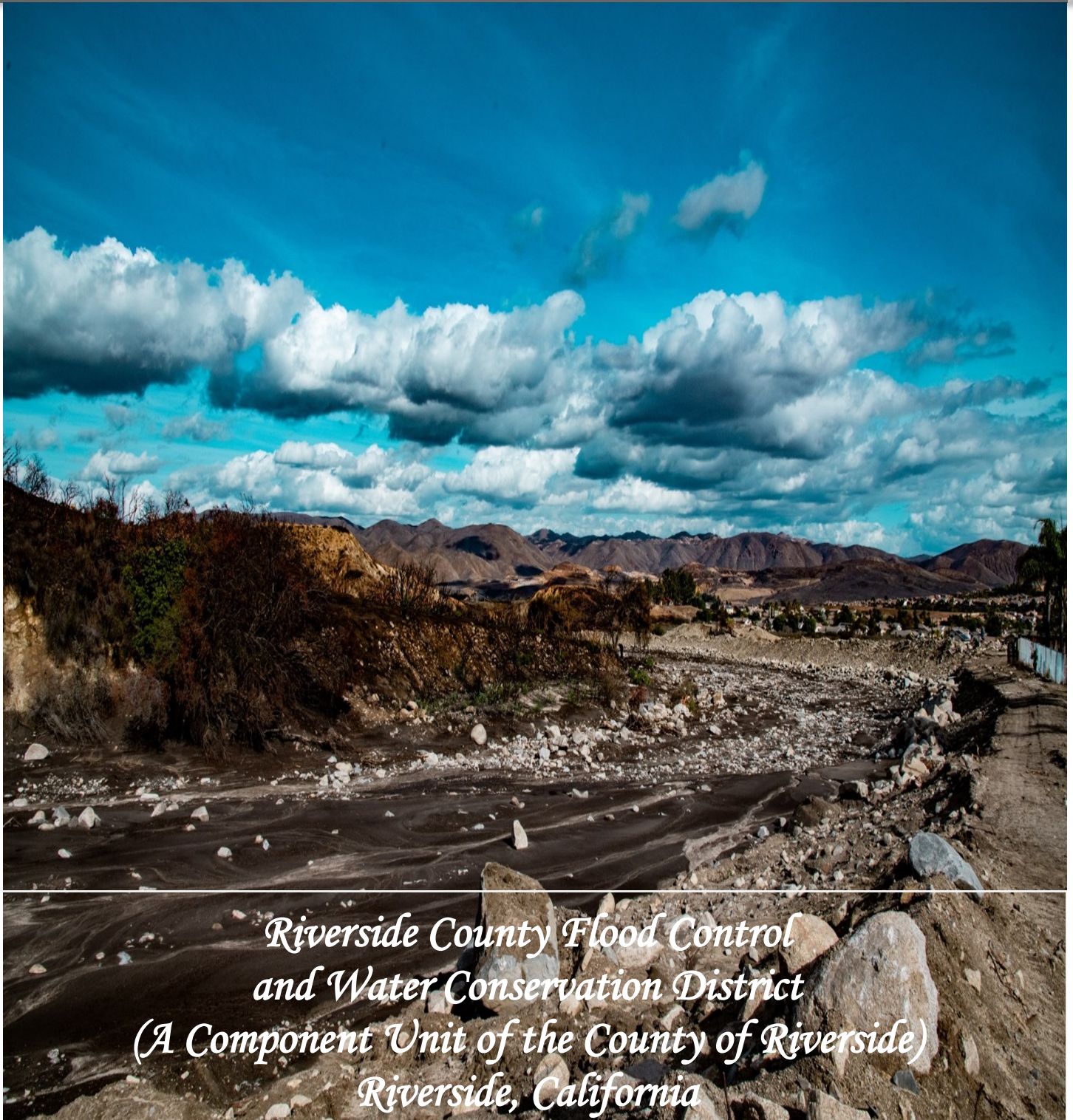




Comprehensive Annual Financial Report *Fiscal Year Ended June 30, 2019*



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



Comprehensive Annual Financial Report Fiscal Year Ended June 30, 2019



*Submitted by:
Jason E. Uhley*

General Manager-Chief Engineer

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

Riverside County Flood Control and Water Conservation District
Comprehensive Annual Financial Report
Year Ended June 30, 2019

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Riverside County Flood Control and Water Conservation District
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INTRODUCTORY SECTION



San Jacinto River Off Soboba Rd. (Feb 2019 Storm)

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- ♦ *Letter of Transmittal*
- ♦ *GFOA Certificate of Achievement for Excellence in Financial Reporting for 2017*
- ♦ *List of Elected and Appointed Officials*
- ♦ *Organizational Chart*



RIVERSIDE COUNTY FLOOD CONTROL AND WATER CONSERVATION DISTRICT

November 27, 2019

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, 2019.

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

The Pun Group, Certified Public Accountants, have issued an unmodified ("clean") opinion on the District's financial statements for the year ended June 30, 2019. The independent auditor's report is located at the front of the financial section of this report.

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

Profile of the Government

The District, formed in 1945 by an Act of the State Legislature, is located in the southern part of the state within the County of Riverside, which boasts the 10th largest cumulative numeric increase in population in the country.¹ The District currently occupies 2,676 square miles and serves a population of approximately 2.03 million. The District is divided into seven geographic zones and is empowered to levy property or special assessment tax on both real and personal property located within the boundaries of each zone. Taxes collected within each zone must be spent for flood control projects within, or proportionally beneficial to, that zone.

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

¹ Source: U.S. Census Bureau, Estimates of the Components of Resident Population Change: April 1, 2010 to July 1, 2018

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

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

The Board of Supervisors is required to adopt by resolution a final budget for the County of Riverside, including all districts, agencies and authorities governed by the Board of Supervisors, no later than October 2nd of each year pursuant to Sections 29080 through 29092 of the Government Code. The Board of Supervisors adopted the District's 2019 fiscal year budget on June 26, 2018. The annual budget serves as the foundation for the District's financial planning and control. The District's budget is prepared by fund and class or appropriation level (e.g., salaries and benefits, services and supplies) within each category present on the financial statements. The District may transfer resources between appropriation levels within the same fund at their discretion and with approval by the County of Riverside Executive Office. Increase of resources or establishment of a new appropriation level requires approval by the Board of Supervisors.

Local Economy

The District oversees the western portion of the Riverside County which includes twenty-two cities and unincorporated county communities west of the San Jacinto and Santa Rosa Mountains. Riverside County is California's fourth largest populated county according to the State Department of Finance. It represents 6.11% of California's total population.² Riverside County is part of a larger area known as Southern California's Inland Empire, comprised of Riverside and San Bernardino counties. It is approximately 60 miles from north to south and some 50 miles wide. Major industries located within the Riverside County include government, retail trade, educational and health services, leisure and hospitality, and construction.

From June 2018 to June 2019, the unemployment rate dropped from 4.7% to 4.1% in the inland empire. The 35,100 job gain was led by health care (13,000), professional & business services (7,000), government (6,300) and trade, transportation and utilities (4,700).³ Between September 2018 and September 2019, the health care led in employment growth, posting a gain of 13,000 with 98% of the job growth in local government.⁴

Over the past ten years, the District's expenses related to the construction and maintenance of flood control facilities have not only increased in amount, but have also increased as a percentage of total expenses (a ten-year increase of 5.2%). Maintenance costs for the current fiscal year ended have increased by 19.7% from the prior year.

² Source: State of California, Department of Finance, E-1 Population Estimates for Cities, Counties and the State with Annual Percentage Change – January 1, 2017 and 2018. Sacramento, CA, May 2018

³ Source: Inland Empire Quarterly Economic Report, July 2018

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

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

During this same ten-year period, charges for services decreased, both in amount and as a percentage of total revenues (reflecting a ten-year decrease of 12.8%).

Long-term Financial Planning

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

Relevant Financial Policies

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

Major Initiatives

During the fiscal year ended June 30, 2019, the District issued notices of completion for one project totaling over \$385,547 dollars in construction costs. At the close of the fiscal year, the District had two construction contracts in progress totaling an additional \$15.6 million dollars. The majority of these projects are estimated for completion by the end of calendar 2019.

The following District-administered flood control project contracts were completed during, or were under construction during the fiscal year 2018-2019:

Facilities	Status	Construction Cost
Meadowview Stream Restoration	Notice of Completion January 15, 2019	\$ 385,547
Heacock Channel (Sunnymead MDP Line B), Stages 3 and 4	In Progress	\$ 13,591,604
Norco MDP Line NA-1, Stage 2 & Lateral NA-1A, Stage 1	In Progress	\$2,057,778

Meadowview Stream Restoration Project, the \$541,566 Meadowview Stream Restoration Project is located within the Meadowview Community Association. The 4.25-acre stream restoration project was designed in coordination with the Natural Resource Conservation Service and includes stream stabilization with native vegetation and bioengineering techniques with the primary purpose of stabilizing stream banks, minimizing erosion and sedimentation, protecting adjacent utilities a recreational trail, and ultimately restoring the functions and values of the stream. This project received the Environmental Engineering Project award from the San Bernardino and Riverside Branch American Society of Civil Engineers.

Sunnymead MDP Line B, (aka "Heacock Channel") Stage 3 and 4 Heacock Channel Stages 3 and 4 is a \$13.6 million-dollar project located in the city of Moreno Valley. This project constructs a 100-year reinforced concrete channel that provides flood hazard mitigation to March Air Reserve Base, adjacent businesses, and local residents. This project was mostly constructed and functional during the 18-19 fiscal year, with official acceptance anticipated early fiscal year 19-20.

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

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

Awards and Acknowledgements

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 2018. This was the twenty-eighth consecutive year that the District published an easily readable and efficiently organized CAFR that satisfied both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated service of the entire staff of the finance and administration divisions. We wish to express our appreciation to all members of the District who assisted and contributed to the preparation of this report. A special thanks to Jeanine Rey, Finance Director, Darrylenn Prudholme-Brockington, Assistant Finance Director, and Sunita Jain, Administrative Services Supervisor for their efforts in the preparation of this report. Credit must also be given to the Board of Supervisors, for their unfailing support in maintaining the highest standards of professionalism in the management of the District's finances.

Respectfully submitted,



JASON UHLEY
General Manager-Chief Engineer

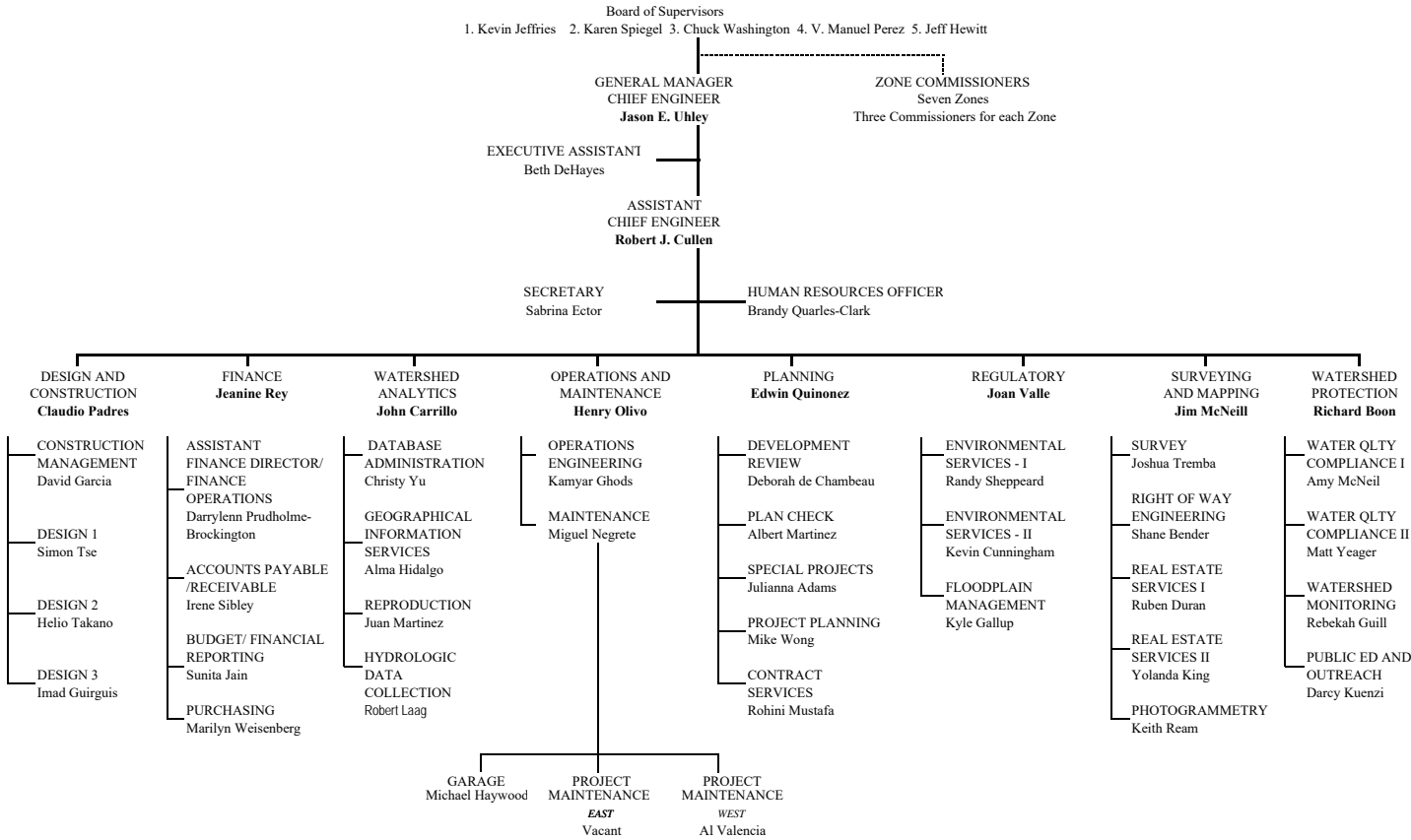


JEANINE J. REY
Finance Director

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

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

RIVERSIDE COUNTY FLOOD CONTROL & WATER CONSERVATION DISTRICT





Government Finance Officers Association

**Certificate of
Achievement for
Excellence in
Financial
Reporting**

Presented to

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

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

June 30, 2018

Christopher P. Morill

Executive Director/CEO

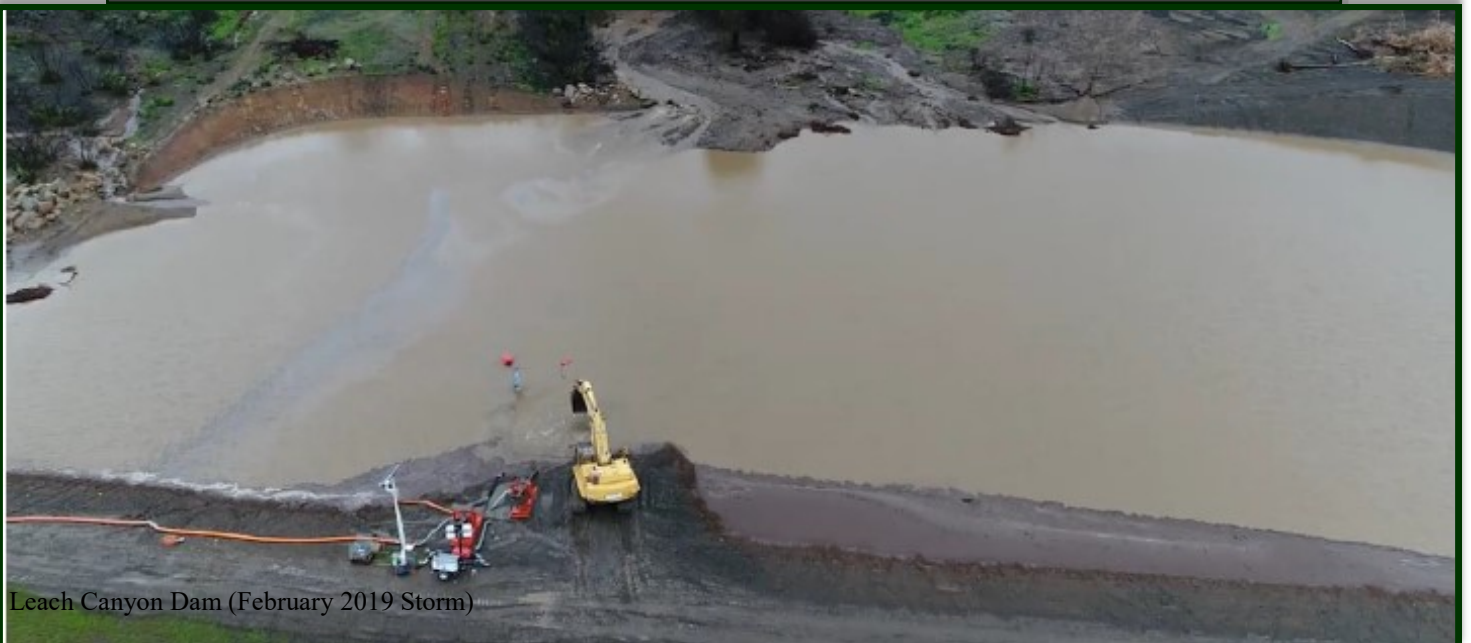
FINANCIAL SECTION



Leach Canyon Dam (February 2019 Storm)

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



Leach Canyon Dam (February 2019 Storm)

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INDEPENDENT AUDITORS' REPORT

To the Board of Supervisors
of the Riverside County Flood Control and
Water Conservation District
Riverside, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund and the aggregate remaining fund information of the Riverside County Flood Control and Water Conservation District (the "District") as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2019, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

To the Board of Supervisors
of the Riverside County Flood Control and
Water Conservation District
Riverside, California
Page 2

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of Changes in Net Pension Liability and Related Ratios during the Measurement Period – Retirement Program, the Schedule of Plan Contributions – Retirement Program, the Schedule of Changes in Net OPEB Liability and Related Ratios, the Schedule of OPEB Plan Contributions, and the Budgetary Comparison Schedules for each major fund on pages 3 through 13 and 55 through 72 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited opinion or provide any assurance.h sufficient evidence to express an

Other 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 Introductory Section, the Combining and Individual Nonmajor Fund Financial Statements, and the Statistical Section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Combining and Individual Nonmajor Fund Financial Statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining and Individual Nonmajor Fund Financial Statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 27, 2019 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 solely 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 effectiveness of the District's 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.



Santa Ana, California
November 27, 2019

Management's Discussion and Analysis

As management of the Riverside County Flood Control and Water Conservation District (the District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2019. 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 - iv 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 \$1,214,474,365 (*net position*).
- ◆ The District's total net position increased by \$40,826,487. Approximately 60 percent of this increase is attributable to the addition of donated capital assets, i.e., infrastructure and land, net of investment related expenses.
- ◆ The (\$46,508,781) deficit reported in unrestricted net position is the result of the District's unfunded pension liability.
- ◆ As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$257,288,407, an increase of \$21,189,416 in comparison with the prior year. Approximately 1% of this amount (\$2,669,330) 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 \$4,402,600, or 43 percent of total general fund expenditures.

Overview of the Financial Statements

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

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

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

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*). The governmental activities of the District include general government and public ways and facilities. The business-type activities of the District include subdivision operations, photogrammetry operations and encroachment permits.

The government-wide financial statements can be found on pages 14-16 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 of the funds of the District can be divided into three categories: governmental funds, proprietary funds and fiduciary 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 to be 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 17-24 of this report.

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

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

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

The proprietary fund financial statements can be found on pages 25-27 of this report.

Fiduciary funds. Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The fiduciary fund financial statement can be found on page 28 of this report.

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 29-54 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* concerning the District's schedule of changes in the net pension liability during the measurement period reported, schedule of plan contributions, progress in funding its obligation to provide other post-employment benefits to its employees. Required supplementary information can be found on pages 55-72 of this report.

The combining statements referred to earlier in connection with non-major governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information on pensions. Combining and individual fund statements and schedules can be found on pages 73-89 of this report.

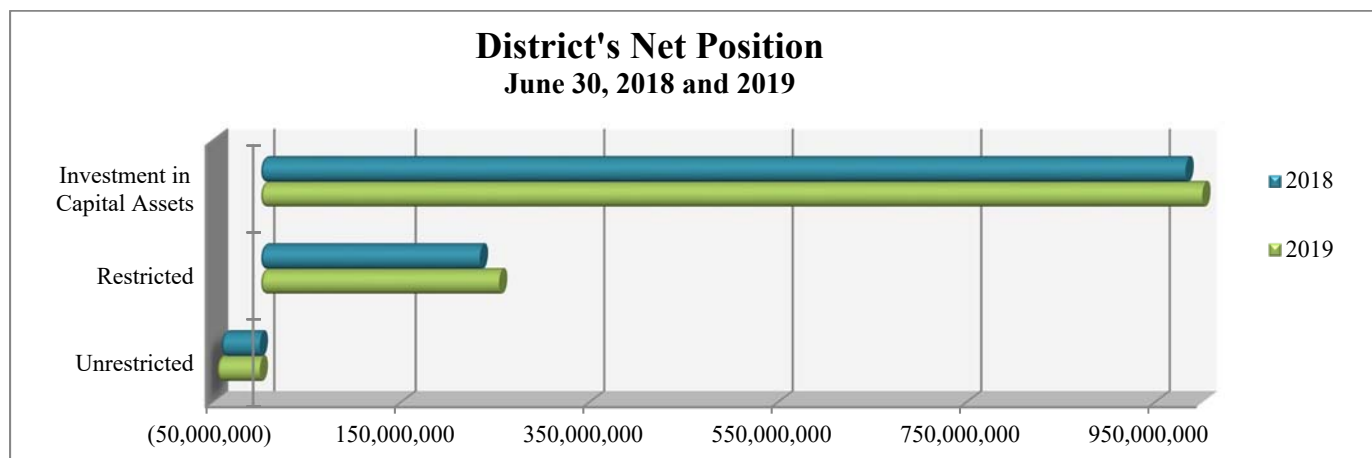
Government-wide Financial Analysis

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 \$1,214,472,328 at the close of the most recent fiscal year.

By far the largest portion of the District's net position (83 percent) reflects its net investment in capital assets (e.g., land and easements, buildings and improvements, infrastructure, and equipment), less any related outstanding debt that was used to acquire those assets. The District uses these capital assets to provide services to prevent and to protect citizens from flooding within the District's zone boundaries; consequently, these assets are *not* available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

	District's Net Position					
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Current and Other Assets	\$273,853,979	\$253,113,672	\$4,705,872	\$4,777,298	\$278,559,851	\$257,890,970
Capital Assets, Net	1,023,106,264	1,000,554,043	76,166	70,916	1,023,182,430	1,000,624,959
Total Assets	1,296,960,243	1,253,667,715	4,782,038	4,848,214	1,301,742,281	1,258,515,929
Deferred Outflows of Resources	12,408,982	18,384,980	423,367	536,594	12,832,349	18,921,574
Current and Other Liabilities	7,034,635	8,474,335	3,687,454	3,575,127	10,722,089	12,049,462
Long-term Liabilities	85,628,379	88,745,832	2,356,436	2,396,122	87,984,815	91,141,954
Total Liabilities	92,663,014	97,220,167	6,043,890	5,971,249	98,706,904	103,191,416
Deferred Inflows of Resources	1,347,286	580,567	46,075	17,642	1,393,361	598,209
Net Position:						
Investment in Capital Assets	1,006,962,292	982,107,743	76,166	70,916	1,007,038,458	982,178,659
Restricted	253,944,688	233,481,685	-	-	253,944,688	233,481,685
Unrestricted	(45,548,055)	(41,337,467)	(960,726)	(674,999)	(46,508,781)	(42,012,466)
Total Net Position	\$1,215,358,925	\$1,174,251,961	(\$884,560)	(\$604,083)	\$1,214,474,365	\$1,173,647,878

An additional portion of the District's net position (21 percent) represents resources that are subject to external restrictions on how they may be used. As noted earlier, the deficit balance of (\$46,508,781) reported in unrestricted net position (-4 percent) is primarily the result of the District's unfunded pension liability.



The District's overall net position increased \$40,826,487 from the prior fiscal year. The District experienced a net increase primarily due to increases property tax revenue and investment earnings received during the fiscal year.

Governmental activities. During the current fiscal year, net position for the governmental activities increased the District's net position by \$41,106,964 from the prior fiscal year, thereby accounting for 100 percent of the total increase in net position for the District. Key elements of the increase are as follows:

District's Changes in Net Position

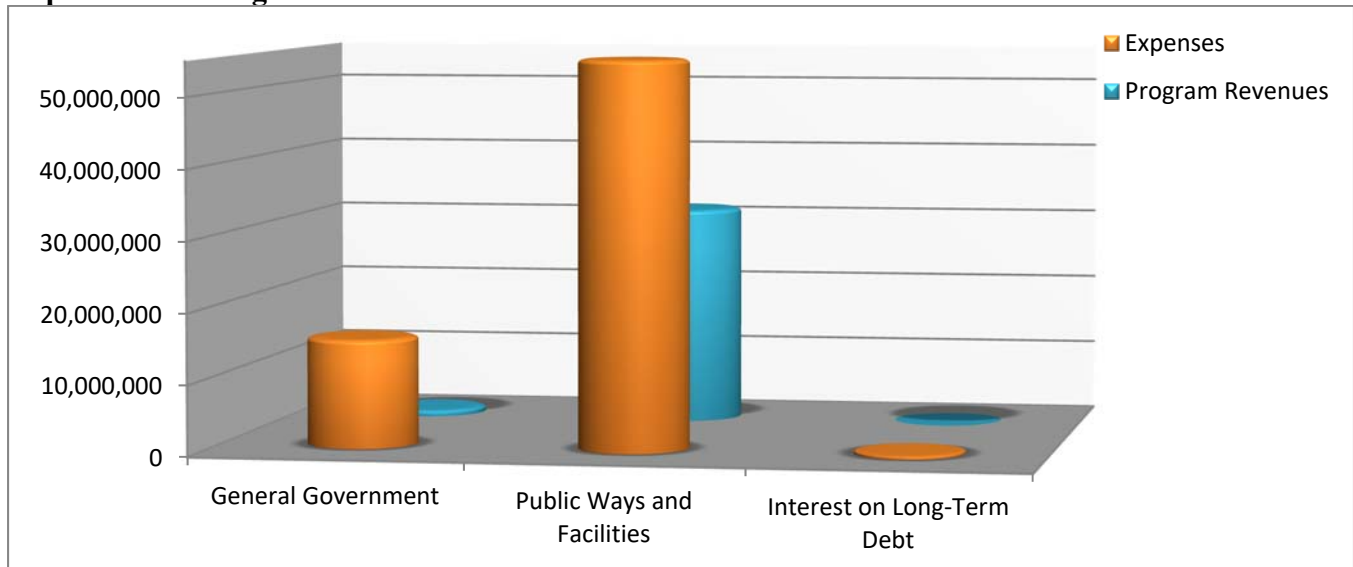
	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Revenues:						
Program Revenues:						
Charges for Services	\$4,589,643	\$6,746,715	\$2,210,790	\$1,748,703	\$6,800,433	\$8,495,418
Capital Grants and Contributions	27,711,393	24,176,025	-	-	27,711,393	24,176,025
General Revenues:						
Property Taxes	59,251,221	56,030,106	-	-	59,251,221	56,030,106
Redevelopment Pass-through	12,798,423	11,139,738	-	-	12,798,423	11,139,738
Unrestricted Interest and Investment Earnings (Loss)	7,523,589	2,322,490	219,297	73,977	7,742,886	2,396,467
Gain on Sale of Capital Assets	165,024	217,824	-	-	165,024	217,824
Total Revenues	112,039,293	100,632,898	2,430,087	1,822,680	114,469,380	102,455,578
Expenses:						
General Government	15,457,621	12,831,773	-	-	15,457,621	12,831,773
Public Ways and Facilities	55,247,289	58,609,651	-	-	55,247,289	58,609,651
Interest on Long-Term Debt	499,339	598,372	-	-	499,339	598,372
Subdivision Operations	-	-	1,926,803	2,457,340	1,926,803	2,457,340
Photogrammetry Operations	-	-	149,923	169,775	149,923	169,775
Encroachment Permits	-	-	361,918	195,451	361,918	195,451
Total Expenses	71,204,249	72,039,796	2,438,644	2,822,566	73,642,893	74,862,362
Increase (Decrease) in Net Position before Transfers	40,835,044	28,593,102	(8,557)	(999,886)	40,826,487	27,593,216
Transfers	271,920	-	(271,920)	-	-	-
Increase (Decrease) in Net Position	41,106,964	28,593,102	(280,477)	(999,886)	40,826,487	27,593,216
Net Position - Beginning	1,174,251,961	1,145,658,859	(604,083)	395,803	1,173,647,878	1,146,054,662
Net Position - Ending	\$1,215,358,925	\$1,174,251,961	(\$884,560)	(\$604,083)	\$1,214,474,365	\$1,173,647,878

- Historically, ongoing revenues for governmental activities have exceeded expenses as a percentage of net position by approximately less than 1 to 2 percent in a given fiscal year. During the year, overall revenues increased by 11 percent due to an increase in donated capital assets of 17 percent. This increase is due to an increase of previously donated capital assets being placed in service during the current fiscal year. Ongoing revenues continued to exceed expenses by \$13,113,094 (approximately 1 percent of net position).

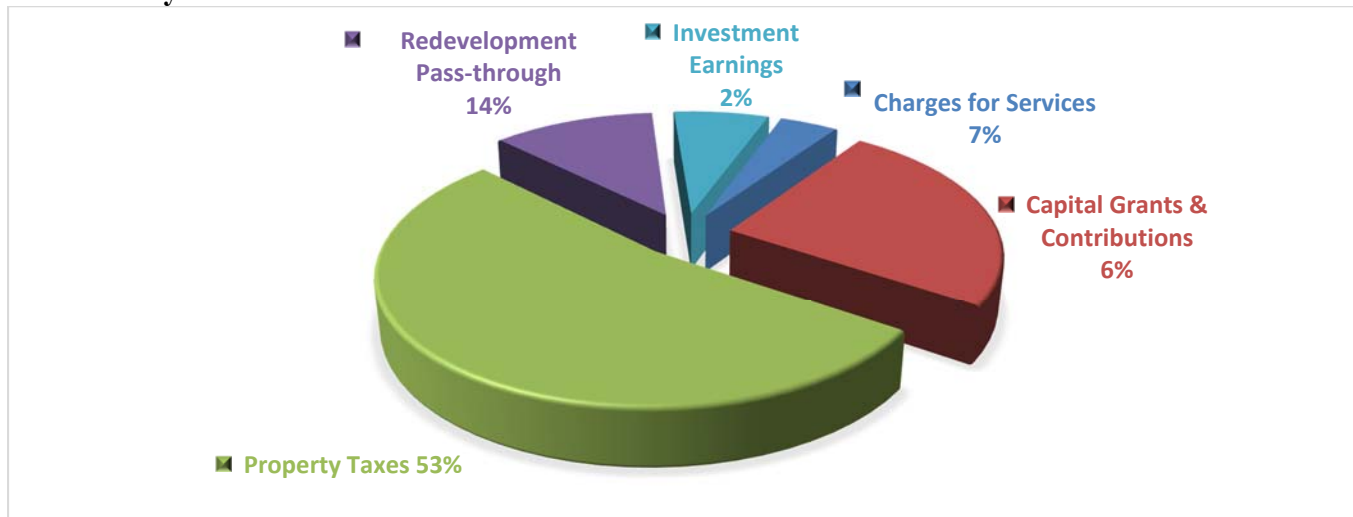
For the most part, increases and decreases in expenses paralleled inflation and growth in the demand for services. Noteworthy exceptions include the following:

- An increase in Capital Grants and Contributions revenue of \$3,535,368 (15 percent) associated with donated capital assets (infrastructure and land in various zones) being placed in service.
- A decrease in Charges for Services revenue of \$2,157,072 (32 percent) largely associated with a decrease in area drainage fees.

Expenses and Program Revenues - Governmental Activities



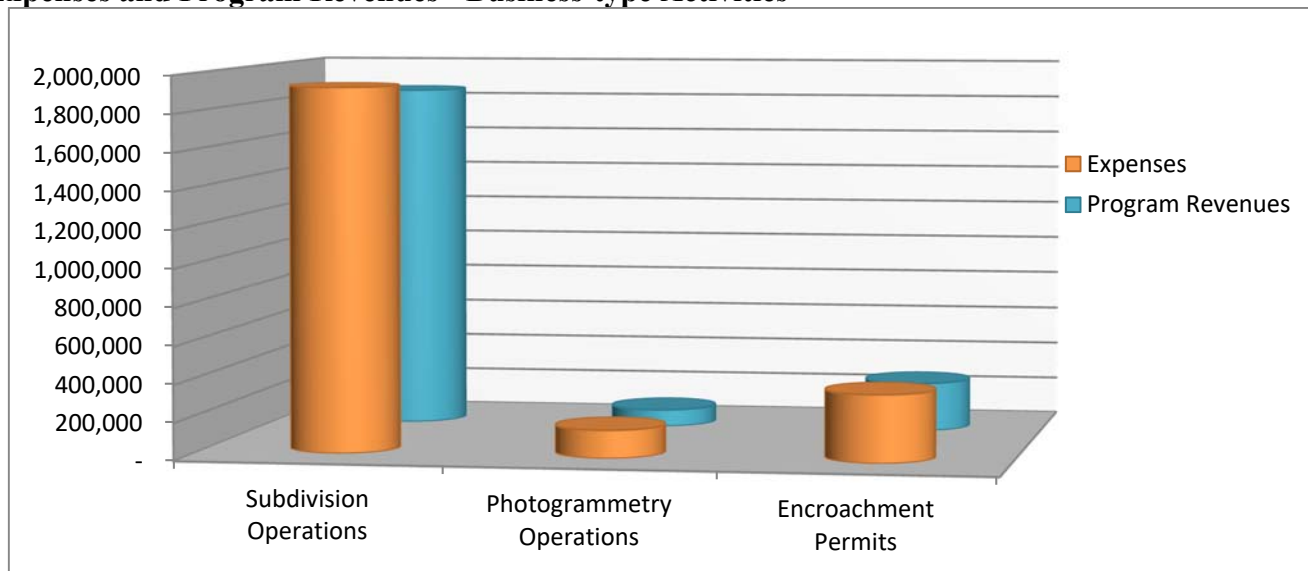
Revenues by Source - Governmental Activities



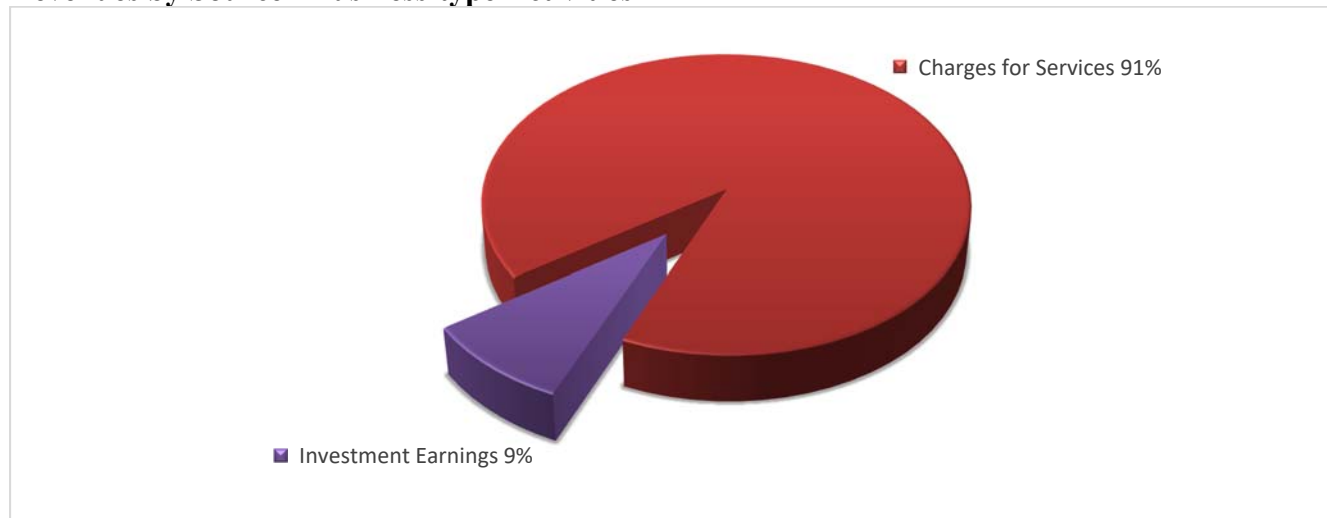
Business-type activities. Business-type activities decreased the District's net position by \$240,477. Key elements of the decrease are as follows.

- ◆ Overall charges for services for business-type activities increased by 26 percent while expenses decreased by 14 percent from the previous fiscal year. Historically, increases and decreases in charges for services and expenses are development related and will vary based on development activity within the County of Riverside. Development activity within the Subdivision operations has increased by 20 percent over the past year due to fluctuation in the economy. Normal operating expenses decreased by 22 percent as a result of allocating net pension liability across Internal Services Funds thereby reducing the amount of pension expense allocated to the Subdivision Operations Fund.

Expenses and Program Revenues - Business-type Activities



Revenues by Source - Business-type Activities



Financial Analysis of the District's Funds

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

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *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 \$257,288,407 an increase of \$21,189,416 in comparison with the prior year. The majority of this total amount (\$252,885,207) 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* (\$2,669,330) 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* (\$1,733,270) and reflects resources that the District intends to use to fund accrued compensated absence liabilities as required and *nonspendable fund balance* (\$600) for imprest cash.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$2,669,330, while total fund balance reached \$4,403,200. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 26 percent of total general fund expenditures, while total fund balance represents 43 percent of that same amount.

During the current fiscal year, the fund balance in the District's general fund increased by \$875,033. The increase in fund balance is primarily a result of an increase in property taxes and investment earning received during the current fiscal year. General government expenditures increased by \$4,620,490 due largely due to a change in accounting procedure that previously reported the reimbursement of services provided by the General Fund to other District funds as a reduction of general government expenditures to now being reported as a contribution (transfer in) to the General Fund.

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 \$242,967,162 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year was \$20,897,184. Key factors in the aggregate net increase are as follows:

- ◆ *Zone 1* reported a fund balance of \$38,387,640 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$8,025,610. Property tax and redevelopment revenues account for approximately 91 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 169 percent (\$5,044,473). Overall revenues increased (\$1,188,509) as a result of increases in property tax revenue (\$358,078), redevelopment revenue (\$684,233), intergovernmental revenue (\$3,122), investment earnings (\$735,161), and use of assets from the lease of land (\$3,370). These increases offset the decreases in charges for services (\$98,333) and area drainage fees (\$497,122). Additionally, expenditures decreased (\$4,529,896) due largely in part to decreased construction activity within the zone during the fiscal year.

- ◆ *Zone 2* reported a fund balance of \$87,519,796 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$6,229,983. Property tax and redevelopment revenues account for approximately 86 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 83 percent (\$2,821,685). Overall revenues increased (\$2,213,350) as a result of increases in property tax revenue (\$764,248), redevelopment revenue (\$193,675), intergovernmental revenue (\$106,316), and investment earnings (\$1,785,650). These increases offset the decreases in charges for services (\$12,503) and area drainage fees (\$624,036). Additionally, expenditures decreased (\$1,352,927) as a result of a decrease in contributions to the General Fund to support administrative functions.

- ◆ *Zone 3* reported a fund balance of \$6,360,725 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$4,762,172. Property tax and redevelopment revenues account for approximately 90 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 1299 percent (\$4,421,703). Overall revenues increased (\$293,065) as a result of increases in property tax revenue (\$118,701), redevelopment revenue (\$91,220), special assessments (\$6,960), and investment earnings (\$85,695). These increases offset the decreases in intergovernmental revenue (\$1,726) and charges for services revenue (\$7,785). Additionally, expenditures increased (\$6,413,637) due largely in part to the emergency repairs to infrastructure resulting from the damage caused by the Holy Fire that occurred in September 2018.

- ◆ *Zone 4* reported a fund balance of \$46,282,053 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$2,492,922. Property tax and redevelopment revenues account for approximately 88 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 395 percent (\$3,336,929). Overall revenues increased (\$1,127,254) as a result of increases in property tax revenue (\$913,213), redevelopment revenue (\$411,984), charges for services (\$23,567), and investment earnings (\$834,950). These increases offset the decreases in intergovernmental revenue (\$212,460), area drainage fees (\$224,000), and use of assets from the lease of land (\$620,000). Additionally, expenditures decreased (\$3,459,372) due largely in part to decreases in contract services and contributions to the General Fund to support administrative functions.

- ◆ *Zone 5* reported a fund balance of \$18,223,275 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$3,276,077. Property tax and redevelopment revenues account for approximately 88 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 2,823 percent (\$3,164,004). Overall revenues increased (\$533,298) as a result of increases in property tax revenue (\$236,436), redevelopment revenue (\$45,430), intergovernmental revenue (\$34,279), charges for services (\$1,437), and investment earnings (\$351,716). The increases offset the decrease in use of assets from the lease of property (\$136,000). Additionally, expenditures decreased (\$2,821,216) due primarily to decreased construction activity within the zone during the fiscal year.

- ◆ *Zone 6* reported a fund balance of \$19,651,273 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$2,664,181. Property tax and redevelopment revenues account for approximately 90 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 10 percent (\$232,600). Overall revenues increased (\$759,506) due primarily to increases in property tax revenue (\$208,603), redevelopment revenue (\$123,141), charges for services (\$27,962), and investment earnings (\$403,711). These increases offset the decrease in intergovernmental revenue (\$3,911). Additionally, expenditures increased (\$167,335) due largely in part to increases in salaries and benefits to support operations during the fiscal year.

- ◆ *Zone 7* reported a fund balance of \$26,812,400 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$3,240,583. Property tax and redevelopment revenues account for approximately 84 percent of total revenues in this fund and can fluctuate from year to year based on property values and foreclosures within the zone boundary as well as economic activity within the County of Riverside. Fluctuation in property tax revenues can positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 27 percent (\$688,031). Overall revenues increased (\$838,165) as a result of increases in property tax revenue (\$254,778), redevelopment revenue (\$3,976), area drainage fees (\$50,442), and investment earnings (\$545,279). These increases offset the decreases in intergovernmental revenue (\$5,542) and charges for services (\$10,768). Additionally, expenditures decreased (\$241,167) due largely in part to a decrease in contributions to the General Fund to support administrative functions.

The NPDES funds had an aggregate fund balance of \$9,627,609 at the end of the current fiscal year. The aggregate net decrease in fund balance during the current year was \$854,253. Key factors in the net decrease are as follows:

- ◆ *NPDES Whitewater* reported a fund balance of \$2,147,609 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$147,208. Special assessment revenues account for approximately 54 percent of total revenues in this fund and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within the watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects a decrease of approximately 2 percent (\$2,874). Overall revenues decreased (\$31,108) due primarily to a decrease in contributions from other agencies (\$77,223). This decrease was offset by increases in special assessments revenue (\$5,704) and investment earnings (\$40,411). Additionally, expenditures decreased (\$71,700) due largely in part to a decrease in contributions to the General Fund to support administrative functions.

- ◆ *NPDES Santa Ana* reported a fund balance of \$5,376,583 at the end of the current fiscal year. The net decrease in fund balance during the current fiscal year was \$1,613,596. Special assessment revenues account for approximately 93 percent of total revenues in this fund and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within the watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in fund balance.

In comparison to the prior year, the negative change in fund balance reflects a decrease of approximately 1,032 percent (\$1,786,664). Overall revenues increased (\$180,137) as a result of increases in special assessments (\$45,932) and investment earnings (\$134,205). Additionally, expenditures decreased (\$242,348) due largely in part to a decrease in contributions to the General Fund to support administrative functions.

- ◆ *NPDES Santa Margarita* reported a fund balance of \$2,103,417 at the end of the current fiscal year. The net increase in fund balance during the current fiscal year was \$612,135. Special assessment revenues account for approximately 31 percent of total revenues in this fund and can fluctuate from year to year based on economic activity in the County of Riverside and property foreclosures within the watershed boundary. Fluctuation in special assessment revenues could positively or negatively impact growth in fund balance.

In comparison to the prior year, the positive change in fund balance reflects an increase of approximately 213 percent (\$1,155,269). Overall revenues increased (\$148,068) as a result of increases in special assessments (\$3,091), contributions from other agencies (\$120,561), and investment earnings (\$24,416). Additionally, expenditures decreased (\$1,175,052) due largely in part to decreases in professional and operational expenses for the storm water/clean water educational programs.

The nonmajor funds, Flood Control Capital Project Fund and Zone 4 Debt Service Fund, reported an aggregate total fund balance of \$20,436 at the end of the current fiscal year. The aggregate net increase in fund balance during the current year in was \$1,452. Transfers in are used to offset budgeted capital outlay and debt service costs incurred in any given fiscal year.

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

Unrestricted net position at the end of the year for Subdivision Operations amounted to a deficit of (\$1,869,245) while Photogrammetry Operations reported an unrestricted net position of \$561,890 and the Encroachment Permit Operations reported \$259,096. The total decrease in net position for Subdivision operations was \$69,745. The total decrease in net position for Photogrammetry operations was \$70,559 and the total decrease for Encroachment permit operations was \$89,778. Other factors concerning the finances of these three funds have already been addressed in the discussion of the District's business-type activities.

Fiduciary Funds. The District maintains fiduciary funds to account for resources held for the benefit of parties outside of the District. The District's agency funds are reported under the fiduciary funds and are primarily used to account for debt without government obligation.

General Fund Budgetary Highlights

During the year an adjustment was made between the original and final amended budget increasing general fund appropriations by \$35,071.

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 \$3,880,185. This variance was due primarily to costs budgeted for capital outlay expenditures that were not purchased during the fiscal year. Budgeted expenditures decreased by 1 percent from the prior year. There was an 84 percent increase in actual expenditures from the prior year.
- ◆ Total actual revenues, including transfers in, exceeded estimated revenues by \$4,093,470. The \$4,093,470 variance was due largely in part to a change in accounting procedure that previously reported the reimbursement of services provided by the General Fund to other District funds as a reduction of general government expenditures to now being reported as a contribution (transfer in) to the General Fund. Budgeted charges for services revenues decreased by 5 percent from the prior year.

Capital Assets and Debt Administration

Capital assets. The District's investment in capital assets for its governmental and business-type activities as of June 30, 2019, amounts to \$1,000,624,959 (net of accumulated depreciation). This investment of capital assets includes land and easements, construction in progress, infrastructure, land improvements, building and improvements and equipment. The total increase in the District's investment in capital assets for the current fiscal year was 2 percent.

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

- ◆ Capital assets (infrastructure and land) were donated to the District as a result of prior year development within the County; donated infrastructure and land at the end of the current fiscal year was \$24,400,074.
- ◆ 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 \$41,045,098.

District's Capital Assets

	Governmental activities		Business-type activities		Total	
	2019	2018	2019	2018	2019	2018
Infrastructure	\$ 691,347,709	\$ 682,108,187	\$ -	\$ -	\$ 691,347,709	\$ 682,108,187
Land and easements	271,000,986	265,942,934	-	-	271,000,986	265,942,934
Buildings and improvements	8,735,536	9,017,598	-	-	8,735,536	9,017,598
Improvements other than buildings	79,976	81,092	-	-	79,976	81,092
Equipment	2,401,219	2,359,134	76,166	70,916	2,477,385	2,430,050
Construction in progress	49,540,838	41,045,098	-	-	49,540,838	41,045,098
Total	\$1,023,106,264	\$1,000,554,043	\$ 76,166	\$ 70,916	\$1,023,182,430	\$1,000,624,959

Additional information on the District's capital assets can be found in Note 4 on pages 45-46 of this report.

Long-term debt. The District Act limits the amount of general obligation debt the District may issue to the lesser of 3.75 percent of assessed valuation or \$21 million. The District had \$16,143,972 in negotiable promissory notes outstanding at the end of the current fiscal year to finance the construction certain flood control facilities located in Zone 4 of the District, including but not limited to the construction of the Romoland MDP Line A, Stage 4 project. The principal of, premium, and interest on the Notes are payable from the revenues and taxes of Zone 4. Additional information on the District's promissory notes can be found in Note 5 on page 45 of this report.

Economic Factors and Next Year's Budgets and Rates

The District's principal source of general-purpose revenue is ad valorem property taxes. The Riverside County Assessor is projecting an approximate 5 percent increase in tax revenue on the County assessment roll for the 2019-2020 fiscal year. The District is taking a more conservative approach and estimating an increase of 4 percent in tax revenues for the 2019-2020 fiscal year based on the Riverside County Assessor projections and on actual tax revenue received over the last three years.

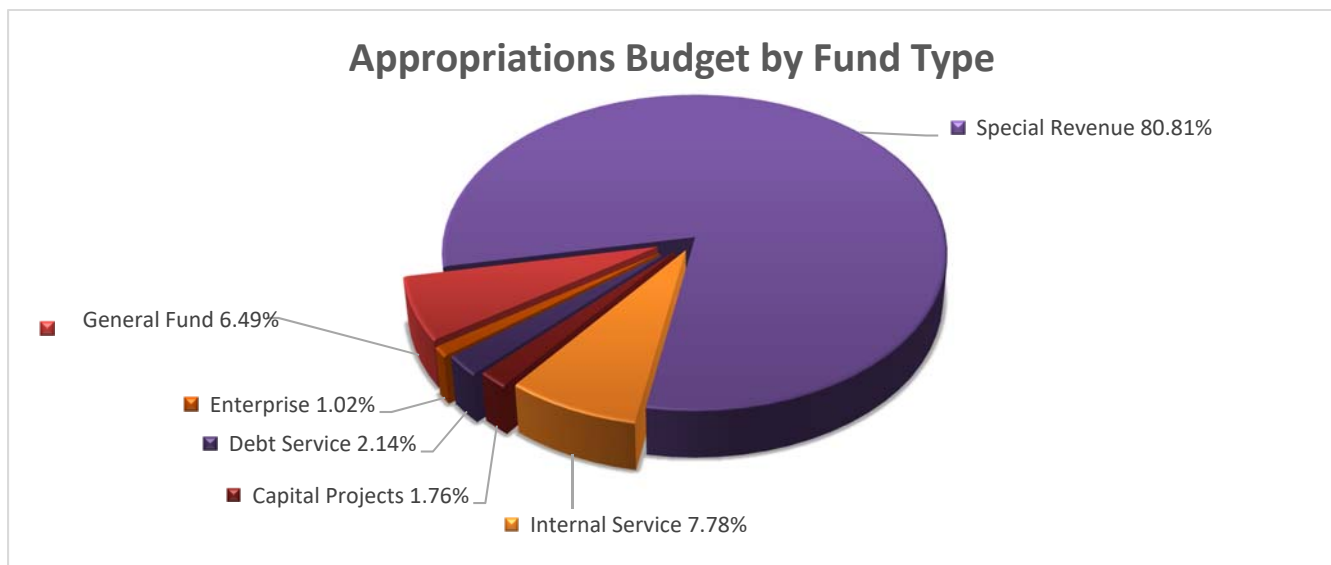
The District estimates total revenue of \$100.8 million for fiscal year 2019-2020, an increase of \$8.1 million from fiscal year 2018-2019. The District's appropriation budget for all funds totals \$160.7 million for fiscal year 2019-2020, a decrease of \$4.7 million from the District's fiscal year 2018-2019 adopted budget.

Total estimated revenue for the seven zones is \$68.5 million for the 2019-2020 fiscal year, an increase of \$2.3 million, or 3.5 percent, from the 2018-2019 fiscal year. The revenue increase for fiscal year 2019-2020 is due primarily to anticipated increases in property tax revenue.

The zone budgets for fiscal year 2019-2020 propose appropriations totaling \$124.4 million, a decrease of \$11.4 million, or 8.4 percent, from the 2018-2019 budget. This represents 77 percent of the District's total appropriations of \$160.7 million. The \$24.4 million in zone appropriations will provide for all District activities in the zones and includes funds for forty-four (44) District Led capital infrastructure projects and twenty-three (23) Partner Led capital infrastructure projects.

Non-zone fund revenues are estimated to be \$32.3 million for fiscal year 2019-2020, an increase of \$5.8 million, or 22.1 percent from fiscal year 2018-2019. Non-zone fund appropriations are proposed to be \$36.4 million for fiscal year 2019-2020. This represents an increase of \$6.7 million, or 22.4 percent, from the fiscal year 2018-2019 budget. This increase in appropriations is primarily due to reclassification of allocations charged to all other District funds and received by the General Fund for administrative purposes.

Appropriations are projected to increase by \$4.1 million in the General Fund. The Capital Project Fund appropriation is proposed to increase by \$775,000 due to an increase in building upgrade plans. The Debt Service Fund requires \$2.8 million in payments for the Zone 4 promissory notes. Enterprise fund appropriations are expected to increase by \$612,000 based on increased topographic mapping in the Photogrammetry Operations fund and anticipated increases in encroachment permit requests in the Encroachment Permits fund. Appropriations for the Internal Service funds are proposed to increase by \$997,000 primarily due to an increases in costs to replace capital asset equipment in the Garage/ Fleet Operations fund.



Requests for Information

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

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BASIC FINANCIAL STATEMENTS



Tahquitz Basin (Feb 2019 Storm)

CONTENTS

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

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Riverside County Flood Control and Water Conservation District
Statement of Net Position
June 30, 2019

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Investments	\$ 268,375,834	\$ 936,080	\$ 269,311,914
Restricted Cash	1,904,145	3,362,565	5,266,710
Receivables (net of allowance for uncollectibles)	3,323,453	334,999	3,658,452
Inventories	286,849	-	286,849
Net OPEB Asset	35,926	-	35,926
Internal Balances	(72,228)	72,228	-
Capital Assets:			
Nondepreciable	320,541,824	-	320,541,824
Depreciable, Net	702,564,440	76,166	702,640,606
Total Assets	<u>1,296,960,243</u>	<u>4,782,038</u>	<u>1,301,742,281</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to OPEB	44,137	-	44,137
Deferred Outflows of Resources Related to Pension:	12,364,845	423,367	12,788,212
Total Deferred Outflows of Resources	<u>12,408,982</u>	<u>423,367</u>	<u>12,832,349</u>
LIABILITIES			
Accounts Payable and Accrued Liabilities	1,470,527	94,624	1,565,151
Salaries and Benefits Payable	1,441,988	111,114	1,553,102
Developer and Other Agency Deposits	1,936,752	3,481,716	5,418,468
Due to Other Governments	1,443,868	-	1,443,868
Accrued Interest Payable	241,500	-	241,500
Unearned Revenue	500,000	-	500,000
Long-term Liabilities:			
Portion Due Within One Year:			
Compensated Absences	517,377	14,234	531,611
Promissory Notes	2,160,000	-	2,160,000
Portion Due in More Than One Year:			
Compensated Absences	2,908,535	80,017	2,988,552
Promissory Notes	13,983,972	-	13,983,972
Net Pension Liability	66,058,495	2,262,185	68,320,680
Total Liabilities	<u>92,663,014</u>	<u>6,043,890</u>	<u>98,706,904</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to OPEB	1,848	-	1,848
Deferred Inflows of Resources Related to Pension:	1,345,438	46,075	1,391,513
Total Deferred Inflows of Resources	<u>1,347,286</u>	<u>46,075</u>	<u>1,393,361</u>
NET POSITION			
Net Investment in Capital Assets	1,006,962,292	76,166	1,007,038,458
Restricted by Enabling Legislation for:			
Capital Projects	19,097	-	19,097
Debt Service	1,339	-	1,339
Public Ways and Facilities	253,924,252	-	253,924,252
Unrestricted (Deficit)	(45,548,055)	(960,726)	(46,508,781)
Total Net Position	<u>\$ 1,215,358,925</u>	<u>\$ (884,560)</u>	<u>\$ 1,214,474,365</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, 2019

	Expenses	Program Revenues	
		Charges for Services	Capital Grants and Contributions
FUNCTIONS/PROGRAMS:			
Governmental Activities			
General Government	\$ 15,457,621	\$ 922,537	\$ -
Public Ways and Facilities	55,247,289	3,667,106	27,711,393
Interest on Long-Term Debt	499,339	-	-
Total Governmental Activities	71,204,249	4,589,643	27,711,393
Business-type Activities			
Subdivision Operations	1,926,803	1,855,055	-
Photogrammetry Operations	149,923	91,600	-
Encroachment Permits	361,918	264,135	-
Total Business-type Activities	2,438,644	2,210,790	-
Total	\$ 73,642,893	\$ 6,800,433	\$ 27,711,393

General Revenues and Transfers:

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

Transfers

Total General Revenues and Transfers

Change in Net Position

Net Position, Beginning of Year

Net Position, End of Year

The accompanying notes are an integral part of this statement.

Net (Expenses) Revenues and Changes in Net Position		
Governmental Activities	Business- type Activities	Total
(14,535,084)	\$ -	\$ (14,535,084)
(23,868,790)	-	(23,868,790)
<u>(499,339)</u>	<u>-</u>	<u>(499,339)</u>
<u>(38,903,213)</u>	<u>-</u>	<u>(38,903,213)</u>
-	(71,748)	(71,748)
-	(58,323)	(58,323)
<u>-</u>	<u>(97,783)</u>	<u>(97,783)</u>
<u>-</u>	<u>(227,854)</u>	<u>(227,854)</u>
<u>(38,903,213)</u>	<u>(227,854)</u>	<u>(39,131,067)</u>
59,251,221	-	59,251,221
12,798,423	-	12,798,423
7,523,589	219,297	7,742,886
165,024	-	165,024
<u>271,920</u>	<u>(271,920)</u>	<u>-</u>
<u>80,010,177</u>	<u>(52,623)</u>	<u>79,957,554</u>
41,106,964	(280,477)	40,826,487
<u>1,174,251,961</u>	<u>(604,083)</u>	<u>1,173,647,878</u>
<u>\$ 1,215,358,925</u>	<u>\$ (884,560)</u>	<u>\$ 1,214,474,365</u>

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Balance Sheet
Governmental Funds
June 30, 2019

	General Fund	Zone 1	Zone 2	Zone 3
ASSETS				
Cash and Investments	\$ 4,683,054	\$ 38,479,707	\$ 88,944,163	\$ 6,948,064
Restricted Cash	1,784,462	13,391	30,000	-
Receivables (net of allowance for uncollectibles)				
Taxes Receivable	73,542	153,553	275,285	36,465
Accounts Receivable	57,874	6,102	7,604	2,933
Interest Receivable	21,847	173,104	414,601	31,957
Due From Other Funds	18,978	-	30	-
Due From Other Governments	-	55,620	20,084	9,277
Total Assets	<u>\$ 6,639,757</u>	<u>\$ 38,881,477</u>	<u>\$ 89,691,767</u>	<u>\$ 7,028,696</u>
LIABILITIES				
Accounts Payable	\$ 89,389	\$ 38,454	\$ 778,396	\$ 85,405
Salaries and Benefits Payable	195,471	179,851	228,444	85,346
Due to Other Funds	46,128	90,571	70,458	25,842
Developer and Other Agency Deposits	1,812,070	18,391	30,000	-
Due to Other Governments	19,957	13,017	789,388	434,913
Unearned Revenue	-	-	-	-
Total Liabilities	<u>2,163,015</u>	<u>340,284</u>	<u>1,896,686</u>	<u>631,506</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue - Property Taxes	73,542	153,553	275,285	36,465
Unavailable Revenue - Special Assessments	-	-	-	-
Total Deferred Inflows of Resources	<u>73,542</u>	<u>153,553</u>	<u>275,285</u>	<u>36,465</u>
FUND BALANCES				
Nonspendable:				
Imprest Cash	600	-	-	-
Restricted for:				
Capital Projects	-	-	-	-
Public Ways and Facilities	-	38,387,640	87,519,796	6,360,725
Debt Service	-	-	-	-
Assigned to:				
Compensated Absences	1,733,270	-	-	-
Unassigned	<u>2,669,330</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Fund Balances	<u>4,403,200</u>	<u>38,387,640</u>	<u>87,519,796</u>	<u>6,360,725</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,639,757</u>	<u>\$ 38,881,477</u>	<u>\$ 89,691,767</u>	<u>\$ 7,028,696</u>

The accompanying notes are an integral part of this statement.

Zone 4	Zone 5	Zone 6	Zone 7	NPDES Whitewater	NPDES Santa Ana
\$ 46,390,039 907	\$ 18,200,116 32,110	\$ 19,861,933 19,694	\$ 27,398,456 23,581	\$ 1,928,611 -	\$ 5,492,651 -
287,815	63,324	80,367	93,825	9,188	52,896
14,773	-	-	-	-	-
207,518	83,857	92,745	127,417	9,063	29,667
-	-	-	-	-	-
90,164	19,277	18,553	15,528	240,177	-
<u>\$ 46,991,216</u>	<u>\$ 18,398,684</u>	<u>\$ 20,073,292</u>	<u>\$ 27,658,807</u>	<u>\$ 2,187,039</u>	<u>\$ 5,575,214</u>
\$ 80,628	\$ 8,000	\$ 50,705	\$ 46,373	\$ 9,824	\$ 66,310
227,957	54,549	175,502	93,615	17,815	69,096
108,688	17,139	93,715	38,750	2,603	10,329
907	32,110	19,693	23,581	-	-
3,168	287	2,037	50,263	-	-
-	-	-	500,000	-	-
<u>421,348</u>	<u>112,085</u>	<u>341,652</u>	<u>752,582</u>	<u>30,242</u>	<u>145,735</u>
287,815	63,324	80,367	93,825	-	-
-	-	-	-	9,188	52,896
<u>287,815</u>	<u>63,324</u>	<u>80,367</u>	<u>93,825</u>	<u>9,188</u>	<u>52,896</u>
-	-	-	-	-	-
-	-	-	-	-	-
46,282,053	18,223,275	19,651,273	26,812,400	2,147,609	5,376,583
-	-	-	-	-	-
-	-	-	-	-	-
<u>46,282,053</u>	<u>18,223,275</u>	<u>19,651,273</u>	<u>26,812,400</u>	<u>2,147,609</u>	<u>5,376,583</u>
<u>\$ 46,991,216</u>	<u>\$ 18,398,684</u>	<u>\$ 20,073,292</u>	<u>\$ 27,658,807</u>	<u>\$ 2,187,039</u>	<u>\$ 5,575,214</u>

Continued

Riverside County Flood Control and Water Conservation District
Balance Sheet
Governmental Funds - Continued
June 30, 2019

	NPDES Santa Margarita	Other Governmental Funds	Total
ASSETS			
Cash and Investments	\$ 1,863,273	\$ 20,339	\$ 260,210,406
Restricted Cash	-	-	1,904,145
Receivables (net of allowance for uncollectibles)			
Taxes Receivable	6,763	-	1,133,023
Accounts Receivable	-	-	89,286
Interest Receivable	5,380	97	1,197,253
Due From Other Funds	-	-	19,008
Due From Other Governments	351,314	-	819,994
Total Assets	<u>\$ 2,226,730</u>	<u>\$ 20,436</u>	<u>\$ 265,373,115</u>
LIABILITIES			
Accounts Payable	\$ 84,162	\$ -	\$ 1,337,646
Salaries and Benefits Payable	27,328	-	1,354,974
Due to Other Funds	5,060	-	509,283
Developer and Other Agency Deposits	-	-	1,936,752
Due to Other Governments	-	-	1,313,030
Unearned Revenue	-	-	500,000
Total Liabilities	<u>116,550</u>	<u>-</u>	<u>6,951,685</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	-	-	1,064,176
Unavailable Revenue - Special Assessments	6,763	-	68,847
Total Deferred Inflows of Resources	<u>6,763</u>	<u>-</u>	<u>1,133,023</u>
FUND BALANCES			
Nonspendable for:			
Imprest Cash	-	-	600
Restricted for:			
Capital Projects	-	19,097	19,097
Public Ways and Facilities	2,103,417	-	252,864,771
Debt Service	-	1,339	1,339
Assigned to:			
Compensated Absences	-	-	1,733,270
Unassigned	<u>-</u>	<u>-</u>	<u>2,669,330</u>
Total Fund Balances	<u>2,103,417</u>	<u>20,436</u>	<u>257,288,407</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 2,226,730</u>	<u>\$ 20,436</u>	<u>\$ 265,373,115</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, 2019

Fund Balances - Total Governmental Funds (Page 21) \$ 257,288,407

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

Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of \$2,320,684 reported in Internal Service Funds. 1,020,785,580

Internal service funds are used by management to charge the costs of hydrology services, garage, project maintenance, mapping services, and data processing to individual funds. The assets and liabilities of these funds are included in governmental activities in the statement of Net Position, net of \$87,533 allocated to business-type activities. 7,011,270

The net OPEB asset is not an available resource and, therefore, is not reported in the governmental funds. 35,926

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. 1,133,023

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, net of \$849,852 reported in internal service funds	\$ 11,559,130	
Deferred inflows of resources, net of (\$92,489) reported in internal service funds	<u>(1,254,797)</u>	10,304,333

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

Net pension liability, net of \$4,541,035 reported in internal service funds	(61,517,460)	
Promissory notes, including unamortized premiums	(16,143,972)	
Compensated absences, net of \$129,230 reported in internal service funds	(3,296,682)	
Accrued interest payable	<u>(241,500)</u>	<u>(81,199,614)</u>

Net Position of Governmental Activities (Page 16)		<u><u>\$ 1,215,358,925</u></u>
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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, 2019

	General Fund	Zone 1	Zone 2	Zone 3
REVENUES				
Property Taxes	\$ 4,086,663	\$ 8,568,126	\$ 15,198,536	\$ 2,032,812
Redevelopment Pass-through	827,220	3,423,975	2,300,054	913,150
Special Assessments	-	-	-	7,962
Intergovernmental	41,397	97,892	298,973	20,513
Charges for Services	834,477	(90,311)	270	(1,995)
Area Drainage Fees	-	-	7,630	-
Investment Earnings	142,513	991,555	2,527,537	284,956
Use of Assets	-	154,331	-	-
Total Revenues	5,932,270	13,145,568	20,333,000	3,257,398
EXPENDITURES				
Current:				
General Government	10,207,424	-	-	-
Public Ways and Facilities	-	4,228,089	11,282,666	9,684,497
Capital Outlay	71,171	119,930	1,971,524	-
Debt service:				
Principal	-	-	-	-
Interest	-	-	-	-
Total Expenditures	10,278,595	4,348,019	13,254,190	9,684,497
Excess (Deficiency) of Revenues Over (Under) Expenditures	(4,346,325)	8,797,549	7,078,810	(6,427,099)
OTHER FINANCING SOURCES (USES)				
Transfers In	5,221,358	-	-	2,000,000
Transfers Out	-	(771,939)	(848,827)	(335,073)
Total Other Financing Sources (Uses)	5,221,358	(771,939)	(848,827)	1,664,927
Net Change in Fund Balances	875,033	8,025,610	6,229,983	(4,762,172)
Fund Balances, Beginning of Year	3,528,167	30,362,030	81,289,813	11,122,897
Fund Balances, End of Year	\$ 4,403,200	\$ 38,387,640	\$ 87,519,796	\$ 6,360,725

The accompanying notes are an integral part of this statement.

Zone 4		Zone 5		Zone 6		Zone 7		NPDES Whitewater	NPDES Santa Ana
\$	16,010,261	\$	3,512,395	\$	4,527,343	\$	5,174,549	\$ -	\$ -
	2,937,684		599,405		1,386,924		410,011	-	-
	-		-		-		-	308,494	2,447,474
	161,868		71,156		45,267		52,830	209,694	-
	32,914		14,248		28,352		109,514	-	-
	1,145,393		-		-		162,364	-	-
	1,268,795		487,249		545,072		757,513	56,728	197,572
	7,800		-		3,600		-	-	-
	<u>21,564,715</u>		<u>4,684,453</u>		<u>6,536,558</u>		<u>6,666,781</u>	<u>574,916</u>	<u>2,645,046</u>
	-		-		-		-	-	-
	7,669,222		1,182,686		3,144,357		2,587,942	374,629	2,019,891
	7,147,053		5,277		307,687		385,547	-	-
	-		-		-		-	-	-
	<u>-</u>		<u>-</u>		<u>-</u>		<u>-</u>	<u>-</u>	<u>-</u>
	<u>14,816,275</u>		<u>1,187,963</u>		<u>3,452,044</u>		<u>2,973,489</u>	<u>374,629</u>	<u>2,019,891</u>
	<u>6,748,440</u>		<u>3,496,490</u>		<u>3,084,514</u>		<u>3,693,292</u>	<u>200,287</u>	<u>625,155</u>
	-		-		-		-	-	-
	<u>(4,255,518)</u>		<u>(220,413)</u>		<u>(420,333)</u>		<u>(452,709)</u>	<u>(53,079)</u>	<u>(2,238,751)</u>
	<u>(4,255,518)</u>		<u>(220,413)</u>		<u>(420,333)</u>		<u>(452,709)</u>	<u>(53,079)</u>	<u>(2,238,751)</u>
	2,492,922		3,276,077		2,664,181		3,240,583	147,208	(1,613,596)
	<u>43,789,131</u>		<u>14,947,198</u>		<u>16,987,092</u>		<u>23,571,817</u>	<u>2,000,401</u>	<u>6,990,179</u>
\$	<u>46,282,053</u>	\$	<u>18,223,275</u>	\$	<u>19,651,273</u>	\$	<u>26,812,400</u>	<u>\$ 2,147,609</u>	<u>\$ 5,376,583</u>

Continued

Riverside County Flood Control and Water Conservation District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds - Continued
For the Year Ended June 30, 2019

	NPDES Santa Margarita	Other Governmental Funds	Total
REVENUES			
Property Taxes	\$ -	\$ -	\$ 59,110,685
Redevelopment Pass-through	-	-	12,798,423
Special Assessments	529,659	-	3,293,589
Intergovernmental	1,134,803	-	2,134,393
Charges for Services	-	-	927,469
Area Drainage Fees	-	-	1,315,387
Investment Earnings	39,949	1,452	7,300,891
Use of Assets	-	-	165,731
Total Revenues	<u>1,704,411</u>	<u>1,452</u>	<u>87,046,568</u>
EXPENDITURES			
Current:			
General Government	-	-	10,207,424
Public Ways and Facilities	903,480	-	43,077,459
Capital Outlay	-	-	10,008,189
Debt service:			
Principal	-	2,060,000	2,060,000
Interest	-	776,000	776,000
Total Expenditures	<u>903,480</u>	<u>2,836,000</u>	<u>66,129,072</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>800,931</u>	<u>(2,834,548)</u>	<u>20,917,496</u>
OTHER FINANCING SOURCES (USES)			
Transfers In	-	2,836,000	10,057,358
Transfers Out	(188,796)	-	(9,785,438)
Total Other Financing Sources (Uses)	<u>(188,796)</u>	<u>2,836,000</u>	<u>271,920</u>
Net Change in Fund Balances	612,135	1,452	21,189,416
Fund Balances, Beginning of Year	<u>1,491,282</u>	<u>18,984</u>	<u>236,098,991</u>
Fund Balances, End of Year	<u>\$ 2,103,417</u>	<u>\$ 20,436</u>	<u>\$ 257,288,407</u>

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Reconciliation of the Statement of Revenues, Expenditures, and
Changes in Fund Balances of Governmental Funds to the
Government-wide Statement of Activities - Governmental Activities
For the Year Ended June 30, 2019

Net Change in Fund Balances - Total Governmental Funds (Page 25) \$ 21,189,416

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

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

Expenditures for capital assets, net of \$1,051,933 reported in Internal Service Funds	\$ 10,008,189	
Donation of Capital Assets	24,400,074	
Less current year depreciation, net of \$994,222 reported in Internal Service Funds	<u>(11,896,707)</u>	22,511,556

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.		158,266
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Change in unavailable revenue	<u>158,266</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	(9,237)	
Pension expense, net of \$3,783,672 reported in internal service funds	(2,361,669)	
Change in compensated absences, net of \$8,112 reported in internal service funds	226,014	
Amortization of bond premium	242,328	
Interest Expense	<u>34,333</u>	(1,868,231)

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 (\$50,395) allocated to business-type activities		(2,944,043)
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The repayment of principal reduces long-term liabilities in the governmental activities statement of net position.		<u>2,060,000</u>
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Change in Net Position of Governmental Activities (Page 18)	<u>\$ 41,106,964</u>	
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Riverside County Flood Control and Water Conservation District
Statement of Net Position
Proprietary Funds
June 30, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
ASSETS				
Current Assets:				
Cash and Cash Equivalents	\$ 78,361	\$ 857,719	\$ 936,080	\$ 8,165,428
Receivables:				
Accounts Receivable (net of allowance for uncollectibles)	225,277	42,966	268,243	48,452
Interest Receivable	30,012	5,212	35,224	35,446
Due From Other Funds	-	-	-	517,166
Due From Other Governments	-	31,532	31,532	-
Inventories	-	-	-	286,849
Total Current Assets	333,650	937,429	1,271,079	9,053,341
Noncurrent Assets:				
Restricted Cash	3,147,927	214,638	3,362,565	-
Capital Assets:				
Depreciable, Net	-	76,166	76,166	2,320,684
Total Noncurrent Assets	3,147,927	290,804	3,438,731	2,320,684
Total Assets	3,481,577	1,228,233	4,709,810	11,374,025
DEFERRED OUTFLOWS OF RESOURCES				
Deferred Outflows of Resources Related to Pensions	423,367	-	423,367	849,852
Total Deferred Outflows of Resources	423,367	-	423,367	849,852
LIABILITIES				
Current Liabilities:				
Accounts Payable	94,624	-	94,624	132,882
Salaries and Benefits Payable	56,364	54,750	111,114	87,014
Due to Other Funds	10,684	4,621	15,305	11,586
Due to Other Governments	-	-	-	130,838
Compensated Absences - Current Portion	9,866	4,368	14,234	19,516
Developer and Other Agency Deposits	3,238,927	242,789	3,481,716	-
Total Current Liabilities	3,410,465	306,528	3,716,993	381,836
Noncurrent Liabilities:				
Compensated Absences	55,464	24,553	80,017	109,714
Net Pension Liability	2,262,185	-	2,262,185	4,541,035
Total Noncurrent Liabilities	2,317,649	24,553	2,342,202	4,650,749
Total Liabilities	5,728,114	331,081	6,059,195	5,032,585
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows of Resources Related to Pensions	46,075	-	46,075	92,489
Total Deferred Inflows of Resources	46,075	-	46,075	92,489
NET POSITION				
Investment in Capital Assets	-	76,166	76,166	2,320,684
Unrestricted (Deficit)	(1,869,245)	820,986	(1,048,259)	4,778,119
Total Net Position	\$ (1,869,245)	\$ 897,152	\$ (972,093)	\$ 7,098,803
Adjustment to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			87,533	
Net Position of Business-type Activities			<u>\$ (884,560)</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, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
OPERATING REVENUES				
Charges for Services	\$ 1,855,055	\$ 355,735	\$ 2,210,790	\$ 7,335,981
OPERATING EXPENSES				
Personnel Services	844,941	386,674	1,231,615	5,278,146
Administrative Services	342	-	342	-
Services and Supplies	872,223	99,570	971,793	4,438,175
Bad Debt	172,263	1,054	173,317	7,599
Depreciation	-	11,182	11,182	994,222
Total Operating Expenses	1,889,769	498,480	2,388,249	10,718,142
Operating Loss	(34,714)	(142,745)	(177,459)	(3,382,161)
NONOPERATING REVENUES				
Investment Earnings	185,169	34,128	219,297	222,699
Gain on Sale of Capital Assets	-	-	-	165,024
Total Nonoperating Revenues	185,169	34,128	219,297	387,723
Loss Before Transfers	150,455	(108,617)	41,838	(2,994,438)
Transfers In	-	-	-	4,386
Transfers Out	(220,200)	(51,720)	(271,920)	(4,386)
Total Transfers In (Out)	(220,200)	(51,720)	(271,920)	-
Change in Net Position	(69,745)	(160,337)	(230,082)	(2,994,438)
Net Position, Beginning of Year	(1,799,500)	1,057,489	(742,011)	10,093,241
Net Position, End of Year	\$ (1,869,245)	\$ 897,152		\$ 7,098,803
Adjustments to Reflect the Consolidation of Internal Service Fund Activities Related to Enterprise Funds			(50,395)	
Change in Net Position of Business-type Activities			<u>\$ (280,477)</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, 2019

	Business-type Activities - Enterprise Funds			Governmental Activities - Internal Service Funds
	Subdivision Operations	Other Enterprise Funds	Total	
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Received from Customers/Other Funds	\$ 1,870,746	\$ 385,540	\$ 2,256,286	\$ 7,124,319
Cash Paid to Suppliers for Goods and Services	(1,002,747)	(98,074)	(1,100,821)	(4,305,857)
Cash Paid to Employees for Services	(749,002)	(343,889)	(1,092,891)	(1,501,375)
Net Cash Provided by (Used In) Operating Activities	118,997	(56,423)	62,574	1,317,087
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers From Other Funds	-	-	-	14,128
Transfers (To) Other Funds	(220,200)	(51,720)	(271,920)	(14,128)
Net Cash Provided by (Used In) Noncapital Financing Activities	(220,200)	(51,720)	(271,920)	-
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Acquisition and Construction of Capital Assets	-	(16,432)	(16,432)	(1,051,933)
Net Cash Used in Capital and Related Financing Activities	-	(16,432)	(16,432)	(869,863)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest on Investments	166,468	33,081	199,549	212,581
Net Cash Provided by Investing Activities	166,468	33,081	199,549	212,581
Net Change in Cash and Cash Equivalents	65,265	(91,494)	(26,229)	659,805
Cash and Cash Equivalents, Beginning of Year	3,161,023	1,163,851	4,324,874	7,505,623
Cash and Cash Equivalents, End of Year	\$ 3,226,288	\$ 1,072,357	\$ 4,298,645	\$ 8,165,428
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities				
Operating Income (Loss)	\$ (34,714)	\$ (142,745)	\$ (177,459)	\$ (3,382,162)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (Used In) Operating Activities:				
Depreciation	-	11,182	11,182	994,222
Changes in Operating Assets and Liabilities:				
Decrease (Increase) in:				
Accounts Receivable	69,167	(39,472)	29,695	(39,665)
Due from Other Funds	2,370	6,082	8,452	(164,403)
Due from Other Governments	5,006	(31,101)	(26,095)	5
Inventories	-	-	-	(10,273)
Deferred Outflows of Resources Related to Pensions	113,227	-	113,227	(849,852)
Increase (Decrease) in:				
Accounts Payable	41,083	-	41,083	62,749
Salaries and Benefits Payable	4,444	32,306	36,750	1,211
Due to Other Funds	998	1,500	2,498	(5,437)
Compensated Absences	(10,661)	10,479	(182)	(8,112)
Net Pension Liability	(39,504)	-	(39,504)	4,541,035
Due to Other Governments	-	(4)	(4)	85,280
Deferred Inflows of Resources Related to Pensions	28,433	-	28,433	92,489
Developer and Other Agency Deposits	(60,852)	95,350	34,498	-
Net Cash Provided by (Used In) Operating Activities	\$ 118,997	\$ (56,423)	\$ 62,574	\$ 1,317,087

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
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2019

	Agency Funds
ASSETS	
Cash and Investments	\$ 3,165,862
Total Assets	<u>\$ 3,165,862</u>
LIABILITIES	
Accounts Payable	\$ 3,165,862
Total Liabilities	<u>\$ 3,165,862</u>

The accompanying notes are an integral part of this statement.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A) Reporting Entity

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

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

B) Basis of Presentation

Government-wide Financial Statements

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

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

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

C) Fund Financial Statements

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

C) Fund Financial Statements - Continued

The District reports the following as major governmental funds:

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

The District reports the following major enterprise funds:

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

The District reports the following additional fund types:

- ◆ *Internal Service Funds* account for the District's Hydrology Services, Garage, Project Maintenance, Mapping Services, and Data Processing, on a cost-reimbursement basis.
- ◆ The *Agency Funds* account for assets held by the District as an agent for individuals, private organizations, boards, commissions and other governmental entities or funds not part of the District's reporting entity, but for which the District acts in a fiduciary capacity. The District reports on 2 different agency funds.

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.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

D) Basis of Accounting - Continued

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

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

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

The District's cash from operations is deposited in the County Treasury. The County pools its funds with other government agencies in the County and invests them as prescribed by the California Government Code and the County of Riverside's Investment Policy. The District's deposits in the County pool may be accessed at any time. The District is allocated interest income on monies deposited with the County based on its proportional share of the pooled investments. All pooled investments and investments with fiscal agent are carried at fair value. The fair value of participants' positions in the pool is not the same as the value of the pooled shares. Restricted cash of \$1,904,145 and \$3,362,565, for governmental and business-type activities respectively, consists mostly of developer and other agency deposits for specific purposes.

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

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

F) Deferred Outflows/Inflows of Resources

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

G) Property Taxes

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

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

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

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

H) Inventories

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

I) Capital Assets

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

I) Capital Assets – Continued

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

Infrastructure:	Flood Channels and Levees	99 years
	Dams/Basins	99 years
	Storm Drains	65 years
Structure and 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

J) Compensated Absences

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

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

K) Long-term Debt

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

L) Operating/Nonoperating Revenues and Expenses

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

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

M) Estimates

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

N) Interfund Transactions

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

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

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

O) Net Position/Fund Balances

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

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Net Position/Fund Balances - Continued

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

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

Fund Balance Spending Order

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

O) Net Position/Fund Balances - Continued

Minimum Fund Balance Policy for Governmental Funds

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

◆ Unrestricted Fund Balance - General Fund

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

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

P) Developer And Other Agency Deposits

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

Q) Pensions

The pension expense is for the measurement period of 2017-18 and the net pension liability is measured as of June 30, 2018. Liabilities are based on the results of the actuarial calculations performed as of June 30, 2017 and were rolled forward to June 30, 2018.

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, 2019

1) SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - Continued

R) Other Postemployment Benefits (OPEB)

For the purposes of measuring the net OPEB assets, 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, 2018
Measurement Date	June 30, 2018
Measurement Period	July 1, 2017 to June 30, 2018

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

Governmental Accounting Standards Board Statement No. 90

In August of 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment Of GASB Statements No. 14 And No. 16*). This Statement will improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. This statement does not have any effect on the District's financial statements.

Governmental Accounting Standards Board Statement No. 91

In May of 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. This statement will provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. Statement No. 91 are effective for reporting periods beginning after December 15, 2020. This statement does not have any effect on the District's financial statements.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

2) CASH AND INVESTMENTS

Cash and investments totaled \$277,744,486 as of June 30, 2019. Each fund's portion of this total is reflected in the financial statement accounts entitled "Cash and Investments", "Cash and Cash Equivalents", and "Restricted Cash".

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

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

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

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

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

Cash and Investments:	
Cash With and Pooled by the County Treasury	\$ 277,743,866
Imprest Cash Held at the District	600
Total Cash and Investments	<u>\$ 277,744,486</u>

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

Cash and Investments Summary:	
Total Governmental Activities	\$ 270,279,979
Total Business-type Activities	4,298,645
Total Fiduciary Funds	3,165,862
Total Cash and Investments	<u>\$ 277,744,486</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

2) CASH AND INVESTMENTS - Continued

A) Investments

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

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

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

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

B) Interest Rate Risk

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

The County Treasurer manages exposure to declines in the market value of the Pooled Investment fund portfolio by maintaining a weighted average days to maturity (WAM) of less than 541 days or 1.5 years in accordance with the County Treasurer's Statement of Investment Policy. As of June 30, 2019, the WAM for the Pooled Investment fund portfolio was 1.06 years. Additionally, the County Treasurer maintains at least 40 percent of the portfolio's total value in securities having maturities of 1 year or less to provide sufficient liquidity to meet daily expenditure requirements. Investments held by Fiscal Agents have a maturity of 1 year or less.

As noted in the County Treasurer's Investment Fund Monthly Report for June 2019, the Pooled Investment fund was rated: Aaa-bf by Moody's Investor Service and AAAf/S1 by Fitch Ratings.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

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 market 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, 2019, 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, 2019, 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, 2019

3) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The amounts due to/from other funds as of June 30, 2019 are as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Zone 1	\$ 3,006
	Zone 2	3,956
	Zone 3	1,003
	Zone 4	3,738
	Zone 5	849
	Zone 6	3,273
	Zone 7	1,342
	NPDES Whitewater	243
	NPDES Santa Ana	1,077
	NPDES Santa Margarita	491
		<u>\$ 18,978</u>
Zone 2	Internal Service Funds	30
		<u>\$ 30</u>
Internal Service Funds	General Fund	\$ 46,128
	Zone 1	87,565
	Zone 2	66,502
	Zone 3	24,839
	Zone 4	104,950
	Zone 5	16,290
	Zone 6	90,442
	Zone 7	37,408
	NPDES Whitewater	2,360
	NPDES Santa Ana	9,252
	NPDES Santa Margarita	4,569
	Subdivision Operations	10,684
	Nonmajor Enterprise Funds	4,621
	Internal Service Funds	11,556
		<u>\$ 517,166</u>
Total Due To/From Other Funds		<u>\$ 536,174</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

3) INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS – Continued

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

Transfers

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

Transfer From	Transfer To	Amount	Purpose
Operating or Debt Subsidy:			
Zone 1	General Fund	\$ 76,739	Funded Leave Balance
Zone 2	General Fund	111,147	Funded Leave Balance
Zone 3	General Fund	89,473	Funded Leave Balance
Zone 4	General Fund	135,268	Funded Leave Balance
Zone 5	General Fund	20,533	Funded Leave Balance
Zone 6	General Fund	66,253	Funded Leave Balance
Zone 7	General Fund	50,629	Funded Leave Balance
NPDES Whitewater	General Fund	9,679	Funded Leave Balance
NPDES Santa Ana	General Fund	31,471	Funded Leave Balance
NPDES Santa Margarita	General Fund	13,836	Funded Leave Balance
Zone 1	General Fund	\$ 695,200	Administrative Allocation
Zone 2	General Fund	737,680	Administrative Allocation
Zone 3	General Fund	245,600	Administrative Allocation
Zone 4	General Fund	1,284,250	Administrative Allocation
Zone 5	General Fund	199,880	Administrative Allocation
Zone 6	General Fund	354,080	Administrative Allocation
Zone 7	General Fund	402,080	Administrative Allocation
NPDES Whitewater	General Fund	43,400	Administrative Allocation
NPDES Santa Ana	General Fund	207,280	Administrative Allocation
NPDES Santa Margarita	General Fund	174,960	Administrative Allocation
Subdivision Operations	General Fund	220,200	Administrative Allocation
Nonmajor Enterprise Funds	General Fund	51,720	Administrative Allocation
Zone 4	Other Governmental Funds	<u>2,836,000</u>	Transfer of Cash to Process Debt Service Payment
NPDES Santa Ana	Zone 3	<u>2,000,000</u>	Transfer of Cash for Flood Damage
Total Transfers		<u>\$ 10,057,358</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, 2019

4) CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Retirements	Transfers	Ending Balance
<u>Governmental Activities:</u>					
<i>Capital Assets, Nondepreciable:</i>					
Land and Easements	\$265,942,934	\$ 5,058,052	\$ -	\$ -	\$ 271,000,986
Construction in Progress	41,045,098	8,881,287	-	(385,547)	49,540,839
Total Capital Assets, Nondepreciable	306,988,032	13,939,339	-	(385,547)	320,541,824
<i>Capital Assets, Depreciable</i>					
Infrastructure	852,350,730	20,397,753	-	385,547	873,134,030
Land Improvements	110,479	-	-	-	110,479
Buildings and Improvements	14,361,609	-	-	-	14,361,609
Equipment	16,591,321	1,123,104	(842,595)	-	16,871,830
Total Capital Assets, Depreciable	883,414,139	21,520,857	(842,595)	385,547	904,477,948
Less Accumulated Depreciation for:					
Infrastructure	(170,242,543)	(11,543,778)	-	-	(181,786,321)
Land Improvements	(29,387)	(1,116)	-	-	(30,503)
Buildings and Improvements	(5,344,011)	(282,062)	-	-	(5,626,073)
Equipment	(14,232,187)	(1,063,973)	825,549	-	(14,470,611)
Total Accumulated Depreciation	(189,848,128)	(12,890,929)	825,549	-	(201,913,508)
Total Capital Assets, Depreciable, Net	693,566,011	8,629,928	(17,046)	385,547	702,564,440
Governmental Activities Capital Assets, Net	<u>\$1,000,554,043</u>	<u>22,569,267</u>	<u>\$ (17,046)</u>	<u>\$ -</u>	<u>\$1,023,106,264</u>
<u>Business-type Activities:</u>					
<i>Capital Assets, Depreciable</i>					
Equipment	\$ 672,653	\$ 16,432	\$ -	\$ -	\$ 689,085
Total Capital Assets, Depreciable	672,653	16,432	-	-	689,085
Less Accumulated Depreciation for:					
Equipment	(601,737)	(11,182)	-	-	(612,919)
Total Accumulated Depreciation	(601,737)	(11,182)	-	-	(612,919)
Total Capital Assets, Depreciable, Net	70,916	5,250	-	-	76,166
Business-type Activities Capital Assets, Net	<u>\$ 70,916</u>	<u>\$ 5,250</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 76,166</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

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, 2019 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
<u>Internal Service Funds:</u>				
<i>Capital Assets, Depreciable</i>				
Buildings and Improvements	\$ 12,181	\$ -	\$ -	\$ 12,181
Equipment	14,427,357	1,051,933	(842,595)	14,636,695
Total Capital Assets, Depreciable	<u>14,439,538</u>	<u>1,051,933</u>	<u>(842,595)</u>	<u>14,648,876</u>
Less Accumulated Depreciation for:				
Buildings and Improvements	(6,700)	(244)	-	(6,944)
Equipment	<u>(12,152,819)</u>	<u>(993,978)</u>	<u>825,549</u>	<u>(12,321,248)</u>
Total Accumulated Depreciation	<u>(12,159,519)</u>	<u>\$ (994,222)</u>	<u>\$ 825,549</u>	<u>(12,328,192)</u>
Internal Service Funds Capital Assets, Net	<u>\$ 2,280,019</u>	<u>\$ 57,711</u>	<u>\$ (17,046)</u>	<u>\$ 2,320,684</u>

Depreciation expense was charged to governmental functions as follows:

General Government	\$ 351,813
Public Ways and Facilities	11,544,894
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>994,222</u>
Total Depreciation Expense - Governmental Functions	<u>\$ 12,890,929</u>

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

Other Enterprise Funds	\$ 11,182
Total Depreciation Expense - Business-type Functions	<u>\$ 11,182</u>

Replacement of Capital Assets

In accordance with District rate methodology, a balance of resources has been accumulated in the proprietary fund financial statements for the replacement of District capital assets. As of June 30, 2019, the balance of resources amounted to \$2,000,000 and is reflected in Unrestricted Net Position.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

5) LONG-TERM OBLIGATIONS

The following is a summary of long-term liability transactions for the year ended June 30, 2019:

	Beginning Balance	Additions	Retirements	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
Compensated Absences	\$ 3,660,038	\$ 486,797	\$ (720,923)	\$ 3,425,912	\$ 517,377
Promissory Note	16,750,000	-	(2,060,000)	14,690,000	2,160,000
Promissory Note Premium	1,696,300	-	(242,328)	1,453,972	-
Net Pension Liabilities	66,639,494	18,908,138	(19,489,137)	66,058,495	-
Total Governmental Activities - Long-term Liabilities	<u>\$ 88,745,832</u>	<u>\$ 19,394,935</u>	<u>\$ (22,512,388)</u>	<u>\$ 85,628,379</u>	<u>\$ 2,677,377</u>
<u>Business-type activities:</u>					
Compensated Absences	\$ 94,433	\$ 10,479	\$ (10,661)	\$ 94,251	\$ 14,234
Net Pension Liabilities	2,301,689	646,862	(686,366)	2,262,185	-
Total Business-type Activities - Long-term Liabilities	<u>\$ 2,396,122</u>	<u>\$ 657,341</u>	<u>\$ (697,027)</u>	<u>\$ 2,356,436</u>	<u>\$ 14,234</u>

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

Promissory Notes

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

The Promissory Notes were issued in aggregate principal amount of \$21,000,000 plus an original issue premium \$2,423,284. The Notes are to be repaid at an interest rate between 2.0% and 5.0%. As of June 30, 2019, the outstanding notes payable totaled \$14,690,000 and the unamortized premium amounted to \$1,453,972.

The annual debt service repayment schedule for the Zone 4 2015 Negotiable Promissory Notes as of June 30, 2019 is as follows:

Fiscal Year (June 30)	Principal	Interest	Total
2020	2,160,000	670,500	2,830,500
2021	2,270,000	559,750	2,829,750
2022	2,380,000	443,500	2,823,500
2023	2,500,000	321,500	2,821,500
2024	2,625,000	193,375	2,818,375
2025	2,755,000	63,875	2,818,875
Total	<u>\$ 14,690,000</u>	<u>\$ 2,252,500</u>	<u>\$ 16,942,500</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

6) SELF-INSURANCE PROGRAM

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

The maximum coverage under the workers' compensation policy is \$500,000 per claim, and there is no deductible. The County allocates an annual premium to the District based on current payroll costs and an experience modification. The annual premium to the District in fiscal year 2019 was \$675,052.

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

7) RETIREMENT PLAN

A) Plan Description

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

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

B) Benefits Provided

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

C) Contribution Description

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

7) RETIREMENT PLAN – Continued

C) Contribution Description – Continued

For the fiscal year ended June 30, 2019 the average active employee contribution rate is 8 percent of annual covered salary and the District's contribution rate is 9.417 percent of annual payroll. The District's contributions to CalPERS of \$5,019,165 for the fiscal year ended June 30, 2019 were equal to the District's required contributions.

D) Net Pension Liability

The District's net pension liability was measured as of June 30, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 with a roll-forward adjustment to June 30, 2018.

E) Actuarial Assumptions

For the measurement period ended June 30, 2018 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2017 total pension liability. The June 30, 2018 total pension liabilities were based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry age normal
Actuarial Assumptions	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Payroll Growth	3.00%
Mortality Rates	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.
Post Retirement Benefit Increase	Contract COLA up to 2.00% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.00% thereafter

F) Change of Assumptions

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

G) Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is appropriate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

7) RETIREMENT PLAN - Continued

G) Discount Rate – Continued

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2014.

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

7) RETIREMENT PLAN - Continued

H) Net Pension Liability

The changes in the Net Pension Liability are as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
<u>Balance at Valuation Date of 7/1/2017:</u>	<u>\$ 194,946,319</u>	<u>\$ 126,005,136</u>	<u>\$ 68,941,183</u>
<i>Changes During the Measurement Period:</i>			
Service Cost	3,238,686	-	3,238,686
Interest on the Total Pension Liability	13,567,811	-	13,567,811
Changes of Assumptions	(1,005,026)		(1,005,026)
Differences between Expected and Actual Experience	(883,457)	-	(883,457)
Net Plan to Plan Resource Movement	-	(307)	307
Contributions from the Employer	-	4,252,929	(4,252,929)
Contributions from the Employee	-	1,269,147	(1,269,147)
Net Investment Income	-	10,585,972	(10,585,972)
Benefit Payments	(9,835,189)	(9,835,189)	-
Administrative Expense		(196,351)	196,351
Other Miscellaneous Income/(Expense)		(372,873)	372,873
Net Changes	5,082,825	5,703,328	(620,503)
<u>Balance at Measurement Date of 6/30/2018:</u>	<u>\$ 200,029,144</u>	<u>\$ 131,708,464</u>	<u>\$ 68,320,680</u>

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

The following presents the net pension liability of the Plan as of the measurement date, calculated using the discount rate of 7.15 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15 percent) or 1 percent-point higher (8.15 percent) than the current rate:

	Discount Rate – 1% (6.15 %)	Discount Rate (7.15 %)	Discount Rate + 1% (8.15 %)
Plan's Net Pension Liability/ (Asset)	\$ 95,170,961	\$ 68,320,680	\$ 46,150,205

I) Pension Plan Fiduciary Net Position

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

7) RETIREMENT PLAN - Continued

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

For the year ended June 30, 2019, the District recognized pension expense of \$11,267,981. At June 30, 2019, 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	\$ 5,019,165	
Changes of Assumptions	4,914,345	(740,545)
Differences between Expected and Actual Experience	2,512,189	(650,968)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	342,513	-
Total	\$ 12,788,212	\$ (1,391,513)

\$5,019,165 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction to the net pension liability in the fiscal year ending June 30, 2020. 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
2019	5,985,210
2020	2,431,281
2021	(1,684,062)
2022	(354,895)
2023	-
Thereafter	-
	<u>\$ 6,377,534</u>

K) Recognition of Gains and Losses

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

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

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

7) RETIREMENT PLAN – Continued

K) Recognition of Gains and Losses – Continued

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

The EARS� for the Plan for the June 30, 2018 measurement period is 3.8 years, which was obtained by dividing the total service years of 2,315 (the sum of remaining service lifetimes of the active employees) by 609 (the total number of participants: active, inactive, and retired).

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, 2019, 74 District employees meet the age eligibility requirements, 63 of which will be covered upon retirement while the remaining 11 will qualify upon reaching 5 years of service. Another 78 employees have sufficient time in service to qualify for these benefits upon retirement after age 50.

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

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

B) Employees Covered

As of the June 30, 2018 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan:

Active employees	221
Inactive employees or beneficiaries currently receiving benefits	31
Inactive employees entitled to, but not yet receiving benefits	-
Total	<u>252</u>

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS – Continued

C) Contributions

The District contributes a portion of an eligible retiree's medical plan premium under a County sponsored health plan (either at retirement or during a subsequent annual enrollment) for the retiree's lifetime. The current monthly amount paid by the District ranges from \$25 - \$256, depending on the retiree's bargaining unit at retirement. These amounts do not increase in future years to account for inflation.

Dental and vision benefits offered to the District retirees are not considered to vary by age or demographics. Therefore, because a retiree must pay the entire premium amount to receive dental and vision benefits, there is no liability to the District for providing these benefits.

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2019, the District made a \$39,081 premium payment through the CERBT trust fund for the retirees.

D) Net OPEB Liability

The District's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

Actuarial Valuation Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal Cost
Asset Valuation Method	5 Year Asset Smoothing
Discount Rate	6.12%
Investment Rate of Return	6.12%, net of OPEB plan investment expense, including inflation
Projected Salary Increases	2.75%
Retirement Age	Retirement rates developed in the 2017 CalPERS Experience Study
Healthcare Cost Trend Rate	The Healthcare Cost Trend Rate is not applicable because the total cost of health benefits is not valued. Only the monthly benefit provided is valued using the assumption that no future increase will be granted to the amount.
Mortality	Most recent CalPERS mortality table developed in the 2017 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2018
Inflation Rate	2.50%

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

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - Continued

E) Discount Rate

The discount rate used to measure the total OPEB liability was 6.12%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

F) Changes in the OPEB Liability

The changes in the net OPEB liability are as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
<u>Balance at 7/1/2017:</u>	\$ 516,509	\$ 545,295	\$ (28,786)
<i>Changes During the Measurement Period:</i>			
Service Cost	3,739		3,739
Interest on the Total OPEB Liability	30,744		30,744
Changes of Benefit Terms			0
Difference Between Expected and Actual Experience	12,732		12,732
Changes of Assumptions	7,824		7,824
Benefits Payments	(36,327)	(36,327)	0
Contributions From the Employer		36,327	(36,327)
Net Investment Income		26,130	(26,130)
Administrative Expense		(278)	278
Net Changes	18,712	(25,852)	(7,140)
<u>Balance at Measurement Date of 6/30/2018:</u>	<u>\$ 535,221</u>	<u>\$571,147</u>	<u>\$ (35,926)</u>

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

The following table illustrates the impact of interest rate sensitivity on the Net OPEB Liability for the measurement period ended June 30, 2018:

	Discount Rate – 1% (5.12 %)	Discount Rate (6.12 %)	Discount Rate + 1% (7.12 %)
Net OPEB Liability/ (Asset)	\$ 27,118	\$ (28,786)	\$ (76,026)

The following table illustrates the impact of healthcare cost trend sensitivity on the Net OPEB Liability for the measurement period ended June 30, 2018:

	Trend Rate – 1%	Trend Rate	Trend Rate + 1%
Net OPEB Liability/ (Asset)	\$ (28,786)	\$ (28,786)	\$ (28,786)

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

Riverside County Flood Control and Water Conservation District
Notes to the Financial Statements
For the Year Ended June 30, 2019

8) POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS - Continued

H) OPEB Plan Fiduciary Net Position

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

I) Recognition of Deferred Outflows and Deferred Inflows of Resources

For the year ended June 30, 2019, the District recognized OPEB expense of \$ 9,237. At June 30, 2019, 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	\$ 25,636	\$ -
Net Difference Between Expected and Actual Earnings on OPEB Plan Investments	11,608	-
Assumption Changes	6,893	(1,848)
Total	\$ 44,137	\$ (1,848)

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
2020	7,840
2021	7,840
2022	7,838
2023	5,898
2024	4,452
Thereafter	8,421
	<u>\$ 42,289</u>

9) CONTINGENCIES AND COMMITMENTS

Lawsuits and Other Claims

The District is named in various legal actions. Management believes that the ultimate resolution of these actions will not have a significant effect on the District's financial position, results or operations. The estimated amount of remaining construction contract obligations at year-end is \$1,021,467.

10) UNRESTRICTED NET POSITION DEFICIT

GASB 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27*, requires the reporting of the District's unfunded pension liability resulting in the government-wide financial statements reporting a deficit unrestricted net position of \$46,508,781 for the year ended June 30, 2019.

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REQUIRED SUPPLEMENTARY INFORMAITON



Displaced Footbridge (Indian Creek at Glen Eden)

CONTENTS

- ♦ *Schedule of Changes in the Net Pension Liability and Related Ratios, Schedule of Plan Contributions of Retirement Program, and Schedule of Funding Progress of OPEB*
- ♦ *Notes to the Required Supplementary Information*
- ♦ *Budgetary Comparison Schedules:*
 - ⇒ *General Fund*
 - ⇒ *Special Revenue Funds*

Riverside County Flood Control and Water Conservation District
Schedule of Required Supplementary Information
For the Year Ended June 30, 2019

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

Measurement Period¹	2018	2017
TOTAL PENSION LIABILITY		
Service Cost	\$ 3,238,686	\$ 3,195,682
Interest on Total Pension Liability	13,567,811	13,181,756
Changes of Assumptions ²	(1,005,026)	11,057,277
Difference Between Expected and Actual Experience	(883,457)	4,317,304
Benefit Payments, Including Refunds of Employee Contributions	(9,835,189)	(8,387,021)
Net Change in Total Pension Liability	\$ 5,082,825	\$ 23,364,998
Total Pension Liability – Beginning	194,946,319	171,581,321
Total Pension Liability – Ending (a)	\$ 200,029,144	\$ 194,946,319
PLAN FIDUCIARY NET POSITION		
Contributions – Employer	\$ 4,252,929	\$ 3,898,709
Contributions – Employee	1,269,147	1,343,302
Net Investment Income	10,585,972	12,841,732
Benefit Payments, Including Refunds of Employee Contributions	(9,835,189)	(8,387,021)
Net Plan to Plan Resource Movement	(307)	828
Administrative Expense	(196,351)	(171,974)
Other Miscellaneous Income/(Expense)	(372,873)	-
Net Change in Fiduciary Net Position	\$ 5,703,328	\$ 9,525,576
Plan Fiduciary Net Position – Beginning	\$ 126,005,136	\$ 116,479,560
Plan Fiduciary Net Position – Ending (b)	131,708,464	126,005,136
Plan Net Pension Liability/(Asset) – Ending (a) - (b)	\$ 68,320,680	\$ 68,941,183
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	65.84%	64.64%
Covered Payroll	\$ 17,580,534	\$ 17,427,507
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	388.62%	395.59%

Schedule of Plan Contributions – Retirement Program

Fiscal Year End¹	2019	2018	2017
Actuarially Determined Contribution	\$ 5,019,165	\$ 4,252,929	\$ 3,898,709
Contributions in Relation to the Actuarially Determined Contribution	(5,019,165)	(4,252,929)	(3,898,709)
Contribution Deficiency / (Excess)	\$ -	\$ -	\$ -
Covered Payroll ³	\$ 18,107,950	\$ 17,580,534	\$ 17,427,507
Contributions as a Percentage of Covered Payroll	27.72%	24.19%	22.37%

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

² In 2018, the accounting discount rate remained at 7.15 percent. In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, the amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent. In 2014, amounts reported were based on the 7.5 percent discount rate.

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

2016	2015	2014
\$ 2,736,183	\$ 2,605,929	\$ 2,658,904
12,355,012	11,562,462	10,888,518
-	1,641,380	-
3,136,481	(2,831,312)	-
(7,290,390)	(6,729,370)	(6,006,531)
\$ 10,937,286	\$ 6,249,089	\$ 7,540,891
160,644,035	154,394,946	146,854,055
\$ 171,581,321	\$ 160,644,035	\$ 154,394,946

\$ 3,444,770	\$ 2,917,761	\$ 2,792,524
1,355,866	1,276,885	1,393,782
665,782	2,659,895	17,670,115
(7,290,390)	(6,729,370)	(6,006,531)
-	-	-
(72,144)	(133,244)	-
-	-	-
\$ (1,896,116)	\$ (8,073)	\$ 15,849,890
\$ 118,375,676	\$ 118,383,749	\$ 102,533,859
116,479,560	118,375,676	118,383,749
\$ 55,101,761	\$ 42,268,359	\$ 36,011,197

67.89%	73.69%	76.68%
\$ 16,643,449	\$ 15,837,660	\$ 15,385,395
331.07%	266.89%	234.06%

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

Riverside County Flood Control and Water Conservation District
Schedule of Required Supplementary Information
For the Year Ended June 30, 2019

Schedule of Changes in Net OPEB Liability and Related Ratios

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

Notes to Schedule:

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

Changes in assumptions: Mortality assumptions were revised to reflect newly released Society of Actuaries future improvement scale, MP-2018.

Riverside County Flood Control and Water Conservation District
Schedule of Required Supplementary Information
For the Year Ended June 30, 2019

Schedule of OPEB Plan Contributions

Fiscal Year End	2019	2018	2017
Actuarially Determined Contribution	\$ -	\$ -	\$ 2,000
Contributions in Relation to the Actuarially Determined Contribution	-	(36,327)	-
Contribution Deficiency / (Excess)	<u>\$ -</u>	<u>\$ (36,327)</u>	<u>\$ (2,000)</u>
Covered Employee Payroll	\$ 17,830,986	\$ 17,353,758	\$ 17,544,635
Contributions as a Percentage of Covered Payroll	0.00%	0.21%	0.00%

Notes to Schedule:

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

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

Methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Normal with period amortization of 7/1/2017 unfunded liability over a period ending 6/30/2037 and amortization of subsequent unanticipated changes in unfunded liability over a 15-year period from date established.
Asset Valuation Method	5 Year Asset Smoothing
Salary Increases	2.75
Investment Rate of Return	6.12%, net of OPEB plan investment expense, including inflation.
Retirement Age	Retirement rates developed in the 2017 CalPERS Experience Study
Mortality	Most recent CalPERS mortality table developed in the 2017 Cal PERS Experience Study, with generational future improvements using scale MP-2018.

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
General Fund**

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 3,963,175	\$ 3,963,175	\$ 4,086,663	\$ 123,488
Redevelopment Pass-through	594,420	594,420	827,220	232,800
Intergovernmental	38,353	38,353	41,397	3,044
Charges for Services	933,850	933,850	834,477	(99,373)
Charges for Administrative Services	8,000	8,000	-	(8,000)
Investment Earnings	40,000	40,000	142,513	102,513
Total Revenues	5,577,798	5,577,798	5,932,270	354,472
EXPENDITURES				
General Government	5,498,339	5,533,410	10,207,424	(4,674,014)
Capital Outlay	865,000	865,000	71,171	793,829
Total Expenditures	6,363,339	6,398,410	10,278,595	(3,880,185)
Excess (Deficiency) of Revenues Over (Under) Expenditures	(785,541)	(820,612)	(4,346,325)	(3,525,713)
OTHER FINANCING SOURCES (USES)				
Transfers In	1,482,360	1,482,360	5,221,358	3,738,998
Transfers Out	(1,000)	(1,000)	-	1,000
Total Other Financing Sources (Uses)	1,481,360	1,481,360	5,221,358	3,739,998
Net Change in Fund Balance	695,819	660,748	875,033	214,285
Fund Balance, Beginning of Year	4,085,800	4,085,800	3,528,167	(557,633)
Fund Balance, End of Year	\$ 4,781,619	\$ 4,746,548	\$ 4,403,200	\$ (343,348)

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, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 8,722,325	\$ 8,722,325	\$ 8,568,126	\$ (154,199)
Redevelopment Pass-through	2,257,956	2,257,956	3,423,975	1,166,019
Intergovernmental	81,998	81,998	97,892	15,894
Charges for Services	8,000	8,000	(90,311)	(98,311)
Area Drainage Fees	5,000	5,000	-	(5,000)
Investment Earnings	204,000	204,000	991,555	787,555
Use of Assets	146,500	146,500	154,331	7,831
Total Revenues	11,425,779	11,425,779	13,145,568	1,719,789
EXPENDITURES				
Public Ways and Facilities	9,058,387	8,213,997	4,228,089	3,985,908
Capital Outlay	660,561	660,561	119,930	540,631
Total Expenditures	9,718,948	8,874,558	4,348,019	4,526,539
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	1,706,831	2,551,221	8,797,549	6,246,328
OTHER FINANCING SOURCES (USES)				
Transfers In	19,443	19,443	-	(19,443)
Transfers Out	(431,281)	(1,275,671)	(771,939)	503,732
Total Other Financing Sources (Uses)	(411,838)	(1,256,228)	(771,939)	484,289
Net Change in Fund Balance	1,294,993	1,294,993	8,025,610	6,730,617
Fund Balance, Beginning of Year	28,242,169	28,242,169	30,362,030	2,119,861
Fund Balance, End of Year	\$ 29,537,162	\$ 29,537,162	\$ 38,387,640	\$ 8,850,478

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 2
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 14,896,469	\$ 14,896,469	\$ 15,198,536	\$ 302,067
Redevelopment Pass-through	1,953,932	1,953,932	2,300,054	346,122
Intergovernmental	152,611	152,611	298,973	146,362
Charges for Services	1,500	1,500	270	(1,230)
Area Drainage Fees	100,000	100,000	7,630	(92,370)
Investment Earnings	510,000	510,000	2,527,537	2,017,537
Use of Assets	100	100	-	(100)
Total Revenues	17,614,612	17,614,612	20,333,000	2,718,388
EXPENDITURES				
Public Ways and Facilities	19,655,042	18,759,252	11,282,666	7,476,586
Capital Outlay	21,167,279	21,167,279	1,971,524	19,195,755
Total Expenditures	40,822,321	39,926,531	13,254,190	26,672,341
Excess (Deficiency) of Revenues Over (Under) Expenditures	(23,207,709)	(22,311,919)	7,078,810	29,390,729
OTHER FINANCING (USES)				
Transfers Out	(711,494)	(1,607,284)	(848,827)	758,457
Total Other Financing (Uses)	(711,494)	(1,607,284)	(848,827)	758,457
Net Change in Fund Balance	(23,919,203)	(23,919,203)	6,229,983	30,149,186
Fund Balance, Beginning of Year	71,716,481	71,716,481	81,289,813	9,573,332
Fund Balance, End of Year	\$ 47,797,278	\$ 47,797,278	\$ 87,519,796	\$ 39,722,518

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 3
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 1,975,635	\$ 1,975,635	\$ 2,032,812	\$ 57,177
Special Assessments	-	-	7,962	7,962
Redevelopment Pass-through	772,389	772,389	913,150	140,761
Intergovernmental	20,083	20,083	20,513	430
Charges for Services	195	195	(1,995)	(2,190)
Investment Earnings	86,700	86,700	284,956	198,256
Total Revenues	2,855,002	2,855,002	3,257,398	402,396
EXPENDITURES				
Public Ways and Facilities	4,355,950	12,019,720	9,684,497	2,335,223
Capital Outlay	5,726,551	264,551	-	264,551
Total Expenditures	10,082,501	12,284,271	9,684,497	2,599,774
Excess (Deficiency) of Revenues Over (Under) Expenditures	(7,227,499)	(9,429,269)	(6,427,099)	3,002,170
OTHER FINANCING SOURCES (USES)				
Transfers In	22,545	22,545	2,000,000	1,977,455
Transfers Out	(192,375)	(490,605)	(335,073)	155,532
Total Other Financing Sources (Uses)	(169,830)	(468,060)	1,664,927	2,132,987
Net Change in Fund Balance	(7,397,329)	(9,897,329)	(4,762,172)	5,135,157
Fund Balance, Beginning of Year	11,372,238	11,372,238	11,122,897	(249,341)
Fund Balance, End of Year	\$ 3,974,909	\$ 1,474,909	\$ 6,360,725	\$ 4,885,816

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 4
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 15,367,080	\$ 15,367,080	\$ 16,010,261	\$ 643,181
Redevelopment Pass-through	2,126,729	2,126,729	2,937,684	810,955
Intergovernmental	669,779	669,779	161,868	(507,911)
Charges for Services	500	500	32,914	32,414
Area Drainage Fees	-	-	1,145,393	1,145,393
Investment Earnings	409,000	409,000	1,268,795	859,795
Use of Assets	7,800	7,800	7,800	-
Total Revenues	18,580,888	18,580,888	21,564,715	2,983,827
EXPENDITURES				
Public Ways and Facilities	17,666,747	16,106,527	7,669,222	8,437,305
Capital Outlay	18,471,188	18,471,188	7,147,053	11,324,135
Total Expenditures	36,137,935	34,577,715	14,816,275	19,761,440
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	(17,557,047)	(15,996,827)	6,748,440	22,745,267
OTHER FINANCING SOURCES (USES)				
Transfers In	276,250	276,250	-	(276,250)
Transfers Out	(4,153,902)	5,714,122	(4,255,518)	(9,969,640)
Total Other Financing Sources (Uses)	(3,877,652)	5,990,372	(4,255,518)	(10,245,890)
Net Change in Fund Balance	(21,434,699)	(10,006,455)	2,492,922	12,499,377
Fund Balance, Beginning of Year	42,060,092	42,060,092	43,789,131	1,729,039
Fund Balance, End of Year	\$ 20,625,393	\$ 32,053,637	\$ 46,282,053	\$ 14,228,416

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 5
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 3,303,788	\$ 3,303,788	\$ 3,512,395	\$ 208,607
Redevelopment Pass-through	514,438	514,438	599,405	84,967
Intergovernmental	35,068	35,068	71,156	36,088
Charges for Services	695	695	14,248	13,553
Investment Earnings	100,000	100,000	487,249	387,249
Total Revenues	3,953,989	3,953,989	4,684,453	730,464
EXPENDITURES				
Public Ways and Facilities	3,834,046	3,591,236	1,182,686	2,408,550
Capital Outlay	8,216,378	8,216,378	5,277	8,211,101
Total Expenditures	12,050,424	11,807,614	1,187,963	10,619,651
Excess (Deficiency) of Revenues Over (Under) Expenditures	(8,096,435)	(7,853,625)	3,496,490	11,350,115
OTHER FINANCING (USES)				
Transfers Out	(184,760)	(427,570)	(220,413)	207,157
Total Other Financing (Uses)	(184,760)	(427,570)	(220,413)	207,157
Net Change in Fund Balance	(8,281,195)	(8,281,195)	3,276,077	11,557,272
Fund Balance, Beginning of Year	13,906,210	13,906,210	14,947,198	1,040,988
Fund Balance, End of Year	\$ 5,625,015	\$ 5,625,015	\$ 18,223,275	\$ 12,598,260

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 6
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Property Taxes	\$ 4,431,611	\$ 4,431,611	\$ 4,527,343	\$ 95,732
Redevelopment Pass-through	1,099,781	1,099,781	1,386,924	287,143
Intergovernmental	45,661	45,661	45,267	(394)
Charges for Services	390	390	28,352	27,962
Investment Earnings	102,000	102,000	545,072	443,072
Use of Assets	3,600	3,600	3,600	-
Total Revenues	5,683,043	5,683,043	6,536,558	853,515
EXPENDITURES				
Public Ways and Facilities	5,869,795	5,439,575	3,144,357	2,295,218
Capital Outlay	6,444,176	6,444,176	307,687	6,136,489
Total Expenditures	12,313,971	11,883,751	3,452,044	8,431,707
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,630,928)	(6,200,708)	3,084,514	9,285,222
OTHER FINANCING (USES)				
Transfers Out	(266,761)	(696,981)	(420,333)	276,648
Total Other Financing (Uses)	(266,761)	(696,981)	(420,333)	276,648
Net Change in Fund Balance	(6,897,689)	(6,897,689)	2,664,181	9,561,870
Fund Balance, Beginning of Year	16,581,263	16,581,263	16,987,092	405,829
Fund Balance, End of Year	\$ 9,683,574	\$ 9,683,574	\$ 19,651,273	\$ 9,967,699

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - Zone 7
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget Positive (Negative)
REVENUES				
Property Taxes	\$ 5,013,358	\$ 5,013,358	\$ 5,174,549	\$ 161,191
Redevelopment Pass-through	387,980	387,980	410,011	22,031
Intergovernmental	53,519	53,519	52,830	(689)
Charges for Services	10,000	10,000	109,514	99,514
Area Drainage Fees	30,000	30,000	162,364	132,364
Investment Earnings	204,000	204,000	757,513	553,513
Total Revenues	5,698,857	5,698,857	6,666,781	967,924
EXPENDITURES				
Public Ways and Facilities	5,932,391	5,443,831	2,587,942	2,855,889
Capital Outlay	2,445,288	2,445,288	385,547	2,059,741
Total Expenditures	8,377,679	7,889,119	2,973,489	4,915,630
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,678,822)	(2,190,262)	3,693,292	5,883,554
OTHER FINANCING SOURCES (USES)				
Transfers In	97,310	97,310	-	(97,310)
Transfers Out	(301,951)	(790,511)	(452,709)	337,802
Total Other Financing Sources (Uses)	(204,641)	(693,201)	(452,709)	240,492
Net Change in Fund Balance	(2,883,463)	(2,883,463)	3,240,583	6,124,046
Fund Balance, Beginning of Year	23,100,305	23,100,305	23,571,817	471,512
Fund Balance, End of Year	\$ 20,216,842	\$ 20,216,842	\$ 26,812,400	\$ 6,595,558

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Whitewater
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Special Assessments	\$ 310,000	\$ 310,000	\$ 308,494	\$ (1,506)
Intergovernmental	393,946	393,946	209,694	(184,252)
Investment Earnings	27,000	27,000	56,728	29,728
Total Revenues	730,946	730,946	574,916	(156,030)
EXPENDITURES				
Public Ways and Facilities	690,284	659,370	374,629	284,741
Total Expenditures	690,284	659,370	374,629	284,741
Excess (Deficiency) of Revenues Over (Under) Expenditures	40,662	71,576	200,287	128,711
OTHER FINANCING (USES)				
Transfers Out	(11,000)	(63,510)	(53,079)	10,431
Total Other Financing (Uses)	(11,000)	(63,510)	(53,079)	10,431
Net Change in Fund Balance	29,662	8,066	147,208	139,142
Fund Balance, Beginning of Year	2,001,093	2,001,093	2,000,401	(692)
Fund Balance, End of Year	\$ 2,030,755	\$ 2,009,159	\$ 2,147,609	\$ 138,450

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Santa Ana
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Special Assessments	\$ 2,600,000	\$ 2,600,000	\$ 2,447,474	\$ (152,526)
Investment Earnings	92,000	92,000	197,572	105,572
Total Revenues	2,692,000	2,692,000	2,645,046	(46,954)
EXPENDITURES				
Public Ways and Facilities	2,711,184	2,462,234	2,019,891	442,343
Total Expenditures	2,711,184	2,462,234	2,019,891	442,343
Excess (Deficiency) of Revenues Over (Under) Expenditures	(19,184)	229,766	625,155	395,389
OTHER FINANCING (USES)				
Transfers Out	(40,000)	(2,291,560)	(2,238,751)	52,809
Total Other Financing (Uses)	(40,000)	(2,291,560)	(2,238,751)	52,809
Net Change in Fund Balance	(59,184)	(2,061,794)	(1,613,596)	448,198
Fund Balance, Beginning of Year	7,022,632	7,022,632	6,990,179	(32,453)
Fund Balance, End of Year	\$ 6,963,448	\$ 4,960,838	\$ 5,376,583	\$ 415,745

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Special Revenue Fund - NPDES - Santa Margarita
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Special Assessments	\$ 550,000	\$ 550,000	\$ 529,659	\$ (20,341)
Intergovernmental	1,320,630	1,320,630	1,134,803	(185,827)
Investment Earnings	27,000	27,000	39,949	12,949
Total Revenues	1,897,630	1,897,630	1,704,411	(193,219)
EXPENDITURES				
Public Ways and Facilities	1,809,761	1,597,226	903,480	693,746
Total Expenditures	1,809,761	1,597,226	903,480	693,746
Excess (Deficiency) of Revenues Over (Under) Expenditures	87,869	300,404	800,931	500,527
OTHER FINANCING (USES)				
Transfers Out	(35,000)	(247,550)	(188,796)	58,754
Total Other Financing (Uses)	(35,000)	(247,550)	(188,796)	58,754
Net Change in Fund Balance	52,869	52,854	612,135	559,281
Fund Balance, Beginning of Year	1,817,113	1,817,113	1,491,282	(325,831)
Fund Balance, End of Year	\$ 1,869,982	\$ 1,869,967	\$ 2,103,417	\$ 233,450

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McVicker Basin Post Feb 29/09 Storm.

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- ♦ *Combining Statements*
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 - ⇒ *Non-Major Enterprise Funds*
 - ⇒ *Internal Service Funds*
 - ⇒ *Agency Funds*



Riverside County Flood Control and Water Conservation District Other Governmental Funds

Other Governmental Funds reported in the Fund Financial Statements is made up of the Flood Control Capital Project Fund and the Zone 4 Debt Service Fund:

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

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
Combining Balance Sheet
Other Governmental Funds
June 30, 2019

	Flood Control Capital Project Fund	Zone 4 Debt Service Fund	Total
ASSETS			
Cash and Cash Equivalents	\$ 19,006	\$ 1,333	\$ 20,339
Receivables:			
Interest Receivable	91	6	97
Total Assets	<u>\$ 19,097</u>	<u>\$ 1,339</u>	<u>\$ 20,436</u>
FUND BALANCES			
Restricted for:			
Capital Projects	\$ 19,097	\$ -	\$ 19,097
Debt Service	<u>-</u>	<u>1,339</u>	<u>1,339</u>
Total Fund Balances	<u>19,097</u>	<u>1,339</u>	<u>20,436</u>
Total Liabilities and Fund Balances	<u>\$ 19,097</u>	<u>\$ 1,339</u>	<u>\$ 20,436</u>

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, 2019

	Flood Control Capital Projects Fund	Zone 4 Debt Service Fund	Total
REVENUES			
Investment Earnings	566	886	1,452
Total Revenues	566	886	1,452
EXPENDITURES			
Debt Service:			
Principal	-	2,060,000	2,060,000
Interest	-	776,000	776,000
Total Expenditures	-	2,836,000	2,836,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	566	(2,835,114)	(2,834,548)
OTHER FINANCING SOURCES			
Transfers In	-	2,836,000	2,836,000
Total Other Financing Sources	-	2,836,000	2,836,000
Net Change in Fund Balances	566	886	1,452
Fund Balances, Beginning of Year	18,531	453	18,984
Fund Balances, End of Year	\$ 19,097	\$ 1,339	\$ 20,436

Riverside County Flood Control and Water Conservation District
Budgetary Comparison Schedule
Other Governmental Funds
For the Year Ended June 30, 2019

	Budgeted Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
				Positive
				(Negative)
REVENUES				
Charges for Services	\$ 500	\$ 500	\$ -	\$ (500)
Investment Earnings	700	700	1,452	752
Total Revenues	1,200	1,200	1,452	252
EXPENDITURES				
Capital Outlay	865,000	865,000	-	865,000
Debt Service Principal	2,060,000	2,060,000	2,060,000	-
Debt Service Interest	776,000	776,000	776,000	-
Total Expenditures	3,701,000	3,701,000	2,836,000	865,000
Excess (Deficiency) of Revenues Over (Under) Expenditures	(3,699,800)	(3,699,800)	(2,834,548)	865,252
OTHER FINANCING SOURCES				
Transfers In	3,701,000	3,701,000	2,836,000	(865,000)
Total Other Financing Sources	3,701,000	3,701,000	2,836,000	(865,000)
Net Change in Fund Balance	1,200	1,200	1,452	252
Fund Balance, Beginning of Year	19,636	19,636	18,984	(652)
Fund Balance, End of Year	\$ 20,836	\$ 20,836	\$ 20,436	\$ (400)

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, 2019

	Photogrammetry Operations	Encroachment Permits	Total
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 564,455	\$ 293,264	\$ 857,719
Receivables:			
Accounts Receivable	134	42,832	42,966
Interest Receivable	2,735	2,477	5,212
Due from Other Governments	-	31,532	31,532
	<hr/>	<hr/>	<hr/>
Total Current Assets	567,324	370,105	937,429
	<hr/>	<hr/>	<hr/>
Noncurrent Assets:			
Restricted Cash	5,634	209,004	214,638
Capital Assets:			
Depreciable, Net	76,166	-	76,166
	<hr/>	<hr/>	<hr/>
Total Noncurrent Assets	81,800	209,004	290,804
	<hr/>	<hr/>	<hr/>
Total Assets	649,124	579,109	1,228,233
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Liabilities:			
Current liabilities:			
Salaries and Benefits Payable	2,619	52,131	54,750
Due to Other Funds	440	4,181	4,621
Compensated Absences - Current Portion	1,210	3,158	4,368
Developer and Other Agency Deposits	-	242,789	242,789
	<hr/>	<hr/>	<hr/>
Total Current Liabilities	4,269	302,259	306,528
	<hr/>	<hr/>	<hr/>
Noncurrent Liabilities:			
Compensated Absences	6,799	17,754	24,553
	<hr/>	<hr/>	<hr/>
Total Noncurrent Liabilities	6,799	17,754	24,553
	<hr/>	<hr/>	<hr/>
Total Liabilities	11,068	320,013	331,081
	<hr/>	<hr/>	<hr/>
NET POSITION			
Investment in Capital Assets	76,166	-	76,166
Unrestricted	561,890	259,096	820,986
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 638,056	\$ 259,096	\$ 897,152
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

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, 2019

	Photogrammetry Operations	Encroachment Permits	Total
OPERATING REVENUES			
Charges for Services	\$ 91,600	\$ 264,135	\$ 355,735
OPERATING EXPENSES			
Personnel Services	92,597	294,077	386,674
Services and Supplies	43,583	55,987	99,570
Bad Debt		1,054	1,054
Depreciation	11,182	-	11,182
Total Operating Expenses	147,362	351,118	498,480
Operating (Loss)	(55,762)	(86,983)	(142,745)
NONOPERATING REVENUES			
Investment Earnings	18,443	15,685	34,128
(Loss) Before Transfers	(37,319)	(71,298)	(108,617)
TRANSFERS			
Transfers Out	(33,240)	(18,480)	(51,720)
Total Transfers Out	(33,240)	(18,480)	(51,720)
Change in Net Position	(70,559)	(89,778)	(160,337)
Net Position, Beginning of Year	708,615	348,874	1,057,489
Net Position, End of Year	\$ 638,056	\$ 259,096	\$ 897,152

Riverside County Flood Control and Water Conservation District
Combining Statement of Cash Flows
Nonmajor Enterprise Funds
For the Year Ended June 30, 2019

	Photogrammetry Operations	Encroachment Permits	Total
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Received from Customers/Other Funds	\$ 91,501	\$ 294,039	\$ 385,540
Cash Paid to Suppliers for Goods and Services	(44,662)	(53,412)	(98,074)
Cash Paid to Employees for Services	(102,825)	(241,064)	(343,889)
Net Cash Used In Operating Activities	(55,986)	(437)	(56,423)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers (To) Other Funds	(33,240)	(18,480)	(51,720)
Net Cash (Used In) Noncapital Financing Activities	(33,240)	(18,480)	(51,720)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Acquisition and Construction of Capital Assets	(16,432)	-	(16,432)
Net Cash Used in Capital and Related Financing Activities	(16,432)	-	(16,432)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	18,082	14,999	33,081
Net Cash Provided by Investing Activities	18,082	14,999	33,081
Net Change in Cash and Cash Equivalents	(87,576)	(3,918)	(91,494)
Cash and Cash Equivalents, Beginning of Year	657,665	506,186	1,163,851
Cash and Cash Equivalents, End of Year	\$ 570,089	\$ 502,268	\$ 1,072,357
Reconciliation of Operating (Loss) to Net Cash Used In Operating Activities			
Operating (Loss)	\$ (55,762)	\$ (86,983)	\$ (142,745)
Adjustments to Reconcile Operating (Loss) to Net Cash (Used In) Operating Activities:			
Depreciation	11,182	-	11,182
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in:			
Accounts Receivable	(99)	(39,373)	(39,472)
Due from Other Funds	-	6,082	6,082
Due from Other Governments	-	(31,101)	(31,101)
Increase (Decrease) in:			
Salaries and Benefits Payable	(10,693)	42,999	32,306
Due to Other Funds	(1,075)	2,575	1,500
Compensated Absences	465	10,014	10,479
Due to Other Governments	(4)	-	(4)
Developer and Other Agency Deposits	-	95,350	95,350
Net Cash Used In Operating Activities	\$ (55,986)	\$ (437)	\$ (56,423)

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

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.

Mapping Services Fund: This fund was established to account for revenues and expenses related to mapping services performed by the Mapping section. These services are provided to support zone projects and are charged to the special revenue funds of the District.

Data Processing Fund: This fund was established to account for revenues and expenses related to data processing services performed by the Information Technology section. Data processing services include software system support for the computer network, data structure design and organization of the District computer systems. 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
June 30, 2019

	Hydrology Services	Garage	Project Maintenance
ASSETS			
Current Assets:			
Cash and Cash Equivalents	\$ 220,863	\$ 5,779,561	\$ 75,651
Receivables:			
Accounts Receivable	-	-	-
Interest Receivable	532	25,622	215
Due from Other Funds	115,000	224,274	-
Inventories	-	67,778	219,071
Total Current Assets	<u>336,395</u>	<u>6,097,235</u>	<u>294,937</u>
Noncurrent Assets:			
Capital Assets:			
Depreciable, Net	77,599	2,191,032	-
Total Noncurrent Assets	<u>77,599</u>	<u>2,191,032</u>	<u>-</u>
Total Assets	<u>413,994</u>	<u>8,288,267</u>	<u>294,937</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows of Resources Related to Pensions	162,847	375,156	20,421
Total Deferred Outflows of Resources	<u>162,847</u>	<u>375,156</u>	<u>20,421</u>
LIABILITIES			
Liabilities:			
Current Liabilities:			
Accounts Payable	2,804	69,453	4,006
Salaries and Benefits Payable	15,624	38,713	-
Due to Other Funds	4,813	6,773	-
Due to Other Governments	130,810	28	-
Compensated Absences - Current Portion	3,732	8,601	468
Total Current Liabilities	<u>157,783</u>	<u>123,568</u>	<u>4,474</u>
Noncurrent Liabilities:			
Compensated Absences	20,978	48,355	2,631
Net Pension Liability	870,144	2,004,580	109,118
Total Noncurrent Liabilities	<u>891,122</u>	<u>2,052,935</u>	<u>111,749</u>
Total Liabilities	<u>1,048,905</u>	<u>2,176,503</u>	<u>116,223</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows of Resources Related to Pensions	17,723	40,828	2,222
Total Deferred Inflows of Resources	<u>17,723</u>	<u>40,828</u>	<u>2,222</u>
NET POSITION			
Investment in Capital Assets	77,599	2,191,032	-
Unrestricted (Deficit)	(567,386)	4,255,060	196,913
Total Net Position	<u>\$ (489,787)</u>	<u>\$ 6,446,092</u>	<u>\$ 196,913</u>

Mapping Services	Data Processing	Total
\$ 4,386	\$ 2,084,967	\$ 8,165,428
41,972	6,480	48,452
-	9,077	35,446
-	177,892	517,166
-	-	286,849
46,358	2,278,416	9,053,341
-	52,053	2,320,684
-	52,053	2,320,684
46,358	2,330,469	11,374,025
-	291,428	849,852
-	291,428	849,852
46,358	10,261	132,882
-	32,677	87,014
-	-	11,586
-	-	130,838
-	6,715	19,516
46,358	49,653	381,836
-	37,750	109,714
-	1,557,193	4,541,035
-	1,594,943	4,650,749
46,358	1,644,596	5,032,585
-	31,716	92,489
-	31,716	92,489
-	52,053	2,320,684
-	893,532	4,778,119
\$ -	\$ 945,585	\$ 7,098,803

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, 2019

	Hydrology Services	Garage	Project Maintenance
OPERATING REVENUES			
Charges for Services	\$ 1,189,394	\$ 3,198,896	\$ 237,137
OPERATING EXPENSES			
Personnel Services	1,038,234	2,330,307	93,998
Services and Supplies	563,004	1,264,495	254,974
Bad Debt	-	-	-
Depreciation	27,114	928,447	-
Total Operating Expenses	1,628,352	4,523,249	348,972
Operating Income (Loss)	(438,958)	(1,324,353)	(111,835)
NONOPERATING REVENUES			
Investment Earnings	2,642	157,262	2,179
Gain on Sale of Capital Assets	-	164,024	-
Total Nonoperating Revenues	2,642	321,286	2,179
Income (Loss) Before Transfers	(436,316)	(1,003,067)	(109,656)
Transfers In	-	-	-
Transfers Out	-	-	-
Total Transfers In (Out)	-	-	-
Changes in Net Position	(436,316)	(1,003,067)	(109,656)
Net Position, Beginning of Year	(53,471)	7,449,159	306,569
Net Position, End of Year	\$ (489,787)	\$ 6,446,092	\$ 196,913

Mapping Services	Data Processing	Total
\$ -	\$ 2,710,554	\$ 7,335,981
-	1,815,607	5,278,146
-	2,355,702	4,438,175
-	7,599	7,599
-	38,661	994,222
-	4,217,569	10,718,142
-	(1,507,015)	(3,382,161)
-	60,616	222,699
-	1,000	165,024
-	61,616	387,723
-	(1,445,399)	(2,994,438)
4,386	-	4,386
-	(4,386)	(4,386)
4,386	(4,386)	-
4,386	(1,449,785)	(2,994,438)
(4,386)	2,395,370	10,093,241
\$ -	\$ 945,585	\$ 7,098,803

Riverside County Flood Control and Water Conservation District
Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended June 30, 2019

	Hydrology Services	Garage	Project Maintenance
CASH FLOWS FROM OPERATING ACTIVITIES			
Cash Receipts from Interfund Services Provided	\$ 1,074,394	\$ 3,168,121	\$ 237,137
Cash Paid to Suppliers for Goods and Services	(471,821)	(1,231,352)	(268,731)
Cash Paid to Employees for Services	(309,177)	(673,103)	(4,883)
Net Cash Provided by (Used In) Operating Activities	<u>293,396</u>	<u>1,263,666</u>	<u>(36,477)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers From Other Funds	-	-	-
Transfers (To) Other Funds	-	-	-
Net Cash Provided by (Used In) Noncapital Financing Activities	<u>-</u>	<u>-</u>	<u>-</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Proceeds from Sale of Capital Assets	-	181,070	-
Acquisition and Construction of Capital Assets	(104,713)	(911,358)	-
Net Cash Used in Capital and Related Financing Activities	<u>(104,713)</u>	<u>(730,288)</u>	<u>-</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest on Investments	<u>2,110</u>	<u>148,991</u>	<u>2,154</u>
Net Cash Provided by Investing Activities	<u>2,110</u>	<u>148,991</u>	<u>2,154</u>
Net Change in Cash and Cash Equivalents	190,793	682,369	(34,323)
Cash and Cash Equivalents, Beginning of Year	<u>30,070</u>	<u>5,097,192</u>	<u>109,974</u>
Cash and Cash Equivalents, End of Year	<u><u>\$ 220,863</u></u>	<u><u>\$ 5,779,561</u></u>	<u><u>\$ 75,651</u></u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used in) Operating Activities			
Operating Income (Loss)	\$ (438,958)	\$ (1,324,354)	\$ (111,835)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:			
Depreciation	27,114	928,447	-
Changes in Operating Assets and Liabilities:			
Decrease (Increase) in:			
Accounts Receivable	-	-	-
Due from Other Funds	(115,000)	(30,775)	-
Due from Other Governments	-	-	-
Inventories	-	(319)	(9,954)
Deferred Outflows of Resources Related to Pensions	(162,847)	(375,156)	(20,421)
Increase (Decrease) in:			
Accounts Payable	(5,150)	36,695	(3,672)
Salaries and Benefits Payable	1,067	(6,077)	-
Due to Other Funds	686	(2,556)	-
Compensated Absences	2,970	(6,971)	(1,804)
Net Pension Liability	870,144	2,004,580	109,118
Due to Other Governments	95,647	(676)	(131)
Deferred Inflows of Resources Related to Pensions	17,723	40,828	2,222
Net Cash Provided by (Used In) Operating Activities	<u><u>\$ 293,396</u></u>	<u><u>\$ 1,263,666</u></u>	<u><u>\$ (36,477)</u></u>

Mapping Services	Data Processing	Total
\$ -	\$ 2,644,667	\$ 7,124,319
-	(2,333,953)	(4,305,857)
-	(514,212)	(1,501,375)
-	(203,498)	1,317,087
-	14,128	14,128
(14,128)	-	(14,128)
(14,128)	14,128	-
-	1,000	182,070
-	(35,862)	(1,051,933)
-	(34,862)	(869,863)
60	59,266	212,581
60	59,266	212,581
(14,068)	(164,966)	659,805
18,454	2,249,933	7,505,623
\$ 4,386	\$ 2,084,967	\$ 8,165,428
\$ -	\$ (1,507,015)	\$ (3,382,162)
-	38,661	994,222
-	(39,665)	(39,665)
-	(18,628)	(164,403)
-	5	5
-	-	(10,273)
-	(291,428)	(849,852)
-	34,876	62,749
-	6,221	1,211
-	(3,567)	(5,437)
-	(2,307)	(8,112)
-	1,557,193	4,541,035
-	(9,560)	85,280
-	31,716	92,489
\$ -	\$ (203,498)	\$ 1,317,087

Riverside County Flood Control and Water Conservation District Agency Funds

Flood Stop Notices Fund: This fund was established to account for “stop notice” payment funds withheld from vendors under contract (primary contractor) with the District to construct flood control facilities. The primary contractor retains sub-contractors to provide services and materials to complete a construction project. A sub-contractor will file “stop notices” against a primary contractor when a primary contractor fails to make payment on an invoice. The District holds payment to the primary contractor until such a time when the primary contractor makes payment on outstanding invoices to the sub-contractor.

Special Subdivision Fund: This fund was established to account for funds placed on deposit by developers to ensure developer constructed flood control facilities are constructed in accordance with the conditions set forth by the District. The funds are released to the developer once the flood control facility has been inspected, approved and accepted into the District maintenance system pursuant to the terms of a Board of Supervisors executed agreement between the developer and the District.

Riverside County Flood Control and Water Conservation District
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds

For the Year Ended June 30, 2019

	Beginning Balance	Additions	Deletions	Ending Balance
Flood Stop Notices				
ASSETS				
Cash and Investments	\$ 6,883	\$ 14,402	\$ 14,402	\$ 6,883
Total Assets	<u>\$ 6,883</u>	<u>\$ 14,402</u>	<u>\$ 14,402</u>	<u>\$ 6,883</u>
LIABILITIES				
Accounts Payable	\$ 6,883	\$ 14,402	\$ 14,402	\$ 6,883
Total Liabilities	<u>\$ 6,883</u>	<u>\$ 14,402</u>	<u>\$ 14,402</u>	<u>\$ 6,883</u>
Special Subdivision				
ASSETS				
Cash and Investments	\$ 3,534,777	\$ 530,247	\$ 906,045	\$ 3,158,979
Interest Receivable	10,806	-	10,806	-
Total Assets	<u>\$ 3,545,583</u>	<u>\$ 530,247</u>	<u>\$ 916,851</u>	<u>\$ 3,158,979</u>
LIABILITIES				
Accounts Payable	\$ 3,545,583	\$ 530,247	\$ 916,851	\$ 3,158,979
Total Liabilities	<u>\$ 3,545,583</u>	<u>\$ 530,247</u>	<u>\$ 916,851</u>	<u>\$ 3,158,979</u>
Total Agency Funds				
ASSETS				
Cash and Investments	\$ 3,541,660	\$ 544,649	\$ 920,447	\$ 3,165,862
Interest Receivable	10,806	-	10,806	-
Total Assets	<u>\$ 3,552,466</u>	<u>\$ 544,649</u>	<u>\$ 931,253</u>	<u>\$ 3,165,862</u>
LIABILITIES				
Accounts Payable	\$ 3,552,466	\$ 544,649	\$ 931,253	\$ 3,165,862
Total Liabilities	<u>\$ 3,552,466</u>	<u>\$ 544,649</u>	<u>\$ 931,253</u>	<u>\$ 3,165,862</u>

STATISTICAL SECTION

CONTENTS

Financial Trends 90

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 99

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

Debt Capacity 105

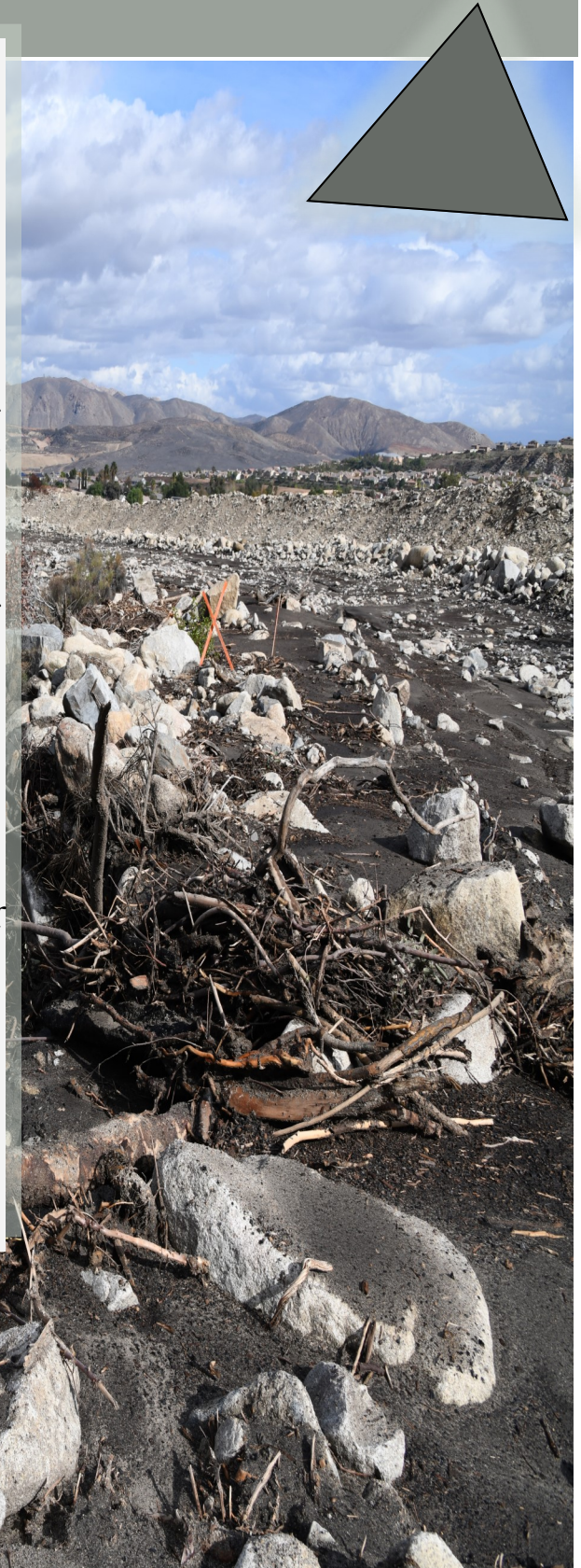
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future.

Demographic and Economic Information 110

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 113

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				
	2010	2011	2012	2013	2014 ¹
Governmental Activities					
Net Investment in Capital Assets	\$ 723,372	\$ 756,970	\$ 804,107	\$ 827,905	\$ 851,201
Restricted	237,211	251,826	256,317	252,220	255,222
Unrestricted	15,014	9,459	7,773	10,534	(33,751)
Total Governmental Activities Net Position	<u>\$ 975,597</u>	<u>\$1,018,255</u>	<u>\$ 1,068,197</u>	<u>\$ 1,090,659</u>	<u>\$1,072,672</u>
Business-type Activities					
Net Investment in Capital Assets	\$ 13	\$ 23	\$ 16	\$ 7	\$ 8
Unrestricted	3,452	2,263	2,613	2,601	1,269
Total Business-type Activities Net Position	<u>\$ 3,465</u>	<u>\$ 2,286</u>	<u>\$ 2,629</u>	<u>\$ 2,608</u>	<u>\$ 1,277</u>
Primary Government					
Net Investment in Capital Assets	\$ 723,385	\$ 756,993	\$ 804,123	\$ 827,912	\$ 851,209
Restricted	237,211	251,826	256,317	252,220	255,222
Unrestricted	18,466	11,722	10,386	13,135	(32,482)
Total Primary Government Net Position	<u>\$ 979,062</u>	<u>\$1,020,541</u>	<u>\$ 1,070,826</u>	<u>\$ 1,093,267</u>	<u>\$1,073,949</u>

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

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

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

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					
2015	2016	2017 ²	2018	2019	
\$ 923,240	\$ 946,551	\$ 958,273	\$ 982,108	\$ 1,006,962	Governmental Activities
215,008	203,985	223,412	233,481	253,945	Net Investment in Capital Assets
(35,251)	(33,778)	(36,026)	(41,337)	(45,548)	Restricted
<u>\$1,102,997</u>	<u>\$1,116,758</u>	<u>\$1,145,659</u>	<u>\$ 1,174,252</u>	<u>\$ 1,215,359</u>	Unrestricted
					Total Governmental Activities Net Position
					Business-type Activities
\$ 5	\$ 2	\$ 1	\$ 71	\$ 76	Net Investment in Capital Assets
942	740	395	(675)	(961)	Unrestricted
<u>\$ 947</u>	<u>\$ 742</u>	<u>\$ 396</u>	<u>\$ (604)</u>	<u>\$ (885)</u>	Total Business-type Activities Net Position
					Primary Government
\$ 923,245	\$ 946,553	\$ 958,274	\$ 982,179	\$ 1,007,038	Net Investment in Capital Assets
215,008	203,985	223,412	233,481	253,945	Restricted
(34,309)	(33,038)	(35,631)	(42,012)	(46,509)	Unrestricted
<u>\$1,103,944</u>	<u>\$1,117,500</u>	<u>\$1,146,055</u>	<u>\$ 1,173,648</u>	<u>\$ 1,214,474</u>	Total Primary Government Net Position

Riverside County Flood Control and Water Conservation District

Changes in Net Position

Last Ten Fiscal Years

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

Page 1

	Fiscal Year				
	2010	2011	2012	2013	2014
Expenses					
Governmental Activities:					
General government	\$ 5,928	\$ 5,572	\$ 4,244	\$ 4,017	\$ 5,222
Public ways and facilities	41,769	39,192	42,219	45,046	43,526
Interest on long-term debt	-	-	-	-	-
Total governmental activities expenses	47,697	44,764	46,463	49,063	48,748
Business-type Activities:					
Subdivision operations	1,520	2,298	1,329	1,428	1,453
Photogrammetry operations	93	285	112	234	171
Enroachment permits	167	157	154	100	146
Total business-type activities expenses	1,780	2,740	1,595	1,762	1,770
Total primary government expenses	\$ 49,477	\$ 47,504	\$ 48,058	\$ 50,825	\$ 50,518
Program Revenues					
Governmental Activities					
Charges for services:					
General government	\$ 1,149	\$ 915	\$ 1,179	\$ 600	\$ 517
Public ways and facilities	5,215	4,508	3,838	8,128	4,488
Capital grants and contributions	21,538	35,479	44,895	13,057	15,770
Total governmental activities program revenues	27,902	40,902	49,912	21,785	20,775
Business-type Activities					
Charges for services:					
Subdivision operations	1,082	992	1,506	1,375	1,399
Photogrammetry operations	171	342	228	247	216
Enroachment permits	183	181	171	114	126
Total business-type activities program revenues	1,436	1,515	1,905	1,736	1,741
Total primary government program revenues	\$ 29,338	\$ 42,417	\$ 51,817	\$ 23,521	\$ 22,516
Net (expense)/revenue					
Governmental Activities	\$ (19,795)	\$ (3,862)	\$ 3,449	\$ (27,278)	\$ (27,973)
Business-type Activities	(344)	(1,225)	310	(26)	(29)
Total primary government net (expense)/revenue	\$ (20,139)	\$ (5,087)	\$ 3,759	\$ (27,304)	\$ (28,002)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes	\$ 46,280	\$ 39,836	\$ 39,258	\$ 40,042	\$ 42,593
Redevelopment pass-thru	8,111	5,136	6,040	9,811	7,733
Unrestricted interest and investment earnings	2,324	1,425	1,173	(224)	1,444
Gain on sale of capital assets	42	123	22	111	74
Transfers	-	-	-	-	(26)
Total Governmental Activities	56,757	46,520	46,493	49,740	51,818
Business-type Activities:					
Unrestricted interest and investment earnings	82	46	33	5	40
Transfers					26
Total business-type activities	82	46	33	5	66
Total primary government	\$ 56,839	\$ 46,566	\$ 46,526	\$ 49,745	\$ 51,884
Change in Net Position					
Governmental Activities	\$ 36,962	\$ 42,658	\$ 49,942	\$ 22,462	\$ 23,845
Business-type Activities	(262)	(1,179)	343	(21)	37
Total primary government	\$ 36,700	\$ 41,479	\$ 50,285	\$ 22,441	\$ 23,882

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

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

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

Page 2

Fiscal Year				
2015	2016	2017	2018	2019
\$ 6,001	\$ 4,873	\$ 9,603	\$ 12,832	\$ 15,458
48,921	50,921	48,541	58,610	55,247
-	739	674	598	499
54,922	56,533	58,818	72,040	71,204
1,547	1,844	1,914	2,457	1,927
91	163	194	170	150
178	171	117	196	362
1,816	2,178	2,225	2,823	2,439
\$ 56,738	\$ 58,711	\$ 61,043	\$ 74,863	\$ 73,643
\$ 835	\$ 681	\$ 758	\$ 1,055	\$ 923
6,610	4,209	11,999	5,692	3,667
21,991	4,524	11,527	24,176	27,711
29,436	9,414	24,284	30,923	32,301
1,131	1,502	1,557	1,551	1,855
124	251	150	39	92
192	192	126	159	264
1,447	1,945	1,833	1,749	2,211
\$ 30,883	\$ 11,359	\$ 26,117	\$ 32,672	\$ 34,512
\$ (25,486)	\$ (47,119)	\$ (34,534)	\$ (41,117)	\$ (38,903)
(369)	(234)	(392)	(1,074)	(228)
\$ (25,855)	\$ (47,352)	\$ (34,926)	\$ (42,191)	\$ (39,131)
\$ 47,047	\$ 49,854	\$ 53,020	\$ 56,030	\$ 59,251
7,698	9,514	9,526	11,140	12,798
1,022	1,352	805	2,322	7,524
45	140	84	218	165
(1)	21	-	-	272
55,811	60,881	63,435	69,710	80,010
38	51	46	74	219
1	(21)	-	-	(272)
39	30	46	74	(53)
\$ 55,850	\$ 60,911	\$ 63,481	\$ 69,784	\$ 79,957
\$ 30,325	\$ 13,762	\$ 28,901	\$ 28,593	\$ 41,107
(330)	(204)	(346)	(1,000)	(281)
\$ 29,995	\$ 13,558	\$ 28,555	\$ 27,593	\$ 40,826

Expenses

Governmental Activities:

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

Total governmental activities expenses

Business-type Activities:

Subdivision operations
Photogrammetry operations
Enroachment permits

Total business-type activities expenses

Total primary government expenses

Program Revenues

Governmental Activities

Charges for services:

General government
Public ways and facilities
Capital grants and contributions

Total governmental activities program revenues

Business-type Activities

Charges for services:

Subdivision operations
Photogrammetry operations
Enroachment permits

Total business-type activities program revenues

Total primary government program revenues

Net (expense)/revenue

Governmental Activities

Business-type Activities

Total primary government net (expense)/revenue

General Revenues and Other Changes in

Net Position

Governmental Activities:

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

Total Governmental Activities

Business-type Activities:

Unrestricted interest and investment earnings
Transfers

Total business-type activities

Total primary government

Change in Net Position

Governmental Activities

Business-type Activities

Total primary government

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

(Amounts Expressed in Thousands - Accrual Basis of Accounting)

Fiscal Year	Property Taxes	Total
2009-10	46,280	46,280
2010-11	39,836	39,836
2011-12	39,258	39,258
2012-13	40,042	40,042
2013-14	42,593	42,593
2014-15	47,047	47,047
2015-16	49,854	49,854
2016-17	53,020	53,020
2017-18	56,030	56,030
2018-19	59,251	59,251

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

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

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

Page 1

	Fiscal Year				
	2010	2011	2012	2013	2014
General Fund					
Nonspendable for:					
Imprest Cash	\$ -	\$ -	\$ -	\$ 1	\$ 1
Assigned to:					
Compensated absences	1,195	1,402	1,600	1,807	2,024
Restricted for:					
Unassigned	3,518	2,290	2,530	2,708	2,357
Total general fund	<u>\$ 4,713</u>	<u>\$ 3,692</u>	<u>\$ 4,130</u>	<u>\$ 4,516</u>	<u>\$ 4,382</u>
All other governmental funds					
Nonspendable for:					
Prepaid Items	\$ -	\$ -	\$ -	\$ 1,460	\$ 1,095
Restricted for:					
Capital project fund	356	421	44	151	45
Public ways and facilities	237,211	251,826	252,128	248,950	253,105
Debt service	-	-	-	-	-
Total all other governmental funds	<u>\$ 237,567</u>	<u>\$ 252,247</u>	<u>\$ 252,172</u>	<u>\$ 250,561</u>	<u>\$ 254,245</u>

Source: CAFR - Balance Sheet for the Governmental Funds

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

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

Page 2

Fiscal Year					
2015	2016	2017	2018	2019	
\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	General Fund
					Nonspendable for:
					Imprest Cash
					Assigned to:
2,255	1,365	1,251	1,846	1,733	Compensated absences
					Restricted for:
919	1,968	1,672	1,681	2,669	Unassigned
<u>\$ 3,175</u>	<u>\$ 3,334</u>	<u>\$ 2,924</u>	<u>\$ 3,528</u>	<u>\$ 4,403</u>	Total general fund
					All other governmental funds
					Nonspendable for:
\$ 730	\$ 365	\$ 67	\$ -	\$ -	Prepaid Items
					Restricted for:
18	18	18	19	19	Capital project fund
236,749	202,624	222,404	232,552	252,865	Public ways and facilities
-	-	-	-	1	Debt service
<u>\$ 237,497</u>	<u>\$ 203,007</u>	<u>\$ 222,489</u>	<u>\$ 232,571</u>	<u>\$ 252,885</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				
	2010	2011	2012	2013	2014
Revenues					
Property taxes	\$ 43,534	\$ 40,814	\$ 39,726	\$ 40,225	\$ 42,729
Redevelopment pass-thru	6,229	5,173	7,885	9,811	7,733
Special assessments	3,155	3,002	3,022	3,048	3,073
Intergovernmental	795	711	627	619	2,330
Charges for services	4,631	4,029	3,716	7,586	1,303
Area drainage fees	662	524	299	408	1,266
Investment Earnings (Loss)	2,265	1,389	1,143	(216)	1,405
Contributions	2,415	-	-	-	-
Use of assets	179	123	264	211	114
Total revenues	<u>63,865</u>	<u>55,765</u>	<u>56,682</u>	<u>61,692</u>	<u>59,953</u>
Expenditures					
Current:					
General government	4,638	4,931	3,734	3,527	4,450
Public ways and facilities	42,085	38,540	43,061	56,415	48,122
Capital outlay	3,835	3,125	4,952	2,975	6,473
Debt service:					
Principal	-	-	-	-	-
Interest	-	-	-	-	-
Total expenditures	<u>50,558</u>	<u>46,596</u>	<u>51,747</u>	<u>62,917</u>	<u>59,045</u>
Excess of revenues over (under) expenditures	<u>13,307</u>	<u>9,169</u>	<u>4,935</u>	<u>(1,225)</u>	<u>908</u>
Other financing sources (uses)					
Issuance of debt	-	-	-	-	-
Original issue premium					
Transfers in	881	1,409	1,303	7,262	4,048
Transfers out	(991)	(1,485)	(1,309)	(7,262)	(1,262)
Total other financing sources (uses)	<u>(110)</u>	<u>(76)</u>	<u>(6)</u>	<u>-</u>	<u>2,786</u>
Net change in fund balances	<u>\$ 13,197</u>	<u>\$ 9,093</u>	<u>\$ 4,929</u>	<u>\$ (1,225)</u>	<u>\$ 3,694</u>
Debt service as a percentage of noncapital expenditures	0.00%	0.00%	0.00%	0.00%	0.00%

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

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

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

Page 2

Fiscal Year					
2015	2016	2017	2018	2019	
					Revenues
\$ 47,095	\$ 49,792	\$ 53,078	\$ 56,043	\$ 59,111	Property taxes
7,698	9,514	9,526	11,140	12,798	Redevelopment pass-thru
3,117	3,168	3,162	3,232	3,294	Special assessments
3,412	2,815	10,151	2,171	2,134	Intergovernmental
923	1,169	718	1,085	927	Charges for services
2,965	587	1,654	2,610	1,315	Area drainage fees
1,004	1,317	785	2,260	7,301	Investment Earnings (Loss)
-	-	-	-	-	Contributions
102	283	177	918	166	Use of assets
<u>66,316</u>	<u>68,645</u>	<u>79,251</u>	<u>79,459</u>	<u>87,046</u>	Total revenues
					Expenditures
					Current:
5,873	4,890	6,715	5,587	10,208	General government
97,120	91,280	38,148	47,594	43,077	Public ways and facilities
4,971	5,509	12,460	12,745	10,008	Capital outlay
-	-	-	-	-	
-	350	1,920	1,980	2,060	Debt service:
-	660	936	867	776	Principal
-	-	-	-	-	Interest
<u>107,964</u>	<u>102,689</u>	<u>60,179</u>	<u>68,773</u>	<u>66,129</u>	Total expenditures
					Excess of revenues
<u>(41,648)</u>	<u>(34,044)</u>	<u>19,072</u>	<u>10,686</u>	<u>20,917</u>	over (under) expenditures
					Other financing sources (uses)
21,000	-	-	-	-	Issuance of debt
2,423	-	-	-	-	Original issue premium
661	1,538	4,219	3,454	10,057	Transfers in
(391)	(1,826)	(4,219)	(3,454)	(9,785)	Transfers out
<u>23,693</u>	<u>(288)</u>	<u>-</u>	<u>-</u>	<u>272</u>	Total other financing sources (uses)
<u>\$ (17,955)</u>	<u>\$ (34,332)</u>	<u>\$ 19,072</u>	<u>\$ 10,686</u>	<u>\$ 21,189</u>	Net change in fund balances
0.00%	1.04%	5.99%	5.08%	5.05%	Debt service as a percentage of noncapital expenditures

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

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

Fiscal Year	Property Taxes	Total
2009-10	43,534	43,534
2010-11	40,814	40,814
2011-12	39,726	39,726
2012-13	40,225	40,225
2013-14	42,729	42,729
2014-15	47,095	47,095
2015-16	49,792	49,792
2016-17	53,078	53,078
2017-18	56,043	56,043
2018-19	59,111	59,111

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

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

(Amounts Expressed in Thousands)

Page 1

	<u>Real Property</u>			<u>Personal Property</u>
Fiscal Year	Residential	Commercial		
Ended June 30	Property	Property	Other	Other
2009-10	116,703,601	45,282,612	41,029,947	5,189,101
2010-11	116,682,034	44,399,930	39,131,300	4,974,428
2011-12	118,450,628	41,196,648	40,365,897	4,875,338
2012-13	125,539,662	41,735,886	40,917,312	4,782,681
2013-14	138,386,778	43,110,284	43,075,267	4,888,497
2014-15	147,264,519	45,223,550	45,338,854	4,889,808
2015-16	155,090,500	47,339,392	47,457,075	5,166,191
2016-17	163,900,000	50,213,646	49,790,363	5,243,330
2017-18	174,114,892	54,116,680	52,227,058	5,542,766
2018-19	185,370,885	61,186,708	50,284,592	5,933,187

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

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

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

¹ Includes tax exempt property

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

Page 2

Less: Tax Exempt Real Property	Total Taxable Assessed Value	Total Direct Tax Rate	Estimated Actual Taxable Value	Assessed Value as a Percentage Actual Value ¹
6,591,002	201,614,259	1.00000	208,205,261	97%
6,800,011	198,387,681	1.00000	205,187,692	97%
7,098,792	197,789,720	1.00000	204,888,511	97%
7,285,965	205,689,576	1.00000	212,975,541	97%
7,473,953	221,986,873	1.00000	229,460,826	97%
7,743,168	234,973,563	1.00000	242,716,731	97%
8,006,110	247,047,048	1.00000	255,053,158	97%
8,526,218	260,621,121	1.00000	269,147,339	97%
9,066,704	276,934,692	1.00000	286,001,396	97%
9,354,330	293,421,042	1.00000	302,775,372	97%

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				
2009-10	0.00000	-	1.00000	0.43068	0.14552	0.00000	1.57620
2010-11	0.00000	-	1.00000	0.43068	0.14552	0.00000	1.57620
2011-12	0.00000	-	1.00000	0.43068	0.14552	0.00000	1.57620
2012-13	0.00000	-	1.00000	0.04273	0.01331	0.00000	1.05604
2013-14	0.00000	-	1.00000	0.04226	0.01313	0.00000	1.05539
2014-15	0.00000	-	1.00000	0.04153	0.01279	0.00000	1.05432
2015-16	0.00422	-	1.00000	0.04113	0.01257	0.00000	1.05370
2016-17	0.00422	-	1.00000	0.04113	0.01242	0.00000	1.05355
2017-18	0.00420	-	1.00000	0.04093	0.01225	0.00000	1.05318
2018-19	0.00418	-	1.00000	0.04081	0.01209	0.00000	1.05291

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 3.171% of the county-wide rate in Tax Rate Area 009-000.

Riverside County Flood Control and Water Conservation District
Principal Property Taxpayers
June 30, 2019 and June 30, 2010
(Amounts Expressed in Thousands)

Taxpayer	2019			2010		
	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value	Taxable Assessed Value	Rank	Percent of Total Taxable Assessed Value
Southern California Edison Company	\$ 54,572	1	1.45%	\$ 16,374	1	0.56%
Southern California Gas Company	14,674	2	0.39%	5,694	5	0.19%
Frontier California, Inc.	8,268	3	0.22%			
CPV Sentinel, LLC	6,755	4	0.18%			
Lennar Homes of Calif Inc.	3,773	5	0.10%			
Costco Wholesale Corporation	3,655	6	0.10%			
Riverside Healthcare System	3,543	7	0.09%			
Tyler Mall Ltd Partnership	3,531	8	0.09%	3,270	9	0.11%
Chelsea GCA Realty Partnership	3,444	9	0.09%			
Walgreen Company	3,255	10	0.09%			
Time Warner Cable Pacific West LLC	3,199	11	0.09%			
Ross Dress for Less Inc.	3,177	12	0.08%			
Garden of Champions	3,174	13	0.08%			
Target Corporation	2,936	14	0.08%			
Roripaugh Valley Restoration	2,914	15	0.08%			
Verizon California				8,607	2	0.29%
Inland Empire Energy Ctr LLC				7,768	3	0.26%
Deutsche Bank Natl Trust Company				7,610	4	0.26%
US Bank National Association				5,420	6	0.18%
Centex Homes				4,586	7	0.16%
Bank of New York				3,744	8	0.13%
Abbott Vascular Inc.				3,238	10	0.11%
Federal National Mortgage Association				3,138	11	0.11%
HSBC Bank USA				3,017	12	0.10%
Wells Fargo Bank				3,004	13	0.10%
KB Home Coastal Inc.				2,788	14	0.10%
Federal Home Loans Mortgage Corporation				2,780	15	0.10%
	<u>\$ 120,870</u>		<u>3.21%</u>	<u>\$ 81,038</u>		<u>2.76%</u>

Source: County Treasurer-Tax Collector

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

Fiscal Year Ended June 30	Total Tax Levy for Fiscal Year¹	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percent of Levy²		Amount	Percent of Levy
2009-10	38,469	40,690	100.0%	299	40,989	100.0%
2010-11	38,469	38,417	99.9%	280	38,697	100.0%
2011-12	38,352	37,387	97.5%	254	37,641	98.1%
2012-13	38,336	37,878	98.8%	231	38,109	99.4%
2013-14	39,993	39,759	99.4%	-	39,759	99.4%
2014-15	43,862	44,015	100.0%	-	44,015	100.0%
2015-16	46,562	46,694	100.0%	-	46,694	100.0%
2016-17	49,009	49,563	100.0%	-	49,563	100.0%
2017-18	51,826	52,298	100.0%	-	52,298	100.0%
2018-19	54,956	55,569	100.0%	-	55,569	100.0%

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 Income³	Debt Per Capita⁴
	General Obligation Bonds¹	Special Assessment Bonds²			
2010	-	2,965	2,965	4.60%	129
2011	-	2,685	2,685	4.25%	122
2012	-	2,380	2,380	3.70%	108
2013	-	2,055	2,055	3.07%	69
2014	-	1,705	1,705	2.54%	53
2015	23,423	1,325	24,748	32.44%	750
2016	22,831	915	23,746	30.35%	950
2017	20,669	475	21,144	25.16%	881
2018	18,446	-	18,446	21.00%	683
2019	16,144	-	16,144	16.21%	505

Sources: CAFR - Long-term Debt Schedule

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

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

¹ Zone 4 Promissory Notes, net of original issuance premium

² Zone 3 Elsinore Valley Benefit Assessment

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

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

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
2009-10	-	-	-	0.00%	-
2010-11	-	-	-	0.00%	-
2011-12	-	-	-	0.00%	-
2012-13	-	-	-	0.00%	-
2013-14	-	-	-	0.00%	-
2014-15	23,423	-	23,423	0.01%	10
2015-16	22,831	-	22,831	0.01%	10
2016-17	20,669	-	20,669	0.01%	9
2017-18	18,446	-	18,446	0.01%	8
2018-19	16,144	-	16,144	0.01%	7

Sources: State of California, Department of Finance

Notes:

¹ Zone 4 Promissory Notes, net of original issuance premium

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

³ Population data can be found in the Schedule of Demographic and Economic Statistics.

Riverside County Flood Control and Water Conservation District
Direct and Overlapping Governmental Activities Debt
As of June 30, 2019
(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>16,144</u>
Total direct and overlapping debt			<u><u>\$ 16,144</u></u>

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

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

	<u>Fiscal Year</u> <u>2010</u>	<u>Fiscal Year</u> <u>2011</u>	<u>Fiscal Year</u> <u>2012</u>	<u>Fiscal Year</u> <u>2013</u>	<u>Fiscal Year</u> <u>2014</u>	<u>Fiscal Year</u> <u>2015</u>	<u>Fiscal Year</u> <u>2016</u>	<u>Fiscal Year</u> <u>2017</u>	<u>Fiscal Year</u> <u>2018</u>	<u>Fiscal Year</u> <u>2019</u>
Debt Limit	\$ 5,877,766	\$ 5,651,236	\$ 5,615,081	\$ 5,600,219	\$ 5,824,400	\$ 1,088,169	\$ 1,573,071	\$ 1,675,282	\$ 1,785,007	\$ 1,922,312
Total net debt applicable to limit	-	-	-	-	-	(23,423)	(22,831)	(20,669)	(18,446)	(16,144)
Legal debt margin	<u>\$ 5,877,766</u>	<u>\$ 5,651,236</u>	<u>\$ 5,615,081</u>	<u>\$ 5,600,219</u>	<u>\$ 5,824,400</u>	<u>\$ 1,064,746</u>	<u>\$ 1,550,240</u>	<u>\$ 1,654,613</u>	<u>\$ 1,766,561</u>	<u>\$ 1,906,168</u>
Total net debt applicable to the limit as a percentage of debt limit	0.00%	0.00%	0.00%	0.00%	0.00%	2.15%	1.45%	1.23%	1.03%	0.84%

Legal Debt Margin Calculation for Fiscal Year 2017

Assessed Value	\$ 51,261,652
Less: Homeowners exemptions	-
Total assessed value	<u>\$ 51,261,652</u>
Debt limit (lesser of 3.75% of assessed valuation or \$21,000)	\$ 21,000
Debt applicable to limit:	
General obligation debt	16,144
Less: Amount set aside for repayment of general obligation debt	-
Total net debt applicable to limit	<u>16,144</u>
Legal debt margin	<u>\$ 4,856</u>

Source: Assessor, County of Riverside - District only assesses valuation note.

Notes: Excludes voter approved, land based and special assessments debt and up to \$475 debt for administrative facilities.

Debt limit is the maximum amount of outstanding gross or net debt legally permitted (lesser of 3.75% of assessed valuation or \$21,000).

Legal debt margin is the excess of the amount of debt legally authorized over the amount of debt outstanding.

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

Special Assessment Bonds				
Fiscal Year	Special Assessment Collections	Debt Service		Coverage
		Principal	Interest	
2010	353	260	244	0.70
2011	323	280	222	0.64
2012	330	305	106	0.80
2013	166	325	175	0.33
2014	435	350	148	0.87
2015	259	380	119	0.52
2016	151	410	88	0.30
2017	28	440	55	0.06
2018	7	48	19	0.10
2019	-	-	-	-

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

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

Fiscal Year	Population¹	Median Age¹	School Enrollment¹	Personal Income²	Per Capita Personal Income¹	Unemployment Rate Percent³
2009-10	2,125,440	33	622,914	64,503,728	22,657	15.3%
2010-11	2,203,332	34	660,725	63,228,086	22,373	15.0%
2011-12	2,239,620	34	651,554	64,376,498	22,359	13.0%
2012-13	2,268,783	34	664,724	67,024,780	29,927	11.1%
2013-14	2,292,507	34	658,651	72,015,057	31,742	9.5%
2014-15	2,329,271	35	666,715	76,289,477	33,278	6.6%
2015-16	2,361,026	35	660,914	78,239,388	24,739	6.7%
2016-17	2,387,741	35	660,858	84,025,987	23,783	5.7%
2017-18	2,423,266	35	665,533	87,827,068	27,186	4.8%
2018-19	2,450,758	35	668,113	99,591,680	32,397	3.9%

Sources:

¹ U.S. Census Bureau

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

³ State of California, Labor Market Information

Riverside County Flood Control and Water Conservation District
Principal Employers
June 30, 2019 and June 30, 2010

Employer	2019			2010		
	Employees	Rank	Percentage of Total County Employment	Employees	Rank	Percentage of Total County Employment
County of Riverside	21,215	1	2.04%	18,456	1	2.33%
March Air Reserve Base	9,000	2	0.87%	8,600	2	1.08%
University of California, Riverside	8,735	3	0.84%	7,321	3	0.92%
Kaiser Permanente Riverside Medical Center	5,592	4	0.54%	3,600	9	0.45%
Corona-Norco Unified School District	4,989	5	0.48%			0.00%
Pechanga Resort & Casino	4,683	6	0.45%	4,000	8	0.50%
Riverside Unified School District	4,335	7	0.42%	5,099	6	0.64%
Hemet Unified School District	4,302	8	0.41%			0.00%
Eisenhower Medical Center	3,743	9	0.36%			0.00%
Moreno Valley Unified School District	3,684	10	0.35%			0.00%
Riverside University Health System- Medical Center	3,453	11	0.33%	2,400	14	0.30%
Morongo Casino, Resort & Spa	3,450	12	0.33%			0.00%
Temecula Valley Unified School District	3,067	13	0.30%	2,752	10	0.35%
Desert Sands Unified School District	2,859	14	0.28%			0.00%
Lake Elsinore Unified School District	2,695	15	0.26%			0.00%
Stater Bros Markets				6,900	4	0.87%
Abbott Vascular formerly Guidant Corp.				4,500	7	0.57%
Riverside Community College				3,765	11	0.47%
City of Riverside				3,000	12	0.38%
Wal-Mart				6,550	5	0.83%
Countywide Ralphs Grocery Company				2,720	13	0.34%
Riverside Community Hospital				1,053	15	0.13%
Total	85,802		8.27%	80,716		10.17%

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

	Full-time Equivalent Employees as of June 30									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General government										
Inspection	16	12	10	2	2	4	5	7	7	4
Administration	49	54	61	13	17	60	63	69	62	39
Public ways & facilities										
Engineering	111	112	113	158	140	119	99	96	93	103
Maintenance	74	68	69	90	83	69	82	81	84	92
NPDES	16	17	20	19	21	20	20	19	20	30
Photogrammetry operations	-	2	1	1	1	-	1	2	1	1
Subdivision operations	8	10	10	6	6	10	9	10	14	10
Encroachment permits	1	2	2	-	1	1	1	1	2	2
Hydrology services	5	4	5	4	4	4	2	2	3	4
Garage-Fleet operations	10	9	10	15	26	11	9	8	9	10
Mapping services	5	2	2	1	3	2	2	2	2	-
Data processing	16	15	14	9	10	8	4	4	4	7
Total	311	307	317	318	314	308	297	301	301	302

Source: The District

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General government										
Inspection services	105	89	150	49	75	38	52	173	91	78
Public ways and facilities										
Maintenance projects	1,172	1,169	1,198	1,141	1,151	1,142	1,162	1,310	1,374	464
Construction projects	272	322	371	373	343	304	323	296	296	91
NPDES - Santa Ana										
Public Education Outreach events	72	66	27	35	4	4	16	16	10	9
NPDES - Santa Margarita										
Public Education Outreach events	5	2	2	3	1	3	9	11	3	4
NPDES - Whitewater										
Public Education Outreach events	18	6	5	4	1	2	3	3	3	3
Photogrammetry operations	7	7	7	11	11	6	13	16	5	6
Subdivision operations										
Plan check cases processed	271	312	518	233	167	159	176	194	208	189
Flood plain cases processed	73	7	115	50	36	56	96	43	105	74
Enroachment permits										
Permits - Issuance and Inspection	93	441	142	165	230	103	262	143	240	120

Source: The District

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

	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Function										
General Government										
Buildings and improvements	-	-	-	-	-	-	-	-	-	-
Equipment	10	16	24	24	17	25	27	21	8	31
Public ways and facilities										
Infrastructure										
Basins	2	-	-	-	1	-	1	-	-	-
Channels	9	6	6	6	-	3	1	2	2	2
Levees	-	-	-	-	-	-	-	-	-	-
Storm Drains	21	43	35	35	16	17	9	11	11	13

Source: The District