

Burrowing Owl



Santa Ana River



Box Springs Mountain Reserve



Jackrabbit



Boonklun Property



Quino Checkerspot Butterfly

FISCAL YEAR ENDED JUNE 30, 2025

BASIC FINANCIAL STATEMENTS

with Independent Auditor's Report

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Independent Auditor's Report



B Canyon Property



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Western Riverside County Regional Conservation Authority
Riverside, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of the Western Riverside County Regional Conservation Authority (the Authority) as of and for the fiscal year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Authority, as of June 30, 2025, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

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

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Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary Information

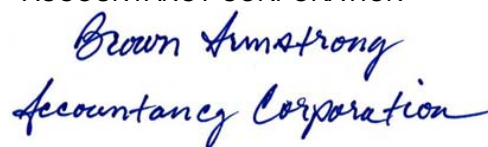
Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Authority's basic financial statements. The other supplementary information, as listed in the table of contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial

statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 14, 2025, on our consideration of the Authority'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 Authority'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 Authority's internal control over financial reporting and compliance.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

A handwritten signature in blue ink that reads "Brown Armstrong Accountancy Corporation". The signature is written in a cursive, flowing style.

Bakersfield, California
November 14, 2025



Management's Discussion & Analysis





Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

As the management of the Western Riverside County Regional Conservation Authority (Authority), we offer this narrative overview and analysis of financial activities for the fiscal year ended June 30, 2025. The purpose of management's discussion and analysis (MD&A) is to assist the readers in understanding what the financial statements and notes in this financial report indicate about the Authority's financial health and the reasons that caused the changes since last year. It contains information drawn from those other parts of the report, accompanied by explanations based on management's knowledge of the Authority's finances.

If you have questions about this report or require further information, contact the Authority at info@wrcra.org or (951) 787-7141.

OVERVIEW OF THE FINANCIAL STATEMENTS

The Authority's financial report contains basic financial statements. Those financial statements present the Authority's finances at both an overall and a detailed level.

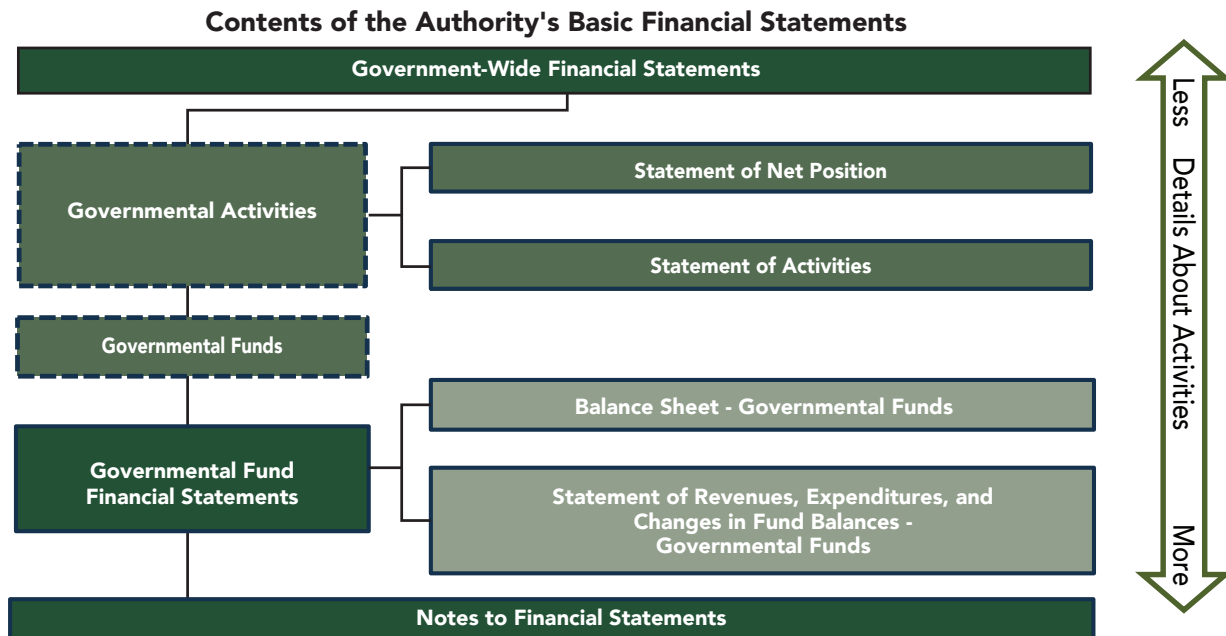
The first portion of the statements cover the Authority's governmental activities. It presents the overall financial information in the *government-wide financial statements*.

- The governmental activities comprise its primary function of acquiring and managing conserved lands for the 146 species covered by the Multiple Species Habitat Conservation Plan (MSHCP). These activities are financed mainly by the Local Development Mitigation Fees (Mitigation fees) from developers, governmental entities, and other parties undertaking development activities within the Plan area.
- The government-wide financial statements are comprised of the Statement of Net Position and the Statement of Activities.

The remaining portion of the financial statements presents the Authority's finances in greater detail. This detailed financial information is presented in the fund financial statements. The fund financial statements disaggregate financial information by separate funds to report on the specific purposes for which resources are used or for which they are restricted.

- All funds of the Authority are governmental and are presented in the governmental fund financial statements. Individually, the funds are the General Fund, the Capital Projects Fund, and the Permanent Endowment Fund. The General Fund is the Authority's main operating fund, the Capital Projects Fund accounts for resources used to acquire land, and the Permanent Endowment Fund is to report resources that are mostly restricted for future preservation of habitats.
- The governmental fund financial statements are comprised of the Balance Sheet – Governmental Funds and the Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds.

**Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025**



The next section of this financial report contains *notes to financial statements*, which offer more detail into the Authority's finances as reported in the financial statements. The information in the notes is as important to understanding the Authority's finances as the information in the financial statements. The Authority uses notes to present information in greater detail than is possible within the financial statements themselves, to explain the nature of amounts reported in the financial statements and how those amounts were determined, and to report certain information that does not meet the requirements for inclusion in the financial statements, such as subsequent events.

Types of Information in the Financial Statements

The Government-wide financial statements use the *economic resources measurement focus and accrual basis of accounting*. They comprehensively report all types of financial statement elements:

- Assets - resources the Authority controls, from short-term assets like cash to long-term assets like land.
- Liabilities - amounts the Authority owes, from short-term liabilities such as accounts payable to long-term liabilities such as notes payable.
- Deferred outflows of resources and deferred inflows of resources - flows that occurred during the year, or in prior years, that will not be reported as expenses and revenues until the future year to which they are related.
- Revenues and expenses - inflows and outflows of economic resources, respectively, related to the current year.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

Governmental fund financial statements use the *current financial resources measurement focus and modified accrual basis of accounting* to report on the sources, uses, and balances of current financial resources. The governmental funds do not report nonfinancial assets, such as capital assets, or certain other long-term items, such as notes payable, but they do report the flows of current financial resources related to those long-term items, for example, the principal and interest payments on notes payable.

Types of Information Reported in the Authority's Financial Statements

	Financial Statements	
	Government-Wide	Governmental Fund
Types of assets and liabilities	All assets and liabilities, both financial and nonfinancial, short-term and long-term	Only current financial resources, such as cash, accounts receivable, and accounts payable
Types of revenues/additions	All types of revenues/additions that flow into the government during the year that relate to that year, regardless of when cash is received	Only revenues that are measurable and available to finance expenditures of that year
Types of expenses/deductions/expenditures	All types of expenses/deductions that flow out of the government during the year that relate to that year, regardless of when cash is paid	Only expenditures for which the related governmental fund liability is incurred in that year
Types of deferred outflows of resources and deferred inflows of resources	All types of resources that flow into and out of the government during the year that relate to a future year	Current financial resources that flow into and out of the governmental funds during the year that relate to a future year

More details about the measurement focuses and basis of accounting can be found in the first note to financial statements which is the Reporting Entity and Significant Accounting Policies note.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

FINANCIAL SUMMARY

Table 1
Net Position

As of June 30:			
	2025	2024	Change
Assets			
Current and other assets	\$ 120,377,749	\$ 101,757,697	\$ 18,620,052
Capital assets, net	677,012,133	625,741,037	51,271,096
Right-to-use leased assets, net	-	837,868	(837,868)
Total assets	797,389,882	728,336,602	69,053,280
Liabilities			
Current liabilities	15,107,406	13,020,724	2,086,682
Non-current liabilities	12,318,076	18,950,818	(6,632,742)
Total liabilities	27,425,482	31,971,542	(4,546,060)
Deferred inflow of resources	874,880	958,923	(84,043)
Net position			
Net investment in capital assets	658,582,280	601,443,415	57,138,865
Restricted	84,516,099	67,965,488	16,550,611
Unrestricted	25,991,141	25,997,234	(6,093)
Total net position	\$ 769,089,520	\$ 695,406,137	\$ 73,683,383

Table 1 above shows that as of June 30, 2025, the Authority's total net position, which is assets minus liabilities and deferred inflows, was approximately \$769.1 million, an increase of \$73.7 million or 10.6% compared with 2024. This increase is primarily due to the \$57.1 million increase in net investments in capital assets. The following sections of MD&A analyze the finances of the governmental activities of the Authority.

Governmental Activities

In the following section is Table 2 which shows that revenues continued to exceed expenses in the current year, resulting in an increase in net position. Various items contributed to this increase in net position; however, the primary factors affecting the change in net position are as follows:

- Revenues from grants and contributions increased in the current year, providing additional resources compared to other revenue sources.
- Expenses increased across all functions - General operations, Management and monitoring, and Land acquisition.
- Despite higher expenses and only a slight increase in revenues compared to the prior year, current year revenues still exceeded current year expenses, resulting in an overall increase in net position.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

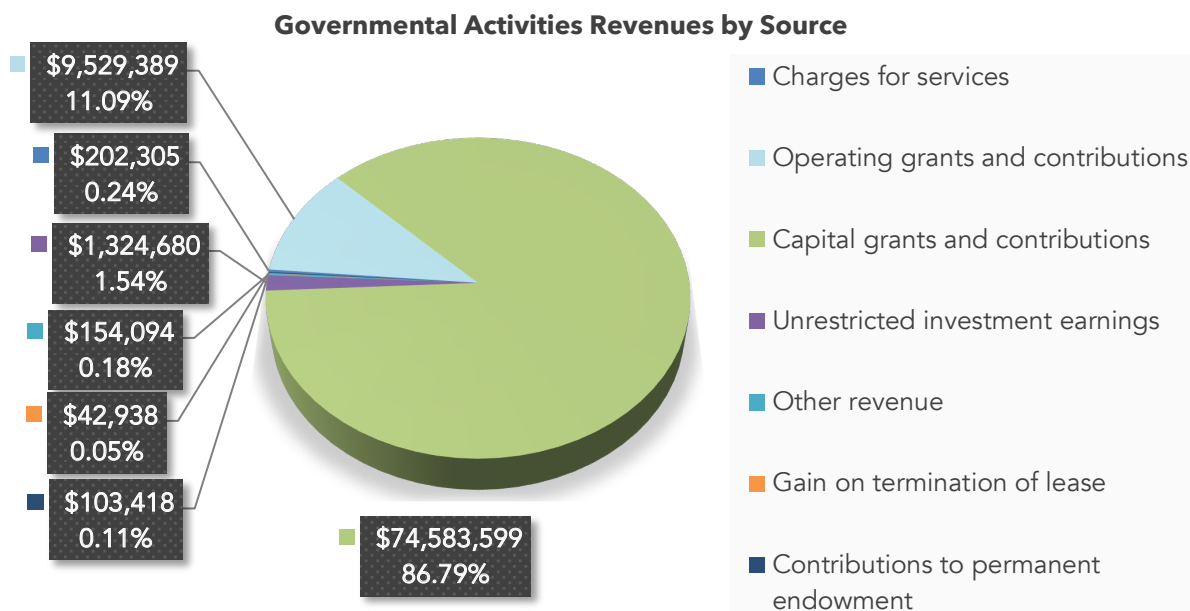
Table 2
Changes in Net Position

For the Years Ended June 30:

	2025	2024	Change
Revenues			
Program revenues			
Charges for services	\$ 202,305	\$ 323,941	\$ (121,636)
Operating grants and contributions	9,529,389	9,212,632	316,757
Capital grants and contributions	74,583,599	73,508,358	1,075,241
General revenues			
Unrestricted investment earnings	1,324,680	1,220,120	104,560
Other revenue	154,094	161,098	(7,004)
Gain on termination of lease	42,938	-	42,938
Total revenues	85,837,005	84,426,149	1,410,856
Expenses			
General operations	4,014,212	3,527,034	487,178
Management and monitoring	5,087,645	4,089,604	998,041
Land acquisition	3,155,183	2,638,633	516,550
Total expenses	12,257,040	10,255,271	2,001,769
Excess before permanent contributions	73,579,965	74,170,878	(590,913)
Contribution to permanent endowment	103,418	1,244,072	(1,140,654)
Change in net position	73,683,383	75,414,950	(1,731,567)
Net position, beginning	695,406,137	619,991,187	75,414,950
Net position, ending	\$ 769,089,520	\$ 695,406,137	\$ 73,683,383

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

DETAILED ANALYSES



Increase in Capital Grants and Contributions

The capital grants and contributions, which account for 86.8% of overall revenues, is \$74.6 million in the current year and increased approximately \$1.1 million from prior year. This is mainly due to the following notable items:

- Development mitigation fee revenues decreased by \$1.9 million from the prior year, bringing the total to \$33.1 million in the current year. The decrease is primarily due to a decline in residential permits issued, from 9,952 in 2024 to 6,867 in 2025, a reduction of 3,085 permits, or 31%. This was partially offset by an increase in commercial and industrial acreage, from 332 acres in 2024 to 515 acres in 2025, an increase of 183 acres, or 55%. Overall, the changes in both residential permits and commercial/industrial acreage resulted in a net decrease in revenues compared to the prior year.
- The grants received from federal and state governments decreased by \$6.0 million. In the current year, the Authority received approximately \$21.4 million for the acquisition of 6 properties, while grants received in prior year are about \$27.4 million for 9 properties.
- In current year there is no revenue from land swaps, compared to \$1.4 million recognized in the prior year.
- Land donations increased by \$14.6 million, which helped offset the revenue decreases discussed above. The Authority received land donations of 2,574 acres with a total value of \$15.9 million in the current year. Of this amount, \$14.9 million came from the County of Riverside (County) related to various properties, while the remainder came from other entities. This represents a significant increase compared to the prior year, when the Authority recognized \$1.3 million for about 222 acres of land. While the Authority typically receives land donations each year, these are not recurring in nature like operating revenues, as they are generally one-time contributions.
- Contributions from Riverside County Transportation Commission (RCTC) decreased by \$4.0 million.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

In the previous year, amount contributed was \$7.1 million, while contributions in the current year are \$3.1 million to help with the acquisition of certain properties.

Increase in Operating Grants and Contributions

The operating grants and contributions account for 11.1% of overall revenues. The revenue in current year is about \$9.5 million, while prior year has approximately \$9.2 million, resulting in slight increase of 3.4% or \$317 thousand. This is mainly due to the following reasons:

- Infrastructure and civic projects contributions from various Member Agencies decreased by approximately \$716 thousand from about \$1.0 million in prior fiscal year to about \$284 thousand in current year. The contributions vary from year to year depending on the projects initiated by the Member Agencies.
- Infrastructure contributions from Riverside County Flood Control and Water Conservation District increased by approximately \$924 thousand from \$143 thousand in fiscal year 2024 to \$1.1 million in fiscal year 2025. The contributions vary from year to year depending on the projects approved by the Riverside County Board of Supervisors.
- Landfill tipping fees increased by approximately \$142 thousand from \$3.6 million in prior year to \$3.8 million in the current year. Tipping fees are contributed to the Authority from the County based on the tonnage of out-of-county waste collected at the County's El Sobrante landfill plus a set of \$400 thousand from increase tonnage. The County reported an increase of 4.4% in out-of-county waste disposal, or 94,441 tons.
- Revenues from participating special entities (PSE) increased by approximately \$79 thousand, from \$27 thousand in the prior year to \$106 thousand in the current year. The increase is primarily due to higher activity levels, with 9 active PSE projects in the current year compared to 7 in the prior year. Revenue per project varies based on the type and scope of each project.

Decrease in Charges for Services

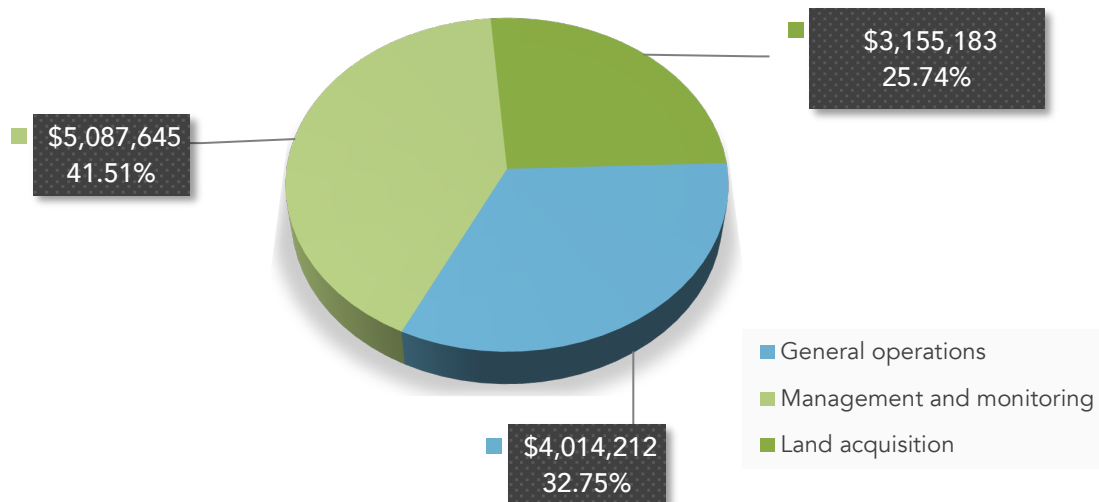
The revenues from charges for services also account for less than 1% of the revenues and have declined by \$122 thousand. These revenues consist primarily of joint project review fees and reimbursements for services. The joint project review fee revenues in current year are \$180 thousand, compared to \$210 thousand in the prior year, resulting in decrease of \$30 thousand in current year mainly due to a decline in the number of private joint project reviews in process, that is 17 in current year compared to 35 in prior year, combined with varying amounts of revenue generated per project. The reimbursements for services is mostly related to land monitoring and management services provided by the Riverside County Regional Park and Open-Space District (Park District) on certain properties. In current year, the reimbursement is approximately \$21 thousand, while it was \$112 thousand in prior year. The decrease is primarily due to the completion of the Clinton Keith monitoring agreement with the County in the prior fiscal year.

Decrease in Permanent Endowment received

The revenues from contributions to permanent endowment, although less than 1% of overall revenues, decreased by \$1.1 million in the current year. This is because in current year one contribution was received for \$103 thousand, while two were received in prior year totaling \$1.2 million. Contributions to permanent endowments are not recurring in nature like operating revenues, as they are generally one-time contributions.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

Governmental Activities Expenses by Function



Increase in Expenses

General operations represent 32.8% of total expenses, with costs increasing from \$3.5 million in FY 2024 to \$4.0 million in FY 2025, an increase of 13.8%. The primary driver of this increase is increased expenses related to the Authority's Management Services Agreement with RCTC, which includes various activities such as staff salaries and benefits, administrative allocation, legal and audit services, and other professional services. RCTC serves as the managing agency for the Authority.

Management and monitoring represents 41.5% of total expenses, with costs increasing from \$4.1 million in FY 2024 to \$5.1 million in FY 2025, an increase of nearly \$1 million. This category is primarily dedicated to maintaining conserved properties and monitoring species in accordance with the MSHCP. The increase in FY 2025 is driven by several factors. While the increase in the Authority's Management Services Agreement with RCTC allocated to this category was minimal, expenses related to the Park District increased from \$1.5 million in FY 2024 to \$1.9 million in FY 2025, an increase of \$0.4 million. Expenses also increased by \$387 thousand related to the Strategic Improvement Assessment and Action Plan (SIAAP), which is designed to increase flexibility in the reserve assembly process while maintaining permit compliance; developing permitting strategies for the newly listed Crotch's bumble bee; and developing the Master Wildfire Management Plan.

Land acquisition accounts for 25.7% of total expenses, increasing from \$2.6 million in FY 2024 to \$3.2 million in FY 2025, a \$0.5 million increase, or 20%. This category, together with Management and monitoring, represents the Authority's primary function, which is the acquisition and preservation of land necessary to implement the MSHCP and protect important habitats and species. The change is primarily due to increase of \$306 thousand in RCTC administrative allocation. In addition, interest on the Toscana note payable is approximately \$146 thousand higher, with the current year reflecting a full year of interest expense, whereas only partial year interest was incurred in the prior year since the agreement was initiated in November 2023.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

Governmental funds

The Authority reports three major funds individually in the governmental fund financial statements. These funds are the General Fund, the Capital Projects Fund, and the Permanent Endowments Fund. Most of the discussion regarding governmental activities is applicable to the finances of these governmental funds. However, certain factors that are relevant to the Authority's current financial health are more apparent in the fund financial statements than in the government-wide financial statements. There were significant financial changes in the funds. The three funds are shown in Table 3 and are discussed in more detail in the following sections.

Table 3
Revenues, Expenditures, and Changes in Fund Balances

	General Fund		Capital Projects Fund		Permanent Endowment Fund	
	2025	2024	2025	2024	2025	2024
Total Revenues	\$ 6,925,834	\$ 6,588,972	\$ 56,771,666	\$ 69,299,143	\$ 6,347,808	\$ 6,145,811
Total Expenditures	9,098,123	7,593,992	44,447,324	91,390,279	-	-
Excess of revenues over expenditures	(2,172,289)	(1,005,020)	12,324,342	(22,091,136)	6,347,808	6,145,811
Other Financing Sources (Uses)						
Transfers in	2,200,000	1,015,000	-	-	-	-
Transfers out	-	-	(2,200,000)	(1,015,000)	-	-
Contributions to permanent endowment	-	-	-	-	103,418	1,244,072
Total Other Financing Sources (Uses)	2,200,000	1,015,000	(2,200,000)	(1,015,000)	103,418	1,244,072
Net change in fund balances	27,711	9,980	10,124,342	(23,106,136)	6,451,226	7,389,883
Fund balances, beginning	25,080,175	25,070,195	46,949,100	70,055,236	23,262,423	15,872,540
Fund balances, end	\$ 25,107,886	\$ 25,080,175	\$ 57,073,442	\$ 46,949,100	\$ 29,713,649	\$ 23,262,423

General Fund

The fund balance of the Authority's General Fund at the end of the current year is in line with the prior year, with an increase of less than 1%. This minimal change is primarily due to the transfer of \$2.2 million from Capital Projects Fund to the General Fund to support program administration and reserve management and monitoring, as permitted under the 2020 Nexus Study. Excluding the effects of this transfer, the fund balance would have decreased by \$2.2 million due to increased expenditures related to the Authority's Management Services Agreement with RCTC, Park District services, SIAAP, developing the permitting strategies for the newly listed Crotch's bumble bee, and developing the Master Wildfire Management Plan, as previously discussed.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

Capital Projects Fund

The expenditures in the Capital Projects Fund decreased by \$46.9 million in the current year. These expenditures mainly consist of capital outlay and debt service payments. Capital outlay totaled \$35.5 million, down from \$89 million in the prior year, primarily relating to land acquisitions. While acquisitions occur throughout the year, the value of properties varies year to year, which drives these fluctuations. Debt service payments totaled \$6.4 million for the Toscana note payable, including \$5.8 million in principal payments made for the first time this year. The overall decrease in expenditures was partially offset by lower revenues, mainly from grants and contributions, which also vary by property and are one-time in nature. In addition, \$15.8 million in donated properties were recorded this year (although these are not reported in the fund financial statements since they do not represent current financial resources). They are included in governmental activities. As a result, the Capital Projects Fund balance increased by 21.6% in current year.

Permanent Endowment Fund

The fund balance increased by 27.7% in current year, mainly due to \$6.3 million revenues from mitigation fees and interest income. These resources are reserved to ensure funding availability in future years toward land management activities and monitoring of conserved lands.

SIGNIFICANT CAPITAL ASSET AND LONG-TERM FINANCING ACTIVITY

As previously noted, acquisition of conserved land is one of the Authority's primary functions, which explains why capital assets represent a significant portion, that is 85% of overall assets. In the current year, the carrying value of capital assets rose 8% from \$626.6 million to \$677.0 million.

During the year, the Authority acquired 27 new properties with a total of 3,222 acres as follows:

- A key highlight of the year is the receipt of grant funding for land acquisition, totaling approximately \$21.4 million. This amount combined with \$3.1 million contribution from RCTC was used to acquire 6 properties covering ARL of 202 acres.
- The Authority received 13 land donations, mostly from the County and few from private developers. The 2,574 donated acres had an acquisition value of \$15.9 million at the time of donation. Of the donated acres, 2,492 acres were already included as ARL through an MOU with the County and through a Conservation Easement. Therefore, only 82 acres were new ARL.
- The Authority also acquired 8 properties totaling 446 ARL acres using mitigation fees and TUMF funds.
- At the beginning of the year, the Authority's governmental activities had approximately \$1.4 million in land acquisition in progress, with an additional \$85 thousand started in current year. Of those amounts, \$1.1 million was completed in current year and therefore reclassified to Land-purchased and Land-grants categories.

The Authority also reports an asset representing its right to use leased property, which is recorded with a corresponding lease liability. During the current year, the prior lease of office space at the Riverside Centre was terminated, and administrative operations were relocated to the County Administration Center within space leased by RCTC. The termination resulted in a minimal gain of \$43 thousand, and all related lease assets and liabilities were cleared from the financial statements. Additional discussion regarding the lease and its termination is provided in Note 10 to the financial statements.

Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025

The Authority also has notes payable in its Statement of Net Position. In November 2023, the Authority entered into loan agreements totaling \$24.1 million to finance the acquisition of the Toscana property. The loans carry a fixed interest rate of 2.25%, with principal and interest payments beginning in November 2024. The current fiscal year represents the first year of debt service, and the Authority has made its initial payment of \$6.4 million. The loans are expected to be repaid in the next three years. Annual debt service requirements are detailed in the Notes to the financial statements.

CURRENTLY KNOWN FACTS, DECISIONS, OR CONDITIONS

On June 2, 2025, the Authority's Board of Directors' (Board) approved the fiscal year 2026 Budget. The Local Development Mitigation Fee automatically increases each July related to the increase in the consumer price index for the Riverside-San Bernardino-Ontario area. The fee increase on July 1, 2025 was 2.94%. As such, Local Development Mitigation Fee revenue is expected to increase in fiscal year 2026.

The expenditures related to developing the permitting strategies for the newly listed Crotch's bumble bee is expected to increase by \$250 thousand in fiscal year 2026. A budget amendment has been approved by the Board on October 6, 2025, to appropriately fund this change.



Rainbow Manzanita

**Western Riverside County Regional Conservation Authority
Management's Discussion and Analysis
June 30, 2025**



Mount Rubidoux Park

Basic Financial Statements





WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Statement of Net Position
June 30, 2025

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	\$ 106,269,886
Accounts receivable, net (Note 3)	4,264,121
Interest receivable	943,868
Deposit with others	1,725,617
Restricted cash and investments (Note 2)	6,211,598
Lease receivable (Note 10)	962,659
Capital assets: (Note 4)	
Capital assets, net of accumulated depreciation (Note 4)	1,113,008
Capital assets, not being depreciated (Note 4)	675,899,125
Total Assets	<u>797,389,882</u>
LIABILITIES	
Accounts payable	2,804,677
Accrued interest payable	241,074
Customer deposits	3,742
Unearned revenue (Note 7)	5,946,136
Long-term liabilities	
Portion due within one year:	
Installment sale note (Note 8)	155,279
Notes payable (Note 8)	5,956,498
Portion due in more than one year:	
Notes payable (Note 8)	12,318,076
Total Liabilities	<u>27,425,482</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow-lease revenue (Note 10)	<u>874,880</u>
NET POSITION (Note 5)	
Net investment in capital assets	658,582,280
Restricted for:	
Management and monitoring:	
Expendable	21,569,042
Nonexpendable	6,124,814
Land acquisition	56,822,243
Unrestricted	25,991,141
Total Net Position	<u><u>\$ 769,089,520</u></u>

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Statement of Activities
For the Year Ended June 30, 2025

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental Activities:					
General operations	\$ 4,014,212	\$ 180,499	\$ 1,181,705	\$ -	\$ (2,652,008)
Management and monitoring	5,087,645	21,806	5,407,976	4,963,276	5,305,413
Land acquisition	3,155,183	-	2,939,708	69,620,323	69,404,848
Total governmental activities	<u>\$ 12,257,040</u>	<u>\$ 202,305</u>	<u>\$ 9,529,389</u>	<u>\$ 74,583,599</u>	<u>\$ 72,058,253</u>
General Revenues:					
Unrestricted investment earnings					1,324,680
Other revenue					154,094
Gain on termination of lease					42,938
Contributions to permanent endowment					103,418
Total general revenues and contributions					<u>1,625,130</u>
Change in net position					<u>73,683,383</u>
Net position at beginning of the year					<u>695,406,137</u>
Net position at end of the year					<u>\$ 769,089,520</u>

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY

Balance Sheet – Governmental Funds

June 30, 2025

	General Fund	Capital Projects Fund	Permanent Endowments Fund	Total
ASSETS				
Cash and investments (Note 2)	\$ 25,351,285	\$ 58,142,955	\$ 22,775,646	\$ 106,269,886
Accounts receivable, net (Note 3)	166,393	3,504,329	593,399	4,264,121
Interest receivable	195,670	505,573	242,625	943,868
Deposit with others	1,725,617	-	-	1,725,617
Lease receivable (Note 10)	962,659	-	-	962,659
Restricted cash and investments (Note 2)	86,784	-	6,124,814	6,211,598
Total assets	<u>\$ 28,488,408</u>	<u>\$ 62,152,857</u>	<u>\$ 29,736,484</u>	<u>\$ 120,377,749</u>
LIABILITIES				
Accounts payable	\$ 1,765,785	\$ 1,016,057	\$ 22,835	\$ 2,804,677
Customer deposits	3,742	-	-	3,742
Unearned revenue (Note 7)	736,115	4,063,358	-	4,799,473
Total liabilities	<u>2,505,642</u>	<u>5,079,415</u>	<u>22,835</u>	<u>7,607,892</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow-lease revenue (Note 10)	874,880	-	-	874,880
Total deferred inflows of resources	<u>874,880</u>	<u>-</u>	<u>-</u>	<u>874,880</u>
FUND BALANCES (Note 5)				
Nonspendable	-	-	6,124,814	6,124,814
Restricted	87,552	57,073,442	21,500,991	78,661,985
Committed	-	-	2,087,844	2,087,844
Unassigned	25,020,334	-	-	25,020,334
Total fund balances	<u>25,107,886</u>	<u>57,073,442</u>	<u>29,713,649</u>	<u>111,894,977</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 28,488,408</u>	<u>\$ 62,152,857</u>	<u>\$ 29,736,484</u>	<u>\$ 120,377,749</u>

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Reconciliation of the Balance Sheet of Governmental Funds
to the Statement of Net Position
June 30, 2025

Total fund balances - governmental funds	\$ 111,894,977
Amounts reported for <i>governmental activities</i> 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.	677,012,133
Unearned revenues exchanged for land are not reported in the governmental funds (Note 7).	(1,146,663)
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the governmental funds:	
Notes payable	(18,429,853)
Accrued interest payable	(241,074)
Net position of governmental activities	<u><u>\$ 769,089,520</u></u>

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Statement of Revenues, Expenditures, and Changes in Fund Balances –Governmental Funds
For the Year Ended June 30, 2025

	General Fund	Capital Projects Fund	Permanent Endowments Fund	Total
REVENUES				
Mitigation fees (Note 6)	\$ -	\$ 28,169,422	\$ 4,968,837	\$ 33,138,259
Transportation uniform mitigation fees	-	1,122,759	-	1,122,759
Infrastructure mitigation contributions	1,350,741	-	-	1,350,741
Participating special entities	103,667	-	3,181	106,848
Other mitigation fees	-	74,460	-	74,460
Landfill tipping fees	3,754,536	-	-	3,754,536
Federal and state contributions	6,950	21,375,428	-	21,382,378
Contributions	-	3,111,923	-	3,111,923
Interest	1,324,680	2,656,151	1,375,790	5,356,621
Charges for services	228,110	-	-	228,110
Lease revenue (Note 10)	84,043	-	-	84,043
Miscellaneous revenue	73,107	261,523	-	334,630
Total revenues	<u>6,925,834</u>	<u>56,771,666</u>	<u>6,347,808</u>	<u>70,045,308</u>
EXPENDITURES				
Current:				
General operations	3,833,875	-	-	3,833,875
Management and monitoring	5,085,485	-	-	5,085,485
Land acquisition	-	2,591,449	-	2,591,449
Debt service:				
Lease principal	169,702	-	-	169,702
Note principal	-	5,825,426	-	5,825,426
Interest	9,061	542,250	-	551,311
Capital outlay	-	35,488,199	-	35,488,199
Total expenditures	<u>9,098,123</u>	<u>44,447,324</u>	<u>-</u>	<u>53,545,447</u>
Excess (deficiency) of revenues over (under) expenditures	(2,172,289)	12,324,342	6,347,808	16,499,861
OTHER FINANCING SOURCES (USES)				
Transfers in	2,200,000	-	-	2,200,000
Transfers out	-	(2,200,000)	-	(2,200,000)
Contributions to permanent endowment	-	-	103,418	103,418
Total other financing sources	<u>2,200,000</u>	<u>(2,200,000)</u>	<u>103,418</u>	<u>103,418</u>
Net change in fund balances	27,711	10,124,342	6,451,226	16,603,279
Fund balances at beginning of the year	25,080,175	46,949,100	23,262,423	95,291,698
Fund balances at end of the year	<u>\$25,107,886</u>	<u>\$ 57,073,442</u>	<u>\$ 29,713,649</u>	<u>\$ 111,894,977</u>

The accompanying notes are an integral part of these financial statements.

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances
of Governmental Funds to the Statement of Activities
For the Year Ended June 30, 2025

Net change in fund balances - total governmental funds	\$	16,603,279
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Amounts reported for *governmental activities* in the statement of activities are different because:

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

Expenditures for capital assets		35,457,958
Donations of capital assets		15,884,980
Less current year depreciation expense		(71,842)
Less current year amortization expense		(170,298)

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position.

Principal payment on long-term debt		5,825,426
Change in accrued interest		77,461
Lease principal payment		169,702

Certain revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the governmental funds.

Change in unavailable funds		(136,221)
Gain on termination of lease		42,938

Change in net position of governmental activities	\$	73,683,383
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The accompanying notes are an integral part of these financial statements.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

1. Reporting Entity and Significant Accounting Policies

The Western Riverside County Regional Conservation Authority was formed in January 2004 under a Joint Exercise of Powers Agreement between the County and the cities of Banning, Beaumont, Calimesa, Canyon Lake, Corona, Hemet, Lake Elsinore, Moreno Valley, Murrieta, Norco, Perris, Riverside, San Jacinto, and Temecula for the purpose of acquiring, administering, operating, and maintaining land and facilities for ecosystem conservation and habitat reserves for certain rare, threatened, and endangered species covered by the Western Riverside County Multiple Species Habitat Conservation Plan under Article 1, Chapter 5, Division 7, Title 1 of the Government Code of the State of California. Amendment No. 3 to the Joint Exercise of Powers Agreement dated April 7, 2009 annexed the cities of Menifee and Wildomar. Amendment No. 4 to the Joint Exercise of Powers Agreement dated May 5, 2011, annexed the city of Eastvale. Amendment No. 5 to the Joint Exercise of Powers Agreement dated December 5, 2011, annexed the city of Jurupa Valley.

The Authority uses the County's accounting system to record all of its financial transactions. The accounting policies of the Authority conform to the accounting principles generally accepted in the United States of America (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB).



Kollar Property

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

1. Reporting Entity and Significant Accounting Policies

The Authority's Board of Directors (Board) is composed of the five members of the County Board of Supervisors and one elected official from each member city. The Authority's Board of Directors is as follows:

Western Riverside County Regional Conservation Authority Board of Directors		
Kevin Bash	Chairperson	City of Norco
Karen Spiegel	Vice Chairperson	County of Riverside, 2nd District Supervisor
Colleen Wallace	Member	City of Banning
Julio Martinez	Member	City of Beaumont
Jeff Cervantez	Member	City of Calimesa
Dale Welty	Member	City of Canyon Lake
Tony Daddario	Member	City of Corona
Jocelyn Yow	Member	City of Eastvale
Connie Howard-Clark	Member	City of Hemet
Guillermo Silva	Member	City of Jurupa Valley
Natasha Johnson	Member	City of Lake Elsinore
Dan Temple	Member	City of Menifee
Ulises Cabrera	Member	City of Moreno Valley
Ron Holliday	Member	City of Murrieta
David Starr Rabb	Member	City of Perris
Patricia Lock-Dawson	Member	City of Riverside
Crystal Ruiz	Member	City of San Jacinto
Jessica Alexander	Member	City of Temecula
Joseph Morabito	Member	City of Wildomar
Jose Medina	Member	County of Riverside, 1st District Supervisor
Chuck Washington	Member	County of Riverside, 3rd District Supervisor
V. Manuel Perez	Member	County of Riverside, 4th District Supervisor
Yxstian Gutierrez	Member	County of Riverside, 5th District Supervisor

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The *Government-wide Financial Statements* report information on all of the activities of the Authority. The government-wide 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 when a liability is incurred, regardless of the timing of the related cash flows. Mitigation fees are recorded as revenue in the year they are earned. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

1. Reporting Entity and Significant Accounting Policies (Continued)

Amounts reported as *program revenues* include: 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment; and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Other items such as unrestricted interest and miscellaneous income, not properly included among program revenues, are reported as general revenues.

The *Governmental Fund Financial Statements* are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are 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. For this purpose, the Authority considers revenues to be available if they are collected within 90 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under the accrual basis of accounting. However, debt service expenditures and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt is reported as other financing sources.

Interest; mitigation fees; and civic, infrastructure, and flood mitigation contributions associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred, all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source. All other revenue items are considered to be measurable and available only when cash is received by the Authority.

The Authority uses funds to maintain its financial records during the year. A fund is defined as a fiscal and accounting entity with a self-balancing set of accounts. The Authority reports the following major governmental funds:

The *General Fund* is the Authority's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *Capital Projects Fund* is used to account for the acquisition of land for ecosystem conservation and habitat reserve. Operating expenditures incurred for accomplishing this purpose are also accounted for in this fund.

The *Permanent Endowments Fund* is used to account for resources that are restricted to the extent that only earnings, and not principal, may be used.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

1. Reporting Entity and Significant Accounting Policies (Continued)

Investment Valuation

The Authority recognizes the fair value measurement of its investments based on the hierarchy established by generally accepted accounting principles. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Authority reported an unrealized gain in the amount of approximately \$275,693 which is reported with investment earnings.

Capital Assets

Capital assets generally result from expenditures in the governmental funds. These assets are reported on the government-wide statement of net position but are not reported in the governmental fund financial statements.

Capital assets are stated at cost. Capital assets that have been donated are stated at their estimated acquisition value at the date of donation. The Authority maintains a capitalization threshold of \$25,000 for equipment, intangible assets and land improvements and \$1 for real property and acquisitions in progress. The cost of normal repairs and maintenance that do not add to the value of the asset or materially extend the asset's life are not capitalized. Unimproved land and conservation easements are not depreciated. Land improvements, buildings and improvements, and equipment are depreciated on a straight-line basis over the assets' estimated useful lives. The ranges of lives used for depreciation purposes for each capital asset class are as follows:

Asset Type	Useful Life
Buildings and Improvements	10 - 50 Years
Land Improvements	10 - 25 Years
Equipment	3 - 5 Years
Vehicles	6 Years
Website Development	15 Years

Leases

Lessee: The Authority was a lessee of a building. The Authority recognized a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The Authority recognizes lease liabilities with an individual lease value of \$25,000 or more.

At the commencement of a lease, the Authority initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over the useful life.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

1. Reporting Entity and Significant Accounting Policies (Continued)

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position. The building lease was terminated in the current year and is further discussed in Note 10.

Lessor: The Authority is a lessor for one noncancellable lease of land. The Authority recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the Authority initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Deferred Inflows of Resources

Deferred inflows of resources represent an acquisition of net position or fund balance that applies to a future period and therefore will not be recognized as an inflow of resources (revenue) until that time. In the current year, the governmental funds report deferred lease revenue of \$874,880. These amounts are deferred and will be recognized as an inflow of resources in the period that the amounts become available.

Fund Balances

In the fund financial statements, the governmental funds report nonspendable, restricted, committed, assigned, and unassigned fund balances to show the level of constraint governing the use of the funds. Restricted fund balances are restricted for specific purposes by third parties or enabling legislation. Committed fund balances include amounts that can be used only for specific purposes determined by adoption of a formal resolution by the Board. Assigned fund balances comprise amounts intended to be used by the Authority for specific purposes as determined by the Authority's management.

When both restricted and unrestricted resources are available for use, it is the Authority's policy to use restricted resources first then unrestricted resources. When unrestricted funds are available for the same purpose, it is the Authority's policy to consider amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. While management believes these estimates are adequate, actual results could differ from those estimates.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

1. Reporting Entity and Significant Accounting Policies (Continued)

New Accounting Pronouncements

The following Governmental Accounting Standards Board (GASB) Statements have been implemented in the current financial statements as of July 1, 2024:

GASB Statement No. 102 – *Certain Risk Disclosures*. The primary objective of this statement is to provide users of government financial statements with information about risks related to a government's vulnerabilities due to certain concentrations or constraints that is essential to their analyses for making decisions or assessing accountability.

This Statement defines concentration as a lack of diversity related to an aspect of a significant inflow of resources or outflow of resources. A constraint is a limitation imposed on a government by an external party or by formal action of the government's highest level of decision-making authority. Concentrations and constraints may limit a government's ability to acquire resources or control spending. This Statement requires a government to assess whether a concentration or a constraint makes the government vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements.

In accordance with the requirements of this pronouncement, management is not aware of any concentration or constraints to disclose.

GASB Statement No. 103 – *Financial Reporting Model Improvements*. The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

This statement aims to improve the following areas of Financial Statements:

- **Management's Discussion and Analysis** – The statement continues the requirement that the basic financial statements be preceded by MD&A, which is presented as required supplementary information (RSI). Also, it requires that the information presented in MD&A be limited to the related topics discussed in five sections: (1) Overview of the Financial Statements; (2) Financial Summary; (3) Detailed Analyses; (4) Significant Capital Asset and Long-Term Financing Activity; and (5) Currently Known Facts, Decisions, or Conditions. Furthermore, this Statement stresses that the detailed analyses should explain why balances and results of operations changed.
- **Unusual or Infrequent Items** - The statement describes unusual or infrequent items as transactions and other events that are either unusual in nature or infrequent in occurrence. Furthermore, governments are required to display the inflows and outflows related to each unusual or infrequent item separately as the last presented flow(s) of resources prior to the net change in resource flows in the government-wide, governmental fund, and proprietary fund statements of resource flows. The Authority has no unusual or infrequent items in the current year.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

1. Reporting Entity and Significant Accounting Policies (Continued)

- Presentation of the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position – The statement requires improving the presentation of the proprietary fund statement by following certain guidelines provided in this statement. The Authority has no proprietary funds.
- Major Component Unit Information -The statement requires governments to present each major component unit separately in the reporting entity's statement of net position and statement of activities if it does not reduce the readability of the statements. The Authority has no component units, and therefore its financial statements present only the financial activity of the Authority.
- Budgetary Comparison Information – The statement requires governments to present budgetary comparison information using a single method of communication, in the RSI. Governments also are required to present variances between original and final budget amounts, variances between final budget and actual amounts, and an explanation of significant variances between the original and final budget and between final budget and actual amounts.

This statement is effective for fiscal years beginning after June 15, 2025, that is fiscal year 2026. The Authority has elected to early implement this Statement in the current fiscal year to benefit readers by providing clearer and more useful information in the financial statements.

Future Accounting Pronouncements

The following GASB Statements have been issued prior to June 30, 2025. The Authority has not determined the effect of these statements on future financial statements:

Statement	Effective for reporting periods beginning after:
Statement No. 104 – <i>Disclosure of Certain Capital Assets</i>	June 15, 2025 (FY2026)

2. Cash and Investments

Cash and investments are classified in the accompanying financial statements as follows:

Cash and investments	\$ 106,269,886
Restricted cash and investments	6,211,598
Total cash and investments	<u>\$ 112,481,484</u>

At June 30, 2025, cash and investments consisted of the following:

Riverside County Treasurer's Pooled Investment Fund	<u>\$ 112,481,484</u>
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Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

2. Cash and Investments (Continued)

Pooled cash held for adaptive land management endowment and the improvement of burrowing owl habitat is reported as restricted cash and investments:

Cash restricted for:	
Land adaptive management endowment	\$ 6,124,814
Burrowing owl habitat	86,784
Total cash and investments	<u>\$ 6,211,598</u>

The Authority is a voluntary participant in the Riverside County Treasurer's Pooled Investment Fund (RCTPIF). Oversight of the RCTPIF is conducted by the County Treasury Investment Oversight Committee. The RCTPIF pools these funds with those of other entities and invests the cash as prescribed by the County's investment policy which is in accordance with California Government Code. The fair value of the Authority's investment in this pool, which approximates costs, is reported in the accompanying financial statements at amounts based upon the Authority's pro-rata share of the fair value provided by the RCTPIF for the entire RCTPIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by RCTPIF, which are recorded on an amortized cost basis and reported as cash equivalents in the statement of net position. Deposits and withdrawals to and from the RCTPIF are made on the basis of \$1 and not at fair value. Accordingly, under the fair value hierarchy, the investment with RCTPIF is uncategorized.

Interest earned on the pooled funds is apportioned quarterly based on the average daily balance of each fund. For information regarding interest rate risk, credit risk, concentration of credit risk, and custodial credit risk of the RCTPIF, refer to the County of Riverside Annual Comprehensive Financial Report. Copies of the annual financial report may be obtained from the County Auditor-Controller, 4080 Lemon Street, 6th Floor, Riverside, California, 92501.



Mountain lion

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

2. Cash and Investments (Continued)

Authorized Investments

The Authority has adopted the Riverside County Statement of Investment Policy as part of the Authority's investment policy. The following are investments authorized under the Riverside County Statement of Investment Policy, which are more limited than those authorized under the California Government Code:

Authorized Investment Type	Maximum Maturity	Maximum % of Portfolio	Minimum Credit Quality (S&P/Moody's)
Municipal Bonds	5 Years	15%	AA-/Aa3/AA-
U.S. Treasuries	5 Years	100%	N/A
Local Agency Obligations	3 Years	2.5%	Non-rated, if in the opinion of the Treasurer, considered to be of investment grade or better
Federal Agencies	5 Years	100%	N/A
Commercial Paper	270 Days	40%	A-1/P-1/F-1
Negotiable Certificates of Deposit (NCD)	2 Years	20%	A-1, P-1, F1" or better
Collateralized Time Deposits (CTD)	1 Year	2%	N/A
Int'l Bank for Reconstruction and Development and Int'l Finance	5 Years	20%	AA/Aa/AA
Repurchase Agreements	45 Days	40% max 25% in term repo over 7 days	N/A
Reverse Repurchase Agreements	60 Days	10%	N/A
Medium Term Notes	4 Years	20%	A/A2/A
CalTrust Short-Term Fund	Daily Liquidity	1%	N/A
Money Market Mutual Funds	Daily Liquidity	20%	AAA (2 of 3 nationally recognized rating services)
Local Agency Investment Fund (LAIF)	Daily Liquidity	\$50 million	N/A
Cash/Deposit Account	N/A	N/A	N/A

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

3. Accounts Receivable

Below are the details of receivables for the General Fund, Capital Projects Fund, and the Permanent Endowments Fund, including the applicable allowances for uncollectible accounts:

	General	Capital Projects	Permanent Endowments	Total
Due from other governments:				
Mitigation fees	\$ -	\$3,513,825	\$ 593,399	\$ 4,107,224
Transportation uniform mitigation fees	-	134,354	-	134,354
Infrastructure mitigation contributions	109,237	-	-	109,237
Others	1,754	7,334	-	9,088
Subtotal	110,991	3,655,513	593,399	4,359,903
Due from others:				
Participating special entities	11,670	-	-	11,670
Charges for services	77,256	-	-	77,256
Others	9,152	-	-	9,152
Subtotal	98,078	-	-	98,078
Total receivable	209,069	3,655,513	593,399	4,457,981
Less allowance for uncollectible accounts	(42,676)	(151,184)	-	(193,860)
Accounts receivable (net)	\$ 166,393	\$ 3,504,329	\$ 593,399	\$ 4,264,121

An allowance for uncollectible accounts has been established for delinquent accounts greater than 90 days and collection deemed doubtful. In the General Fund, an allowance has been created in the amount of \$42,676 for outstanding charges for services. In the Capital Projects Fund, an allowance of \$151,184 has been established for outstanding mitigation fees from Member Agencies.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

4. Capital Assets

Activity relating to capital assets is as follows:

	Balance June 30, 2024	Additions	Transfers	Deletions	Balance June 30, 2025
Nondepreciable assets					
Land - contributed	\$255,119,577	\$ 20,325,697	\$ -	\$ -	\$275,445,274
Land - grants	86,420,618	21,238,380	135,000	-	107,793,998
Land - purchased	275,841,447	9,713,136	912,835	-	286,467,418
Land - acquisition in progress	1,366,856	84,721	(1,047,835)	(30,240)	373,502
Conservation easements - contributed	4,575,325	-	-	-	4,575,325
Conservation easements - purchased	1,232,364	11,244	-	-	1,243,608
Total nondepreciable assets	624,556,187	51,373,178	-	(30,240)	675,899,125
Depreciable and amortizable assets					
Buildings and improvements	1,618,757	-	-	(97,217)	1,521,540
Land improvements	509,067	-	-	-	509,067
Equipment	130,572	-	-	(106,562)	24,010
Vehicles	185,161	-	-	-	185,161
Right-to-use leased asset	1,450,942	-	-	(1,450,942)	-
Subtotal depreciable and amortizable assets	3,894,499	-	-	(1,654,721)	2,239,778
Accumulated depreciation	(1,258,707)	(71,842)	-	203,779	(1,126,770)
Accumulated amortization	(613,074)	(170,298)	-	783,372	-
Net depreciable and amortizable assets	2,022,718	(242,140)	-	(667,570)	1,113,008
Total capital assets, net	\$626,578,905	\$ 51,131,038	\$ -	\$ (697,810)	\$677,012,133

Depreciation and amortization expense for the year ended June 30, 2025, was \$242,140. Depreciation and amortization expense was charged to governmental functions as follows:

General operations	\$ 171,276
Management and monitoring	2,160
Land acquisition	68,704
Total depreciation and amortization	<u>\$ 242,140</u>

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

5. Fund Balances/Net Position

Fund Financial Statements

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact. Within the Permanent Endowments Fund, the permanent nonspendable fund balance of \$6,124,814 is endowed for the accumulation of funds to be used for land adaptive management at the end of the land acquisition period.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws or externally imposed conditions by grantors or creditors. In accordance with Government Code Section 66000, mitigation fees of \$55,301,023 have been restricted at year-end for future land acquisition and related costs. Likewise, mitigation fees of \$1,772,419 remained restricted at year-end for the purchase of land categorized as non-development HANS (Habitat Evaluation and Acquisition Negotiation Strategy-no current plans to develop). In addition, external donor contributions of \$87,552 have been received for improving burrowing owl habitat. Within the Permanent Endowments Fund, restricted fund balance is attributable to the 15% set aside of Mitigation Fee endowment. The 2020 Nexus Study required that 15% of mitigation fees collections to be set aside for endowments. The set aside began in July 2021. Under California Probate Code Sections 18500-18509, the Authority is permitted to spend the realized and unrealized net appreciation of the fair value of investments of the Permanent Endowments Fund over the historical dollar value of the fund.

Committed Fund Balance - Amounts that can only be used for specific purposes determined by adoption of a resolution of the Authority's Board, the Authority's highest level of decision-making authority. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specified uses through the same type of formal action taken to establish the commitment. As of June 30, 2025, the Authority's Board committed \$500,000 toward the Permanent Endowments Fund for future land management and monitoring of the land reserve and \$1,587,844 attributable to the 10% set aside of Participating Special Entities (PSE) revenues to the endowment for future preservation.

Assigned Fund Balance - Amounts intended to be used by the Authority for specific purposes but are not restricted or committed. The Authority's Board of Directors delegates the authority to assign amounts to be used for specific purposes to the Authority's Executive Director.

Unassigned Fund Balance - Residual positive net resources of the General Fund in excess of what can properly be classified in one of the other four categories.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

5. Fund Balances/Net Position (Continued)

Fund balances at June 30, 2025 are as follows:

Fund Balances:	General Fund	Capital Projects Fund	Permanent Endowments Fund	Total
Nonspendable				
Permanent endowment funds	\$ -	\$ -	\$ 6,124,814	\$ 6,124,814
Restricted				
Management and monitoring				
Burrowing owls	87,552	-	-	87,552
LDMF endowment	-	-	19,522,379	19,522,379
Management endowment	-	-	1,978,612	1,978,612
Land acquisition programs				
Non-development properties	-	1,772,419	-	1,772,419
Land acquisition costs	-	55,301,023	-	55,301,023
Subtotal restricted	87,552	57,073,442	21,500,991	78,661,985
Committed				
Management endowment	-	-	2,087,844	2,087,844
Unassigned	25,020,334	-	-	25,020,334
Total fund balances	\$25,107,886	\$ 57,073,442	\$ 29,713,649	\$ 111,894,977

Net Position

Net investment in capital assets of \$658,582,280 represents the value of capital assets held at June 30, 2025, less the balance outstanding on the notes payables used to acquire a capital asset. Of the restricted net position, \$2,046,663 is temporarily restricted for land and management programs such as improving burrowing owl habitats and management of certain acquired properties; development mitigation fees of \$19,522,379 were set aside for future land management and maintenance; \$6,124,814 is permanently restricted to accumulate funds to be used for land adaptive management; and \$56,822,243 is temporarily restricted for land acquisition including land cost, fencing on acquired land, and other related land costs associated with the purchase of the land. Unrestricted net position of \$25,991,141 represents funds available for general operations of the Authority.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

6. Mitigation Fees

The County and cities impose a development mitigation fee on all new development to support the acquisition of reserve lands. Mitigation fees collected are remitted to the Authority. Mitigation fee revenues consisted of the following for the year ended June 30, 2025:

Member	Total Mitigation Fees
City of Banning	\$ 1,494,793
City of Beaumont	788,579
City of Calimesa	18,929
City of Canyon Lake	40,555
City of Corona	998,175
City of Eastvale	267,651
City of Hemet	1,401,465
City of Jurupa Valley	1,333,958
City of Lake Elsinore	918,432
City of Menifee	6,878,524
City of Moreno Valley	2,913,075
City of Murrieta	497,202
City of Norco	358,962
City of Perris	3,098,696
City of Riverside	1,568,773
City of San Jacinto	1,264,988
City of Temecula	384,662
City of Wildomar	386,801
County of Riverside	8,524,039
Total	<u>\$ 33,138,259</u>

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

7. Unearned Revenue

Unearned revenue represents amounts for which asset recognition criteria have been met, but for which revenue recognition criteria have not been met.

Governmental Fund Financials

General Fund

Operating contributions advanced	\$ 635,637
Infrastructure mitigation prepayments	100,478
Subtotal General Fund	<u>736,115</u>

Capital Projects Fund

Infrastructure mitigation credit	1,972,598
Future land acquisitions	1,497,952
Land acquisition negotiations	166,767
Development mitigation fee credit	426,041
Subtotal Capital Projects Fund	<u>4,063,358</u>
Total Governmental Funds	<u>4,799,473</u>

Government-Wide Financials

Development mitigation fee credit	1,068,439
Civic/Infrastructure fee credit	78,224
Total Government-Wide	<u>\$ 5,946,136</u>

Operating contributions advanced

The Authority enters into deposit agreements with various agencies related to work on participating special entities applications and land management fees to allow the Authority to maintain the uplift on recently acquired properties until it naturalizes. Other amounts include funding agreements for prepaid leases.

Infrastructure mitigation prepayment

The Authority received a prepayment of \$100,478 from a Member Agency for a Civic project where the pertinent contract is anticipated to be approved by the City Council in the next fiscal years.

Infrastructure mitigation credit

In December 2011, the County advanced \$2,900,000 in future transportation infrastructure contributions to assist the Authority in the purchase of real property. The County, as a Member Agency, is required to contribute 5% of certain construction costs of new roads or the widened portions of existing roads for capacity enhancements. The County and the Authority are required to track future usage of the credit based on eligible construction projects. The remaining credit balance at June 30, 2025 was \$1,972,598.

Future land acquisitions

In March 2025, the Authority entered into an agreement with Caltrans to assist the latter in the pursuit of possible acquisitions of several properties to satisfy Caltrans' mitigation obligations related to certain arroyo toad habitats. In April 2025, Caltrans advanced \$1,500,000 to the Authority. The remaining balance at June 30, 2025 is \$1,497,952.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

7. Unearned Revenue (Continued)

Land acquisition negotiations

The Authority enters into deposit agreements related to work performed on specialized aspects of the MSHCP including easements and right of way negotiations.

Development mitigation fee credit

The Authority entered into development mitigation fee credit agreements with development corporations. The Authority granted mitigation fee credits in exchange for reserve land. The credits may be used by the corporations to satisfy payment of future development fees within the Authority's boundaries. As of June 30, 2025, the following remain unearned:

Date Entered	Reserve Land Acreage	Original Credit	Remaining Balance
May 2013	309	\$ 3,150,000	\$ 286,355
August 2020	3	32,083	32,083
September 2020	110	788,040	788,040
September 2020	54	388,002	388,002
		<u>\$ 4,358,125</u>	<u>\$ 1,494,480</u>

Civic/Infrastructure fee credit

In December 2019, the Authority entered into an agreement with the City of Riverside (City). The City granted a conservation easement over 42 acres of City-owned land to the Authority in-lieu of payment of civic and infrastructure fees. The excess value of the easement over the fees resulted in a fee credit of \$78,224. The credits may be used by the City to satisfy future civic or infrastructure fees. As of June 30, 2025, \$78,224 remains unused.

8. Long-Term Liabilities

Long-term liability activity for the year ended June 30, 2025 is as follows:

	Beginning Balance			Ending Balance	Due Within
	June 30, 2024	Additions	Reductions	June 30, 2025	One Year
Notes from direct borrowings:					
Installment sale note	\$ 155,279	\$ -	\$ -	\$ 155,279	\$ 155,279
Notes payable-Toscana	24,100,000	-	(5,825,426)	18,274,574	5,956,498
Total long-term debt	<u>\$ 24,255,279</u>	<u>\$ -</u>	<u>\$ (5,825,426)</u>	<u>\$ 18,429,853</u>	<u>\$ 6,111,777</u>

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

8. Long-Term Liabilities (Continued)

Installment Sale Note

At June 30, 2025, the Authority had one outstanding installment sale note for the acquisition of land from a private seller. The note is non-interest bearing and is due on demand. At inception in fiscal year 2007, the Authority recorded a discount on the note payable using an effective interest rate of 3.5%. The discount was fully amortized in three years. The note is secured by the property acquired.

Notes Payable-Toscana

On July 10, 2023, the Authority's Board approved Resolution No. 2023-003 relating to the financing of property acquisition and approving the issuance and sale of notes.

In November 2023, the Authority entered into loan agreements with ASGARD, L.P. and INDUSI, L.P. for a combined principal amount of \$24,100,000. The proceeds of the notes were used to fund a certain land acquisition. The Authority plans to repay the loan using future income from mitigation fees. The loan provides for full repayment within four years. Interest is due annually each November at a fixed interest rate of 2.25%. Principal and interest payments were due starting November 28, 2024.

As of June 30, 2025, annual debt service requirements to maturity are as follows:

Year ending June 30	Installment Sale		Notes Payable-Toscana	
	Note Principal		Principal	Interest
2026	155,279		5,956,498	411,178
2027	-		6,090,519	277,157
2028	-		6,227,557	140,120
	\$ 155,279	\$	18,274,574	\$ 828,455

9. Related Party Transactions

The Authority is involved in various business transactions with the County, a Member Agency. Under the January 2021 agreement, the Authority reimbursed the County for costs associated with office rental space, information technology support, central mail, parking services, and other administrative support expenditures as necessary. During the year ended June 30, 2025, the Authority expended \$208,136 for services. Prior to the January 2021 agreement, the Authority had contracted for various services from the County since 2007.

Beginning January 1, 2021, RCTC became the managing agency for the Authority under an implementation and Management Services Agreement approved by the Board in November 2020. The agreement has an initial term of five years with successive one-year terms without further action by the Authority or RCTC. The agreement may be terminated at any time by either party with 12 months prior written notice. The employees working on behalf of the Authority are employees of RCTC, and all benefits are established by RCTC. The Authority reimburses RCTC for the actual salaries and benefits of the staff dedicated to the Authority's daily operations. In addition, the Authority reimburses RCTC for costs associated with property acquisition, professional services, general operations, and an administration allocation. During the year ended June 30, 2025, the Authority expended \$9,271,906 for services, the majority of which related to RCTC staff costs.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

9. Related Party Transactions (Continued)

Prior to May 1, 2025, the Authority was leasing an office space with the County at the Riverside Centre for its administrative functions. On April 30, 2025, the lease was terminated, and the Authority's administrative functions were relocated to the space leased by RCTC at the County Administration Center. The Authority's use of space will be collected by RCTC through the administrative allocation.

In January 2006, the Authority entered into a separate MSHCP Reserve Management agreement with the Park District, a component unit of the County. The Park District provides the Authority with management services of the Authority's reserve lands including protection, maintenance, and enhancements. The contract is to expire January 31, 2031 and is cancelable with written notice of six months. During the current year, the Authority expended \$1,980,940 to the Park District under this agreement.

10. Leases

Leases Receivable

On July 1, 2021, the Authority entered into a 172-month lease as Lessor for the use of PTI - Cell Tower Lease - Reynolds Property. An initial lease receivable was recorded in the amount of \$1,210,221. As of June 30, 2025, the value of the lease receivable is \$962,659. The lessee is required to make monthly fixed payments of \$6,593 which is increased at each anniversary date by the greater of the increase in the Consumer Price Index for the San Bernardino-Riverside-Ontario area or 4% whichever is higher. The lease has an interest rate of 1.01%. The underlying asset is land. The value of the deferred inflow of resources as of June 30, 2025 was \$874,880 and the Authority recognized lease revenue of \$84,043 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

Principal and Interest Expected to Maturity Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2026	\$ 72,087	\$ 9,402	\$ 81,489
2027	76,094	8,655	84,749
2028	80,272	7,866	88,138
2029	84,629	7,035	91,664
2030	89,172	6,158	95,330
2031 - 2035	521,061	15,934	536,995
2036	39,344	84	39,428
	<u>\$ 962,659</u>	<u>\$ 55,134</u>	<u>\$ 1,017,793</u>

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

10. Leases (Continued)

Leases Payable

Lease liability activity for the year ended June 30, 2025 is as follows:

	Beginning Balance July 1, 2024		Additions	Reductions	Ending Balance June 30, 2025	
Lease Liability						
Buildings						
Riverside Centre	\$	880,211	\$	-	\$	880,211
Total Lease Liability	\$	880,211	\$	-	\$	880,211

On July 1, 2021, the Authority entered into an 85-month lease as Lessee for the use of Riverside Centre. An initial lease liability was recorded in the amount of \$1,450,942. The lease had an interest rate of 1.49%. The building's estimated useful life was 8 years as of the contract commencement. During the current fiscal year, the Authority was required to make monthly fixed payments of \$18,006.

On April 30, 2025, the lease was terminated as discussed in Note 9. On the date of termination, the value of the right-to-use asset was \$1,450,942 with accumulated amortization of \$783,372, and the balance of the lease payable was \$710,508. This resulted in gain on termination of lease of \$42,938. Following the termination of the lease, the balances of the right-to-use asset, its accumulated amortization, and lease payable were reduced to zero.

11. Commitments and Contingencies

As of June 30, 2025, the Authority had entered into various land acquisition agreements with multiple private sellers to acquire properties in phases. The Authority has committed \$23,235,000 from the Capital Projects Fund to acquire land in fiscal year 2026.

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the Authority. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time, although the Authority expects such amounts, if any, to be immaterial.

12. Risk Management

The Authority is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The Authority is a member of the Special District Risk Management Authority (SDRMA), a public entity risk pool formed under California Government Code Section 6500 et seq. The Authority's participation in the general liability program, public officials and employee errors and omissions, and auto liability program of SDRMA provides coverage up to \$10,000,000 per occurrence.

Western Riverside County Regional Conservation Authority
Notes to Basic Financial Statements
June 30, 2025

12. Risk Management (Continued)

During the year ending June 30, 2025, the Authority had no settlements exceeding insurance coverage. For the past three years, settlements or judgment amounts have not exceeded insurance provided for the Authority.

13. Subsequent Events

Subsequent to June 30, 2025, the Authority acquired 2 new properties totaling approximately 53 acres with a combined value of approximately \$700,000.

Subsequent events have been evaluated through November 14, 2025, the date these financial statements were available to be issued.



Warm Springs Creek

Required Supplementary Information



Santa Margargita Ecological Reserve



WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual - General Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts	Variance with Final Budget - over (under) Actual Amounts
	Original	Final			
REVENUES					
Infrastructure mitigation contributions	\$ 910,000	\$ 910,000	\$ -	\$ 1,350,741	\$ 440,741
Participating special entities	-	-	-	103,667	103,667
Landfill tipping fees	3,500,000	3,500,000	-	3,754,536	254,536
Federal and state contributions	10,100	10,100	-	6,950	(3,150)
Interest	502,000	502,000	-	1,324,680	822,680
Charges for services	203,500	203,500	-	228,110	24,610
Miscellaneous revenue	125,900	125,900	-	73,107	(52,793)
Lease revenue	-	-	-	84,043	84,043
Total revenues	5,251,500	5,251,500	-	6,925,834	1,674,334
EXPENDITURES					
General operations					
Current:					
Services and supplies	5,383,300	5,383,300	-	3,833,875	1,549,425
Lease principal and interest	217,000	217,000	-	178,763	38,237
Subtotal general operations	5,600,300	5,600,300	-	4,012,638	1,587,662
Management and monitoring					
Current:					
Services and supplies	5,813,700	5,807,200	(6,500)	4,999,303	807,897
Taxes and assessments	80,000	86,500	6,500	86,182	318
Subtotal management and monitoring	5,893,700	5,893,700	-	5,085,485	808,215
Total expenditures	11,494,000	11,494,000	-	9,098,123	2,395,877
Excess (deficiency) of revenues over (under) expenditures	(6,242,500)	(6,242,500)	-	(2,172,289)	4,070,211
OTHER FINANCING SOURCES					
Transfers in	2,271,900	2,271,900	-	2,200,000	(71,900)
Net change in fund balance	<u>\$ (3,970,600)</u>	<u>\$ (3,970,600)</u>	<u>\$ -</u>	<u>27,711</u>	<u>\$ 3,998,311</u>
Fund balance at beginning of the year				25,080,175	
Fund balance at end of the year				<u>\$25,107,886</u>	

See accompanying note to the required supplementary information.

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Notes to Budgetary Comparison Schedule - General Fund
For the Year Ended June 30, 2025

	General Fund (over) under
Revenues	
Differences - final budget to actual	
Actual amounts of interest revenue exceeded budgeted amounts as the Authority saw higher interest rates than expected.	\$ 822,680
Actual Infrastructure mitigation contributions exceeded budgeted amounts as collections, primarily from flood mitigation contributions, were higher than anticipated due to increased project activity.	440,741
Tipping fees exceeded budgeted amounts as actual out-of-county waste tonnage was higher than the County had anticipated. The budget was set conservatively.	254,536
Expenditures	
Differences - original budget to final budget	
The budget for Taxes and assessments was increased to reflect assessments for recently acquired properties. This adjustment was funded by moving surplus budget from Services and Supplies.	6,500
Differences - final budget to actual	
Services and supplies for General operations were under budget as actual expenditures for the RCTC Management Services Agreement were lower than anticipated. The budget was set conservatively to ensure adequate funding for all planned activities.	1,549,425
Services and supplies for Management and monitoring were under budget as actual expenditures for RCTC Management Services Agreement, Parks District services, the Master Wildfire Management Plan, and Crotch Bumble Bee programmatic permitting were lower than anticipated. The budget was set conservatively to ensure adequate funding for all planned activities.	807,897

The accompanying notes are an integral part of these financial statements.

Western Riverside County Regional Conservation Authority
Note to Required Supplementary Information
June 30, 2025

Budget and Budgetary Process

The Authority's Board of Directors approves each year's budget submitted by the Executive Director prior to the beginning of the fiscal year. The appropriations budget is prepared for each budget unit: General operations, Management and monitoring, Land acquisition, and Endowments. The General Fund consists of the General operations and Management and monitoring units, whereas the Capital Projects Fund consists of the land acquisition unit and the Permanent Endowments Fund the endowments units. The level on which expenditures may not legally exceed appropriations is the budget unit level. Budgets for the various budget units are adopted on a basis consistent with accounting principles generally accepted in the United States of America (GAAP).

The Authority's Executive Director is authorized to make transfers and revisions of appropriations within a budget unit provided, however, that the total appropriations for each budget unit do not increase or decrease the amount approved in the budget resolution.

Western Riverside County Regional Conservation Authority
Note to Required Supplementary Information
June 30, 2025



Walker Canyon

Other Supplementary Information





WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Capital Projects Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts	Variance with Final Budget - over (under) Actual Amounts
	Original	Final			
REVENUES					
Mitigation fees	\$ 20,485,000	\$ 21,760,000	\$ 1,275,000	\$ 28,169,422	\$ 6,409,422
Transportation uniform mitigation fees	1,000,000	1,000,000	-	1,122,759	122,759
Contributions and donations	3,916,500	7,028,500	3,112,000	3,111,923	(3,916,577)
Other mitigation fees	-	-	-	74,460	74,460
Federal and state contributions	25,819,900	39,569,900	13,750,000	21,375,428	(18,194,472)
Interest	750,000	750,000	-	2,656,151	1,906,151
Miscellaneous revenue	30,000	30,000	-	261,523	231,523
Total revenues	<u>52,001,400</u>	<u>70,138,400</u>	<u>18,137,000</u>	<u>56,771,666</u>	<u>(13,366,734)</u>
EXPENDITURES					
Current:					
Land acquisition	4,274,300	4,274,300	-	2,591,449	1,682,851
Debt service					
Note Principal	5,825,450	5,825,450	-	5,825,426	24
Note Interest	542,250	542,250	-	542,250	-
Capital outlay	39,087,500	57,224,500	18,137,000	35,488,199	21,736,301
Total expenditures	<u>49,729,500</u>	<u>67,866,500</u>	<u>18,137,000</u>	<u>44,447,324</u>	<u>23,419,176</u>
Excess (deficiency) of revenues over (under) expenditures	2,271,900	2,271,900	-	12,324,342	10,052,442
OTHER FINANCING USES					
Transfers out	<u>(2,271,900)</u>	<u>(2,271,900)</u>	<u>-</u>	<u>(2,200,000)</u>	<u>71,900</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	10,124,342	<u>\$ 10,124,342</u>
Fund balance at beginning of the year				46,949,100	
Fund balance at end of the year				<u>\$ 57,073,442</u>	

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Permanent Endowments Fund
For the Year Ended June 30, 2025

	Budgeted Amounts		Variance with Original Budget - over (under) Final Budget	Actual Amounts	Variance with Final Budget - over (under) Actual Amounts
	Original	Final			
REVENUES					
Mitigation fees	\$ 3,615,000	\$ 3,840,000	\$ 225,000	\$ 4,968,837	\$ 1,128,837
Participating special entities	-	-	-	3,181	3,181
Interest	400,000	400,000	-	1,375,790	975,790
Total revenues	<u>4,015,000</u>	<u>4,240,000</u>	<u>225,000</u>	<u>6,347,808</u>	<u>2,107,808</u>
EXPENDITURES					
Current:					
Services and supplies	44,400	44,400	-	-	44,400
Total expenditures	<u>44,400</u>	<u>44,400</u>	<u>-</u>	<u>-</u>	<u>44,400</u>
Excess of revenues over expenditures	<u>3,970,600</u>	<u>4,195,600</u>	<u>225,000</u>	<u>6,347,808</u>	<u>2,152,208</u>
OTHER FINANCING SOURCES					
Contributions to permanent endowment	<u>-</u>	<u>-</u>	<u>-</u>	103,418	<u>103,418</u>
Net change in fund balance	<u>\$ 3,970,600</u>	<u>\$ 4,195,600</u>	<u>\$ 225,000</u>	\$ 6,451,226	<u>\$ 2,255,626</u>
Fund balance at beginning of the year				23,262,423	
Fund balance at end of the year				<u>\$29,713,649</u>	

WESTERN RIVERSIDE COUNTY REGIONAL CONSERVATION AUTHORITY
Notes to Budgetary Comparison Schedule
Capital Projects Fund and Permanent Endowment Fund
For the Year Ended June 30, 2025

	Capital Projects Fund (over) under	Permanent Endowment Fund (over) under
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Revenues

Differences - original budget to final budget

The budget for the Mitigation fee revenue was increased slightly to account for expectations of higher collections compared to the original budget. The adjustment was conservative, reflecting only a portion of the potential increase.

\$ 1,275,000 \$ 225,000

The budgets for Contributions revenue and Grants revenue were increased to account for the anticipated purchase of the Silo Hills property, which was planned to be funded through a combination of State grants, RCTC contributions, and RCA funds.

16,862,000

Differences - final budget to actual

Actual collections for mitigation fee revenue were higher than the final budget, as activity exceeded expectations. The final budget was conservative, covering only a portion of the anticipated increase.

6,409,422 1,128,837

Revenue from land contributions is lower than budget because it is not reported in the fund financial statements since it does not meet the criteria for current financial resources. However, it is properly recorded in the governmental activities, ensuring the contribution is reflected in the overall financial statements.

(18,194,472)

Expenditures

Differences - original budget to final budget

The budget for Capital Outlay was increased to reflect the anticipated purchase of a property, funded through a combination of State grants, RCTC contributions, and RCA funds.

18,137,000

Differences - final budget to actual

Actual expenditures for capital outlay are lower than budget because certain land contributions are not reported in the fund financial statements since they do not meet the criteria for an outflow of current financial resources. However, they are properly recorded in the governmental activities, ensuring the acquisition is reflected in the overall financial statements.

21,736,301



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