

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

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

**For the Fiscal Year Ended
June 30, 2022**

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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Financial Section

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Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited 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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, 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.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis on pages 4 to 9, and the budgetary comparison information and schedules of proportionate share of the pension plan's net pension liability and related ratios, pension plan contributions, changes in the net OPEB liability and related ratios, and OPEB plan contributions, on pages 48 to 55, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements.

We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying combining and individual general fund and nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. 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 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 October 31, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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.

Eadie and Payne, LLP

Riverside, CA
October 31, 2022

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

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, 2022. 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 \$91,274,025.
- The District's financial position increased overall as a result of this year's operations. Net position of governmental activities increased by \$1,192,843, or 1.3% of the beginning Net Position.
- Governmental expenses were about \$19.1 million. Revenues were about \$20.3 million.
- The District spent about \$3.1 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 approximately \$212,000.
- Unassigned fund balance in the District's General Fund represents 72.4% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

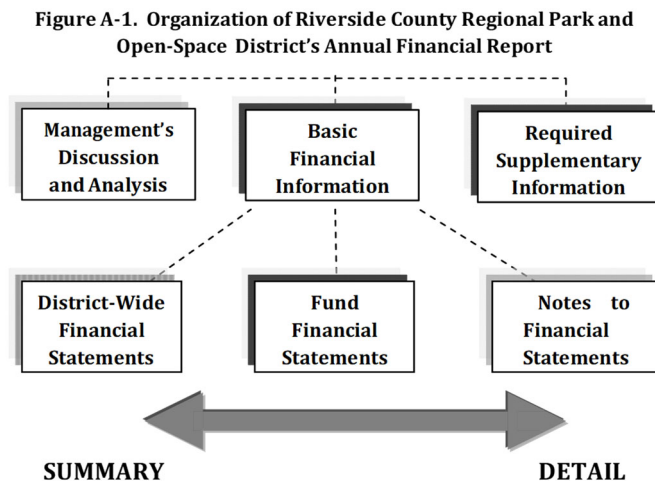
This annual report consists of three parts – management's discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- 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 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.



RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management’s Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

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.

Type of Statements	District-Wide	Governmental Funds
<i>Scope</i>	Entire District, except fiduciary activities	The activities of the District that are not proprietary or fiduciary, such as building maintenance
<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
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial 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
<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

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, 2022

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 only has governmental funds:

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 14 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management’s Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District’s combined net position on June 30, 2022 increased \$0.1 million from the beginning net position after prior period adjustment to \$90.1 million.

	Governmental Activities		Variance
	(In millions)		
	2021	2022	Increase
			(Decrease)
Current and other assets	\$ 21.9	\$ 26.2	\$ 4.3
Capital assets	81.2	81.6	0.4
Total assets	103.1	107.8	4.7
Total deferred outflows of resources	4.0	3.7	(0.3)
Other liabilities	1.6	2.2	0.6
Long-term liabilities	15.0	9.6	(5.4)
Total liabilities	16.6	11.8	(4.8)
Total deferred inflows of resources	0.4	8.5	8.1
Net position			-
Net investment in capital assets	81.2	81.6	0.4
Restricted	12.0	10.6	(1.4)
Unrestricted	(3.2)	(1.0)	2.2
Total net position	\$ 90.0	\$ 91.2	\$ 1.2

Changes in net position, governmental activities

The District’s total revenues decreased by \$1.0 million, or 4.7%. The decrease of revenues was due to one-time CARES grant funding received of \$389,000 and higher redevelopment property taxes allocated in prior year. The District continues to see a steady influx of park users as residents and visitors seek affordable and short-term outdoor enjoyment as we all go back to a new normal after impacts of the pandemic. Our interpretive program is slowly recovering from the effects of the pandemic as school tours are becoming consistent this year.

	Governmental Activities		Variance
	(In millions)		
	2021	2022	Increase
			(Decrease)
Total Revenues	\$ 21.3	\$ 20.3	\$ (1.0)
Total Expenses	18.7	19.1	0.4
Increase (decrease) in net position	\$ 2.6	\$ 1.2	\$ (1.4)

The District’s total expenses increased by \$0.4 million, or 2.1%. The increase in expenditures are mainly due to the capital improvement projects that made considerable progress through the year. Some notable projects are the Lake Skinner Lift Station Replacement, Harford Springs Staging Area, OHV Feasibility Study, and the Santa Ana River Trail (SART).

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management’s Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

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 \$22.1 million, which is higher than last year’s ending fund balance of \$20.3 million. Fund balance increased despite an increase in expenditures of approximately \$3.3 million, because total revenues remained consistent with last year at \$20.3 million. The District closely monitored its spending relative to its revenues throughout the year as we learned how vulnerable our operations were during the pandemic. The District understands the value of sustainable spending and although our expenditures increased, our reserves continue to be fortified to strengthen our position of future global pressures and economic uncertainties.

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 be under expenditures by about \$1.0 million. The actual results for the year show that revenues exceeded expenditures by roughly \$1.7 million. Actual revenues were \$1.5 million more than anticipated, and expenditures were \$0.6 million less than budgeted. The discrepancy is primarily a result of stronger than expected demand of our park facilities with our regional parks posting 22% above revenue target. Our events program also posted decent revenue after posting non-existent revenue in the past two years due to the pandemic.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2021-22, the District had invested \$3.1 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. Total depreciation expense for the year was about \$2.6 million.

	Governmental Activities		
	(In millions)		Variance
	2021	2022	Increase (Decrease)
Land	\$ 28.2	28.1	\$ (0.1)
Construction in Progress	12.8	13.2	0.4
Buildings	14.9	14.2	(0.7)
Machinery & Equipment	0.5	0.5	-
Infrastructure	24.8	25.6	0.8
Total Net Capital Assets at Year-End	\$ 81.2	\$ 81.6	\$ 0.4

Long-Term Liabilities

At year-end, the District had \$9.5 million in compensated absences, net pension liability and net OPEB liability – a decrease of 5.5 million from the prior year balance. (More detailed information about the District’s long-term liabilities is presented in Notes 7, 10 and 11 to the financial statements).

	Governmental Activities		
	(In millions)		Variance
	2021	2022	Increase (Decrease)
Compensated Absences	\$ 1.5	\$ 1.3	\$ (0.2)
Net Pension Liability	12.4	7.0	(5.4)
Net OPEB Liability	1.1	1.2	0.1
Total Outstanding Long-term Liabilities at Year-End	\$ 15.0	\$ 9.5	\$ (5.5)

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis

For the Fiscal Year Ended June 30, 2022

FACTORS BEARING ON THE DISTRICT'S FUTURE

As we put behind the challenges the District faced during the pandemic, we now look ahead into the future by reflecting on lessons learned and identify areas of improvement and develop a plan for a sustainable Park District. For the past two years, the District has improved its reserves by consciously spending within budget and as a result has gained approximately twenty percent (20%) in operating reserves from prior year. This allows the District the ability to recover quickly from unforeseen emergencies like wildfires, floods, and health related crises.

The District tries to align with the County's strategies for the future and beyond. We have identified strategic priorities that we believe will improve the quality of life, transform service delivery and achieve fiscal stability. One of the exciting initiatives we've embarked on this year has been the Santa Ana River Homeless Solutions Collaborative. The District partnered with elected leaders, housing and homeless solution providers, and both public and private organizations to improve our relationships and communication and work toward a shared mission. Working together, we set goals for rehousing encampments; conducting clean-ups, repairs, and habitat restoration; and establishing tools to prevent reoccurrence of encampments. This collaborative sets a good example of how to build resilient systems of support for shared complex situations. Collectively, the group has engaged with over 300 individuals connecting them with housing, employment, and health-related services.

This coming year brings a multitude of capital improvement projects that came to fruition through our amazing and dedicated team by securing multi-million dollar state grants and also from the American Rescue Plan Act (ARPA) federal grant. The Gilman Stagecoach Stop park is a \$6.05 million statewide park program grant awarded to us this past year. Additionally, we also received \$2 million CalFire grant for their Fire Prevention Program that will be used for and fire mitigation efforts at our various park facilities. Finally, we were approved for eight projects funded through ARPA that include repaving projects, sewer improvements, tourism recovery program, and a collaborative housing project with Department of Public Social Services (DPSS) at Rancho Jurupa Park. The District must remain true to the mission of protecting valuable resources and ensuring they are well-maintained and operated for generations to come.

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.

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Net Position

June 30, 2022

	<u>GOVERNMENTAL ACTIVITIES</u>
ASSETS	
Cash (Note 2)	\$ 19,871,010
Accounts Receivable (Note 3)	100,131
Taxes Receivable (Note 3)	72,751
Interest Receivable (Note 3)	32,702
Due from other governments	2,602,812
Prepaid expenses	1,537,309
Lease receivable - current (Note 5)	283,875
Lease receivable - non-current (Note 5)	1,718,120
Capital assets, not being being depreciated (Note 6)	41,299,139
Capital assets, net of depreciation (Note 6)	<u>40,322,900</u>
Total Assets	<u>107,840,749</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 10)	2,517,574
OPEB related (Note 11)	<u>1,168,243</u>
Total Deferred Outflows of Resources	<u>3,685,817</u>
Total Assets and Deferred Outflows of Resources	<u>111,526,566</u>
LIABILITIES	
Accounts payable	1,130,556
Accrued liabilities	306,836
Due to other governments	26
Customer deposits	27,865
Unearned revenue	775,252
Long-term liabilities:	
Due within one year:	
Compensated absences (Note 7)	195,712
Due in more than one year:	
Compensated absences (Note 7)	1,087,033
Net pension liability (Note 10)	7,041,269
Net OPEB liability (Note 11)	<u>1,227,310</u>
Total Liabilities	<u>11,791,859</u>
DEFERRED INFLOWS OF RESOURCES	
Leases	1,835,995
Pension related (Note 10)	6,544,745
OPEB related (Note 11)	<u>79,942</u>
Total Deferred Inflows of Resources	<u>8,460,682</u>
Total Liabilities and Deferred Inflows of Resources	<u>20,252,541</u>
NET POSITION	
Net investment in capital assets	81,622,039
Restricted	10,618,433
Unrestricted	<u>(966,447)</u>
TOTAL NET POSITION	<u>\$ 91,274,025</u>

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

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Activities

For the Fiscal Year Ended June 30, 2022

<u>FUNCTIONS/PROGRAMS</u>	<u>EXPENSES</u>	<u>PROGRAM REVENUES</u>		<u>NET (EXPENSE) REVENUE AND CHANGES IN NET POSITION</u>
		<u>CHARGES FOR SERVICES</u>	<u>OPERATING GRANTS AND CONTRIBUTIONS</u>	
Governmental Activities:				
Interpretive	\$ 998,097	\$ 238,253	\$ 7,003	\$ (752,841)
Natural resources	2,227,884	9,586	1,628,963	(589,335)
Regional parks	4,936,194	6,459,971	-	1,523,777
Planning and construction	3,685,427	-	3,395,669	(289,758)
General government	7,295,750	1,066,860	207,816	(6,021,074)
Total governmental activities	<u>\$ 19,143,352</u>	<u>\$ 7,774,670</u>	<u>\$ 5,239,451</u>	<u>(6,129,231)</u>
General revenues:				
Property taxes				7,637,482
Use of money and property				<u>(315,408)</u>
Total general revenues				<u>7,322,074</u>
Change in net position				1,192,843
Net position, beginning of year, as originally stated				87,991,339
Prior period adjustment (Note 13)				<u>2,089,843</u>
Net position, beginning of year, as restated				<u>90,081,182</u>
Net position, end of year				<u>\$ 91,274,025</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, 2022

	GENERAL FUND	SPECIAL REVENUE FUNDS	
		SANTA ANA RIVER MITAGATION	LAKE SKINNER
ASSETS			
Cash	\$ 10,768,210	\$ 3,590,372	\$ 1,597,492
Accounts receivable	25,829	-	74,302
Taxes receivable	72,751	-	-
Interest receivable	17,676	6,378	2,840
Due from other governments	19,798	-	-
Prepaid expenses	-	1,699	17,624
Lease receivable	2,001,995	-	-
TOTAL ASSETS	<u>12,906,259</u>	<u>3,598,449</u>	<u>1,692,258</u>
LIABILITIES			
Accounts payable	\$ 279,245	\$ 608	\$ 127,788
Accrued liabilities	272,565	-	-
Due to other governments	26	-	-
Customer deposits	26,365	-	1,500
Unearned revenues	505,625	-	269,627
Deferred inflow of resources	1,835,995	-	-
Total Liabilities	<u>2,919,821</u>	<u>608</u>	<u>398,915</u>
FUND BALANCE			
Nonspendable	2,001,995	1,699	17,624
Restricted	-	3,596,142	1,275,719
Unassigned	7,984,443	-	-
Total Fund Balances	<u>9,986,438</u>	<u>3,597,841</u>	<u>1,293,343</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 12,906,259</u>	<u>\$ 3,598,449</u>	<u>\$ 1,692,258</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, 2021

CAPITAL PROJECT FUND PARK ACQUISITION & DEVELOPMENT	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ 1,871,579	\$ 2,043,357	\$ 19,871,010
-	-	100,131
-	-	72,751
2,402	3,406	32,702
199,016	2,383,998	2,602,812
224,554	1,293,432	1,537,309
-	-	2,001,995
<u>2,297,551</u>	<u>5,724,193</u>	<u>26,218,710</u>
\$ 10,110	\$ 712,805	\$ 1,130,556
-	34,271	306,836
-	-	26
-	-	27,865
-	-	775,252
-	-	1,835,995
<u>10,110</u>	<u>747,076</u>	<u>4,076,530</u>
224,554	1,293,432	3,539,304
2,062,887	3,683,685	10,618,433
-	-	7,984,443
<u>2,287,441</u>	<u>4,977,117</u>	<u>22,142,180</u>
<u>\$ 2,297,551</u>	<u>\$ 5,724,193</u>	<u>\$ 26,218,710</u>

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position**
June 30, 2022

Total Fund Balance - Governmental Funds \$ 22,142,180

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	\$ 41,299,139	
Depreciable, net	<u>40,322,900</u>	
Total capital assets		81,622,039

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		(1,282,745)
Net pension liability		(7,041,269)
Net OPEB liability		(1,227,310)

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		2,517,574
Deferred inflows of resources related to pensions		(6,544,745)

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		1,168,243
Deferred inflows of resources related to OPEB		<u>(79,942)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 91,274,025

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, 2022

	GENERAL FUND	SPECIAL REVENUE FUNDS	
		SANTA ANA RIVER MITAGATION	LAKE SKINNER
REVENUES			
Property taxes	\$ 7,637,482	\$ -	\$ -
Use of money and property	(171,527)	(54,720)	(25,161)
Intergovernmental	434,619	-	-
Charges for services	5,204,763	-	2,569,907
Operating grants and contributions	38,603	-	-
Total Revenues	<u>13,143,940</u>	<u>(54,720)</u>	<u>2,544,746</u>
EXPENDITURES			
Interpretive	965,743	-	-
Natural resources	825,942	43,383	-
Regional parks	3,049,995	-	1,808,528
Planning and construction	-	-	-
General government	6,188,571	-	-
Total Expenditures	<u>11,030,251</u>	<u>43,383</u>	<u>1,808,528</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,113,689</u>	<u>(98,103)</u>	<u>736,218</u>
OTHER FINANCING SOURCES (USES)			
Transfer in	591,077	-	-
Transfer out	(990,000)	-	-
Total Other Financing Sources (Uses)	<u>(398,923)</u>	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCES	1,714,766	(98,103)	736,218
FUND BALANCES - BEGINNING	8,271,672	3,695,944	557,125
FUND BALANCES - ENDING	<u>\$ 9,986,438</u>	<u>\$ 3,597,841</u>	<u>\$ 1,293,343</u>

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, 2022

CAPITAL PROJECT FUND PARK ACQUISITION & DEVELOPMENT	NON-MAJOR GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS
\$ -	\$ -	\$ 7,637,482
(30,137)	(33,863)	(315,408)
194,386	3,000,392	3,629,397
-	-	7,774,670
<u>454,108</u>	<u>1,117,343</u>	<u>1,610,054</u>
<u>618,357</u>	<u>4,083,872</u>	<u>20,336,195</u>
-	-	965,743
-	1,325,499	2,194,824
-	-	4,858,523
1,069,383	3,183,800	4,253,183
-	1,000	6,189,571
<u>1,069,383</u>	<u>4,510,299</u>	<u>18,461,844</u>
<u>(451,026)</u>	<u>(426,427)</u>	<u>1,874,351</u>
500,000	-	1,091,077
<u>-</u>	<u>(101,077)</u>	<u>(1,091,077)</u>
<u>500,000</u>	<u>(101,077)</u>	<u>-</u>
48,974	(527,504)	1,874,351
2,238,467	5,504,621	20,267,829
<u>\$ 2,287,441</u>	<u>\$ 4,977,117</u>	<u>\$ 22,142,180</u>

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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, 2022

Net Change in Fund Balances - Governmental Funds	\$ 1,874,351
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.	377,534
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.	212,059
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.	(1,034,581)
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.	<u>(236,520)</u>
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	<u>\$ 1,192,843</u>

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

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Notes to the Financial Statements

June 30, 2022

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.

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. 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, Habitat & Open Space Management, Historical Commission, 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.

Lake Skinner Fund – This special revenue fund is used to account for recreation activities at the Lake Skinner Regional Park.

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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. This fund was closed permanently in fiscal year 2021-22.

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 was permanently closed in fiscal year 2021-22.

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 was permanently closed in fiscal year 2021-22.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Special Revenue Funds (continued):

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.

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).

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.

Notes to the Financial Statements

June 30, 2022

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.

Lease Receivable

The District’s lease receivable is measured at the present value of lease payments expected to be received during the lease term. Under the lease agreement, the annual lease payment is adjusted annually by an amount not to exceed the rate of inflation as indicated by the change in Consumer Price Index (CPI) for the prior calendar year.

A deferred inflow of resources is recorded for the lease. The deferred inflow of resources is recorded at the initiation of the lease in an amount equal to the initial recording of the lease receivable. The deferred inflow of resources is amortized on a straight-line basis over the term of the lease.

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 capital assets are recorded at their acquisition 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 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.

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 leases, 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.

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, 2020
- Measurement Date June 30, 2021
- Measurement Period July 1, 2020 to June 30, 2021

Notes to the Financial Statements

June 30, 2022

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, 2021

Measurement Date June 30, 2021

Measurement Period July 1, 2020 to June 30, 2021

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 committed 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

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 requiring a reserve of 25% of operating expenditures. As of June 30, 2022, the District is in compliance with the policy.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

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, 2022

NOTE 2 – CASH

Cash at June 30, 2022, is reported at fair value and consisted of the following:

	<u>GOVERNMENTAL ACTIVITIES/FUNDS</u>
Pooled funds:	
Cash in county treasury	\$ 19,861,010
Total Pooled Funds	<u>19,861,010</u>
Deposits	
Cash in revolving fund	10,000
TOTAL CASH	<u>\$ 19,871,010</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, 2022, 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, 2022

NOTE 2 – CASH (continued)

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

The tables below identifies 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.

<u>INVESTMENT TYPE</u>	<u>MAXIMUM MATURITY</u>	<u>MAXIMUM PERCENTAGE OF PORTFOLIO</u>
Municipal bonds	4 years	15%
U.S. treasuries	5 years	100%
Local agency obligations	3 years	3%
Federal agencies	5 years	100%
Commercial paper	270 days	40%
Certification & time deposits	1 years	25%
Int'l bank for reconstruction and development and int'l finance Corporation	4 years	20%
Repurchase agreements	45 days	40%/25%
Reverse repos	60 days	10%
Medium term notes	3 years	20%
CalTrust short term fund	Daily Liquidity	1%
Money market mutual funds	Daily Liquidity	20%
Local agency investment fund	Daily Liquidity	Max \$50M
Cash/deposit account	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, 2022

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	\$ 390,843	\$ -	\$ 390,843.00
U.S. treasuries	5,175,829	-	5,175,829
Federal agencies	6,021,835	-	6,021,835
Commercial paper	2,416,587	-	2,416,587
Certification & time deposits	4,056,983	4,056,983	-
Int'l bank for reconstruction and development and int'l finance	253,533	-	253,533
CalTrust short term fund	161,621	161,621	-
Money market mutual funds	1,383,779	1,383,779	-
Cash/deposit account	10,000	10,000	-
	<u>\$ 19,871,010</u>	<u>\$ 5,612,383</u>	<u>\$ 14,258,627</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	A1	NOT RATED
Municipal bonds	\$ 390,843	N/A	\$ -	\$ -	\$ 390,843
U.S. treasuries	5,175,829	N/A	-	-	5,175,829
Federal agencies	6,021,835	AAA	6,021,835	-	-
Commercial paper	2,416,587	A1/P1	-	2,416,587	-
Certification & time deposits	4,056,983	N/A	-	-	4,056,983
Int'l bank for reconstruction and development and int'l finance	253,533	N/A	-	-	253,533
CalTrust short term fund	161,621	N/A	-	-	161,621
Money market mutual funds	1,383,779	AAA	1,383,779	-	-
Cash/deposit account	10,000	N/A	-	-	10,000
	<u>\$ 19,871,010</u>		<u>\$ 7,405,614</u>	<u>\$2,416,587</u>	<u>\$ 10,048,809</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements

June 30, 2022

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, 2022, 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 \$19,871,010 as of June 30, 2022. 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, 2022 are as follows:

INVESTMENT TYPE	TOTAL	LEVEL 1	LEVEL 2	LEVEL 3	OTHER
Municipal bonds	\$ 390,843	\$ -	\$ 390,843	\$ -	\$ -
U.S. treasuries	5,175,829	5,175,829	-	-	-
Federal agencies	6,021,835	6,021,835	-	-	-
Commercial paper	2,416,587	-	2,416,587	-	-
Certification & time deposits	4,056,983	-	4,056,983	-	-
Int'l bank for reconstruction and development and int'l finance	253,533	-	253,533	-	-
CalTrust short term fund	161,621	-	-	-	161,621
Money market mutual funds	1,383,779	-	-	-	1,383,779
Cash/deposit account	10,000	-	-	-	10,000
TOTAL	\$ 19,871,010	\$ 11,197,664	\$ 7,117,946	\$ -	\$ 1,555,400

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements

June 30, 2022

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2022, consisted of the following:

	SANTA ANA		PARK		NON-MAJOR		TOTAL
	GENERAL	RIVER	ACQUISITION AND	LAKE	GOVERNMENTAL	GOVERNMENTAL	
	FUND	MITIGATION	DEVELOPMENT	SKINNER	FUNDS	FUNDS	
Operational revenue	\$ 25,829	\$ -	\$ -	\$ 74,302	\$ -	\$ -	\$ 100,131
Property taxes	72,751	-	-	-	-	-	72,751
Interest	17,676	6,378	2,402	2,840	3,406	-	32,702
Due from other governments:							
Coastal Conservancy	-	-	-	-	1,121,442	-	1,121,442
Metropolitan Water District	19,798	-	-	-	-	-	19,798
CA Department of Parks and Re	-	-	-	-	1,262,556	-	1,262,556
CA Wildlife Conservation Board	-	-	199,016	-	-	-	199,016
TOTAL RECEIVABLES	<u>\$136,054</u>	<u>\$ 6,378</u>	<u>\$ 201,418</u>	<u>\$ 77,142</u>	<u>\$ 2,387,404</u>	<u>\$ -</u>	<u>\$ 2,808,396</u>

NOTE 4 – INTERFUND TRANSACTIONS

Transfers To/From Other Funds

Transfers to/from other funds for the fiscal year ended June 30, 2022 consisted of the following:

TRANSFERS OUT	TRANSFERS IN		
	GENERAL FUND	CAPITAL PROJECTS FUND	TOTAL
General Fund	\$ 490,000	\$ 500,000	\$ 990,000
Non-Major Governmental Funds	101,077	-	101,077
TOTAL	<u>\$ 591,077</u>	<u>\$ 500,000</u>	<u>\$ 1,091,077</u>

During the fiscal year ended June 30, 2022, the District made interfund transfers in accordance with its adopted budget. The General Fund transferred \$500,000 to the Capital Project Fund to support capital improvement and deferred maintenance projects and the Off-Highway Vehicle Management Fund transferred \$100,000 to the General Fund for support of the Habitat and Open-Space operations which includes patrolling for illegal Off-Highway Vehicle use at our protected open-space lands.

NOTE 5 – LEASE RECEIVABLE

In June 2009, the District entered into a 25-year lease with Southern California Edison Company for the purpose of constructing, operating and maintaining the El Casco Substation. The initial lease payment was \$120,000 per year. The annual lease payment is adjusted annually by an amount not to exceed the rate of inflation as indicated by the change in Consumer Price Index (CPI) for the prior calendar year. The lease receivable is measured as the present value of the future minimum rent payments expected to be received during the lease term at a discount rate of 2.07%, which is based on the applicable federal rates for July 2021.

During the year ended June 30, 2022, the District recognized \$166,000 of lease revenue.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Notes to the Financial Statements
 June 30, 2022

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2022, was as follows:

	BEGINNING BALANCE	RESTATEMENTS	ADDITIONS	DELETIONS	ENDING BALANCE
GOVERNMENTAL ACTIVITIES					
Capital Assets, Not Being Depreciated					
Land	\$ 27,860,380	\$ 365,383	\$ -	\$ (159,995)	\$ 28,065,768
Construction in progress	12,797,953	-	2,995,193	(2,559,775)	13,233,371
Total Capital Assets, not Being Depreciated	<u>40,658,333</u>	<u>365,383</u>	<u>2,995,193</u>	<u>(2,719,770)</u>	<u>41,299,139</u>
Capital Assets, Being Depreciated					
Buildings	51,851,043	(23,720,168)	176	-	28,131,051
Machinery and equipment	4,173,768	-	93,894	(6,943)	4,260,719
Infrastructure	23,302,732	27,164,683	2,559,599	-	53,027,014
Total Capital Assets, Being Depreciated	<u>79,327,543</u>	<u>3,444,515</u>	<u>2,653,669</u>	<u>(6,943)</u>	<u>85,418,784</u>
Less: Accumulated Depreciation					
Buildings	(13,245,898)		(673,535)	-	(13,919,433)
Machinery and equipment	(3,686,452)		(69,392)	6,943	(3,748,901)
Infrastructure	(23,898,863)	(1,720,055)	(1,808,632)	-	(27,427,550)
Total Accumulated Depreciation	<u>(40,831,213)</u>	<u>(1,720,055)</u>	<u>(2,551,559)</u>	<u>6,943</u>	<u>(45,095,884)</u>
Total Capital Assets, Being Depreciated, Net	<u>38,496,330</u>	<u>1,724,460</u>	<u>102,110</u>	<u>-</u>	<u>40,322,900</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 79,154,663</u>	<u>\$ 2,089,843</u>	<u>\$ 3,097,303</u>	<u>\$ (2,719,770)</u>	<u>\$ 81,622,039</u>

Depreciation expense for the year ended June 30, 2022 was \$2,551,559, and was charged to the following functions in the Statement of Activities:

Interpretive	\$ 32,354
Natural resources	33,060
Regional parks	77,671
Planning and construction	2,361,337
General government	47,137
Total Depreciation Expense	<u>\$ 2,551,559</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements

June 30, 2022

NOTE 7 – Compensated Absences

The change in compensated absences for the year ended June 30, 2022, was as follows:

	<u>BEGINNING BALANCE</u>	<u>ADDITIONS</u>	<u>REDUCTIONS</u>	<u>ENDING BALANCE</u>	<u>DUE WITHIN ONE YEAR</u>
Compensated absences	\$ 1,494,804	\$ 551,428	\$ (763,487)	\$ 1,282,745	\$ 195,712
LONG-TERM LIABILITIES	<u>\$ 1,494,804</u>	<u>\$ 551,428</u>	<u>\$ (763,487)</u>	<u>\$ 1,282,745</u>	<u>\$ 195,712</u>

NOTE 8 – COMMITMENTS AND CONTINGENCIES

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.

NOTE 9 – 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.

Notes to the Financial Statements

June 30, 2022

NOTE 9 – 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, 2022, 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 10 – 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 or PERF C") 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 generally accepted accounting principles. Individual employers may sponsor more than one rate plan in the miscellaneous risk pool. The District participates in 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.

Notes to the Financial Statements

June 30, 2022

NOTE 10 – 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, 2022 are summarized as follows:

	Miscellaneous		
	General - Tier 1	General - Tier 2	General - Tier 3
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 of service	5 years of service	5 years of service
Benefit Payments	Monthly for life	Monthly for life	Monthly for life
Retirement Age	50-67	50-67	52-67
Monthly Benefits, as a % of Eligible Compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Required employer contribution Rates	16.15%	9.30%	7.73%

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, 2022 were \$1,524,540. The actual employer payments of \$1,413,895 made to CalPERS by the District during the measurement period ended June 30, 2021 differed from the District’s proportionate share of the employer’s contributions of \$1,763,813 by \$349,918, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

NOTE 10 – 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, 2021, using an annual actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age Normal
Actuarial Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry and Age Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

(1) The mortality table used was developed based on CalPERS' specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1977 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvements using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

All other actuarial assumptions used in the June 30, 2020 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.

Notes to the Financial Statements

June 30, 2022

NOTE 10 – 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	AS OF JUNE 30, 2021 VALUATION DATE		
	TARGET ALLOCATION	REAL RETURN YEARS 1-10	REAL RETURN YEARS 11+
Public equity	50.00%	4.80%	5.98%
Fixed income	28.00%	1.00%	2.62%
Inflation assets	-	0.77%	1.81%
Private equity	8.00%	6.30%	7.23%
Real assets	13.00%	3.75%	4.93%
Liquidity	1.00%	-	-0.92%
	<u>100.00%</u>		

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.

Notes to the Financial Statements

June 30, 2022

NOTE 10 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

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.

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: 6/30/2020 (Valuation Date)	\$ 50,129,699	\$ 37,758,604	\$ 12,371,095
Balance at: 6/30/2021 (Measurement Date)	51,885,984	44,844,715	7,041,269
Net Changes During 2020-21	1,756,285	7,086,111	(5,329,826)

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 miscellaneous plan as of the June 30, 2020 and 2021 measurement dates was as follows:

Proportionate Share - June 30, 2020	0.293288%
Proportionate Share - June 30, 2021	0.370827%
Change - Increase (Decrease)	0.077539%

Notes to the Financial Statements

June 30, 2022

NOTE 10 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

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:

	1.00% DECREASE <u>(6.15%)</u>	CURRENT DISCOUNT RATE (7.15%)	1.00% INCREASE <u>(8.15%)</u>
Plan's Net Pension Liability/(Asset)	\$ 13,891,882	\$ 7,041,269	\$ 1,378,015

Subsequent Events

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

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

Notes to the Financial Statements

June 30, 2022

NOTE 10 – PENSION PLAN (continued)**C. Proportionate Share of Net Pension Liability (continued)**

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

The EARSL for PERF C for the measurement period ending June 30, 2021 is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

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

As of the start of the measurement period (July 1, 2020), the District's net pension liability is \$12,371,095. For the measurement period ending June 30, 2021 (the measurement date), the District incurred pension expense of \$2,559,122.

As of June 30, 2022, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	DEFERRED OUTFLOWS OF RESOURCES	DEFERRED INFLOWS OF RESOURCES
Differences Between Expected and Actual Experience	\$ 789,603	\$ -
Difference Between Projected and Actual Investment Earnings	-	6,146,655
Difference Between Employer's Contribution Proportionate Share of Contributions	-	398,090
Change in Employer's Proportion Pension Contributions Made Subsequent to Measurement Date	203,432	-
	<u>1,524,539</u>	<u>-</u>
TOTALS	<u>\$ 2,517,574</u>	<u>\$ 6,544,745</u>

These amounts above are net of outflows and inflows recognized in the 2020-2021 measurement period. Contributions subsequent to the measurement date of \$1,524,540 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:

Notes to the Financial Statements

June 30, 2022

NOTE 10 – PENSION PLAN (continued)

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

YEARS ENDING JUNE 30	AMOUNT
2022	\$ (1,175,859)
2023	(1,265,841)
2024	(1,411,392)
2025	(1,698,618)
2026	-
Thereafter	-
TOTAL	\$ (5,551,710)

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, 2022.

NOTE 11 – 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, 2020 actuarial valuation date, for the June 30, 2020 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan.

Inactive plan members or beneficiaries currently receiving benefit payments	Number of Covered Employees
Active plan members	12
Total	89
	<u>101</u>

Notes to the Financial Statements

June 30, 2022

NOTE 11 – 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 \$139 – \$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 liability was measured as of June 30, 2020 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation dated July 1, 2020, based on the following actuarial methods and assumptions:

Actuarial Assumptions

Discount rate	7.30%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	7.00%, net of OPEB plan investment expense, including inflation
Mortality Rate	Pub-2010 Public Retirement Plans Mortality Tables using Scale MP-2020
Healthcare cost trend rates	
Pre-Medicare	6.85% decreasing to an ultimate rate of 5% in 2027
Medicare	5.00%

The discount rate is based on a single equivalent rate that reflects a blend of: Expected return on assets during the period such that assets are projected to be sufficient to pay benefits of current participants; and 20-year, municipal bond yields / index for periods beyond the depletion of the assets.

Based on the current funding policy, projected cash flows, and the assumed asset return, the plan assets are not projected to be depleted, and the discount rate can be based on the expected asset return.

Notes to the Financial Statements

June 30, 2022

NOTE 11 – 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:

Asset Class	Target Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
Global Equities	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
Treasury Inflation-Protected Securities	5%	0.25%	1.46%
Real Estate Investment Trusts	8%	3.20%	5.00%
Commodities	3%	1.50%	2.87%
Total	100%		

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 7.30% 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, 2022

NOTE 11 – 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	Net OPEB Liability	Net OPEB Liability
Measurement as of June 30, 2020	\$ 1,475,327	\$ 356,058	\$ 1,119,269
Changes for the year:			
Service cost	72,140	-	72,140
Interest	111,442	-	111,442
Changes of assumptions	65,927	-	65,927
Benefit payments	(42,474)	(42,474)	-
Employer Contributions		42,474	(42,474)
Net investment income	-	99,196	(99,196)
Administrative expense	-	(202)	202
Net changes	<u>207,035</u>	<u>98,994</u>	<u>108,041</u>
Measurement as of June 30, 2021	<u>\$ 1,682,362</u>	<u>\$ 455,052</u>	<u>\$ 1,227,310</u>

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

The following presents the net OPEB liability 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, 2021:

	Discount Rate		
	1% Decrease (1.21%)	Current Rate (2.21%)	1% Increase (3.21%)
Net OPEB liability	\$ 1,480,919	\$ 1,227,310	\$ 1,022,797

Notes to the Financial Statements

June 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (continued)

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

The following presents the net OPEB liability of the District if it were calculated using healthcare cost trend rates that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2021:

	<u>Trend Rate</u>		
	<u>1% Decrease</u>	<u>Current Rate</u>	<u>1% Increase</u>
Net OPEB liability	\$ 978,782	\$ 1,227,310	\$ 1,544,763

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.

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.

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

For the fiscal year ended June 30, 2022, the District recognized OPEB expense of \$125,713. As of June 30, 2022, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 32,473	\$ 29,514
Net difference between expected and actual earnings on OPEB plan investments		49,244
Changes and assumptions	<u>1,135,770</u>	<u>1,184</u>
Total	<u>\$ 1,168,243</u>	<u>\$ 79,942</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements

June 30, 2022

NOTE 11 – OTHER POST-EMPLOYMENT BENEFITS (continued)

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

YEARS ENDING JUNE 30	AMOUNT
2023	\$ (123,273)
2024	(123,846)
2025	(123,085)
2026	(120,292)
2027	(133,190)
Thereafter	(464,615)
TOTAL	\$ (1,088,301)

NOTE 12 – 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 \$192,344 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements

June 30, 2022

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS (continued)

- 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.
- 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.

NOTE 13 – PRIOR PERIOD ADJUSTMENT

During the year ended June 30, 2022, capital assets in the amount of \$3,809,898, net of accumulated depreciation of \$1,720,055, were discovered to have been omitted from the capital assets listing. As such, a prior period adjustment to increase capital assets by \$2,089,843 was recorded. The net effect on prior net income was \$226,634.

	<u>Governmental Activities</u>
Net Position, July 1, 2021, As Originally Stated	\$ 87,991,339
Correction of an Error:	
To record capital assets, net of accumulated depreciation, acquired or completed in prior years	<u>2,089,843</u>
Net Position, July 1, 2021, As Restated	<u><u>\$ 90,081,182</u></u>

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Required Supplementary Information

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Budgetary Comparison Schedule – General Fund – Budgetary Basis
For the Fiscal Year Ended June 30, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Property taxes	\$ 7,045,000	\$ 7,045,000	\$ 7,637,482	\$ 592,482
Use of money and property	27,300	27,300	(171,527)	(198,827)
Intergovernmental	290,000	290,000	434,619	144,619
Charges for services	4,076,512	4,239,512	5,204,763	965,251
Operating grants and contributions	-	15,750	38,603	22,853
Total Revenues	<u>11,438,812</u>	<u>11,617,562</u>	<u>13,143,940</u>	<u>1,526,378</u>
EXPENDITURES				
Salaries and benefits	7,250,247	7,250,247	6,947,062	303,185
Services and supplies	3,732,726	3,949,316	3,675,205	274,111
Interfund expenditures	385,540	392,540	407,984	(15,444)
Total Expenditures	<u>11,368,513</u>	<u>11,592,103</u>	<u>11,030,251</u>	<u>561,852</u>
EXCESS (DEFICIENCY) OF REVENUES OVER (UNDER) EXPENDITURES	<u>70,299</u>	<u>25,459</u>	<u>2,113,689</u>	<u>2,088,230</u>
OTHER FINANCING SOURCES (USES)				
Transfer in	-	-	591,077	591,077
Transfer out	(490,000)	(990,000)	(990,000)	-
Total Other Financing Sources (Uses)	<u>(490,000)</u>	<u>(990,000)</u>	<u>(398,923)</u>	<u>591,077</u>
NET CHANGE IN FUND BALANCE	<u>\$ (419,701)</u>	<u>\$ (964,541)</u>	<u>1,714,766</u>	<u>\$ 2,679,307</u>
FUND BALANCE - BEGINNING			<u>8,271,672</u>	
FUND BALANCE - ENDING			<u>\$ 9,986,438</u>	

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, 2022

	ORIGINAL BUDGET	FINAL BUDGET	ACTUAL	VARIANCE WITH FINAL BUDGET
REVENUES				
Use of money and property	\$ 60,000	\$ 60,000	\$ (54,720)	\$ (114,720)
Intergovernmental	-	-	-	-
Total Revenues	<u>60,000</u>	<u>60,000</u>	<u>(54,720)</u>	<u>(114,720)</u>
EXPENDITURES				
Salaries and benefits	16,444	16,444	1,615	14,829
Services and supplies	139,309	139,309	41,768	97,541
Interfund expenditures	-	-	-	-
Total Expenditures	<u>155,753</u>	<u>155,753</u>	<u>43,383</u>	<u>112,370</u>
NET CHANGE IN FUND BALANCES	<u>\$ (95,753)</u>	<u>\$ (95,753)</u>	(98,103)	<u>\$ (2,350)</u>
FUND BALANCES - BEGINNING			<u>3,695,944</u>	
FUND BALANCES - ENDING			<u>\$ 3,597,841</u>	

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Budgetary Comparison Schedule – Lake Skinner Fund

For the Fiscal Year Ended June 30, 2022

	<u>ORIGINAL BUDGET</u>	<u>FINAL BUDGET</u>	<u>ACTUAL</u>	<u>VARIANCE WITH FINAL BUDGET</u>
REVENUES				
Use of money and property	\$ -	\$ -	\$ (25,161)	\$ (25,161)
Charges for services	2,181,000	2,181,000	2,569,907	388,907
Total Revenues	<u>2,181,000</u>	<u>2,181,000</u>	<u>2,544,746</u>	<u>363,746</u>
EXPENDITURES				
Salaries and benefits	739,516	739,516	693,243	46,273
Services and supplies	1,216,067	1,251,067	963,089	287,978
Interfund expenditures	190,180	190,180	152,196	37,984
Total Expenditures	<u>2,145,763</u>	<u>2,180,763</u>	<u>1,808,528</u>	<u>372,235</u>
NET CHANGE IN FUND BALANCE	<u>\$ 35,237</u>	<u>\$ 237</u>	736,218	<u>\$ 735,981</u>
FUND BALANCE - BEGINNING			<u>557,125</u>	
FUND BALANCE (DEFICIT) - ENDING			<u>\$ 1,293,343</u>	

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, 2022

	Measurement Date							
	2021	2020	2019	2018	2017	2016	2015	2014
Employer's proportion of the collective net pension liability	0.130190%	0.113700%	0.112562%	0.109026%	0.108289%	0.105763%	0.102402%	0.099420%
Employer's proportionate share of the net pension liability	\$ 7,041,269	\$ 12,371,095	\$ 11,534,322	\$ 10,506,038	\$ 10,739,277	\$ 9,151,775	\$ 7,028,782	\$ 6,188,861
Employer's covered payroll	\$ 4,927,005	\$ 5,463,566	\$ 5,438,751	\$ 5,415,135	\$ 6,200,874	\$ 6,790,996	\$ 5,799,186	\$ 4,992,076
Employer's proportionate share of the net pension liability as a percentage of its covered payroll	142.91%	226.43%	212.08%	194.01%	173.19%	134.76%	121.20%	123.97%
Pension plan's fiduciary net position as a percentage of the total pension liability	86.43%	75.32%	76.09%	77.05%	75.30%	75.90%	80.20%	81.15%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable. GASB 68 was implemented in fiscal year ended June 30, 2015 with a measurement date of June 30, 2014.

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Schedule of Pension Plan Contributions – Last 10 Years*
For the Fiscal Year Ended June 30, 2022

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 1,524,540	\$ 1,413,895	\$ 1,515,379	\$ 1,229,176	\$ 1,094,073	\$ 1,094,243	\$ 1,061,769	\$ 950,056
Contributions in relation to the actuarially determined contribution	<u>(1,524,540)</u>	<u>(1,413,895)</u>	<u>(1,515,379)</u>	<u>(1,229,176)</u>	<u>(1,094,073)</u>	<u>(1,094,243)</u>	<u>(1,061,769)</u>	<u>(950,056)</u>
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,861,434	\$ 4,927,005	\$ 5,463,566	\$ 5,438,751	\$ 5,415,135	\$ 6,200,874	\$ 6,790,996	\$ 5,799,186
Contributions as a percentage of covered payroll	31.36%	28.70%	27.74%	22.60%	20.20%	17.65%	15.63%	16.39%

⁽¹⁾ Historical information is required only for measurement periods for which GASB 68 is applicable. GASB 68 was implemented in fiscal year ended June 30, 2015 with a measurement date of June 30, 2014.

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, 2022

<u>Measurement Period</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>
Total OPEB Liability					
Service cost	\$ 72,140	\$ 6,716	\$ 1,391	\$ 1,350	\$ 2,780
Interest	111,442	16,389	10,041	9,904	8,369
Differences between expected and actual experience	-	26,894	(42,603)	-	23,284
Changes of assumption	65,927	1,226,458	117,850	-	(2,589)
Benefit payments	(42,474)	(20,303)	(7,944)	(10,816)	(7,900)
Net change in total OPEB liability	207,035	1,256,154	78,735	438	23,944
Total OPEB liability - beginning (a)	1,475,328	219,174	140,439	140,001	116,057
Total OPEB liability - ending (b)	1,682,363	1,475,328	219,174	140,439	140,001
<u>Plan Fiduciary Net Position</u>					
Contributions - employer	42,474	1,702	-	50	-
Net investment income	25,977	12,809	21,299	26,702	32,602
Benefit payments	(42,474)	(20,303)	(7,944)	(10,816)	(7,900)
Administrative expense	(203)	(180)	(172)	(173)	(158)
Net change in plan fiduciary net position	25,774	(5,972)	13,183	15,763	24,544
Plan fiduciary net position - beginning (c)	356,059	362,031	348,848	333,085	308,541
Plan fiduciary net position - ending (d)	381,833	356,059	362,031	348,848	333,085
Net OPEB liability - beginning (a) - (c)	1,119,269	(142,857)	(208,409)	(193,084)	(192,484)
Net OPEB liability - ending (b) - (d)	\$ 1,300,530	\$ 1,119,269	\$ (142,857)	\$ (208,409)	\$ (193,084)
Plan fiduciary net position as a percentage of the total OPEB liability	29%	24%	6%	248%	238%
Covered-employee payroll	\$ 4,998,534	\$ 4,864,753	\$ 5,563,315	\$ 5,853,050	\$ 5,682,573
Net OPEB liability (asset) as a percentage of covered-employee payroll	26.02%	23.01%	3.70%	-3.56%	-3.40%

(1) Historical information is required only for measurement periods for which GASB 75 is applicable. Additional years will be added as they become available in the future.

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, 2022

	<u>2022</u>	<u>2021</u>	Fiscal Year <u>2020</u>	<u>2019</u>	<u>2018</u>
Actuarially determined contribution					
Contributions in relation to the actuarially determined contribution	-	-	-	-	-
CONTRIBUTION DEFICIENCY (EXCESS)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 4,998,534	\$ 4,864,753	\$ 5,563,315	\$ 5,853,050	\$ 5,682,573
Contributions as a percentage of covered payroll	0.00%	0.00%	0.00%	0.00%	0.00%

(1) Historical information is required only for measurement periods for which GASB 68 is applicable. GASB 68 was implemented in fiscal year ended June 30, 2015 with a measurement date of June 30, 2014.

See notes to the required supplementary information.

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

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

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2022

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, 2022, the District had no expenditures in excess of appropriations.

Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Combining Balance Sheet – Non-Major Governmental Funds
 June 30, 2022

	SPECIAL REVENUE FUNDS				CAPITAL PROJECTS FUNDS		TOTAL NON-MAJOR FUNDS
	OFF HWY VEHICLE MGMT	FISH AND WILDLIFE COMMISSION	MULTI SPECIES RESERVE	MSHCP RESERVE MANAGEMENT	CAPITAL DEVELOPMENT PARKS - GRANTS	DEVELOPER IMPACT FEES	
ASSETS							
Cash	\$ 336,641	\$ 16,570	\$ 313,186	\$ 139,978	\$ 113,304	\$ 1,123,678	\$ 2,043,357
Interest receivable	307	28	529	150	59	2,333	3,406
Due from other governments	-	-	112,191	-	2,271,807	-	2,383,998
Prepays	-	-	-	-	882,557	410,875	1,293,432
Total Assets	<u>\$ 336,948</u>	<u>\$ 16,598</u>	<u>\$ 425,906</u>	<u>\$ 140,128</u>	<u>\$ 3,267,727</u>	<u>\$ 1,536,886</u>	<u>\$ 5,724,193</u>
LIABILITIES							
Accounts payable	\$ -	\$ -	\$ 2,562	\$ 7,461	\$ 99,059	\$ 603,723	\$ 712,805
Accrued liabilities	-	-	9,036	25,235	-	-	34,271
Total Liabilities	<u>-</u>	<u>-</u>	<u>11,598</u>	<u>32,696</u>	<u>99,059</u>	<u>603,723</u>	<u>747,076</u>
FUND BALANCES							
Nonspendable	-	-	-	-	882,557	410,875	1,293,432
Restricted	336,948	16,598	414,308	107,432	2,286,111	522,288	3,683,685
Total Fund Balances	<u>336,948</u>	<u>16,598</u>	<u>414,308</u>	<u>107,432</u>	<u>3,168,668</u>	<u>933,163</u>	<u>4,977,117</u>
Total Liabilities and Fund Balances	<u>\$ 336,948</u>	<u>\$ 16,598</u>	<u>\$ 425,906</u>	<u>\$ 140,128</u>	<u>\$ 3,267,727</u>	<u>\$ 1,536,886</u>	<u>\$ 5,724,193</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Non-Major Governmental Funds
 June 30, 2022

	SPECIAL REVENUE FUNDS						CAPITAL PROJECTS FUNDS		TOTAL NON-MAJOR FUNDS	
	OFF HWY VEHICLE MGMT	FISH AND WILDLIFE COMMISSION	ARUNDO REMOVAL	MULTI SPECIES RESERVE	MSHCP RESERVE MANAGEMENT	CSA PARK MAINTENANCE	COMMUNITY CENTER MAINTENANCE	CAPITAL DEVELOPMENT PARKS - GRANTS		DEVELOPER IMPACT FEES
REVENUES										
Use of money and property	\$ (5,136)	\$ (254)	\$ -	\$ (4,876)	\$ (2,377)	\$ -	\$ -	\$ (2,026)	\$ (19,194)	\$ (33,863)
Intergovernmental	93,113	2,097	-	349,750	925,600	-	-	-	1,629,832	3,000,392
Operating grants and contributions	-	-	-	-	-	-	-	1,117,343	-	1,117,343
Total Revenues	<u>87,977</u>	<u>1,843</u>	<u>-</u>	<u>344,874</u>	<u>923,223</u>	<u>-</u>	<u>-</u>	<u>1,115,317</u>	<u>1,610,638</u>	<u>4,083,872</u>
EXPENDITURES										
Natural resources	-	-	-	308,624	1,016,875	-	-	-	-	1,325,499
Planning and construction	-	-	-	-	-	-	-	767,665	2,416,135	3,183,800
General government	-	1,000	-	-	-	-	-	-	-	1,000
Total Expenditures	<u>-</u>	<u>1,000</u>	<u>-</u>	<u>308,624</u>	<u>1,016,875</u>	<u>-</u>	<u>-</u>	<u>767,665</u>	<u>2,416,135</u>	<u>4,510,299</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>87,977</u>	<u>843</u>	<u>-</u>	<u>36,250</u>	<u>(93,652)</u>	<u>-</u>	<u>-</u>	<u>347,652</u>	<u>(805,497)</u>	<u>(426,427)</u>
OTHER FINANCING SOURCES (USES)										
Transfer out	(100,000)	-	(913)	-	-	(152)	(12)	-	-	(101,077)
Total Other Financing Sources (Uses)	<u>(100,000)</u>	<u>-</u>	<u>(913)</u>	<u>-</u>	<u>-</u>	<u>(152)</u>	<u>(12)</u>	<u>-</u>	<u>-</u>	<u>(101,077)</u>
NET CHANGE IN FUND BALANCES	<u>(12,023)</u>	<u>843</u>	<u>(913)</u>	<u>36,250</u>	<u>(93,652)</u>	<u>(152)</u>	<u>(12)</u>	<u>347,652</u>	<u>(805,497)</u>	<u>(527,504)</u>
FUND BALANCES - BEGINNING	<u>348,971</u>	<u>15,755</u>	<u>913</u>	<u>378,058</u>	<u>201,084</u>	<u>152</u>	<u>12</u>	<u>2,821,016</u>	<u>1,738,660</u>	<u>5,504,621</u>
FUND BALANCES - ENDING	<u>\$ 336,948</u>	<u>\$ 16,598</u>	<u>\$ -</u>	<u>\$ 414,308</u>	<u>\$ 107,432</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 3,168,668</u>	<u>\$ 933,163</u>	<u>\$ 4,977,117</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Combining Balance Sheet – General Fund
 June 30, 2022

	GENERAL FUND OPERATING	RECREATION	HABITAT & OPEN SPACE MANAGEMENT	PARK RESIDENCE UTILITIES & MAINTENANCE	HISTORICAL COMMISSION	REPORTED GENERAL FUND
ASSETS						
Cash	\$ 9,622,531	\$ 117,888	\$ 609,114	\$ 393,075	\$ 25,602	\$ 10,768,210
Accounts receivable	20,829	5,000	-	-	-	25,829
Taxes receivable	72,751	-	-	-	-	72,751
Interest receivable	15,472	210	1,250	699	45	17,676
Due from other governments	19,798	-	-	-	-	19,798
Lease receivable	2,001,995	-	-	-	-	2,001,995
Total Assets	<u>\$ 11,753,376</u>	<u>\$ 123,098</u>	<u>\$ 610,364</u>	<u>\$ 393,774</u>	<u>\$ 25,647</u>	<u>\$ 12,906,259</u>
LIABILITIES						
Accounts payable	245,799	767	17,373	15,306	-	279,245
Accrued liabilities	244,700	-	27,865	-	-	272,565
Due to other governments	-	26	-	-	-	26
Customer deposits	19,390	-	-	6,975	-	26,365
Unearned revenue	505,625	-	-	-	-	505,625
Deferred inflow of resources	1,835,995	-	-	-	-	1,835,995
Total Liabilities	<u>2,851,509</u>	<u>793</u>	<u>45,238</u>	<u>22,281</u>	<u>-</u>	<u>2,919,821</u>
FUND BALANCES						
Nonspendable	2,001,995	-	-	-	-	2,001,995
Unassigned	6,899,872	122,305	565,126	371,493	25,647	7,984,443
Total Fund Balances	<u>8,901,867</u>	<u>122,305</u>	<u>565,126</u>	<u>371,493</u>	<u>25,647</u>	<u>9,986,438</u>
Total Liabilities and Fund Balances	<u>\$ 11,753,376</u>	<u>\$ 123,098</u>	<u>\$ 610,364</u>	<u>\$ 393,774</u>	<u>\$ 25,647</u>	<u>\$ 12,906,259</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Combining Statement of Revenues and Expenditures – General Fund
For the Fiscal Year Ended June 30, 2022

	GENERAL FUND <u>OPERATING</u>	<u>RECREATION</u>	HABITAT & OPEN SPACE <u>MANAGEMENT</u>	PARK RESIDENCE UTILITIES & <u>MAINTENANCE</u>	HISTORICAL <u>COMMISSION</u>	REPORTED <u>GENERAL FUND</u>
REVENUES						
Property taxes	\$ 7,637,482	\$ -	\$ -	\$ -	\$ -	\$ 7,637,482
Use of money and property	(153,838)	(1,800)	(9,471)	(6,027)	(391)	(171,527)
Intergovernmental	174,619	-	260,000	-	-	434,619
Charges for services	5,082,277	52,600	9,586	60,300	-	5,204,763
Operating grants and contributions	38,103	-	500	-	-	38,603
Total Revenues	<u>12,778,643</u>	<u>50,800</u>	<u>260,615</u>	<u>54,273</u>	<u>(391)</u>	<u>13,143,940</u>
EXPENDITURES						
Business Services	6,144,472	-	-	-	-	6,144,472
Interpretive	965,743	-	-	-	-	965,743
Natural resources	-	-	825,902	-	40	825,942
Regional parks	3,049,888	-	-	107	-	3,049,995
General government	1,592	-	-	42,507	-	44,099
Total Expenditures	<u>10,161,695</u>	<u>-</u>	<u>825,902</u>	<u>42,614</u>	<u>40</u>	<u>11,030,251</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>2,616,948</u>	<u>50,800</u>	<u>(565,287)</u>	<u>11,659</u>	<u>(431)</u>	<u>2,113,689</u>
OTHER FINANCING SOURCES (USES)						
Transfer in	1,077	-	590,000	-	-	591,077
Transfer out	(990,000)	-	-	-	-	(990,000)
Total Other Financing Sources (Uses)	<u>(988,923)</u>	<u>-</u>	<u>590,000</u>	<u>-</u>	<u>-</u>	<u>(398,923)</u>
NET CHANGE IN FUND BALANCES	1,628,025	50,800	24,713	11,659	(431)	1,714,766
FUND BALANCES - BEGINNING	<u>7,273,842</u>	<u>71,505</u>	<u>540,413</u>	<u>359,834</u>	<u>26,078</u>	<u>8,271,672</u>
FUND BALANCES - ENDING	<u>\$ 8,901,867</u>	<u>\$ 122,305</u>	<u>\$ 565,126</u>	<u>\$ 371,493</u>	<u>\$ 25,647</u>	<u>\$ 9,986,438</u>


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Other Independent Auditor's Report

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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

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, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 30, 2022.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing 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. We did identify a deficiency in internal control, described below as item 2022-001 that we consider to be a significant deficiency.

2022-001 – Capital Assets Tracking

Criteria: Capital assets reflected in the financial statements should be supported by accounting records that are complete and accurate.

Condition: In reconciling capital asset schedules maintained by the County’s Auditor-Controller’s Office (ACO) and the District to the prior year financial statements, we noted discrepancies totaling approximately \$2.1 million. The amount consists of approximately \$3.8 million of capital projects that have been completed in the past years but have only been reported to the ACO during current year, net of accumulated depreciation of \$1.7 million.

Cause: We noted that the District’s capital assets are tracked in two different schedules. The ACO maintains a County-wide capital assets sub-ledger in Peoplesoft, which includes the District’s capital assets. The District also maintains a separate worksheet in Excel that includes capital projects that are on-going as well as those that have been completed but have not been submitted to the ACO for addition to Peoplesoft. The worksheet includes capital projects dating back to 2011. Annual activities like additions and deletions are added to the Excel sheet manually.

In addition, the District’s general ledger does not include capital asset accounts and balances. The District attempts to reconcile the detailed capital assets records from the ACO and its own capital asset worksheets but this exercise is very tedious and may result in errors.

Effect or Potential Effect: Capital assets were misstated by \$2.1 million in prior year. The District also spends a lot of time reconciling capital assets resulting in inefficiency.

Recommendation: We recommend that the District transfer all of the capital assets being tracked manually to Peoplesoft. The District should also consider creating general ledger accounts for capital assets.

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*.

Management’s Response to Finding

The District concurs with this finding and have made efforts this past year to report all completed and on-going capital improvement projects to PeopleSoft. The Auditor-Controller’s Office (ACO) requires county departments to submit construction-in-progress reports on a quarterly basis and at year-end. The District plans on complying with this beginning FY2023 in an effort to merge the District’s capital asset schedule with the ACO’s capital asset ledger in PeopleSoft.

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.

Eadie and Payne, LLP

Riverside, California
October 31, 2022