

**SUBMITTAL TO THE BOARD OF SUPERVISORS
COUNTY OF RIVERSIDE, STATE OF CALIFORNIA**



**ITEM: 13.3
(ID # 11376)**

MEETING DATE:
Tuesday, December 17, 2019

FROM : Regional Parks and Open Space District:

SUBJECT: REGIONAL PARK & OPEN-SPACE DISTRICT: Receive and File Annual Audit Report for FY 2018-2019, All Districts; [\$0]

RECOMMENDED MOTION: That the Board of Directors:

1. Receive and file the FY 2018-2019 Independent Auditor's Report for the Riverside County Regional Park & Open-Space District (District).

ACTION: Consent

Scott Bangle, Director General Manager / Park Director 12/2/2019

MINUTES OF THE BOARD OF DIRECTORS

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

Ayes: Jeffries, Spiegel, Washington, Perez and Hewitt
Nays: None
Absent: None
Date: December 17, 2019
xc: Parks

Kecia R. Harper
Clerk of the Board

By:
Deputy

**SUBMITTAL TO THE BOARD OF SUPERVISORS COUNTY OF RIVERSIDE,
STATE OF CALIFORNIA**

FINANCIAL DATA	Current Fiscal Year:	Next Fiscal Year:	Total Cost:	Ongoing Cost
COST	\$ 0	\$ 0	\$ 0	\$ 0
NET COUNTY COST	\$ 0	\$ 0	\$ 0	0
SOURCE OF FUNDS: None			Budget Adjustment:	No
			For Fiscal Year:	18/19

C.E.O. RECOMMENDATION: Approve

BACKGROUND:

Summary

California Government Code §26909 requires an annual audit be conducted by a certified public accountant of every special district within a county, and §53891 states the resulting financial transactions shall be reported to the State Controller. California Code of Regulations §1131.2 sets the minimum requirements for conducting those audits in accordance with the Government Accounting Standards Board (GASB).

The District's audited financial results are included in the County of Riverside Auditor-Controller's Comprehensive Annual Financial Report (CAFR) as a dependent component unit. An annual audit of the CAFR is performed by an external entity to ensure compliance with GASB.

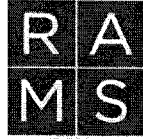
Rogers, Anderson, Malody & Scott, LLP ("RAMS") prepared an audit report for the District for the fiscal year ending June 30, 2019 and rendered an unqualified opinion. RAMS also compiled the balance sheet of the District as of June 30, 2019 for the purposes of filing such with the State Controller's Office.

Attachments

- Audit Report
- Management Letter



 Gregory L. Priapos, Director County Counsel 12/4/2019



ROGERS, ANDERSON, MALODY & SCOTT, LLP
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November 8, 2019

Board of Supervisors
Riverside County Regional Park and Open Space District
Jurupa Valley, California

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We have audited the financial statements of Riverside County Regional Park and Open Space District (the District) as of and for the year ended June 30, 2019, and have issued our report thereon dated November 8, 2019. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated May 20, 2019, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2019. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimates affecting the financial statements are:

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

Management's estimate of the net pension liability and net OPEB liability and related deferred outflows of resources and deferred inflows of resources are based on actuarial reports provided by independent actuaries. We evaluated the key factors and assumptions used to develop the estimates and determined that they are reasonable in relation to the basic financial statements taken as a whole.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the District's financial statements are:

The disclosure of accumulated depreciation in Note 5 to the financial statements is based on estimates useful lives which could differ from actual useful lives of each capitalized item.

The disclosure of net pension liability and related deferred outflows of resources and deferred inflows of resources in Note 9 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

The disclosure of the other post-employment benefits (OPEB) and related deferred outflows and deferred inflows of resources in Note 10 to the financial statements is based on actuarial assumptions. Actual future liabilities may vary from disclosed estimates.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole and each applicable opinion unit. No misstatements were identified during our audit.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. None of the misstatements identified by us as a result of our audit procedures and corrected by management were material, either individually or in the aggregate, to the financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated November 8, 2019.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the District, and operational plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors.

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

Rogers, Anderson, Malody & Scott, LLP.

November 8, 2019



Riverside County Regional Park and Open-Space District

Scott Bangle, Parks Director/General Manager | Kyla Brown, Assistant Director

November 8, 2019

Rogers, Anderson, Malody & Scott, LLP

This representation letter is provided in connection with your audit of Financial Statements of Riverside County Regional Park and Open Space District as of June 30, 2019 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Riverside County Regional Park and Open Space District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of November 8, 2019:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated May 20, 2019 for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility 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.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.
- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.



- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, non-spendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All inter-fund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.
- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
 - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.


- The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
- The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
- There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.
- With respect to the preparation of the financial statements, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the result of the service performed; and
 - Established and maintained internal controls, including monitoring ongoing activities.

Information Provided

- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have provided to you our analysis of the entity's ability to continue as a going concern, including significant conditions and events present, and if necessary, our analysis of management's plans, and our ability to achieve those plans.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial statements.

- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.
- The District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which the District is contingently liable.
- We have disclosed to you all non-exchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For non-exchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
 - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
 - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
 - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
 - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).

- The District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.



Megan Gomez CIA, CGFM, CPRP
Fiscal Manager

**RIVERSIDE COUNTY REGIONAL PARK
AND OPEN-SPACE DISTRICT**

**Financial Statements
and
Independent Auditor's Report**

**For the Fiscal Year Ended
June 30, 2019**

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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For the Fiscal Year Ended June 30, 2019

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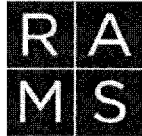
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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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For the Fiscal Year Ended June 30, 2019**

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INDEPENDENT AUDITOR'S REPORT

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Board of Supervisors
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Report on the Financial Statements

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

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District, as of June 30, 2019, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State regulations governing Special Districts.

Other Matters

Required Supplementary Information

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The other supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The other supplementary information listed in the table of contents 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the 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 8, 2019 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 8, 2019

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

This discussion and analysis of Riverside County Regional Park and Open-Space District's financial performance provides an overview of the District's financial activities for the fiscal year ended June 30, 2019. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the current fiscal year by \$87,691,883.
- The District's financial position increased overall as a result of this year's operations. Net position of governmental activities increased by \$1,856,490, or 2.16% of the beginning Net Position.
- Governmental expenses were about \$19.4 million. Revenues were about \$21.3 million.
- The District spent about 7.7 million in new capital assets during the year. These expenses were incurred primarily from capital projects funds for capital improvement projects.
- The District's net decrease in its long-term liabilities from compensated absences was \$80,861.
- Unassigned fund balance in the District's General Fund represents 41.6% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.

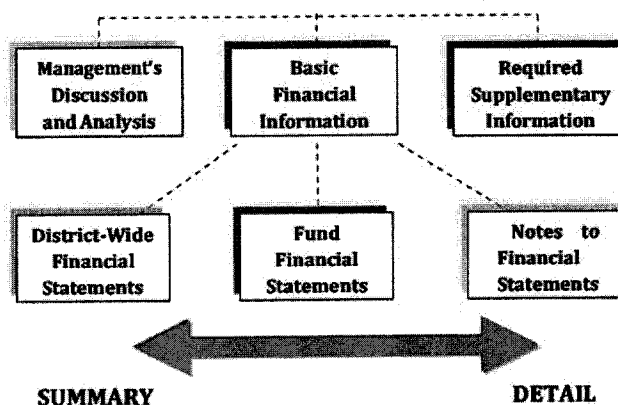
The *governmental funds* statements tell how basic services like parks and recreation were financed in the short term as well as what remains for future spending.

The *fiduciary funds* statement provides information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Riverside County Regional Park and Open-Space District's Annual Financial Report



RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2019**

Figure A-2 summarizes the major features of the District’s financial statements, including the portion of the District’s activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Funds	Fiduciary Funds
<i>Scope</i>	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as building maintenance	Instances in which the District administers resources on behalf of someone else.
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances 	<ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both short-term and long-term; The District’s funds do not currently contain nonfinancial assets, though they can
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

The remainder of this overview section of management’s discussion and analysis highlights the structure and contents of each of the statements.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of park locations and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as park maintenance, acquisition, preservation, and administration. Property taxes, grants and fees finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has two kinds of funds:

- 1) **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them. The District maintains fifteen individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund and five other governmental funds that are considered to be major funds. Data from the other nine governmental funds are combined into a single, aggregated presentation.
- 2) **Fiduciary funds** – The District is the trustee, or fiduciary, for assets that belong to others, such as the Historical Commission and Iodine Springs funds. The District is responsible for ensuring that the assets reported in these funds are used only for their intended purposes and by those to whom the assets belong. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position. These activities are excluded from the district-wide financial statements because the District cannot use these assets to finance its operations.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was higher on June 30, 2019 than it was the year before, increased 1.9% from the beginning net position to \$87.7 million.

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2018	2019	
Current and other assets	\$ 20.5	\$ 18.3	\$ (2.2)
Capital assets	76.9	81.8	4.9
Total assets	97.4	100.1	2.7
Total deferred outflows of resources	3.9	3.3	(0.6)
Other liabilities	2.6	2.9	0.3
Long-term liabilities	12.4	12.1	(0.3)
Total liabilities	15.0	15.0	-
Total deferred inflows of resources	0.5	0.7	0.2
Net position			-
Net investment in capital assets	76.9	81.8	4.9
Restricted	12.9	9.6	(3.3)
Unrestricted	(4.0)	(3.7)	0.3
Total net position	\$ 85.8	\$ 87.7	\$ 1.9

Changes in net position, governmental activities

The District's total revenues increased 5.3% to \$21.3 million. The increase is due to property tax collections higher than prior year, and reimbursements from State grants and County Development Impact Fees for construction project expenditures.

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2018	2019	
Total Revenues	\$ 20.2	\$ 21.3	\$ 1.1
Total Expenditures	18.9	19.4	0.5
Increase (decrease) in net position	\$ 1.3	\$ 1.9	\$ 0.6

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

The financial performance of the District as a whole is reflected in its governmental funds as well. As the District completed this year, its governmental funds reported a combined fund balance of \$15.1 million, which is lower than last year's ending fund balance of \$17.7 million. The primary cause of the decreased fund balance is the planned use of reserves for capital improvement projects.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget to revise operational cost and revenue estimates. The District's final budget for the General Fund anticipated that revenues would exceed expenditures by about \$570 thousand, the actual results for the year show that revenues exceeded expenditures by roughly \$441 thousand. Actual revenues were \$68,014 less than anticipated, and expenditures were \$509,202 less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2018-19, the District had invested \$7.7 million in new capital assets, related to the District's ongoing efforts towards constructing new regional trails and continued work on the Santa Ana River Trail, as well as the expansion of the District's headquarters campus to allow for additional revenue opportunities. Total depreciation expense for the year was about \$2.8 million.

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2018	2019	
Land	\$ 28.1	\$ 28.1	\$ 0.0
Construction in Progress	10.9	15.6	4.7
Buildings	35.9	35.3	(0.6)
Machinery & Equipment	0.4	0.6	0.2
Infrastructure	1.6	2.3	0.7
Total Net Capital Assets at Year-End	\$ 76.9	\$ 81.8	\$ 4.9

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

Long-Term Debt

At year-end, the District had \$12.1 million in compensated absences and net pension liability – a decrease of 2.4% from the prior year balance – as shown in Table A-4. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements).

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2018	2019	
Compensated Absences	\$ 1.7	\$ 1.6	\$ (0.1)
Net Pension Liability	10.7	10.5	(0.2)
Total Outstanding Long-term Liabilities at Year-End	\$ 12.4	\$ 12.1	\$ (0.3)

FACTORS BEARING ON THE DISTRICT'S FUTURE

Rivco Parks had a very productive year despite several unexpected challenges. To begin, we had an extremely wet fall and winter following two major fires in the region. This led to two highway washouts that greatly impeded access to our Mountain Parks. As of this writing, state highway crews have partially opened one highway with the other still under reconstruction. This has impacted our customers and staff who have had to make adjustments in their travels, oftentimes adding hours to the commute.

In the spring, we were overwhelmed by crowds in the Lake Elsinore/Temescal Valley area who came from all over the world to witness the California poppy super bloom that resulted from the wet winter. The event went viral on social media and it seemed as though everyone needed a selfie, even those who were not properly prepared for the terrain, outside hazards, and climate.

Events like these happen rarely, if ever, yet both occurred during this reporting period. Thankfully, staff performed exceptionally well, exceeding expectations under the most difficult of situations.

This year also marked an exciting surge of partnership collaborations, capital improvements, and increased visitor usage. We entered an agreement with a consortium that will be providing educational and vocational programs at the Louis Rubidoux Nature Center site. We also launched our Off-Highway Vehicle plan, began construction design for the Mayflower Sewer project, completed the Lake Skinner Turf reduction project, completed the Headquarters Expansion project, and successfully passed our CAPRA re-accreditation site visit resulting in 100% compliance with national standards for industry best practices.

Going forward, we will continue to focus our effort on construction of Santa Ana River Trail segments, a task that requires close collaboration and partnerships with numerous other local, State, and Federal agencies to move the work forward. We will need to continue identifying ongoing revenue sources to support our Habitat and Open-Space Management program – a major component of who we are as an organization. We have many long-term employees who are at or nearing retirement age, so we will experience a generational shift in our workforce that requires intentional efforts now to pass on the organization's tacit knowledge to new leaders. Aging infrastructure is still a huge challenge for us, and we will continue to search for funding opportunities to rehabilitate and revitalize our decades-old parks. As always, we must remain true to our mission of protecting valuable resources and ensuring they are well-maintained and operated for generations to come.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2019

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, contact the District's Fiscal Manager at 4600 Crestmore Road, Jurupa Valley, CA 92509-6858, send an email to Parks-Finance@rivco.org, or visit www.rivcoparks.org.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Statement of Net Position
June 30, 2019**

	Governmental Activities
ASSETS	
Cash (Note 2)	\$ 15,548,080
Accounts receivable (Note 3)	166,268
Taxes receivable (Note 3)	99,045
Interest receivable (Note 3)	63,946
Due from other governments	1,054,099
Prepaid expenses	1,126,574
OPEB asset (Note 10)	208,409
Capital assets, not being depreciated (Note 5)	43,691,456
Capital assets, net of depreciation (Note 5)	<u>38,130,921</u>
 Total assets	 <u>100,088,798</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 9)	3,286,790
OPEB related (Note 10)	<u>18,234</u>
 Total deferred outflows of resources	 <u>3,305,024</u>
LIABILITIES	
Accounts payable	1,587,656
Accrued liabilities	522,134
Due to other governments	155,992
Customer deposits	9,175
Unearned revenue	634,181
Long-term liabilities:	
Due within one year:	
Compensated absences (Note 6)	384,192
Due in more than one year:	
Compensated absences (Note 6)	1,206,589
Net pension liability (Note 9)	<u>10,506,038</u>
 Total liabilities	 <u>15,005,957</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 9)	685,413
OPEB related (Note 10)	<u>10,569</u>
 Total deferred inflows of resources	 <u>695,982</u>
NET POSITION	
Net investment in capital assets	81,822,377
Restricted	9,590,507
Unrestricted	<u>(3,721,001)</u>
 Total net position	 <u>\$ 87,691,883</u>

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Activities
For the Fiscal Year Ended June 30, 2019

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Interpretive	\$ 1,219,651	\$ 437,577	\$ 927	\$ (781,147)
Natural resources	2,133,720	1,249,214	260,000	(624,506)
Regional parks	4,810,988	5,235,016	1,100	425,128
Community parks	29,742	-	-	(29,742)
Community centers	2,292	-	-	(2,292)
Planning and construction	9,450,658	757,326	5,473,214	(3,220,118)
Recreation	905,756	389,148	381	(516,227)
General government	860,783	325,274	-	(535,509)
Total governmental activities	<u>\$ 19,413,590</u>	<u>\$ 8,393,555</u>	<u>\$ 5,735,622</u>	<u>(5,284,413)</u>
General revenues:				
Property taxes				6,709,829
Use of money and property				<u>431,074</u>
Total general revenues				<u>7,140,903</u>
Change in net position				1,856,490
Net position, beginning of year				<u>85,835,393</u>
Net position, end of year				<u>\$ 87,691,883</u>

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Balance Sheet – Governmental Funds
June 30, 2019

	<u>Special Revenue Fund</u>		
	<u>General Fund</u>	<u>Santa Ana River Mitigation</u>	<u>Arundo Removal</u>
ASSETS			
Cash	\$ 6,521,729	\$ 3,806,765	\$ 413,242
Accounts receivable	166,268	-	-
Taxes receivable	99,045	-	-
Interest receivable	27,561	18,330	-
Due from other governments	16,188	-	-
Due from other funds	473,097	216	1,029
Prepaid expenses	-	-	-
Total assets	<u>\$ 7,303,888</u>	<u>\$ 3,825,311</u>	<u>\$ 414,271</u>
LIABILITIES			
Accounts payable	\$ 597,445	\$ 394	\$ 2,086
Accrued liabilities	441,203	992	13,636
Due to other governments	-	-	-
Due to other funds	63,517	-	397,636
Customer deposits	9,175	-	-
Unearned revenues	634,181	-	-
Total liabilities	<u>1,745,521</u>	<u>1,386</u>	<u>413,358</u>
FUND BALANCE			
Restricted	-	3,823,925	913
Unassigned	5,558,367	-	-
Total fund balance	<u>5,558,367</u>	<u>3,823,925</u>	<u>913</u>
Total liabilities and fund balance	<u>\$ 7,303,888</u>	<u>\$ 3,825,311</u>	<u>\$ 414,271</u>

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

(continued)

Capital Project Funds				
Park Acquisition & Development	Park Acquisition & Development Grants	Park Acquisition & Development Impact fees	Non-Major Governmental Funds	Total Governmental Funds
\$ 2,196,625	\$ 912,997	\$ 910,736	\$ 785,986	\$ 15,548,080
-	-	-	-	166,268
-	-	-	-	99,045
9,087	4,363	1,730	2,875	63,946
-	904,498	-	133,413	1,054,099
-	-	464,877	5,729	944,948
201,491	9,008	916,075	-	1,126,574
<u>\$ 2,407,203</u>	<u>\$ 1,830,866</u>	<u>\$ 2,293,418</u>	<u>\$ 928,003</u>	<u>\$ 19,002,960</u>
\$ 12,972	\$ 257,675	\$ 688,562	\$ 28,522	\$ 1,587,656
-	-	3,372	62,931	522,134
-	-	155,992	-	155,992
-	483,661	-	134	944,948
-	-	-	-	9,175
-	-	-	-	634,181
<u>12,972</u>	<u>741,336</u>	<u>847,926</u>	<u>91,587</u>	<u>3,854,086</u>
2,394,231	1,089,530	1,445,492	836,416	9,590,507
-	-	-	-	5,558,367
<u>2,394,231</u>	<u>1,089,530</u>	<u>1,445,492</u>	<u>836,416</u>	<u>15,148,874</u>
<u>\$ 2,407,203</u>	<u>\$ 1,830,866</u>	<u>\$ 2,293,418</u>	<u>\$ 928,003</u>	<u>\$ 19,002,960</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2019**

Fund balances of governmental funds \$ 15,148,874

Capital assets used in governmental activities are not current financial resources. Therefore, they are not reported in the Governmental Funds Balance Sheet. Total capital assets are as follows:

Nondepreciable	43,691,456	
Depreciable, net	<u>38,130,921</u>	
Total capital assets		81,822,377

In governmental funds, other postemployment benefits (OPEB) costs are recognized as expenditures in the period they are paid. In the government-wide statements, OPEB costs are actuarially determined, and are recognized in the period they are incurred. The net OPEB asset at the end of the period was:

208,409

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the Governmental Funds Balance Sheet.

Compensated absences	(1,590,781)
Net pension liability	(10,506,038)

Deferred outflows and inflows of resources relating to pensions are not reported in the governmental funds because they are applicable to future periods.

Deferred outflows of resources related to pensions	3,286,790
Deferred inflows of resources related to pensions	(685,413)

Deferred outflows and inflows of resources relating to OPEB are not reported in the governmental funds because they are applicable to future periods.

Deferred outflows of resources related to OPEB	18,234
Deferred inflows of resources related to OPEB	<u>(10,569)</u>

Net position of governmental activities \$ 87,691,883

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

RIVERSIDE COUNTY REGIONAL PARK AND-OPEN SPACE DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2019**

	<u>Special Revenue Fund</u>		
	<u>General Fund</u>	<u>Santa Ana River Mitigation</u>	<u>Arundo Removal</u>
REVENUES			
Property taxes	\$ 6,709,829	\$ -	\$ -
Use of money and property	158,181	114,614	11,233
Intergovernmental	307,013	-	-
Charges for services	6,383,723	-	51,725
Operating grants and contributions	32,092	-	-
	<u>13,590,838</u>	<u>114,614</u>	<u>62,958</u>
EXPENDITURES			
Interpretive	954,410	-	170,931
Natural resources	755,441	72,735	53,283
Regional parks	5,326,927	-	-
Community parks	-	-	-
Planning and construction	1,083,379	-	-
Recreation	884,572	-	-
General government	4,367,272	-	-
Community centers	-	-	-
	<u>13,372,001</u>	<u>72,735</u>	<u>224,214</u>
Excess (deficiency) of revenues over (under) expenditures	<u>218,837</u>	<u>41,879</u>	<u>(161,256)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	582,520	-	-
Transfers out	-	-	(482,520)
	<u>582,520</u>	<u>-</u>	<u>(482,520)</u>
Total other financing sources (uses)	<u>582,520</u>	<u>-</u>	<u>(482,520)</u>
Net change in fund balance	801,357	41,879	(643,776)
Fund balance, beginning of year	<u>4,757,010</u>	<u>3,782,046</u>	<u>644,689</u>
Fund balance, end of year	<u>\$ 5,558,367</u>	<u>\$ 3,823,925</u>	<u>\$ 913</u>

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

(continued)

Capital Projects Funds				
Park Acquisition and Development	Capital Development Parks - Grants	Developer Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 6,709,829
79,826	41,482	5,605	20,133	431,074
468,506	-	4,222,013	1,233,156	6,230,688
-	-	-	142	6,435,590
-	1,430,807	-	-	1,462,899
<u>548,332</u>	<u>1,472,289</u>	<u>4,227,618</u>	<u>1,253,431</u>	<u>21,270,080</u>
-	-	-	-	1,125,341
-	-	-	1,113,745	1,995,204
-	-	-	-	5,326,927
-	-	-	29,742	29,742
2,231,103	3,047,548	3,719,421	-	10,081,451
-	-	-	-	884,572
-	-	-	1,500	4,368,772
-	-	-	2,292	2,292
<u>2,231,103</u>	<u>3,047,548</u>	<u>3,719,421</u>	<u>1,147,279</u>	<u>23,814,301</u>
<u>(1,682,771)</u>	<u>(1,575,259)</u>	<u>508,197</u>	<u>106,152</u>	<u>(2,544,221)</u>
-	-	-	-	582,520
-	-	-	(100,000)	(582,520)
-	-	-	(100,000)	-
<u>(1,682,771)</u>	<u>(1,575,259)</u>	<u>508,197</u>	<u>6,152</u>	<u>(2,544,221)</u>
<u>4,077,002</u>	<u>2,664,789</u>	<u>937,295</u>	<u>830,264</u>	<u>17,693,095</u>
<u>\$ 2,394,231</u>	<u>\$ 1,089,530</u>	<u>\$ 1,445,492</u>	<u>\$ 836,416</u>	<u>\$ 15,148,874</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures
and Changes in Fund Balance to the Statement of Activities
For the Fiscal Year Ended June 30, 2019**

Net change in fund balance - governmental funds \$ (2,544,221)

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

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the Statement of Activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and capital asset dispositions in the current period. 4,902,314

Compensated absences expense was reported in the Statement of Activities, but does not require the use of current financial resources and, therefore, the changes in compensated absences is not reported as an expenditure in governmental funds. 80,861

Pension obligation expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (595,351)

OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 12,887

Change in net position of governmental activities \$ 1,856,490

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Fiduciary Net Position
June 30, 2019

	Trust Funds		Total
	Historical Commission Fund	Park District Fiduciary Fund	
ASSETS			
Cash	\$ 25,812	\$ 1,132	\$ 26,944
Interest receivable	125	5	130
Due from other governments	26	-	26
Total assets	25,963	1,137	27,100
LIABILITIES			
Accounts payable	211	-	211
Due to other governments	26	-	26
Total liabilities	237	-	237
NET POSITION			
Restricted	\$ 25,726	\$ 1,137	\$ 26,863

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2019

	Trust Funds		Total
	Historical Commission Fund	Park District Fiduciary Fund	
ADDITIONS			
Other local revenue	\$ 10	\$ -	\$ 10
Use of money and property	780	665	1,445
Total additions	790	665	1,455
DEDUCTIONS			
Administrative expenses	598	791	1,389
Change in net position	192	(126)	66
Net position, beginning of year	25,534	1,263	26,797
Net position, end of year	\$ 25,726	\$ 1,137	\$ 26,863

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of the Riverside County Regional Park and Open-Space District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as applied to government entities. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The following is a summary of the significant policies.

A. Reporting Entity

The District was formed July 1, 1991 for the purpose of preserving, protecting and maintaining open space and wildlife habitat and providing and maintaining regional parks and public recreation facilities under Public Resources Code 5506.7 et seq. District Directors consist of the Board of Supervisors of the County of Riverside. The District is a component unit of the County of Riverside.

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

The District has no component units that meet the criteria in generally accepted accounting principles to be included in the financial statements of the District.

B. Basis of Presentation, Basis of Accounting

Government-Wide Financial Statements

These statements are presented on the *economic resources* measurement focus and the accrual basis of accounting. Accordingly, these statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

Fund Financial Statements

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category - *governmental* and *fiduciary* - are presented. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Major Governmental Funds:

The District maintains the following major governmental funds:

General Fund – This fund is used to account for and report all financial resources not accounted for and reported in another fund. Under generally accepted accounting principles, the following funds do not meet the criteria to be considered special revenue funds as they are not composed primarily of restricted or committed revenue sources. These funds are the Recreation, Park Residence Utilities & Maintenance, and Habitat & Open Space Management, and the activity in those funds is being reported in the General Fund.

Santa Ana River Mitigation Fund – This special revenue fund is used to account for wetlands habitat restoration and maintenance activities and the subsequent sale of mitigation credits to developers within the Santa Ana River Mitigation Bank.

Arundo Removal Fund – This fund is used to account for activities to remove and control *Arundo Donax*, as well as Interpretive Education regarding habitat and native vegetation, and maintaining trails and outdoor facilities in sensitive areas along the Santa Ana River. The revenue source for these activities was from California Proposition 13 for water quality improvements and was not an ongoing revenue source. As of the end of this fiscal year, all activities and projects related to the Proposition have been completed and the remaining fund balance was comprised entirely of accrued interest revenue. This balance was transferred to the Habitat and Open-Space Management Fund at year-end, and this fund will be closed permanently in fiscal year 2019-20.

Park Acquisition & Development District Fund – This capital projects fund is used to account for capital improvements for major parks and open space areas countywide as designed by the Board of Supervisors.

Park Acquisition & Development – Grants Fund – This capital projects fund is used to account for the acquisition and capital improvement of regional parks and trails funded by State, Federal, and/or other grant sources.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

Park Acquisition & Development – DIF Fund – This capital projects fund is to account for the acquisition and capital improvement of regional parks and trails funded by Development Impact Fees (DIF).

Non-Major Governmental Funds:

The District maintains the following non-major governmental funds:

Special Revenue Funds:

Off Highway Vehicle Management Fund – To account for the receipt of State of California Off-Highway Vehicle Management funding, and education, maintenance, and improvement activities related to Off-Road Vehicle usage within the District.

Fish and Wildlife Commission Fund – To account for the receipt of the County of Riverside's portion of State of California Fish & Wildlife fee and fine revenue, and protection, education, conservation, propagation and preservation activities related to fish and wildlife as approved by the County Fish & Wildlife Commission.

Multi-Species Reserve Fund – To account for activities performed under contract for Metropolitan Water District (MWD) to provide reserve management services at their Multi-Species Reserve located on MWD land adjacent to Lake Skinner.

MSHCP Reserve Management Fund – To account for activities performed under contract for Western Riverside County Regional Conservation Authority (RCA) to provide reserve management services within designated parcel areas throughout the County.

CSA Park Maintenance Fund – This special revenue fund accounts for the District's activities in accordance with its service contract with the County of Riverside Economic Development Agency (EDA) to perform maintenance and operations at several Community Service Area (CSA) funded parks throughout Riverside County. This service contract ended January 2017 and this fund will be permanently closed in fiscal year 2019-20.

Community Center Maintenance Fund – This special revenue fund accounts for the District's activities in accordance with its service contract with the County of Riverside to perform programming, maintenance, and operations at several Community Centers throughout Riverside County. This service contract ended January 2017 and this fund will be permanently closed in fiscal year 2019-20.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Presentation, Basis of Accounting (continued)

Fiduciary Funds

Fiduciary fund reporting focuses on net position and changes in net position. Fiduciary funds are used to report assets held in a trustee or agency capacity for others and therefore cannot be used to support the District's own programs. The fiduciary fund category includes pension (and other employee benefit) trust funds, investment trust funds, private-purpose trust funds, and agency funds. The District maintains the following fiduciary funds:

Historical Commission Fund – This private purpose trust fund accounts for revenues and expenditures related to discovering and identifying persons, events and places of historical significance in Riverside County as approved by the Historical Commission.

Park District Fiduciary Trust – This private purpose trust fund accounts for assets held in a trustee or agency capacity for others for various purposes.

C. Budgets and Budgetary Accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all government funds. By state law, the District's governing board must adopt a budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board during the year to give consideration to unanticipated income and expenditures. The final adopted and revised budgets are presented for the General Fund and the Santa Ana River Mitigation Fund in the required supplementary information section. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

D. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts, and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

Cash and Cash Equivalents

The District considers cash and cash equivalents in funds to be cash on hand and demand deposits. In addition, because the County Treasury Pool is sufficiently liquid to permit withdrawal of cash at any time without prior notice or penalty, equity in the pool is also deemed to be a cash equivalent.

Capital Assets

Capital assets are defined by the District as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital Assets (continued)

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

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	27.5 years
Public domain infrastructure	27.5 years
System infrastructure	27.5 years
Furniture and equipment	5-7 years
Vehicles	5-10 years
Field equipment	3-20 years

Unavailable and Unearned Revenue

Unavailable revenue arises when potential revenue does not meet both the "measurable" and "available" criteria for recognition in the current period. Unearned revenue arises when resources are received by the District prior to the incurrence of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has a legal claim to the resources, the amount for unavailable or unearned revenue is removed from the balance sheet and revenue is recognized. Certain grants received that have not met eligibility requirements are recorded as unearned revenue. On the governmental fund financial statements, receivables that will not be collected within the available period (generally 60 days after year-end) are recorded as unavailable revenue.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows of resources related to pensions and OPEB, which includes the recognition of contributions made to the pension plan after the measurement date of the net pension liability.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District has deferred inflows of resources related to pensions and OPEB, which includes the recognition of the District's proportionate share of the deferred inflows of resources related to its pension plan as more fully described in the footnote entitled "Pension Plan".

Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and sick leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan and addition to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. CalPERS audited financial statements are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov.

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

Valuation Date June 30, 2017
Measurement Date June 30, 2018
Measurement Period July 1, 2017 to June 30, 2018

Other Postemployment Benefits (OPEB)

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

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

Valuation Date July 1, 2018
Measurement Date June 30, 2018
Measurement Period July 1, 2017 to June 30, 2018

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable – Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted – Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed – Amounts considered to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned – Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned – Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

Net Position

Net position is classified into three components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

Net investment in capital assets – This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted". When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. Minimum Fund Balance Policy

The District adopted a formal minimum fund balance policy in November 2012, and updated it in March 2018. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed unless the governing board has provided otherwise in its commitment or assignment actions.

G. Property Tax Calendar

The County is responsible for the assessment, collection, and apportionment of property taxes for all jurisdictions including the schools and special districts within the County. The Board of Supervisors levies property taxes as of September 1 on property values assessed on July 1. Secured property tax payments are due in two equal installments. The first is generally due November 1 and is delinquent with penalties on December 10, and the second is generally due on February 1 and is delinquent with penalties on April 10. Secured property taxes become a lien on the property on January 1. The District recognizes as revenue only those taxes which are received within 60 days after year end.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

I. Compensated Absences

In accordance with generally accepted accounting principles, an employee benefits payable liability is recorded for unused vacation and similar compensatory leave balances. The employee's entitlements to these balances are attributable to services already rendered and it is probable that virtually all these balances will be liquidated by either paid time off or payments upon termination or retirement.

J. Relationship to the County of Riverside

The Riverside County Regional Park and Open-Space District is an integral part of the reporting entity of the County of Riverside. The funds and account groups of the District have been blended within the financial statements of the County because the County Board of Supervisors is the governing board of the District and exercises control over the operations of the District.

Only the funds of the District are included herein, therefore, these financial statements do not purport to represent the financial position of operations of the County of Riverside, California.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 2 – CASH

Cash at June 30, 2019, is reported at fair value and consisted of the following:

	<u>Governmental Activities/Funds</u>	<u>Fiduciary Funds</u>	<u>Total</u>
Pooled funds:			
Cash in County Treasury	\$ 15,538,080	\$ 26,944	\$ 15,565,024
Total pooled funds	<u>15,538,080</u>	<u>26,944</u>	<u>15,565,024</u>
Deposits:			
Cash in revolving fund	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total cash	<u>\$ 15,548,080</u>	<u>\$ 26,944</u>	<u>\$ 15,575,024</u>

Pooled Funds

The District maintains substantially all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, disclosure of the individual deposits and investments and related custodial credit risk classifications should be obtained from the County of Riverside Comprehensive Annual Financial Report at www.auditorcontroller.org. In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2019, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 2 – CASH, (continued)

Investments Authorized by California Government Code and District’s Investment Policy

The tables below identified the investment types that are authorized for the District by the California Government Code or the District’s investment policy, whichever is more restrictive. The table also identifies certain provisions that address interest rate and credit risk.

Investments Types Authorized by State Law		*Maximum Maturity	*Maximum Percentage of Portfolio
Municipal Bonds	Yes	4 years	15%
U.S Treasuries	Yes	5 years	100%
Local Agency Obligations	Yes	3 years	2.5%
Federal Agencies	Yes	5 years	100%
Commercial Paper	Yes	270 days	40%
Certification & Time Deposits	Yes	1 years	25%
Repurchase Agreements	Yes	45 days	40%/25%
Reverse Repos	Yes	60 days	10%
Medium Term Notes	Yes	3 years	20%
CalTrust Short Term Fund	Yes	Daily Liquidity	1%
Money Market Mutual Funds	Yes	Daily Liquidity	20%
Local Agency Investment Fund	Yes	Daily Liquidity	Max \$50M
Cash/Deposit Account	Yes	N/A	N/A

*Based on state law requirements or investment policy requirements, whichever is more restrictive.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District limits it’s risk by giving careful and ongoing attention to the (1) credit quality standards issued by the nationally recognized rating agencies on the credit worthiness of each issuer of the security, (2) limiting the concentration of investment in any single firm, (3) by limiting the duration of investment, and (4) by maintaining the diversification and liquidity standards expressed within the District’s policy.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 2 – CASH, (continued)

Interest Rate Risk (continued)

Information about the sensitivity of the fair values of the District’s investments to market interest rates is provided by the following table that shows the distribution of the District’s investments by maturity.

Investment Type	Total	Remaining Maturity	
		1 Year or Less	2 to 5 Years
Municipal Bonds	\$ 530,767	-	\$ 530,767
U.S Treasuries	1,341,705	-	1,341,705
Federal Agencies	8,823,812	-	8,823,812
Commercial Paper	2,101,278	2,101,278	-
Certification & Time Deposits	79,382	79,382	-
Medium Term Notes	666,183	-	666,183
CalTrust Short Term Fund	9,339	9,339	-
Money Market Mutual Funds	242,814	242,814	-
Cash/Deposit Account	1,769,744	1,769,744	-
	<u>\$ 15,565,024</u>	<u>\$ 4,202,557</u>	<u>\$ 11,362,467</u>

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code, the District’s investment policy and the actual ratings as of year-end for each investment type.

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End			
			AAA	A	A1	Not Rated
Municipal Bonds	\$ 530,767	N/A	-	-	-	\$ 530,767
U.S Treasuries	1,341,705	N/A	-	-	-	1,341,705
Federal Agencies	8,823,812	AAA	8,823,812	-	-	-
Commercial Paper	2,101,278	A1/P1	-	-	2,101,278	-
Certification & Time Deposits	79,382	N/A	-	-	-	79,382
Medium Term Notes	666,183	A	-	666,183	-	-
CalTrust Short Term Fund	9,339	N/A	-	-	-	9,339
Money Market Mutual Funds	242,814	AAA	242,814	-	-	-
Cash/Deposit Account	1,769,744	N/A	-	-	-	1,769,744
	<u>\$ 15,565,024</u>		<u>\$ 9,066,626</u>	<u>\$ 666,183</u>	<u>\$ 2,101,278</u>	<u>\$ 3,730,937</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 2 – CASH, (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the District’s deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies.

California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2019, none of the District’s bank balance was exposed to custodial credit risk.

Fair Value Measurements

The District relies upon information provided by the County Treasury in estimating the fair value position of its holdings in it. The District’s holdings in the pool had a value of \$15,565,023 as of June 30, 2019. The allocated totals for each investment type is derived from the percentage of the District’s investment balance in relation to the pool’s investment balance applied to the pool’s total balance for each investment category.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs, either directly or indirectly; Level 3 inputs have the lowest priority and consist of unobservable inputs.

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2019 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>
Municipal bonds	\$ 530,767	\$ -	\$ 530,767	\$ -	\$ -
U.S. Treasury	1,341,705	1,341,705	-	-	-
Federal Agencies	8,823,812	8,823,812	-	-	-
Commercial paper	2,101,278	-	2,101,278	-	-
Certificate & Time Deposits	79,382	-	79,382	-	-
Medium Term Notes	666,183	-	666,183	-	-
CalTrust Short Term Fund	9,339	-	-	-	9,339
Money Market Mutual funds	242,814	-	-	-	242,814
Cash/Deposit Account	1,769,744	-	-	-	1,769,744
Total	\$ 15,565,024	\$ 10,165,517	\$ 3,377,610	\$ -	\$ 2,021,897

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2019, consisted of the following:

	General Fund	Santa Ana River Mitigation	Park Acquisition and Development	Capital Development Parks - Grants	Developer Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
Operational revenue	\$ 166,268	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,268
Property taxes	99,045	-	-	-	-	-	99,045
Interest	27,561	18,330	9,087	4,363	1,730	2,875	63,946
Due from other governments:							
Coastal Conservancy	-	-	-	904,498	-	-	904,498
Metropolitan Water District	16,188	-	-	-	-	133,413	149,601
Total receivables	<u>\$ 309,062</u>	<u>\$ 18,330</u>	<u>\$ 9,087</u>	<u>\$ 908,861</u>	<u>\$ 1,730</u>	<u>\$ 136,288</u>	<u>\$ 1,383,358</u>

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers To/From Other Funds

Transfers to/from other funds for the fiscal year ended June 30, 2019 consisted of the following:

Transfers Out	Transfers in	
	General Fund	Total
Arundo Removal	\$ 482,520	\$ 482,520
Non-Major Fund:		
Off-Highway Vehicle Management	100,000	100,000
Total	<u>\$ 582,520</u>	<u>\$ 582,520</u>

During the fiscal year ended June 30, 2019, the District made interfund transfers in accordance with its adopted budget. The Off-Highway Vehicle Management Special Revenue Fund transferred \$100,000 to the General Fund to support related operations. Arundo Removal, a non-major fund, transferred \$85,000 to the General Fund to support related operations.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 4 – INTERFUND TRANSACTIONS, (continued)

B. Due To/From Other Funds

Due to/from other funds for the fiscal year ended June 30, 2019 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	\$ 473,097	\$ (63,517)
Santa Ana River Mitigation	216	-
Arundo Removal	1,029	(397,636)
Capital Development Parks-Grants	-	(483,661)
Developer Impact Fees	464,877	-
Non-Major Governmental Funds	5,729	(134)
	<u>\$ 944,948</u>	<u>\$ (944,948)</u>

Due to/from other funds represented the corrections to program classifications amongst funds for prior years' revenue and expenditure activities, and for construction related activities.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

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

	Balance as of July 1, 2018	Additions	Deletions	Balance as of June 30, 2019
Capital assets, not being depreciated:				
Land	\$ 28,100,840	\$ -	\$ -	\$ 28,100,840
Construction in progress	10,886,693	7,475,777	(2,771,854)	15,590,616
Total capital assets, not being depreciated	38,987,533	7,475,777	(2,771,854)	43,691,456
Capital assets, being depreciated:				
Buildings	47,281,029	-	-	47,281,029
Machinery and equipment	4,778,073	245,075	(36,113)	4,987,035
Infrastructure	19,017,301	2,768,347	-	21,785,648
Total capital assets, being depreciated	71,076,403	3,013,422	(36,113)	74,053,712
Accumulated depreciation				
Buildings	(11,395,512)	(604,920)	-	(12,000,432)
Machinery and equipment	(4,355,567)	(71,112)	36,113	(4,390,566)
Infrastructure	(17,392,794)	(2,138,999)	-	(19,531,793)
Total accumulated depreciation	(33,143,873)	(2,815,031)	36,113	(35,922,791)
Total capital assets, being depreciated, net	37,932,530	198,391	-	38,130,921
Total capital assets, net	\$ 76,920,063	\$ 7,674,168	\$ (2,771,854)	\$ 81,822,377

Depreciation expense for the year ended June 30, 2019 was \$2,815,031, and was charged to the following functions in the Statement of Activities:

Interpretive	\$ 66,645
Natural resources	25,655
Regional parks	94,266
Planning and construction	2,611,887
Recreation	205
General government	16,373
Total depreciation expense	\$ 2,815,031

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 6 – Long-Term Liabilities

The change in long-term liabilities for the year ended June 30, 2019, was as follows:

	Balance as of July 1, 2018	Additions	Deletions	Balance as of June 30, 2019	Due within one year
Compensated absences	\$ 1,671,642	\$ 359,734	\$ (440,595)	\$ 1,590,781	\$ 384,192
Total	\$ 1,671,642	\$ 359,734	\$ (440,595)	\$ 1,590,781	\$ 384,192

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

The District has received state and federal funds for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursement will not be material.

B. Construction Commitments

On April 24, 2018, the District awarded a construction contract to Woodcliff Corporation in the amount of \$3,517,500 for the Park District Headquarters Expansion Project. On May 8, 2018, the District issued a Notice to Proceed to Woodcliff, and construction began on May 21, 2018. The project was substantially complete as of October 2019. As of June 30, 2019, the District expended \$3,365,423 against Woodcliff's contract, with \$152,077 remaining on the contract to be expended in fiscal year 2019-2020.

C. Litigation

The District is involved in certain legal matters that arose out of the normal course of business. The District has not accrued a liability for any potential litigation against it because it does not meet the criteria to be considered a liability at June 30, 2019.

NOTE 8 – RISK MANAGEMENT

Property and Liability

The District is part of the County of Riverside's insurance programs including coverage for property, general liability and auto liability. The County's insurance programs for property, general liability, and auto liability are a combination of self insurance and excess insurance providing limits of liability of \$25,000,000 per occurrence.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 8 – RISK MANAGEMENT (continued)

Workers' Compensation

The employees of the District are considered to be employees of the County of Riverside and are covered by the County's workers' compensation program. The County's workers' compensation program is a combination of self-insurance and excess insurance providing statutory limits of coverage as required by the State of California.

Claims Liability

During the year ended June 30, 2019, the District had no settlements exceeding insurance coverage for these categories of risk. For the past three years, settlements or judgment amounts have not exceeded insurance provided for the District.

NOTE 9 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS.) The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the safety and miscellaneous pools. Accordingly, rate plans within the safety or miscellaneous pools are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous or safety risk pools. The District sponsors three miscellaneous rate plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS' website at www.calpers.ca.gov.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided (continued)

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA, and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

The Plan's provisions and benefits in effect at June 30, 2019 are summarized as follows:

	Miscellaneous		
	Tier I	Tier II	Tier III
Hire date	Prior to August 23, 2012	August 23, 2012 to December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service monthly for life	5 years service monthly for life	5 years service monthly for life
Benefit payments	50-67	50-67	52-67
Retirement age	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Monthly benefits, as a % of eligible compensation	14.369%	8.346%	7.266%
Required employer contribution rates			

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Employer contributions for the fiscal year ended June 30, 2019 were \$1,229,176. The actual employer payments of \$1,094,073 made to CalPERS by the District during the measurement period ended June 30, 2018 differed from the District's proportionate share of the employer's contributions of \$1,343,690 by \$249,617, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2017
Measurement Date	June 30, 2018
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases ⁽¹⁾	3.3% - 14.2%
Mortality Rate Table ⁽²⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.0% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter

(1) Annual increases vary by category, entry age, and duration of service

(2) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at www.calpers.ca.gov.

Long-term Expected Rate of Return

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

Long-term Expected Rate of Return (continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as follows:

Asset Class ¹	New Strategic Allocation	Real Return Years 1 - 10 ²	Real Return Years 11+ ³
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
Total	100%		

¹ In the System's CAFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

Discount Rate

The discount rate used to measure the total pension liability for PERF C was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Plan Fiduciary Net Position

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website at www.calpers.ca.gov. The plan's fiduciary net position and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of each plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the District's GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance and OPEB expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 9 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability

The following table shows the Plan’s proportionate share of the net pension liability over the measurement period.

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2017 (Valuation Date)	\$ 43,486,528	\$ 32,747,251	\$ 10,739,277
Balance at: 6/30/2018 (Measurement Date)	45,781,782	35,275,744	10,506,038
Net Changes During 2017-18	2,295,254	2,528,493	(233,239)

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2018, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures. The District’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website at www.calpers.ca.gov. The District’s proportionate share of the net pension liability for the Plan as of June 30, 2017 and 2018 was as follows:

Proportionate Share - June 30, 2017	0.27243%
Proportionate Share - June 30, 2018	0.27877%
Change - Increase (Decrease)	0.00634%

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

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

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan’s Net Pension Liability	\$ 16,698,994	\$ 10,506,038	\$ 5,393,855

Subsequent Events

There were no subsequent events that would materially affect the results presented in this disclosure.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 9 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2018 is 3.8 years, which was obtained by dividing the total service years of 516,147 (the sum of remaining service lifetimes of the active employees) by 135,474 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 9 – PENSION PLAN (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions

As of the start of the measurement period (July 1, 2017), the District's net pension liability is \$10,739,277. For the measurement period ending June 30, 2018 (the measurement date), the District incurred pension expense of \$1,824,528.

As of June 30, 2019, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Changes of Assumptions	\$ 1,197,720	\$ (293,538)
Differences Between Expected and Actual Experience	403,098	(137,172)
Difference Between Projected and Actual Investment Earnings	51,939	-
Difference between Employer's Contribution and Proportionate Share of Contributions	-	(254,703)
Change in Employer's Proportion	404,857	-
Pension Contributions Made Subsequent to Measurement Date	1,229,176	-
Total	<u>\$ 3,286,790</u>	<u>\$ (685,413)</u>

These amounts above are net of outflows and inflows recognized in the 2017-18 measurement period expense. Contributions subsequent to the measurement date of \$1,229,176 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year ended. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 9 – PENSION PLAN (continued)

D. Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (continued)

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	\$ 1,145,377
2020	652,976
2021	(331,657)
2022	(94,495)
2023	
Thereafter	

E. Payable to the Pension Plan

The District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

The District provides retiree medical benefits for eligible retirees enrolled in District sponsored plans. The benefits are provided in the form of monthly District contributions toward the retiree's premium. The District participates in CalPERS' California Employers' Retiree Benefit Trust (CERBT) trust fund. The healthcare coverage provided meets the definition of an other post-employment benefit plan (OPEB Plan).

Employees Covered

As of the July 1, 2017 actuarial valuation date, rolled forward to June 30, 2018 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan.

Active employees	112
Inactive employees or beneficiaries currently receiving benefits	8
Total	<u>120</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Contributions

The District makes contributions to eligible retirees for their medical plan premiums when the retiree enrolls in a District sponsored health plan. The current monthly amount paid by the District ranges from \$25 – \$256, depending on the retiree’s bargaining unit at retirement. These amounts do not increase in future years to account for inflation. The District provided amounts are detailed in the Summary of Principal Plan Provisions.

Net OPEB Liability/Asset

The District’s net OPEB asset was measured as of June 30, 2018 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2017 that was rolled forward to determine the June 30, 2018 total OPEB liability, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	7.28%
Inflation	2.75%
Salary Increases	3.00%
Investment Rate of Return	7.28% - net of OPEB plan investment expense, including inflation
Mortality Rate	Mortality rates are based on the most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements using scale MP-2017.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability/Asset (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11+²</u>
Global Equities	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
Treasury Inflation-Protected Securities		0.25%	1.46%
Real Estate Investment Trusts	8%	3.20%	5.00%
Commodities	3%	1.50%	2.87%
Total	<u>95%</u>		

¹ An expected inflation of 2.0% used for this period

² An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total OPEB liability was 7.28% percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in the OPEB Liability

The changes in the net OPEB liability for the OPEB Plan are as follows:

	Total OPEB Liability (a)	Plan Fiduciary Net Position (B)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2018 (Based on Measurement Date June 30, 2017)	\$ 140,001	\$ 333,085	\$ (193,084)
Changes recognized for the measurement period:			
Service cost	1,350	-	1,350
Interest on the total OPEB liability	9,904	-	9,904
Benefit payments	(10,816)	(10,816)	-
Contributions - employer	-	50	(50)
Net investment income	-	26,702	(26,702)
Administrative expenses	-	(173)	173
Net Changes	<u>438</u>	<u>15,763</u>	<u>(15,325)</u>
Balance at June 30, 2019 (Based on Measurement Date June 30, 2018)	<u>\$ 140,439</u>	<u>\$ 348,848</u>	<u>\$ (208,409)</u>

Sensitivity of the Net OPEB Asset to Changes in the Discount Rate

The following presents the net OPEB asset of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2018:

	1% Decrease 6.28%	Current Discount Rate 7.28%	1% Increase 8.28%
Net OPEB Asset	\$ (193,772)	\$ (208,409)	\$ (220,781)

Sensitivity of the Net OPEB Asset to Changes in the Health Care Cost Trend Rates

The net OPEB asset is not sensitive to changes in the health care cost trend rates because the benefit amount is fixed and does not change or adjust to inflation or changes in future health care costs.

OPEB Plan Fiduciary Net Position

The California Employers' Retirement Benefit Trust (CERBT) is a section 115 trust that issued a publicly available financial report that may be obtained from CalPERS' website, at www.calpers.ca.gov.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements
June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are first recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

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

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (9.22 Years at June 30, 2018)

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2019, the District recognized OPEB expense of \$12,835. As of June 30, 2019, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 18,234	\$ -
Changes of assumptions	-	(2,027)
Difference between expected and actual earnings on OPEB plan investments	-	(8,542)
Total	\$ 18,234	\$ (10,569)

The amount recognized in the deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expense as follows:

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	\$ (413)
2021	(413)
2022	(413)
2023	1,674
2024	2,243
Thereafter	4,987

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS

- A. On October 15, 1985, and as later amended, the District entered into an agreement with California East Coast, Inc. (the "Company"), under which the Company will operate and collect user fees from a campground, camp store, boat launch and recovery ramp, day-use area and marina fuel station through a lease with the District at McIntyre County Park through the year 2047. The Company will pay the District between ten and seventeen percent of the revenues it earns from the operation of the campground. The Company is required to operate and maintain the campground in accordance with the lease contract. The District reports the campground as a capital asset with a carrying amount of \$51,640 at year-end. The District has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The District also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.
- B. On or about January 1, 1970, and as later amended, the County of Riverside and later the District entered into an agreement with Cavan Inc. The lease was assigned to J&W Enterprises, then to Alpine Capital LLC, then Reynolds Riviera Resorts, and lastly to The Cove RV Resort (the Company") as of December 2016. Under the terms of the agreement, the Company is permitted to engage in the operation of a travel trailer park, rental of spaces in the park, food service operations including a grocery store, boat launching ramp, and other associated camping functions through a lease that is proposed to expire in June 2044. The Company will pay the District each month the greater of \$833 or seven percent of gross receipts earned from operation of the RV Park during that month. The District reports the RV Park as a capital asset with a carrying amount of \$131,420 at year-end. The District has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The District also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability.
- C. In November 2007, the District entered into an agreement with Pyramid Enterprises, Inc. d.b.a Rocky Mountain Recreation Company of Piru, California (the "Company") to sublease its rights to Lake Skinner Recreation Area Concessionaire. Under the provisions of the agreement, the Company is permitted to engage in the operation of a marina, camp store, cafe, parking lots, laundry facility, fueling station, and bike shop. The monthly payment from the Company to the District will be the greater of the combination of 7% of all retail gross sales, 9% of all rental gross sales, and 2% of all fuel gross sales or \$2,500. The District has received no upfront payments or installment payments that are required to be reported as a deferred inflow of resources on the financial statements. The District also has no contractual obligations to sacrifice financial resources that meet the criteria to be recognized as a liability. The term of the agreement is 10 years, renewable in 5 year increments.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2019**

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS (continued)

- D. On February 7, 2018, the District entered into an agreement with Pyramid Enterprises, Inc. d.b.a Rocky Mountain Recreation Company of Piru, California (the "Company") to lease the Rancho Jurupa Regional Park Gopher Hole camp store. Under the provisions of the agreement, the Company is permitted to engage in the operation of the store, office, storage 107 and storage 102. The Company will pay the District ten percent of gross receipts earned from operation of the store each month. All remaining areas will remain under the control and responsibility of the District. The term of the agreement is 3 years, renewable 2 years.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Budgetary Comparison Schedule – General Fund – Budgetary Basis
For the Fiscal Year Ended June 30, 2019**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 6,276,919	\$ 6,540,644	\$ 6,709,829	\$ 169,185
Use of money and property	40,000	80,000	124,833	44,833
Intergovernmental	1,352	28,979	46,863	17,884
Charges for services	5,360,750	6,241,089	5,913,574	(327,515)
Operating grants and contributions	-	4,112	31,711	27,599
Total revenues	11,679,021	12,894,824	12,826,810	(68,014)
EXPENDITURES				
Salaries and benefits	7,238,359	7,238,359	6,908,453	329,906
Services and supplies	4,326,942	4,326,942	4,295,269	31,673
Interfund expenditures	511,787	511,787	378,334	133,453
Capital outlay	246,954	246,954	232,784	14,170
Total expenditures	12,324,042	12,324,042	11,814,840	509,202
Excess (deficiency) of revenues over (under) expenditures	(645,021)	570,782	1,011,970	441,188
OTHER FINANCING SOURCES (USES)				
Transfers out	(625,000)	(625,000)	(625,000)	-
Total other financing sources (uses)	(625,000)	(625,000)	(625,000)	-
Net change in fund balance	(1,270,021)	(54,218)	386,970	441,188
Fund balance, beginning of year	3,866,168	3,866,168	3,866,168	-
Fund balance, end of year	\$ 2,596,147	\$ 3,811,950	\$ 4,253,138	\$ 441,188

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Budgetary Comparison Schedule – General Fund – Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2019

**Reconciliation of the Budgetary Comparison Schedule - General Fund to the
Statement of Revenues, Expenditures and Changes in Fund Balances -
Governmental Funds (GAAP Basis)**

Actual revenues from budgetary comparison schedule	\$ 12,826,810
Revenues from other general funds are combined with the general fund, as required under generally accepted accounting principles	<u>764,028</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	<u>13,590,838</u>
Actual expenditures from budgetary comparison schedule	11,814,840
Expenditures from other general funds are combined with the general fund, as required under generally accepted accounting principles	<u>1,557,161</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	<u>13,372,001</u>
Actual other financing sources (uses) from budgetary comparison schedule	(625,000)
Other financing sources (uses) from other general funds are combined with the general fund, as required under generally accepted accounting principles	<u>1,207,520</u>
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	<u>582,520</u>
Net change in fund balance as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	801,357
Fund balance, beginning of year, as restated (GAAP Basis)	<u>4,757,010</u>
Fund balance, end of year (GAAP Basis)	<u>\$ 5,558,367</u>

Certain funds, including the Recreation, Habitat & Open Space Management and Park Resident Employee Utility Funds, are combined into the General Fund for reporting purposes under generally accepted accounting principles (GAAP).

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Budgetary Comparison Schedule – Santa Ana River Mitigation Fund
For the Fiscal Year Ended June 30, 2019**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 36,000	\$ 61,573	\$ 114,614	\$ 53,041
Total revenues	36,000	61,573	114,614	53,041
EXPENDITURES				
Salaries and benefits	35,648	20,556	44,784	(24,228)
Services and supplies	111,140	69,375	27,481	41,894
Interfund expenditures	105	493	470	23
Total expenditures	146,893	90,424	72,735	17,689
Excess (deficiency) of revenues over (under) expenditures	(110,893)	(28,851)	41,879	70,730
Net change in fund balance	(110,893)	(28,851)	41,879	70,730
Fund balance, beginning of year	3,782,046	3,782,046	3,782,046	-
Fund balance, end of year	\$ 3,671,153	\$ 3,753,195	\$ 3,823,925	\$ 70,730

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Budgetary Comparison Schedule – Arundo Removal Fund
For the Fiscal Year Ended June 30, 2019**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 8,000	\$ 8,000	\$ 11,233	\$ 3,233
Charges for services	60,000	62,520	51,725	(10,795)
Total revenues	68,000	70,520	62,958	(7,562)
EXPENDITURES				
Salaries and benefits	\$ 226,361	226,361	177,781	48,580
Services and supplies	63,165	63,165	40,271	22,894
Interfund expenditures	8,936	8,936	6,162	2,774
Total expenditures	298,462	298,462	224,214	74,248
Excess (deficiency) of revenues over (under) expenditures	(230,462)	(227,942)	(161,256)	66,686
OTHER FINANCING SOURCES (USES)				
Transfers out	(485,000)	(485,000)	(482,520)	2,480
Total other financing sources (uses)	(485,000)	(485,000)	(482,520)	2,480
Net change in fund balance	(715,462)	(712,942)	(643,776)	69,166
Fund balance, beginning of year, as restated	644,689	644,689	644,689	-
Fund balance, end of year	\$ (70,773)	\$ (68,253)	\$ 913	\$ 69,166

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Schedule of Proportionate Share of the Plan's Net Pension Liability and
Related Ratios as of the Measurement Date – Last 10 Years*
For the Fiscal Year Ended June 30, 2019**

	Measurement Date				
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018
Employer's Proportion of the Collective Net Pension Liability ¹	0.09942%	0.25620%	0.26345%	0.27243%	0.27877%
Employer's Proportionate Share of the Collective Net Pension Liability	\$6,188,861	\$7,028,782	\$9,151,775	\$10,739,277	\$10,506,038
Employer's Covered Payroll	\$4,992,076	\$5,799,186	\$6,790,996	\$6,200,874	\$5,415,135
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	123.97%	121.20%	134.76%	173.19%	194.01%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	81.15%	80.20%	75.90%	75.30%	77.05%

¹ Proportion of the collective net pension liability represents the Plan's proportion of PERF C, which includes both the Miscellaneous and Safety Risk Pools excluding the 1959 Survivors Risk Pool.

*Measurement period 2013-2014 (fiscal year 2014-2015) was the first year of implementation.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Schedule of Pension Plan Contributions – Last 10 Years*
For the Fiscal Year Ended June 30, 2019**

	Fiscal Year				
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Actuarially Determined Contribution	\$ 950,056	\$ 1,061,769	\$ 1,094,243	\$ 1,094,073	\$ 1,229,176
Contributions in Relation to the Actuarially Determined Contribution	(950,056)	(1,061,769)	(1,094,243)	(1,094,073)	(1,229,176)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,799,186	\$ 6,790,996	\$ 6,200,874	\$ 5,415,135	\$ 5,438,751
Contributions as a Percentage of Covered Payroll	16.38%	15.63%	17.65%	20.20%	22.60%

*Measurement period 2013-2014 (fiscal year 2014-2015) was the first year of implementation.

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment to the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of Changes in the Net OPEB Liability and Related Ratios – Last Ten Years*
For the Fiscal Year Ended June 30, 2019

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS for the Measurement Period		
Measurement Period	2017	2018
Total OPEB Liability		
Service cost	\$ 2,780	\$ 1,350
Interest cost	8,369	9,904
Differences between expected and actual experiences	23,284	-
Changes of assumptions	(2,589)	-
Benefit payments	(7,900)	(10,816)
Net Change in Total OPEB Liability	23,944	438
Total OPEB Liability - beginning	116,057	140,001
Total OPEB Liability - ending (a)	<u>\$ 140,001</u>	<u>\$ 140,439</u>
Plan Fiduciary Net Position		
Contributions - employer	\$ -	\$ 50
Net investment income	32,602	26,702
Benefit payments	(7,900)	(10,816)
Administrative expenses	(158)	(173)
Net Change in Plan Fiduciary Net Position	24,544	15,763
Plan Fiduciary Net Position - beginning	308,541	333,085
Plan Fiduciary Net Position - ending (b)	<u>\$ 333,085</u>	<u>\$ 348,848</u>
Net OPEB Liability (Asset) - ending (a) - (b)	\$ (193,084)	\$ (208,409)
Plan fiduciary net position as a percentage of the total OPEB liability	237.92%	248.40%
Covered-employee payroll	\$ 5,682,573	\$ 5,853,050
Net OPEB liability (asset) as a percentage of covered-employee payroll	-3.40%	-3.56%

Notes to schedule:

The following assumptions were changed from the prior valuation:

- 1) Mortality improvement was updated to use scale MP-2017

* Historical information is required only for measurement period for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Fiscal Year 2017-18 was the first year of implementation.

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Schedule of OPEB Plan Contributions – Last Ten Years*
For the Fiscal Year Ended June 30, 2019**

SCHEDULE OF CONTRIBUTIONS		
Fiscal Year Ended June 30	2018	2019
Actuarially Determined Contributions (ADC)	\$ -	\$ -
Contributions in relation to the ADC	-	-
Contribution deficiency/(excess)	\$ -	\$ -
Covered-employee payroll	\$ 5,682,573	\$ 5,853,050
Contribution as a percentage of covered-employee payroll	0.00%	0.00%

Notes to schedule:

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

Methods and assumptions used to determine contributions:

Actuarial Cost Method

Entry Age Normal with period amortization of 7/1/2017 unfunded liability over a period ending 6/30/2037 and amortization of subsequent unanticipated changes in unfunded liability over a 15-year period from date established.

Asset Valuation Method

5 Year Assets Smoothing

Salary Increases

3.00%

Investment Rate of Return

7.28%, net of OPEB plan investment expense, including inflation.

Retirement Age

Retirement rates developed in the 1997-2011 CalPERS Experience Study.

Mortality

Most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements from 2008 using scale MP-2017.

* Historical information is required only for measurement period for which GASB 75 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

Fiscal Year 2017-18 was the first year of implementation.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2019

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

These schedules are required by generally accepted accounting principles as required supplementary information (RSI) for the General Fund and for each major special revenue fund that has a legally adopted annual budget. The budgetary comparison schedule presents both (a) the original and (b) the final appropriated budgets for the reporting period as well as (c) actual inflows, outflows, and balances, stated on the District's budgetary basis. A separate column to report the variance between the final budget and actual amounts is also presented, although not required.

Schedule of Proportionate Share of the Plan's Net Pension Liability and Related Ratios as of the Measurement Date

This schedule is required by generally accepted accounting principles and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

Schedule of Pension Contributions

This schedule is required by generally accepted accounting principles and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered payroll.

Schedule of Changes in the Net OPEB Liability and Related Ratios

This schedule is required by generally accepted accounting principles and are required for all single and agent employers. The schedule reports the following information:

- OPEB plan's fiduciary net position as a percentage of the total OPEB liability
- Covered-employee payroll
- Net OPEB liability as a percentage of covered-employee payroll

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2019

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of OPEB Plan Contributions

This schedule is required by generally accepted accounting principles and are required for all single and agent employers. This schedule reports the following information:

- Actuarially or contractually determined amount
- Actual contribution made
- Covered-employee payroll
- Contributions as a percentage of covered-employee payroll

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2019, the District incurred excess expenditures over appropriations in the Santa Ana River Mitigation Fund presented in the major Budgetary Comparison Schedules. The original budget was reduced according to expectations that staff time would be spent in other programs, but in the end more time was spent for this fund and original budget should have been kept.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2019**

	Off Hwy Vehicle Mgmt	Fish and Wildlife Commission	Multi- Species Reserve	MSHCP Reserve Management
ASSETS				
Cash	\$ 356,709	\$ 13,284	\$ 144,328	\$ 271,493
Interest receivable	1,422	63	789	601
Due from other governments	-	-	133,413	-
Due from other funds	-	-	1,378	4,351
Total assets	\$ 358,131	\$ 13,347	\$ 279,908	\$ 276,445
LIABILITIES				
Accounts payable	\$ -	\$ -	\$ 3,585	\$ 24,929
Accrued liabilities	-	-	18,102	44,829
Due to other funds	-	-	134	-
Total liabilities	-	-	21,821	69,758
FUND BALANCE				
Restricted	358,131	13,347	258,087	206,687
Total fund balance	358,131	13,347	258,087	206,687
Total liabilities and fund balance	\$ 358,131	\$ 13,347	\$ 279,908	\$ 276,445

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Combining Balance Sheet – Non-Major Governmental Funds (continued)
June 30, 2019

	<u>CSA Park Maintenance</u>	<u>Community Center Maintenance</u>	<u>Total Non-Major Funds</u>
ASSETS			
Cash	\$ 160	\$ 12	\$ 785,986
Interest receivable	-	-	2,875
Due from other governments	-	-	133,413
Due from other funds	-	-	5,729
	<u> </u>	<u> </u>	<u> </u>
Total assets	<u>\$ 160</u>	<u>\$ 12</u>	<u>\$ 928,003</u>
LIABILITIES			
Accounts payable	\$ 8	\$ -	\$ 28,522
Accrued liabilities	-	-	62,931
Due to other funds	-	-	134
	<u> </u>	<u> </u>	<u> </u>
Total liabilities	<u>8</u>	<u>-</u>	<u>91,587</u>
FUND BALANCE			
Restricted	<u>152</u>	<u>12</u>	<u>836,416</u>
	<u> </u>	<u> </u>	<u> </u>
Total fund balance (deficit)	<u>152</u>	<u>12</u>	<u>836,416</u>
	<u> </u>	<u> </u>	<u> </u>
Total liabilities and fund balance	<u>\$ 160</u>	<u>\$ 12</u>	<u>\$ 928,003</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
 Non-Major Governmental Funds
 For the Fiscal Year Ended June 30, 2019

	Off Hwy Vehicle Mgmt	Fish and Wildlife Commission	Multi- Species Reserve	MSHCP Reserve Management
REVENUES				
Use of money and property	\$ 10,530	\$ 412	\$ 3,815	4,727
Intergovernmental	91,911	1,024	301,000	839,221
Charges for services	-	-	142	-
Total revenues	<u>102,441</u>	<u>1,436</u>	<u>304,957</u>	<u>843,948</u>
EXPENDITURES				
Interpretive	-	-	-	-
Natural resources	-	-	276,074	837,671
Community parks	-	-	-	-
General government	-	1,500	-	-
Community centers	-	-	-	-
Total expenditures	<u>-</u>	<u>1,500</u>	<u>276,074</u>	<u>837,671</u>
Excess (deficiency) of revenues over (under) expenditures	<u>102,441</u>	<u>(64)</u>	<u>28,883</u>	<u>6,277</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	2,441	(64)	28,883	6,277
Fund balance, beginning of year	<u>355,690</u>	<u>13,411</u>	<u>229,204</u>	<u>200,410</u>
Fund balance, end of year	<u>\$ 358,131</u>	<u>\$ 13,347</u>	<u>\$ 258,087</u>	<u>\$ 206,687</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2019**

	<u>CSA Park Maintenance</u>	<u>Community Center Maintenance</u>	<u>Total Non-Major Funds</u>
REVENUES			
Use of money and property	\$ 602	\$ 47	\$ 20,133
Intergovernmental	-	-	1,233,156
Charges for services	-	-	142
Total revenues	<u>602</u>	<u>47</u>	<u>1,253,431</u>
EXPENDITURES			
Interpretive	-	-	-
Natural resources	-	-	1,113,745
Community parks	29,742	-	29,742
General government	-	-	1,500
Community centers	-	2,292	2,292
Total expenditures	<u>29,742</u>	<u>2,292</u>	<u>1,147,279</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(29,140)</u>	<u>(2,245)</u>	<u>106,152</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	(100,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balance	(29,140)	(2,245)	6,152
Fund balance, beginning of year	<u>29,292</u>	<u>2,257</u>	<u>830,264</u>
Fund balance (deficit), end of year	<u>\$ 152</u>	<u>\$ 12</u>	<u>\$ 836,416</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

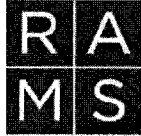
Combining Balance Sheet – General Fund
June 30, 2019

	<u>General Fund Operating</u>	<u>Recreation</u>	<u>Habitat & Open Space Management</u>	<u>Park Residence Utilities & Maintenance</u>	<u>Reported General Fund</u>
ASSETS					
Cash	\$ 5,401,666	\$ 316,921	\$ 334,420	\$ 468,722	\$ 6,521,729
Accounts receivable	129,623	36,645	-	-	166,268
Taxes receivable	99,045	-	-	-	99,045
Interest receivable	21,310	477	3,527	2,247	27,561
Due from other governments	16,188	-	-	-	16,188
Due from other funds	65,004	7,731	400,304	58	473,097
Total assets	<u>\$ 5,732,836</u>	<u>\$ 361,774</u>	<u>\$ 738,251</u>	<u>\$ 471,027</u>	<u>\$ 7,303,888</u>
LIABILITIES					
Accounts payable	\$ 479,110	\$ 75,758	\$ 21,739	\$ 20,838	\$ 597,445
Accrued liabilities	380,716	30,628	29,523	336	441,203
Due to other funds	63,091	291	135	-	63,517
Customer deposits	2,300	-	-	6,875	9,175
Unearned revenue	554,481	79,700	-	-	634,181
Total liabilities	<u>1,479,698</u>	<u>186,377</u>	<u>51,397</u>	<u>28,049</u>	<u>1,745,521</u>
FUND BALANCE					
Unassigned	4,253,138	175,397	686,854	442,978	5,558,367
Total fund balance	<u>4,253,138</u>	<u>175,397</u>	<u>686,854</u>	<u>442,978</u>	<u>5,558,367</u>
Total liabilities and fund balance	<u>\$ 5,732,836</u>	<u>\$ 361,774</u>	<u>\$ 738,251</u>	<u>\$ 471,027</u>	<u>\$ 7,303,888</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Combining Statement of Revenues and Expenditures – General Fund
For the Fiscal Year Ended June 30, 2019

	General Fund Operating	Recreation	Habitat & Open Space Management	Park Resident Utilities & Maintenance	Eliminations	Reported General Fund
REVENUES						
Property taxes	\$ 6,709,829	\$ -	\$ -	\$ -	\$ -	\$ 6,709,829
Use of money and property	124,833	4,058	15,817	13,473	-	158,181
Intergovernmental	46,863	150	260,000	-	-	307,013
Charges for services	5,913,574	388,998	16,360	64,791	-	6,383,723
Operating grants and contributions	31,711	381	-	-	-	32,092
Total revenues	<u>12,826,810</u>	<u>393,587</u>	<u>292,177</u>	<u>78,264</u>	<u>-</u>	<u>13,590,838</u>
EXPENDITURES						
Interpretive	954,410	-	-	-	-	954,410
Natural resources	135,817	-	619,624	-	-	755,441
Regional parks	5,326,927	-	-	-	-	5,326,927
Planning and construction	1,030,414	-	-	52,965	-	1,083,379
Recreation	-	884,572	-	-	-	884,572
General government	4,367,272	-	-	-	-	4,367,272
Total expenditures	<u>11,814,840</u>	<u>884,572</u>	<u>619,624</u>	<u>52,965</u>	<u>-</u>	<u>13,372,001</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,011,970</u>	<u>(490,985)</u>	<u>(327,447)</u>	<u>25,299</u>	<u>-</u>	<u>218,837</u>
OTHER FINANCING SOURCES (USES)						
Transfers in	-	625,000	582,520	-	(625,000)	582,520
Transfers out	(625,000)	-	-	-	625,000	-
Total other financing sources (uses)	<u>(625,000)</u>	<u>625,000</u>	<u>582,520</u>	<u>-</u>	<u>-</u>	<u>582,520</u>
Net change in fund balance	386,970	134,015	255,073	25,299	-	801,357
Fund balance, beginning of year	3,866,168	41,382	431,781	417,679	-	4,757,010
Fund balance, end of year	<u>\$ 4,253,138</u>	<u>\$ 175,397</u>	<u>\$ 686,854</u>	<u>\$ 442,978</u>	<u>\$ -</u>	<u>\$ 5,558,367</u>



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**REPORT ON INTERNAL CONTROL OVER FINANCIAL
REPORTING AND ON COMPLIANCE AND
OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE
WITH GOVERNMENT AUDITING STANDARDS**

Independent Auditor's Report

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**Board of Supervisors
Riverside County Regional Park and Open-Space District
Jurupa Valley, California**

We have audited, in accordance with the 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, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District (the District) as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 8, 2019

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2019**

None reported.