4,399,863
OTHER FINANCING (USES)				
Transfers Out	(19,535)	(21,535)	(20,961)	574
Total Other Financing (Uses)	(19,535)	(21,535)	(20,961)	574
Net Change in Fund Balance	(3,993,149)	(3,993,149)	407,288	4,400,437
Fund Balance, Beginning of Year	5,182,856	5,182,856	5,182,856	-
Fund Balance, End of Year	\$ 1,189,707	\$ 1,189,707	\$ 5,590,144	\$ 4,400,437

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Santa Margarita
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Special Assessments	\$ 535,000	\$ 535,000	\$ 560,172	\$ 25,172
Intergovernmental	1,892,494	1,892,494	1,372,613	(519,881)
Investment Earnings	89,250	89,250	174,158	84,908
Total Revenues	2,516,744	2,516,744	2,106,943	(409,801)
EXPENDITURES				
Public Ways and Facilities	2,475,937	2,469,937	2,097,080	372,857
Total Expenditures	2,475,937	2,469,937	2,097,080	372,857
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,807	46,807	9,863	(36,944)
OTHER FINANCING (USES)				
Transfers Out	(9,705)	(15,705)	(14,509)	1,196
Total Other Financing (Uses)	(9,705)	(15,705)	(14,509)	1,196
Net Change in Fund Balance	31,102	31,102	(4,646)	(35,748)
Fund Balance, Beginning of Year	3,473,577	3,473,577	3,473,577	-
Fund Balance, End of Year	\$ 3,504,679	\$ 3,504,679	\$ 3,468,931	\$ (35,748)

SUPPLEMENTARY INFORMATION



Wildomar MDP Lateral C, Stage 3 and Bundy Canyon Basin

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

Riverside County Flood Control and Water Conservation District
Combining Balance Sheet
Other Governmental Funds
June 30, 2025

	Flood Control Capital Project Fund	Zone 4 Debt Service Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 251,665	\$ 17,956	\$ 269,621
Receivables:			
Interest Receivable	187	155	342
Total Assets	<u>251,852</u>	<u>18,111</u>	<u>269,963</u>
FUND BALANCES			
Restricted for:			
Capital Projects	251,852	-	251,852
Debt Service	<u>-</u>	<u>18,111</u>	<u>18,111</u>
Total Fund Balances	<u>251,852</u>	<u>18,111</u>	<u>269,963</u>
Total Liabilities and Fund Balances	<u><u>\$ 251,852</u></u>	<u><u>\$ 18,111</u></u>	<u><u>\$ 269,963</u></u>

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Other Governmental Funds
For the Year Ended June 30, 2025

	Flood Control Capital Projects Fund	Zone 4 Debt Service Fund	Total
REVENUES			
Investment Earnings	\$ 1,721	\$ 9,818	\$ 11,539
Total Revenues	<u>1,721</u>	<u>9,818</u>	<u>11,539</u>
EXPENDITURES			
Capital Outlay	145,985	-	145,985
Debt Service:			
Principal	-	2,755,000	2,755,000
Interest	<u>-</u>	<u>63,875</u>	<u>63,875</u>
Total Expenditures	<u>145,985</u>	<u>2,818,875</u>	<u>2,964,860</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(144,264)</u>	<u>(2,809,057)</u>	<u>(2,953,321)</u>
OTHER FINANCING SOURCES			
Transfers In	<u>375,468</u>	<u>2,818,875</u>	<u>3,194,343</u>
Total Other Financing Sources	<u>375,468</u>	<u>2,818,875</u>	<u>3,194,343</u>
Net Change in Fund Balances	231,204	9,818	241,022
Fund Balances, Beginning of Year	<u>20,648</u>	<u>8,293</u>	<u>28,941</u>
Fund Balances, End of Year	<u><u>\$ 251,852</u></u>	<u><u>\$ 18,111</u></u>	<u><u>\$ 269,963</u></u>

The accompanying notes are an integral part of this statement.

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

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

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Other Governmental Funds - Capital Project Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 780	\$ 780	\$ 1,721	\$ 941
Total Revenues	780	780	1,721	941
EXPENDITURES				
Capital Outlay	2,050,000	2,050,000	145,985	1,904,015
Total Expenditures	2,050,000	2,050,000	145,985	1,904,015
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,049,220)	(2,049,220)	(144,264)	1,904,956
OTHER FINANCING SOURCES				
Transfers In	2,050,000	2,050,000	375,468	(1,674,532)
Total Other Financing Sources	2,050,000	2,050,000	375,468	(1,674,532)
Net Change in Fund Balance	780	780	231,204	230,424
Fund Balance, Beginning of Year	20,648	20,648	20,648	-
Fund Balance, End of Year	\$ 21,428	\$ 21,428	\$ 251,852	\$ 230,424

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, 2025

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Investment Earnings	\$ 5,000	\$ 5,000	\$ 9,818	\$ 4,818
Total Revenues	5,000	5,000	9,818	4,818
EXPENDITURES				
Debt Service Principal	2,755,000	2,755,000	2,755,000	-
Debt Service Interest	63,875	63,875	63,875	-
Total Expenditures	2,818,875	2,818,875	2,818,875	-
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,813,875)	(2,813,875)	(2,809,057)	4,818
OTHER FINANCING SOURCES				
Transfers In	2,818,875	2,818,875	2,818,875	-
Total Other Financing Sources	2,818,875	2,818,875	2,818,875	-
Net Change in Fund Balance	5,000	5,000	9,818	4,818
Fund Balance, Beginning of Year	8,293	8,293	8,293	-
Fund Balance, End of Year	\$ 13,293	\$ 13,293	\$ 18,111	\$ 4,818

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

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

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

Riverside County Flood Control and Water Conservation District
Combining Statement of Net Position
Nonmajor Enterprise Funds
June 30, 2025

	Photogrammetry Operations	Encroachment Permits	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 32,372	\$ 68,714	\$ 101,086
Receivables:			
Accounts Receivable	-	11,030	11,030
Interest Receivable	233	4,017	4,250
Personnel Services	-	27,309	27,309
Total Current Assets	<u>32,605</u>	<u>111,070</u>	<u>143,675</u>
Noncurrent Assets:			
Restricted Cash	-	355,584	355,584
Capital Assets:			
Depreciable, Net	<u>20,966</u>	<u>-</u>	<u>20,966</u>
Total Noncurrent Assets	<u>20,966</u>	<u>355,584</u>	<u>376,550</u>
Total Assets	<u>53,571</u>	<u>466,654</u>	<u>520,225</u>
LIABILITIES			
Liabilities:			
Current liabilities:			
Accounts Payable	-	11,849	11,849
Salaries and Benefits Payable	-	21,621	21,621
Compensated Absences - Current Portion	1,915	6,122	8,037
Developer and Other Agency Deposits	-	355,584	355,584
Total Current Liabilities	<u>1,915</u>	<u>395,176</u>	<u>397,091</u>
Noncurrent Liabilities:			
Compensated Absences	<u>10,158</u>	<u>32,482</u>	<u>42,640</u>
Total Noncurrent Liabilities	<u>10,158</u>	<u>32,482</u>	<u>42,640</u>
Total Liabilities	<u>12,073</u>	<u>427,658</u>	<u>439,731</u>
NET POSITION			
Investment in Capital Assets	20,966	-	20,966
Unrestricted	<u>20,532</u>	<u>38,996</u>	<u>59,528</u>
Total Net Position	<u>\$ 41,498</u>	<u>\$ 38,996</u>	<u>\$ 80,494</u>

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Combining Statement of Revenues, Expenses and Changes in Net Position
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Photogrammetry Operations	Encroachment Permits	Total
OPERATING REVENUES			
Charges for Services	\$ 92,707	\$ 564,918	\$ 657,625
OPERATING EXPENSES			
Personnel Services	133,376	438,041	571,417
Administrative Services	1,935	765	2,700
Services and Supplies	12,441	166,066	178,507
Depreciation	11,857	-	11,857
Total Operating Expenses	159,609	604,872	764,481
Operating (Loss)	(66,902)	(39,954)	(106,856)
NONOPERATING REVENUES			
Investment Earnings	2,514	26,008	28,522
Total Nonoperating Revenues	2,514	26,008	28,522
Income (Loss)	(64,388)	(13,946)	(78,334)
Change in Net Position	(64,388)	(13,946)	(78,334)
Net Position, Beginning of Year	105,886	52,942	158,828
Net Position, End of Year	\$ 41,498	\$ 38,996	\$ 80,494

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2025

	Photogrammetry Operations	Encroachment Permits	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers/Other Funds	\$ 92,707	\$ 503,208	\$ 595,915
Cash Paid to Suppliers for Goods and Services	(14,376)	(180,537)	(194,913)
Cash Paid to Employees for Services	(130,391)	(408,633)	(539,024)
Net Cash (Used In) Operating Activities	(52,060)	(85,962)	(138,022)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	2,806	26,224	29,030
Net Cash Provided by Investing Activities	2,806	26,224	29,030
Net Change in Cash and Cash Equivalents	(49,254)	(59,738)	(108,992)
Cash and Cash Equivalents, Beginning of Year	81,626	484,036	565,662
Cash and Cash Equivalents, End of Year	<u>\$ 32,372</u>	<u>\$ 424,298</u>	<u>\$ 456,670</u>
Reconciliation of Operating (Loss) to			
Net Cash Provided by (Used In) Operating Activities			
Operating (Loss)	\$ (66,902)	\$ (39,954)	\$ (106,856)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used In) Operating Activities:			
Depreciation	11,857	-	11,857
Changes in Operating Assets and Liabilities:			
(Increase) in:			
Accounts Receivable	-	(5,541)	(5,541)
Due from Other Governments	-	(13,028)	(13,028)
Increase (Decrease) in:			
Accounts Payable	-	(13,706)	(13,706)
Salaries and Benefits Payable	(2,416)	14,665	12,249
Compensated Absences	5,401	14,743	20,144
Developer and Other Agency Deposits	-	(43,141)	(43,141)
Net Cash (Used In) Operating Activities	<u>\$ (52,060)</u>	<u>\$ (85,962)</u>	<u>\$ (138,022)</u>

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

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District Internal Service Funds

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

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

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

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

Riverside County Flood Control and Water Conservation District
Combining Statement of Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Hydrology Services	Garage	Project Maintenance
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 316,402	\$ 2,721,007	\$ 34,174
Receivables:			
Accounts Receivable	-	-	-
Interest Receivable	2,194	22,583	391
Inventories	-	81,144	245,901
Total Current Assets	<u>318,596</u>	<u>2,824,734</u>	<u>280,466</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	114,057	5,985,032	-
Total Noncurrent Assets	<u>114,057</u>	<u>5,985,032</u>	<u>-</u>
Total Assets	<u>432,653</u>	<u>8,809,766</u>	<u>280,466</u>
LIABILITIES			
Liabilities:			
Current Liabilities:			
Accounts Payable	150,750	461,234	1,337
Salaries and Benefits Payable	24,232	56,049	-
Due to Other Governments	402	56	-
Compensated Absences - Current Portion	8,835	16,176	-
Total Current Liabilities	<u>184,219</u>	<u>533,515</u>	<u>1,337</u>
Noncurrent Liabilities:			
Compensated Absences	46,874	85,819	-
Total Noncurrent Liabilities	<u>46,874</u>	<u>85,819</u>	<u>-</u>
Total Liabilities	<u>231,093</u>	<u>619,334</u>	<u>1,337</u>
NET POSITION			
Investment in Capital Assets	114,057	5,985,032	-
Unrestricted	87,503	2,205,400	279,129
Total Net Position	<u>\$ 201,560</u>	<u>\$ 8,190,432</u>	<u>\$ 279,129</u>

The accompanying notes are an integral part of this statement.

<u>Data Processing</u>	<u>Total</u>
\$ 3,010,518	\$ 6,082,101
325	325
21,607	46,775
-	327,045
<u>3,032,450</u>	<u>6,456,246</u>
<u>3,705</u>	<u>6,102,794</u>
<u>3,705</u>	<u>6,102,794</u>
<u>3,036,155</u>	<u>12,559,040</u>
6,858	620,179
33,861	114,142
-	458
<u>15,106</u>	<u>40,117</u>
<u>55,825</u>	<u>774,896</u>
<u>80,144</u>	<u>212,837</u>
<u>80,144</u>	<u>212,837</u>
<u>135,969</u>	<u>987,733</u>
3,705	6,102,794
<u>2,896,481</u>	<u>5,468,513</u>
<u>\$ 2,900,186</u>	<u>\$ 11,571,307</u>

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Combining Statement of Revenues, Expenses and Changes in Net Position
Internal Service Funds
For the Year Ended June 30, 2025

	Hydrology Services	Garage	Project Maintenance
OPERATING REVENUES			
Charges for Services	\$ 1,403,261	\$ 3,744,776	\$ 252,474
OPERATING EXPENSES			
Personnel Services	543,412	1,081,590	-
Administrative Services	3,158	13,740	630
Services and Supplies	776,218	1,769,673	297,647
Depreciation	89,782	1,644,943	-
Total Operating Expenses	1,412,570	4,509,946	298,277
Operating Income (Loss)	(9,309)	(765,170)	(45,803)
NONOPERATING REVENUES			
Investment Earnings	11,075	154,070	3,520
Total Nonoperating Revenues	11,075	154,070	3,520
Income (Loss)	1,766	(611,100)	(42,283)
Changes in Net Position	1,766	(611,100)	(42,283)
Net Position, Beginning of Year	199,794	8,801,532	321,412
Net Position, End of Year	\$ 201,560	\$ 8,190,432	\$ 279,129

The accompanying notes are an integral part of this statement.

<u>Data Processing</u>	<u>Total</u>
<u>\$ 4,499,676</u>	<u>\$ 9,900,187</u>
931,793	2,556,795
26,730	44,258
3,294,838	6,138,376
<u>20,517</u>	<u>1,755,242</u>
<u>4,273,878</u>	<u>10,494,671</u>
<u>225,798</u>	<u>(594,484)</u>
<u>135,304</u>	<u>303,969</u>
<u>135,304</u>	<u>303,969</u>
<u>361,102</u>	<u>(290,515)</u>
361,102	(290,515)
<u>2,539,084</u>	<u>11,861,822</u>
<u><u>\$ 2,900,186</u></u>	<u><u>\$ 11,571,307</u></u>

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2025

	Hydrology Services	Garage	Project Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 1,403,261	\$ 3,744,776	\$ 252,474
Cash Paid to Suppliers for Goods and Services	(724,370)	(1,422,212)	(301,635)
Cash Paid to Employees for Services	(509,374)	(1,029,510)	-
Net Cash Provided by (Used In) Operating Activities	169,517	1,293,054	(49,161)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(32,442)	(2,337,270)	-
Net Cash (Used In) Capital and Related Financing Activities	(32,442)	(2,337,270)	-
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	10,068	163,847	4,015
Net Cash Provided by Investing Activities	10,068	163,847	4,015
Net Change in Cash and Cash Equivalents	147,143	(880,369)	(45,146)
Cash and Cash Equivalents, Beginning of Year	169,259	3,601,376	79,320
Cash and Cash Equivalents, End of Year	<u>\$ 316,402</u>	<u>\$ 2,721,007</u>	<u>\$ 34,174</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by Operating Activities			
Operating Income (Loss)	\$ (9,309)	\$ (765,170)	\$ (45,803)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:			
Depreciation	89,782	1,644,943	-
Changes in Operating Assets and Liabilities:			
Decrease in:			
Accounts Receivable	-	-	-
Inventories	-	4,153	6,650
Increase (Decrease) in:			
Accounts Payable	54,604	357,443	(10,008)
Salaries and Benefits Payable	11,643	24,499	-
Compensated Absences	22,395	27,581	-
Due to Other Governments	402	(395)	-
Net Cash Provided by (Used In) Operating Activities	<u>\$ 169,517</u>	<u>\$ 1,293,054</u>	<u>\$ (49,161)</u>

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

The accompanying notes are an integral part of this statement.

Data Processing	Total
\$ 4,500,101	\$ 9,900,612
(3,335,590)	(5,783,807)
(903,056)	(2,441,940)
261,455	1,674,865
1	(2,369,711)
1	(2,369,711)
135,132	313,062
135,132	313,062
396,588	(381,784)
2,613,930	6,463,885
\$ 3,010,518	\$ 6,082,101
\$ 225,798	\$ (594,484)
20,517	1,755,242
425	425
-	10,803
(14,022)	388,017
6,655	42,797
22,082	72,058
-	7
\$ 261,455	\$ 1,674,865

The accompanying notes are an integral part of this statement.

STATISTICAL SECTION

Financial Trends 89

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

Revenue Capacity 98

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

Debt Capacity 104

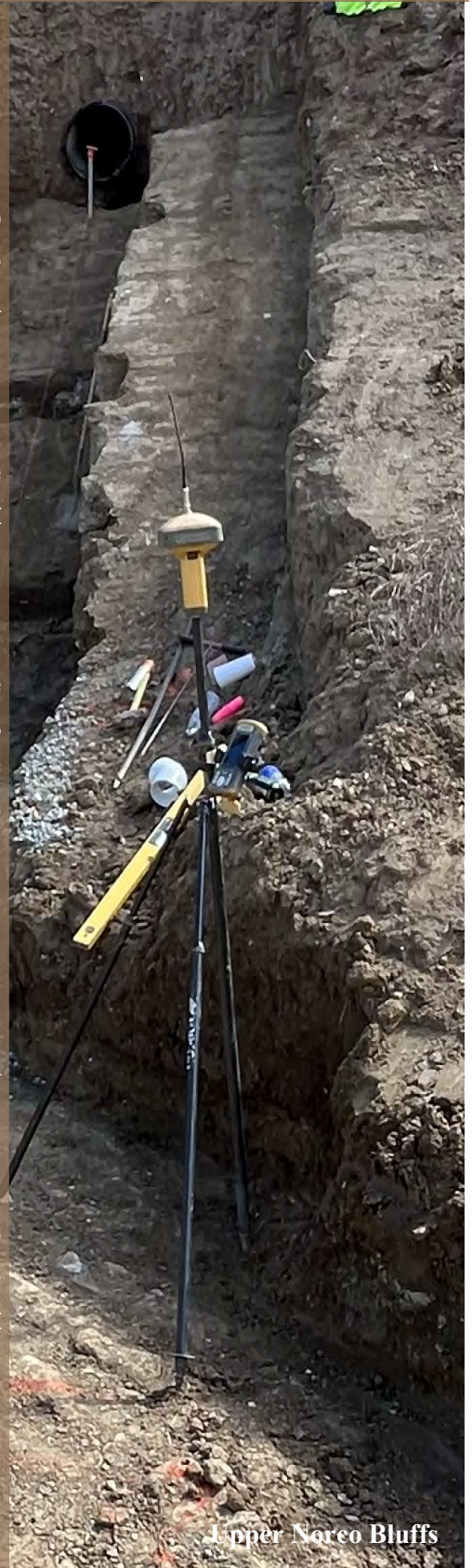
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 109

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

Operating Information 112

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



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

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

Page 1

	Fiscal Year				
	2016	2017 ¹	2018	2019	2020 ²
Governmental Activities					
Net Investment in Capital Assets	\$ 946,551	\$ 958,273	\$ 982,108	\$ 1,006,962	\$ 1,027,200
Restricted	203,985	223,412	233,481	253,945	269,383
Unrestricted	(33,778)	(36,026)	(41,337)	(45,548)	(46,925)
Total Governmental Activities Net Position	<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>
Business-type Activities					
Net Investment in Capital Assets	\$ 2	\$ 1	\$ 71	\$ 76	\$ 138
Unrestricted	740	395	(675)	(961)	(1,533)
Total Business-type Activities Net Position	<u>\$ 742</u>	<u>\$ 396</u>	<u>\$ (604)</u>	<u>\$ (885)</u>	<u>\$ (1,395)</u>
Primary Government					
Net Investment in Capital Assets	\$ 946,553	\$ 958,274	\$ 982,179	\$ 1,007,038	\$ 1,027,338
Restricted	203,985	223,412	233,481	253,945	269,383
Unrestricted	(33,038)	(35,631)	(42,012)	(46,509)	(48,458)
Total Primary Government Net Position	<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>

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

¹ Unrestricted net position within the Governmental Activities for fiscal year 2017 was restated to reflect the implementation of GASB Statement No. 75

² Unrestricted net positions for fiscal year 2020 were restated to reflect the prior period adjustment to the beginning balance

³ Net position for fiscal year 2024 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			
2021	2022	2023	2024³	2025	
\$ 1,054,620	\$ 1,098,085	\$ 1,146,624	\$ 1,220,363	\$ 1,290,193	Governmental Activities
270,458	283,714	290,189	304,459	326,718	Net Investment in Capital Assets
(38,463)	(22,545)	(11,992)	200	4,278	Restricted
<u>\$ 1,286,615</u>	<u>\$ 1,359,254</u>	<u>\$ 1,424,821</u>	<u>\$ 1,525,022</u>	<u>\$ 1,621,189</u>	Unrestricted
					Total Governmental Activities Net Position
\$ 111	\$ 57	\$ 45	\$ 33	\$ 21	Business-type Activities
(1,704)	(1,386)	(1,187)	(692)	67	Net Investment in Capital Assets
<u>\$ (1,593)</u>	<u>\$ (1,329)</u>	<u>\$ (1,142)</u>	<u>\$ (659)</u>	<u>\$ 88</u>	Unrestricted
					Total Business-type Activities Net Position
\$ 1,054,731	\$ 1,098,142	\$ 1,146,669	\$ 1,220,396	\$ 1,290,214	Primary Government
270,458	283,714	290,189	304,459	326,718	Net Investment in Capital Assets
(40,167)	(23,931)	(13,179)	(492)	4,345	Restricted
<u>\$ 1,285,022</u>	<u>\$ 1,357,925</u>	<u>\$ 1,423,679</u>	<u>\$ 1,524,363</u>	<u>\$ 1,621,277</u>	Unrestricted
					Total Primary Government Net Position

Riverside County Flood Control and Water Conservation District

Changes in Net Position

Last Ten Fiscal Years

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

Page 1

	Fiscal Year				
	2016	2017	2018	2019	2020
Expenses					
Governmental Activities:					
General government	\$ 4,873	\$ 9,603	\$ 12,832	\$ 15,458	\$ 7,755
Public ways and facilities	50,921	48,541	58,610	55,247	72,378
Interest on long-term debt	739	674	598	499	392
Total governmental activities expenses	\$ 56,533	\$ 58,818	\$ 72,040	\$ 71,204	\$ 80,525
Business-type Activities:					
Subdivision operations	1,844	1,914	2,457	1,927	1,594
Photogrammetry operations	163	194	170	150	168
Enroachment permits	171	117	196	362	473
Total business-type activities expenses	2,178	2,225	2,823	2,439	2,235
Total primary government expenses	\$ 58,711	\$ 61,043	\$ 74,863	\$ 73,643	\$ 82,760
Program Revenues					
Governmental Activities:					
Charges for services:					
General government	\$ 681	\$ 758	\$ 1,055	\$ 923	\$ 805
Public ways and facilities	4,209	11,999	5,692	3,667	9,372
Capital grants and contributions	4,524	11,527	24,176	27,711	29,276
Total governmental activities program revenues	\$ 9,414	\$ 24,284	\$ 30,923	\$ 32,301	\$ 39,453
Business-type Activities:					
Charges for services:					
Subdivision operations	1,502	1,557	1,551	1,855	1,217
Photogrammetry operations	251	150	39	92	48
Enroachment permits	192	126	159	264	343
Total business-type activities program revenues	1,945	1,833	1,749	2,211	1,608
Total primary government program revenues	\$ 11,359	\$ 26,117	\$ 32,672	\$ 34,512	\$ 41,061
Net (expense)/revenue					
Governmental Activities	\$ (47,119)	\$ (34,534)	\$ (41,117)	\$ (38,903)	\$ (41,072)
Business-type Activities	(234)	(392)	(1,074)	(228)	(627)
Total primary government net (expense)/revenue	(47,352)	(34,926)	(42,191)	(39,131)	(41,699)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	\$ 49,854	\$ 53,020	\$ 56,030	\$ 59,251	\$ 62,033
Unrestricted interest and investment earnings	1,352	805	2,322	7,524	4,435
Gain on sale of capital assets	140	84	218	165	72
Transfers	21	-	-	272	-
Total Governmental Activities	\$ 60,881	\$ 63,435	\$ 69,710	\$ 80,010	\$ 80,522
Business-type Activities:					
Unrestricted interest and investment earnings	51	46	74	219	116
Transfers	(21)	-	-	(272)	-
Gain on sale of capital assets	-	-	-	-	-
Total business-type activities	30	46	74	(53)	116
Total primary government	\$ 60,911	\$ 63,481	\$ 69,784	\$ 79,957	\$ 80,638
Change in Net Position					
Governmental Activities	\$ 13,762	\$ 28,901	\$ 28,593	\$ 41,107	\$ 34,300
Business-type Activities	(204)	(346)	(1,000)	(281)	(511)
Total primary government	\$ 13,558	\$ 28,555	\$ 27,593	\$ 40,826	\$ 33,789

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

Riverside County Flood Control and Water Conservation District
Changes in Net Position
Last Ten Fiscal Years

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

Page 2

	Fiscal Year					
	2021	2022	2023	2024	2025	
						Expenses
						Governmental Activities:
\$ 8,185	\$ 5,133	\$ 6,438	\$ 7,448	\$ 13,444		General government
84,512	52,890	82,345	93,575	100,210		Public ways and facilities
280	161	38	150	21		Interest on long-term debt
<u>\$ 92,977</u>	<u>\$ 58,184</u>	<u>\$ 88,821</u>	<u>\$ 101,173</u>	<u>\$ 113,675</u>		Total governmental activities expenses
						Business-type Activities:
1,789	1,898	1,964	1,939	2,217		Subdivision operations
200	207	140	152	159		Photogrammetry operations
384	402	417	431	605		Enroachment permits
<u>2,373</u>	<u>2,507</u>	<u>2,521</u>	<u>2,522</u>	<u>2,981</u>		Total business-type activities expenses
<u>\$ 95,350</u>	<u>\$ 60,691</u>	<u>\$ 91,342</u>	<u>\$ 103,695</u>	<u>\$ 116,656</u>		Total primary government expenses
						Program Revenues
						Governmental Activities
						Charges for services:
\$ 11,573	\$ 1,083	\$ 824	\$ 1,208	\$ 1,778		General government
5,496	7,629	12,146	12,110	11,672		Public ways and facilities
26,765	35,801	30,177	51,044	56,931		Capital grants and contributions
<u>\$ 43,834</u>	<u>\$ 44,513</u>	<u>\$ 43,147</u>	<u>\$ 64,362</u>	<u>\$ 70,381</u>		Total governmental activities program revenues
						Business-type Activities
						Charges for services:
1,752	2,438	2,090	2,069	2,645		Subdivision operations
82	108	49	80	92		Photogrammetry operations
338	384	390	433	565		Enroachment permits
<u>2,172</u>	<u>2,930</u>	<u>2,529</u>	<u>2,582</u>	<u>3,302</u>		Total business-type activities program revenues
<u>\$ 46,006</u>	<u>\$ 47,443</u>	<u>\$ 45,676</u>	<u>\$ 66,944</u>	<u>\$ 73,683</u>		Total primary government program revenues
						Net (expense)/revenue
\$ (49,143)	\$ (13,671)	\$ (45,674)	\$ (36,811)	\$ (43,294)		Governmental Activities
(201)	423	8	60	321		Business-type Activities
<u>(49,344)</u>	<u>(13,248)</u>	<u>(45,666)</u>	<u>(36,751)</u>	<u>(42,973)</u>		Total primary government net (expense)/revenue
						General Revenues and Other Changes in Net Position
						Governmental Activities:
\$ 66,289	\$ 70,004	\$ 104,054	\$ 115,516	\$ 122,445		Property Taxes
85	(4,702)	7,171	15,952	17,017		Unrestricted interest and investment earnings
139	95	17	254	-		Gain on sale of capital assets
-	-	-	-	-		Transfers
<u>\$ 86,099</u>	<u>\$ 86,310</u>	<u>\$ 111,242</u>	<u>\$ 131,722</u>	<u>\$ 139,462</u>		Total Governmental Activities
						Business-type Activities:
3	(114)	178	423	425		Unrestricted interest and investment earnings
-	-	-	-	-		Transfers
-	(46)	-	-	-		Gain on sale of capital assets
<u>3</u>	<u>(158)</u>	<u>178</u>	<u>423</u>	<u>425</u>		Total business-type activities
<u>\$ 86,102</u>	<u>\$ 86,152</u>	<u>\$ 111,420</u>	<u>\$ 132,145</u>	<u>\$ 139,887</u>		Total primary government
						Change in Net Position
\$ 36,956	\$ 72,639	\$ 65,568	\$ 94,911	\$ 96,168		Governmental Activities
(198)	265	186	483	746		Business-type Activities
<u>\$ 36,758</u>	<u>\$ 72,904</u>	<u>\$ 65,755</u>	<u>\$ 95,395</u>	<u>\$ 96,914</u>		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
2015-16	\$ 49,854	\$ 49,854
2016-17	53,020	53,020
2017-18	56,030	56,030
2018-19	59,251	59,251
2019-20	62,033	62,033
2020-21	66,289	66,289
2021-22	70,004	70,004
2022-23	104,054	104,054
2023-24	115,516	115,516
2024-25	122,445	122,445

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

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

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

Page 1

	Fiscal Year				
	2016	2017	2018	2019	2020
General Fund					
Nonspendable for:					
Imprest Cash	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1
Assigned to:					
Compensated absences	1,365	1,251	1,846	1,733	2,266
Restricted for:					
Unassigned	1,968	1,672	1,681	2,669	3,288
Total general fund	<u>\$ 3,334</u>	<u>\$ 2,924</u>	<u>\$ 3,528</u>	<u>\$ 4,403</u>	<u>\$ 5,555</u>
All other governmental funds					
Nonspendable for:					
Prepaid Items	\$ 365	\$ 67	\$ -	\$ -	\$ -
Restricted for:					
Capital project fund	18	18	19	19	19
Public ways and facilities	202,624	222,404	232,552	252,865	267,995
Debt service	-	-	-	1	2
Total all other governmental funds	<u>\$ 203,007</u>	<u>\$ 222,489</u>	<u>\$ 232,571</u>	<u>\$ 252,885</u>	<u>\$ 268,016</u>

Source: ACFR - Balance Sheet for the Governmental Funds

¹ Public ways and facilities fund balance restated to relect the prior period error correction to the beginning balance

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					
	2021	2022	2023	2024 ¹	2025	
						General Fund
						Nonspendable for:
\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	Imprest Cash
						Assigned to:
1,590	1,339	1,425	1,080	1,190		Compensated absences
						Restricted for:
3,600	4,231	4,918	7,380	4,557		Unassigned
<u>\$ 5,191</u>	<u>\$ 5,571</u>	<u>\$ 6,343</u>	<u>\$ 8,460</u>	<u>\$ 5,748</u>		Total general fund
						All other governmental funds
						Nonspendable for:
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	Prepaid Items
						Restricted for:
19	19	19	20	252		Capital project fund
269,410	282,163	288,998	302,909	324,704		Public ways and facilities
2	3	4	8	18		Debt service
<u>\$ 269,431</u>	<u>\$ 282,185</u>	<u>\$ 289,021</u>	<u>\$ 302,937</u>	<u>\$ 324,974</u>		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				
	2016	2017	2018	2019	2020
Revenues					
Property taxes	\$ 49,792	\$ 53,078	\$ 56,043	\$ 59,111	\$ 61,726
Special assessments	3,168	3,162	3,232	3,294	3,381
Intergovernmental	2,815	10,151	2,171	2,134	7,456
Charges for services	1,169	718	1,085	927	871
Area drainage fees	587	1,654	2,610	1,315	1,445
Investment Earnings (Loss)	1,317	785	2,260	7,301	4,313
Use of assets	283	177	918	166	288
Total revenues	<u>68,645</u>	<u>79,251</u>	<u>79,459</u>	<u>87,046</u>	<u>93,441</u>
Expenditures					
Current:					
General government	4,890	6,715	5,587	10,208	5,263
Public ways and facilities	91,280	38,148	47,594	43,077	60,404
Capital outlay	5,509	12,460	12,745	10,008	8,662
Debt service:					
Principal	350	1,920	1,980	2,060	2,160
Interest	660	936	867	776	670
Total expenditures	<u>102,689</u>	<u>60,179</u>	<u>68,773</u>	<u>66,129</u>	<u>77,159</u>
Excess of revenues over (under) expenditures	<u>(34,044)</u>	<u>19,072</u>	<u>10,686</u>	<u>20,917</u>	<u>16,282</u>
Other financing sources (uses)					
Transfers in	1,538	4,219	3,454	10,057	3,363
Transfers out	(1,826)	(4,219)	(3,454)	(9,785)	(3,363)
Total other financing sources (uses)	<u>(288)</u>	<u>-</u>	<u>-</u>	<u>272</u>	<u>-</u>
Net change in fund balances	<u>\$ (34,332)</u>	<u>\$ 19,072</u>	<u>\$ 10,686</u>	<u>\$ 21,189</u>	<u>\$ 16,282</u>
Debt service as a percentage of noncapital expenditures	1.04%	5.99%	5.08%	5.05%	4.13%

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

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					
	2021	2022	2023	2024	2025	
						Revenues
\$ 66,686	\$ 70,179	\$ 103,680	\$ 115,137	\$ 122,200		Property taxes
3,421	3,467	3,437	3,530	3,582		Special assessments
3,345	4,222	9,014	9,346	10,394		Intergovernmental
1,065	1,776	1,122	1,196	1,724		Charges for services
1,601	2,189	1,422	2,503	970		Area drainage fees
87	(4,628)	7,077	15,716	16,713		Investment Earnings (Loss)
459	389	1,363	260	221		Use of assets
<u>96,249</u>	<u>98,509</u>	<u>127,115</u>	<u>147,688</u>	<u>155,804</u>		Total revenues
						Expenditures
						Current:
7,469	6,958	7,507	7,737	13,608		General government
69,825	54,701	74,814	81,067	91,799		Public ways and facilities
15,074	20,891	34,363	38,083	28,253		Capital outlay
						Debt service:
2,270	2,380	2,500	2,625	2,755		Principal
559	443	322	193	64		Interest
<u>95,197</u>	<u>85,373</u>	<u>119,506</u>	<u>129,705</u>	<u>136,479</u>		Total expenditures
						Excess of revenues
<u>1,052</u>	<u>13,136</u>	<u>7,609</u>	<u>17,983</u>	<u>19,325</u>		over (under) expenditures
						Other financing sources (uses)
3,301	3,171	3,165	3,222	3,604		Transfers in
<u>(3,301)</u>	<u>(3,174)</u>	<u>(3,165)</u>	<u>(3,222)</u>	<u>(3,604)</u>		Transfers out
<u>-</u>	<u>(2)</u>	<u>-</u>	<u>-</u>	<u>-</u>		Total other financing sources (uses)
<u>\$ 1,052</u>	<u>\$ 13,134</u>	<u>\$ 7,609</u>	<u>\$ 17,983</u>	<u>\$ 19,325</u>		Net change in fund balances
						Debt service as a percentage of
3.58%	4.37%	3.32%	2.85%	2.60%		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
2015-16	\$ 49,792	\$ 49,792
2016-17	53,078	53,078
2017-18	56,043	56,043
2018-19	59,111	59,111
2019-20	61,726	61,726
2020-21	66,686	66,686
2021-22	70,179	70,179
2022-23	103,680	103,680
2023-24	115,137	115,137
2024-25	122,200	122,200

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

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

Page 1

	Real Property			Personal Property
Fiscal Year Ended June 30	Residential Property	Commercial Property	Other	Other
2015-16	\$ 155,090,500	\$ 47,339,392	\$ 47,457,075	\$ 5,166,191
2016-17	163,900,000	50,213,646	49,790,363	5,243,330
2017-18	174,114,892	54,116,680	52,227,058	5,542,766
2018-19	185,370,885	61,186,708	50,284,592	5,933,187
2019-20	197,900,697	58,551,327	57,869,862	6,090,188
2020-21	209,348,185	61,321,232	67,611,642	6,351,201
2021-22	229,401,739	68,437,184	65,019,788	6,760,209
2022-23	247,557,496	75,706,960	73,178,099	7,791,834
2023-24	264,535,870	82,775,429	77,255,986	8,404,232
2024-25 ²	264,535,870	82,775,429	77,255,986	8,404,232

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

²The information presented for the current year is not yet available as of the date of this report. Accordingly, the most recent available data from FY2023-24 has been included in this table.

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
\$ 8,006,110	\$ 247,047,048	1.00000	\$ 255,053,158	97%
8,526,218	260,621,121	1.00000	269,147,339	97%
9,066,704	276,934,692	1.00000	286,001,396	97%
9,354,330	293,421,042	1.00000	302,775,372	97%
9,765,217	310,646,857	1.00000	320,412,074	97%
10,006,504	334,625,756	1.00000	338,287,410	99%
10,285,134	359,333,786	1.00000	369,618,920	97%
10,206,567	394,027,822	1.00000	404,234,390	97%
11,097,653	421,873,864	1.00000	432,971,518	97%
11,097,653	421,873,864	1.00000	432,971,518	97%

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

Overlapping Rates							
Fiscal Year	Flood Control Zone 1	County		School District	City of Riverside	Metro Water West	Total Direct & Overlapping Rates
		Riverside County General	County Wide				
2015-16	0.00422	-	1.00000	0.04113	0.01257	0.00000	1.05370
2016-17	0.00422	-	1.00000	0.04113	0.01242	0.00000	1.05355
2017-18	0.00420	-	1.00000	0.04093	0.01225	0.00000	1.05318
2018-19	0.00418	-	1.00000	0.04081	0.01209	0.00000	1.05291
2019-20	0.00417	-	1.00000	0.04087	0.01195	0.00000	1.05282
2020-21	0.00415	-	1.00000	0.04104	0.01181	0.00000	1.05285
2021-22	0.00411	-	1.00000	0.04100	0.01166	0.00000	1.05266
2022-23	0.00403	-	1.00000	0.04053	0.01143	0.00000	1.05196
2023-24	0.00397	-	1.00000	0.04010	0.01110	0.00000	1.05120
2024-25	0.00391	-	1.00000	0.03987	0.01091	0.00000	1.05078

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 3.292% of the county-wide rate in Tax Rate Area 009-000.

Riverside County Flood Control and Water Conservation District
Principal Property Taxpayers
June 30, 2024 and June 30, 2025
(Amounts Expressed in Thousands)

Taxpayer	2025			2016		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
SOUTHERN CALIFORNIA EDISON COMPANY	\$ 108,063	1	1.85%	\$ 43,870	1	1.30%
SOUTHERN CALIFORNIA GAS COMPANY	40,344	2	0.69%	8,997	2	0.27%
AMAZON COM SERVICES LLC	9,138	3	0.16%			
FRONTIER CALIFORNIA, INC	7,567	4	0.13%			
DUKE REALTY LTD PARTNERSHIP	7,350	5	0.13%			
IV1 CHERRY VALLEY LOGISTICS CENTER	6,783	6	0.12%			
FIRST INDUSTRIAL	6,313	7	0.11%			
DPIF3 CA 27 ARCHIBALD AVE	5,356	8	0.09%			
COSTCO WHOLESALE CORP	5,254	9	0.09%			
KB HOME COASTAL INC	4,907	10	0.08%	2,812	10	0.08%
MPLD II INLAND EMPIRE ULC LLC	4,820	11	0.08%			
RIVERSIDE INLAND DEV	4,757	12	0.08%			
SPECTRUM PACIFIC WEST LLC	4,415	13	0.08%			
HALL PALM SPRINGS II	4,387	14	0.07%			
PULTE HOME CO	4,340	15	0.07%			
VERIZON CALIFORNIA INC				7,871	3	0.23%
CPV SENTINEL, LLC				6,756	4	0.20%
CHELSEA GCA REALTY PARTNERSHIP				3,351	5	0.10%
INLAND EMPIRE ENERGY CENTER, LLC				3,186	6	0.09%
TYLER MALL LTD PARTNERSHIP				2,986	7	0.09%
BLYTHE ENERGY, LLC				2,960	8	0.09%
WALGREEN CO				2,951	9	0.09%
LENNAR HOMES OF CALIF INC				2,809	11	0.08%
CASTLE & COOKE CORONA CROSSINGS				2,762	12	0.08%
STANDARD PACIFIC CORP				2,711	13	0.08%
TARGET CORP				2,698	14	0.08%
LOWES HIW INC				2,629	15	0.08%
	<u>\$ 223,794</u>		<u>3.83%</u>	<u>\$ 99,349</u>		<u>2.94%</u>

Source: Riverside 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
2015-16	46,562	46,694	100.0%	-	46,694	100.0%
2016-17	49,009	49,563	100.0%	-	49,563	100.0%
2017-18	51,826	52,298	100.0%	-	52,298	100.0%
2018-19	54,956	55,569	100.0%	-	55,569	100.0%
2019-20	59,208	58,430	98.7%	-	58,430	98.7%
2020-21	62,715	66,289	100.0%	-	66,289	100.0%
2021-22	66,067	70,004	100.0%	-	70,004	100.0%
2022-23	71,926	71,294	99.1%	-	71,294	99.1%
2023-24	78,070	77,128	98.8%	-	77,128	98.8%
2024-25	82,805	82,167	99.2%	-	82,167	99.2%

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	Debt Per Capita³
	General Obligation Bonds¹	Special Assessment Bonds²			
2016	\$ 22,831	\$ 915	\$ 23,746	30.35%	\$ 950
2017	20,669	475	21,144	25.16%	881
2018	18,446	-	18,446	21.00%	683
2019	16,144	-	16,144	16.21%	505
2020	13,742	-	13,742	13.80%	458
2021	11,229	-	11,229	10.72%	387
2022	8,607	-	8,607	7.54%	287
2023	5,864	-	5,864	4.66%	183
2024	3,017	-	3,017	2.37%	59
2025	-	-	-	0.00%	-

Sources: ACFR - Long-term Debt Schedule
Assessor, County of Riverside - Assessed valuations are reported for the District only.
State of California, Employment Development Department

Notes:

¹ Zone 4 Promissory Notes were retired by the District in FY 24/25.

² Zone 3 Elsinore Valley Benefit Assessment

³ Amounts expressed in thousands, except Debt Per Capita amount.

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 Bonds¹	Less: Amounts Available in Debt Service Fund	Total	Percentage of Estimated Actual Taxable Value of Property²	Per Capita³
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	1	16,143	0.01%	7
2019-20	13,742	2	13,740	0.00%	6
2020-21	11,229	2	11,227	0.00%	5
2021-22	8,607	3	8,604	0.00%	4
2022-23	5,864	4	5,860	0.00%	2
2023-24	3,017	8	3,009	0.00%	1
2024-25	-	-	-	0.00%	-

Sources: State of California, Economic Development Department
Assessor Annual Report - County of Riverside
ACFR - Long-term Debt Schedule

Notes:

- ¹ Zone 4 Promissory Notes, net of original issuance premium. Notes were retired by the District in FY 24/25
- ² Calculation based on assessed valuations reported for the District only.
- ³ Amounts expressed in thousands, except Per Capita amount.

Riverside County Flood Control and Water Conservation District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2025
(Amounts Expressed in Thousands)

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

Source: ACFR - Notes to Basic Financial Statements, Note 5 Long-term Obligations

Notes: Zone 4 Promissory Notes were retired by the District in FY 24/25.

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

	Fiscal Year									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Debt Limit	\$ 1,573,071	\$ 1,675,282	\$ 1,785,007	\$ 1,922,312	\$ 1,984,069	\$ 2,143,801	\$ 2,144,129	\$ 2,582,138	\$ 2,884,391	\$ 3,119,952
Total net debt applicable to limit	(22,831)	(20,669)	(18,446)	(16,144)	(13,742)	(11,229)	(8,607)	(5,864)	(3,017)	-
Legal debt margin	<u>\$ 1,550,240</u>	<u>\$ 1,654,613</u>	<u>\$ 1,766,561</u>	<u>\$ 1,906,168</u>	<u>\$ 1,970,327</u>	<u>\$ 2,132,572</u>	<u>\$ 2,135,522</u>	<u>\$ 2,576,274</u>	<u>\$ 2,881,374</u>	<u>\$ 3,119,952</u>
Total net debt applicable to the limit as a percentage of debt limit	1.45%	1.23%	1.03%	0.84%	0.69%	0.52%	0.40%	0.23%	0.10%	0.00%

Legal Debt Margin Calculation for Fiscal Year 2025

Assessed Value	\$ 83,668,362
Less: Homeowners exemptions	(469,639)
Total assessed value	<u>\$ 83,198,723</u>
Debt limit (lesser of 3.75% of assessed valuation or \$21,000)	\$ 21,000
Debt applicable to limit:	
General obligation debt	-
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>-</u>
Legal debt margin	<u>\$ 21,000</u>

Sources: ¹ Assessor, County of Riverside - District only assesses valuation note.
² California State Treasurer - Statutory Debt Limits
³ ACFR - Notes to Basic Financial Statements, Note 5 Long-term Obligations

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.
Zone 4 Promissory Notes were retired by the District in FY 24/25.

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		
2016	\$ 151	\$ 410	\$ 88	0.30	
2017	28	440	55	0.06	
2018	7	48	19	0.10	
2019	-	-	-	-	
2020	-	-	-	-	
2021	-	-	-	-	
2022	-	-	-	-	
2023	-	-	-	-	
2024	-	-	-	-	
2025	-	-	-	-	

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

Note: Zone 3 Elsinore Valley Benefit Assessment was fully paid in FY 2018
Zone 4 Promissory Notes were retired by the District in FY 2025.

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

Fiscal Year	Population¹	Median Age²	School Enrollment³	Personal Income⁴	Per Capita Personal Income⁴	Unemployment Rate Percent⁵
2015-16	2,361,026	35	660,914	78,239,388	24,739	6.7%
2016-17	2,387,741	35	660,858	84,025,987	23,783	5.7%
2017-18	2,423,266	35	665,533	87,827,068	27,186	4.8%
2018-19	2,450,758	35	668,113	99,591,680	32,397	3.9%
2019-20	2,470,546	36	671,906	99,591,680	30,383	10.5%
2020-21	2,470,546	36	431,521	104,794,676	28,596	7.6%
2021-22	2,458,395	36	420,687	114,090,413	29,913	4.0%
2022-23	2,473,902	36	422,804	125,820,553	32,079	5.0%
2023-24	2,492,442	37	422,332	127,195,983	51,415	5.4%
2024-25	2,529,933	38	419,992	133,968,557	52,553	6.0%

Sources: ¹ U.S. Census Bureau

² U.S. Census Reporter

³ State of California, Department of Education

⁴ State of California, Employment Development Department

⁵ State of California, Labor Market Information

Riverside County Flood Control and Water Conservation District
Principal Employers
June 30, 2024 and June 30, 2025

Employer	2025			2016		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
COUNTY OF RIVERSIDE	25,345	1	2.26%	21,984	1	2.26%
AMAZON	14,317	2	1.28%	7,500	4	0.77%
STATE OF CALIFORNIA	8,398	3	0.75%			
WAL-MART	7,523	4	0.67%			
RIVERSIDE UNIFIED SCHOOL DISTRICT	6,562	5	0.59%	3,973	9	0.41%
MORENO VALLEY UNIFIED SCHOOL DISTRICT	6,306	6	0.56%	3,454	13	0.35%
KAISER PERMANENTE RIVERSIDE MEDICAL CENTER	5,817	7	0.52%	5,300	6	0.54%
STATER BROS MARKETS	5,145	8	0.46%	6,900	5	0.71%
UNIVERSITY OF CALIFORNIA, RIVERSIDE	5,137	9	0.46%	8,306	3	0.85%
EISENHOWER MEDICAL CENTER	4,971	10	0.44%	3,365	14	0.35%
TEMECULA VALLEY SCHOOL DISTRICT	4,681	11	0.42%			
MT. SAN JACINTO COMMUNITY COLLEGE DISTRICT	4,638	12	0.41%			
PECHANGA RESORT & CASINO	4,000	13	0.36%	3,931	10	0.40%
HEMET UNIFIED SCHOOL DISTRICT	3,960	14	0.35%	3,468	12	0.36%
PALM SPRINGS USD	3,556	15	0.32%			
MARCH AIR RESERVE BASE				8,500	2	0.87%
CORONA-NORCO UNIFIED SCHOOL DISTRICT				5,098	7	0.52%
RIVERSIDE UNIVERSITY HEALTH SYSTEM - MEDICAL CENTER				3,600	11	0.37%
MORONGO CASINO, RESORT & SPA				3,359	15	0.34%
DESERT SANDS UNIFIED SCHOOL DISTRICT				4,202	8	0.43%
	<u>110,356</u>		<u>9.84%</u>	<u>92,940</u>		<u>9.53%</u>

Source: Riverside County Economic Development Agency

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

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>	<u>2025</u>
Function										
General government										
Inspection	5	7	7	4	7	6	6	2	3	3
Administration	63	69	62	39	23	8	33	14	13	26
Public ways & facilities										
Engineering	99	96	93	103	117	105	126	139	151	148
Maintenance	82	81	84	92	114	83	101	123	117	106
NPDES	20	19	20	30	17	12	16	14	12	12
Photogrammetry operations	1	2	1	1	1	1	1	1	1	1
Subdivision operations	9	10	14	10	6	2	3	5	5	5
Encroachment permits	1	1	2	2	3	1	2	1	1	1
Hydrology services	2	2	3	4	3	2	2	3	3	3
Garage-Fleet operations	9	8	9	10	7	3	4	9	9	10
Mapping services	2	2	2	-	-	-	-	-	-	-
Data processing	4	4	4	7	7	3	5	9	8	9
Total	<u>297</u>	<u>301</u>	<u>301</u>	<u>302</u>	<u>305</u>	<u>226</u>	<u>299</u>	<u>320</u>	<u>323</u>	<u>324</u>

Source: The District

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General government										
Inspection services	52	173	91	78	85	96	97	97	154	197
Hydrology	5	4	5	5	4	-	-	-		
Public ways and facilities										
Maintenance projects	1,162	1,310	1,374	464	437	2,179	2,464	2,569	2,656	2,367
Construction projects	323	296	296	91	98	420	400	336	319	347
NPDES - Santa Ana										
Public Education Outreach events	16	16	10	9	3	1	3	4	3	1
NPDES - Santa Margarita										
Public Education Outreach events	9	11	3	4	1	1	1	2	1	1
NPDES - Whitewater										
Public Education Outreach events	3	3	3	3	1	-	1	1	2	1
Photogrammetry operations	13	16	5	6	6	15	11	9	8	7
Subdivision operations										
Plan check cases processed	176	194	208	189	314	139	158	110	103	127
Flood plain cases processed	96	43	105	74	94	113	101	113	112	138
Enroachment permits										
Permits - Issuance and Inspection	262	143	240	120	266	383	249	325	286	280

Source: The District

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

	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Function										
General Government										
Equipment	27	21	8	31	27	39	23	28	22	23
Public ways and facilities										
Infrastructure										
Basins	1	-	-	-	1	1	1	1	1	2
Channels	1	2	2	2	-	3	4	1	1	9
Levees	-	-	-	-	-	1	2	-	-	-
Storm Drains	9	11	11	13	7	26	20	20	63	61
Dams	-	-	-	-	-	-	1	-	-	1

Source: The District

Independent Auditor's Report

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Flood Control and Water Conservation District (District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the Riverside County Flood Control and Water Conservation District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cashflows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

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

Supplementary Information

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

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

Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued a report dated October 14, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

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

Murrieta, California
October 14, 2025



**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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 14, 2025.

Report on 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) as a basis for designing 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 or significant deficiencies may exist that were not identified.

Van Lant & Fankhanel, LLP

29970 Technology Drive, Suite 105 A
Murrieta, CA 92563
909.856.6879

Report on 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 financial statements. 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 entity'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 entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Van Lant & Fankhaenel, LLP

October 14, 2025

October 14, 2025

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, 2025. 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, 2025. 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 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.

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/(assets) 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/(assets) 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/(assets) 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/(assets) if different assumptions are used in estimating these liabilities.

During the year the District made an additional contribution of \$9,300,000 to CalPERS as payment towards the unfunded pension liability.

The financial statement disclosures are neutral, consistent and clear.

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. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

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 October 14, 2025.

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.

Restriction on Use

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 & Fankhauser, LLP