

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

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

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

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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Financial Section

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Use of Estimates

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

I. Compensated Absences

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

J. Relationship to the County of Riverside

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 2 – CASH

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

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

Pooled Funds

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 2 – CASH, (continued)

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

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

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

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

Interest Rate Risk

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 2 – CASH, (continued)

Interest Rate Risk (continued)

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

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

Credit Risk

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 2 – CASH, (continued)

Custodial Credit Risk – Deposits

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

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

Fair Value Measurements

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 3 – RECEIVABLES

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

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

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers To/From Other Funds

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 4 – INTERFUND TRANSACTIONS, (continued)

B. Due To/From Other Funds

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 6 – Long-Term Liabilities

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

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

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

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

B. Construction Commitments

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

C. Litigation

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

NOTE 8 – RISK MANAGEMENT

Property and Liability

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 8 – RISK MANAGEMENT (continued)

Workers' Compensation

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

Claims Liability

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

NOTE 9 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided (continued)

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

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

	Miscellaneous		
	Tier I	Tier II	Tier III
	Prior to August 23, 2012	August 23, 2012 to December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years 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	14.369%	8.346%	7.266%

Contributions

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability

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

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

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

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

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

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

Long-term Expected Rate of Return

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

Long-term Expected Rate of Return (continued)

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

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

<u>Asset Class¹</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10²</u>	<u>Real Return Years 11+³</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	-0.92%
Total	<u><u>100%</u></u>		

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

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

Discount Rate

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

Pension Plan Fiduciary Net Position

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 9 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability

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

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

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

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

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

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

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

Subsequent Events

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 9 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 9 – PENSION PLAN (continued)

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

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 9 – PENSION PLAN (continued)

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

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

E. Payable to the Pension Plan

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

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Employees Covered

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

Active employees	112
Inactive employees or beneficiaries currently receiving benefits	8
Total	120

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Contributions

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

Net OPEB Liability/Asset

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

Actuarial Assumptions:

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability/Asset (continued)

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

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		0.25%	1.46%
Real Estate Investment Trusts	8%	3.20%	5.00%
Commodities	3%	1.50%	2.87%
Total	95%		

¹ An expected inflation of 2.0% used for this period

² An expected inflation of 2.92% used for this period

Discount Rate

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in the OPEB Liability

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

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

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

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

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

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

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

OPEB Plan Fiduciary Net Position

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements

June 30, 2019

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2019

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS (continued)

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

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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, 2019**

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

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

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

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, 2019**

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

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

Notes to Schedule:

Change in Benefit Terms: None

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

Notes to schedule:

The following assumptions were changed from the prior valuation:

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

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

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

Notes to schedule:

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

Methods and assumptions used to determine contributions:

Actuarial Cost Method

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

Asset Valuation Method

5 Year Assets Smoothing

Salary Increases

3.00%

Investment Rate of Return

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

Retirement Age

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

Mortality

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

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

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

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

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

Schedule of Pension Contributions

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

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

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of OPEB Plan Contributions

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

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

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

Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Balance Sheet – General Fund
June 30, 2019**

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

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

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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**

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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, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 8, 2019.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 8, 2019

Findings and Responses

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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

None reported.

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