

**RIVERSIDE COUNTY REGIONAL PARK
AND OPEN-SPACE DISTRICT
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2013**



RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
For the Fiscal Year Ended June 30, 2013
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Financial Section

INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District, as of and for the fiscal year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District, as of June 30, 2013, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 9 and budgetary comparison information on pages 34 and 35 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

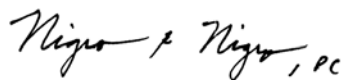
Other Information

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

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 29, 2013 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



October 29, 2013

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2013

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, 2013. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at the close of the current fiscal year by \$98,760,616. Of this amount, \$7,304,621 may be used to meet the District's ongoing obligations.
- The District's financial position increased overall as a result of this year's operations. Net position of governmental activities increased by more than \$835,000, or 0.8%.
- Governmental expenses were about \$15.2 million. Revenues were about \$16.0 million.
- The District spent about \$2.7 million in new capital assets during the year. These expenditures were incurred primarily from capital project funds.
- The District decreased its outstanding long-term debt by \$1 million. This was due to settlement of a legal claim and judgment payable.
- Unassigned fund balance in the District's General Fund represents 9.7% of total General Fund expenditures.

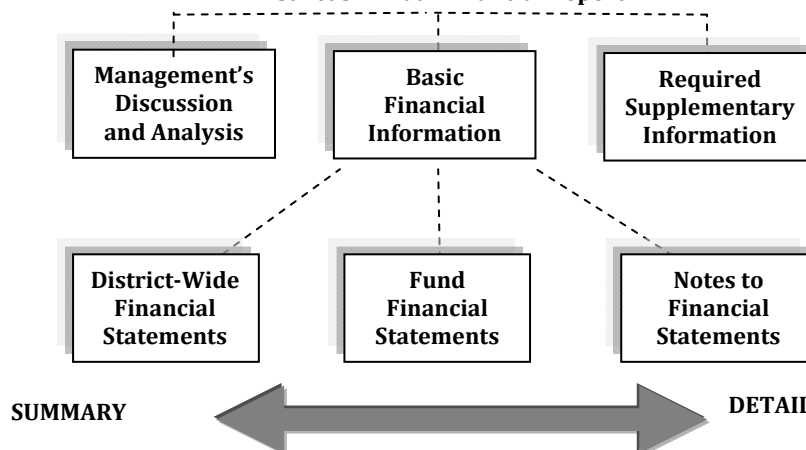
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management 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.
 - *Fiduciary funds* statement provides information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others to whom the resources belong.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

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



RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

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

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

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

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

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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2013

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

District-Wide Statements (continued)

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 liabilities – 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.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's property tax base and the condition of park locations and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as park maintenance, acquisition, preservation, and administration. Property taxes, grants and fees finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs:

- The District establishes other funds to control and manage money for particular purposes (like repaying its long-term debt) or to show that it is properly using certain revenues.

The District has two kinds of funds:

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2013, than it was the year before – increasing 0.8% to \$98.7 million. (See Table A-1).

Table A-1

	Governmental Activities		Variance Increase (Decrease)
	(In millions)		
	2012*	2013	
Current and other assets	\$ 21.1	\$ 19.8	\$ (1.3)
Capital assets	80.5	82.0	1.5
Total assets	101.6	101.8	0.2
Other liabilities	1.1	1.5	0.4
Long-term liabilities	2.6	1.6	(1.0)
Total liabilities	3.7	3.1	(0.6)
Net investment in Capital Assets	80.5	82.0	1.5
Restricted	8.8	9.4	0.6
Unrestricted	8.6	7.3	(1.3)
Total net position	<u>\$ 97.9</u>	<u>\$ 98.7</u>	<u>\$ 0.8</u>

*As restated

Changes in net position, governmental activities. The District's total revenues increased 21.3% to \$16 million (See Table A-2). The increase is due primarily to intergovernmental revenues in capital projects funds.

The total cost of all programs and services decreased less than 1% to \$15.2 million. The District's expenses are predominantly related to acquiring and maintaining regional park and recreation facilities in the County.

Table A-2

	Governmental Activities		Variance Increase (Decrease)
	(In millions)		
	2012	2013	
Total Revenues	\$ 13.2	\$ 16.0	\$ 2.8
Total Expenses	15.3	15.2	(0.1)
Increase (decrease) in net position	<u>\$ (2.1)</u>	<u>\$ 0.8</u>	<u>\$ 2.9</u>

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 \$18 million, which is below last year's ending fund balance of \$19.7 million. The primary cause of the decreased fund balance is settlement of a one-time claim against the District and the associated legal fees.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2013

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget to re-budget carryover funds and revise operational cost estimates.

While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about \$2.3 million, the actual results for the year show that revenues fell short of expenditures by roughly \$1.2 million. Actual revenues were \$0.8 million more than anticipated, and expenditures were \$0.3 million less than budgeted. That amount consists primarily of property tax and service charges that will be carried over into the 2013-14 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2012-13 the District had invested \$2.7 million in new capital assets, related to the District's ongoing modernization program. (More detailed information about capital assets can be found in Note 6 to the financial statements). Total depreciation expense for the year exceeded \$1.1 million.

Table A-3: Capital Assets at Year-End, Net of Depreciation

	(In millions)		Increase (Decrease)
	2012	2013	
Land	\$ 28.3	\$ 28.3	\$ -
Construction in progress	3.2	4.4	1.2
Buildings	39.7	39.4	(0.3)
Machinery and equipment	0.7	0.6	(0.1)
Infrastructure	8.6	9.3	0.7
Total	<u>\$ 80.5</u>	<u>\$ 82.0</u>	<u>\$ 1.5</u>

Long-Term Debt

At year-end the District had \$1.6 million in compensated absences – a decrease of 39% from last year – as shown in Table A-4. (More detailed information about the District's long-term liabilities is presented in Note 7 to the financial statements).

Table A-4: Outstanding Long-Term Debt at Year-End

	(In millions)		Increase (Decrease)
	2012	2013	
Compensated Absences	\$ 1.6	\$ 1.6	\$ -
Claims and Judgments	1.0	-	(1.0)
Total	<u>\$ 2.6</u>	<u>\$ 1.6</u>	<u>\$ (1.0)</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2013

FACTORS BEARING ON THE DISTRICT'S FUTURE

Riverside County Regional Park and Open-Space District ("RivCo Parks") has made significant strides in financial reporting, including the use and distribution of reporting tools that demonstrate the symbiotic relationship between resource allocation and strategic objectives. Utilizing a Balanced Scorecard (BSC) approach as an innovative way to measure results, assess productivity, and set goals and strategy to create a bridge between traditional short-term oriented management systems, RivCo Parks continues to focus on results. The BSC identifies four diverse perspectives that determine our strategy: financial, customer, internal, and innovation and learning. The term "balance" denotes the careful weighing of long-term vs. short-term objectives, lagging financial indicators vs. leading indicators, and external performance measures vs. internal performance measures.

The Fiscal Year 12-13 Scorecard clearly identified where we are strong and where we must improve; the results tell a story that is accurate and easily understood, allowing for both celebration and minor course corrections. The first and most important statistic is that customer satisfaction remains extremely strong, with a **99% satisfaction rating**. Additionally, marketing touch points increased by more than half a million - a **65% increase** - resulting in continued success in raising non-property tax related revenue. Moreover, we continue to hold the line on expenses **within 1% of targets** due to our volunteer labor and partnership agreements, which allow us to deliver exemplary service throughout the system. In fact, volunteer hours **increased by 47%**, while partnership agreements expanded from three to six, a **100% increase**. Staff continues to receive timely performance feedback with a **99%** rating on timely feedback delivery, and additional training opportunities continue to prepare our workforce for future success with a **48% increase** in training hours. Two areas requiring adjustment are capital improvement delivery and increasing operation reserves.

Areas of Strength

Quality: In 2013, the District became one of only two county park systems in the State of California to become accredited by the National Recreation and Park Association accreditation program (CAPRA) in recognition of our policies, practices and procedures, which were thoroughly examined and found to meet or exceed the best practices in the industry. Two years ahead of schedule, staff and our countless partners worked selflessly and without hesitation to align internal systems toward building quality into everything we do. Additionally, having just completed the District's first Comprehensive Park, Recreation and Resources Master Plan, we are now well positioned to engage in additional quality assurance programs that will continue to enhance a transparent system built on sound financial metrics.

Leveraging Resources: Recognizing the changing landscape in longevity demography and student population, we set out to capitalize on emerging opportunities by actively pursuing volunteers and interns. By utilizing their experience and education, we can offer volunteer options in areas with deeper meaning and the potential to fulfill broader social purposes. In 2012, we hired our first volunteer manager to coordinate efforts and grow our program. The results were astounding!

Well Positioned: We remain optimistic about our future. We'll continue to drive accountability on every level – from customer perspective, financial perspective, internal process perspective and employee perspective. We are committed to creating a great place to work for employees in line with our values and vision. In FY 2013, we eclipsed our training hours goal and doubled down on continuing education certification and on the job training activities, resulting in a more engaged and informed workforce.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2013

FACTORS BEARING ON THE DISTRICT'S FUTURE (continued)

Areas in Need of Improvement

The Balanced Scorecard identifies two key areas we must focus on during Fiscal Year 2014. First, we must set realistic goals for capital improvement projects based upon available resources and sensible expectations of partnering entities' capacities. The complicated and duplicative layers of oversight and regulation that are well known in the California construction arena continue to impact scheduled projects. Achieving our lofty and well-meaning goals requires that we take seriously the real time estimates from outside partners that continue to impact our ability to deliver.

Secondly, reserves cannot be ignored. The recently approved Comprehensive Plan provides the philosophy and methodology for building consensus on the allocation of subsidy resources, pricing programs, and evaluation of expected cost recovery. Future pricing strategies will be equitable, defensible, and implemented on all levels. Based upon the "benefit" of service to the region and not just comparative evaluation of "what has been done before," the cost of service study and pricing structure will allow us to rebuild our reserves and ensure a sustainable future.

Finally, it is anticipated that most of the District's resources will be heavily allocated to trails planning and construction for the foreseeable future. It is common knowledge that most citizens of our communities are in serious need of exercise, and most believe that the answer to encouraging physical health lies in providing the means to get moving. As Riverside County strives to encourage healthy habits, RivCo Parks will be a leader in providing tools for acquiring them.

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 Chief of Business Operations, 4600 Crestmore Road, Jurupa Valley, CA 92509-6858.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Net Position

June 30, 2013

	Total Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 18,681,751
Accounts receivable	180,303
Due from other governments	645,994
Total current assets	<u>19,508,048</u>
Non-current assets:	
Net OPEB asset	285,542
Total non-current assets	<u>285,542</u>
Capital assets:	
Non-depreciable assets	32,720,804
Depreciable assets	63,995,758
Less accumulated depreciation	<u>(14,683,838)</u>
Total capital assets	<u>82,032,724</u>
 Total assets	 <u>101,826,314</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	877,192
Customer deposits	605,989
Total current liabilities	<u>1,483,181</u>
Long-term liabilities:	
Due within one year	284,853
Due after one year	1,297,664
Total long-term liabilities	<u>1,582,517</u>
 Total liabilities	 <u>3,065,698</u>
 NET POSITION	
Net investment in capital assets	82,032,724
Restricted for capital projects	9,423,271
Unrestricted	<u>7,304,621</u>
 Total net position	 <u>\$ 98,760,616</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2013

<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>	
<u>Governmental Activities</u>				
Interpretive	\$ 1,198,233	\$ -	\$ -	\$ (1,198,233)
Natural Resources	4,358,216	1,407,081	-	(2,951,135)
Parks	2,175,615	2,537	181,000	(1,992,078)
Recreation	2,550,095	1,849,741	-	(700,354)
General Government	3,731,903	5,051,977	972	1,321,046
Depreciation (unallocated)	1,161,832	-	-	(1,161,832)
Total governmental activities	<u>\$ 15,175,894</u>	<u>\$ 8,311,336</u>	<u>\$ 181,972</u>	<u>(6,682,586)</u>
General Revenues:				
Property Taxes				4,328,064
Revenue From Use of Money and Property				58,098
Intergovernmental Revenues				2,882,226
Extraordinary item - Legal Settlement				250,000
Total general revenues and extraordinary item				<u>7,518,388</u>
Change in net position				<u>835,802</u>
Net position - June 30, 2012, as originally stated				97,879,135
Adjustment for restatement (Note 12)				<u>45,679</u>
Net position - June 30, 2012				<u>97,924,814</u>
Net position - June 30, 2013				<u>\$ 98,760,616</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Balance Sheet – Governmental Funds

June 30, 2013

	<u>General Fund</u>	<u>Santa Ana River Mitigation Fund</u>	<u>West Co Park DIF Fund</u>	<u>SAR Park Prado Dam Fund</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS						
Cash	\$ 4,147,846	\$ 3,986,717	\$ 634,115	\$ 2,929,896	\$ 6,983,177	\$ 18,681,751
Accounts Receivable	173,533	2,003	171	1,464	3,132	180,303
Due From Other Governments	240,128	-	-	-	405,866	645,994
Due From Other Funds	700,000	-	-	-	1,200,000	1,900,000
Total Assets	<u>\$ 5,261,507</u>	<u>\$ 3,988,720</u>	<u>\$ 634,286</u>	<u>\$ 2,931,360</u>	<u>\$ 8,592,175</u>	<u>\$ 21,408,048</u>
LIABILITIES AND FUND BALANCES						
Liabilities						
Accounts Payable	\$ 388,374	\$ 11,158	\$ 14,997	\$ -	\$ 55,114	\$ 469,643
Salaries and Benefits Payable	359,966	981	-	-	46,602	407,549
Due to Other Funds	1,000,000	-	600,000	-	300,000	1,900,000
Payments Received in Advance	605,989	-	-	-	-	605,989
Total Liabilities	<u>2,354,329</u>	<u>12,139</u>	<u>614,997</u>	<u>-</u>	<u>401,716</u>	<u>3,383,181</u>
Fund Balances						
Nonspendable	7,500	-	-	-	-	7,500
Restricted	-	-	19,289	2,931,360	6,472,622	9,423,271
Assigned	1,568,264	3,976,581	-	-	1,717,837	7,262,682
Unassigned	1,331,414	-	-	-	-	1,331,414
Total Fund Balances	<u>2,907,178</u>	<u>3,976,581</u>	<u>19,289</u>	<u>2,931,360</u>	<u>8,190,459</u>	<u>18,024,867</u>
Total Liabilities and Fund Balances	<u>\$ 5,261,507</u>	<u>\$ 3,988,720</u>	<u>\$ 634,286</u>	<u>\$ 2,931,360</u>	<u>\$ 8,592,175</u>	<u>\$ 21,408,048</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2013*

Total fund balances - governmental funds \$ 18,024,867

Capital assets used in governmental *activities* are not financial resources and therefore are not reported as assets in governmental funds. The cost of the assets is \$96,716,562, and the accumulated depreciation is (\$14,683,838). 82,032,724

In governmental funds, other postemployment benefits (OPEB) costs are recognized as expenditures in the period they are paid. In the government-wide statements, OPEB costs are recognized in the period that they are incurred. The net OPEB asset at the end of the period was: 285,542

Long-term liabilities are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consisting of compensated absences are: (1,582,517)

Total net position - governmental activities \$ 98,760,616

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, 2013

	General Fund	Santa Ana River Mitigation Fund	West Co Park DIF Fund	SAR Park Prado Dam Fund	Non-Major Governmental Funds	Total Governmental Funds
Revenues						
General Revenues:						
Property taxes	\$ 4,328,064	\$ -	\$ -	\$ -	\$ -	\$ 4,328,064
Revenue From Use of Money and Property	9,185	13,014	1,680	9,441	24,778	58,098
Intergovernmental Revenues	633,912	-	478,182	-	1,770,132	2,882,226
Charges for Services	7,115,467	-	-	-	1,195,869	8,311,336
Operating Grants and Contributions	972	-	-	-	181,000	181,972
Total revenues	12,087,600	13,014	479,862	9,441	3,171,779	15,761,696
Expenditures						
Interpretive	1,051,811	-	-	-	146,422	1,198,233
Natural Resources	411,309	90,316	-	-	1,081,134	1,582,759
Parks	4,895,839	-	-	-	-	4,895,839
Planning and Construction	244,345	-	561,707	-	1,969,405	2,775,457
Recreation	2,550,095	-	-	-	-	2,550,095
General Government	4,479,371	-	-	-	470	4,479,841
Total expenditures	13,632,770	90,316	561,707	-	3,197,431	17,482,224
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,545,170)	(77,302)	(81,845)	9,441	(25,652)	(1,720,528)
Other Financing Sources (Uses)						
Interfund transfers in	262,249	-	97,375	-	550,000	909,624
Interfund transfers out	(50,000)	-	-	-	(859,624)	(909,624)
Total Other Financing Sources and Uses	212,249	-	97,375	-	(309,624)	-
Net Change in Fund Balances	(1,332,921)	(77,302)	15,530	9,441	(335,276)	(1,720,528)
Fund Balances - June 30, 2012, as originally stated	4,194,420	4,053,883	3,759	2,921,919	8,525,735	19,699,716
Adjustment for restatements (Note 12)	45,679	-	-	-	-	45,679
Fund Balances - June 30, 2012, as restated	4,240,099	4,053,883	3,759	2,921,919	8,525,735	19,745,395
Fund Balances, June 30, 2013	\$ 2,907,178	\$ 3,976,581	\$ 19,289	\$ 2,931,360	\$ 8,190,459	\$ 18,024,867

The notes to financial statements are an integral part of this statement.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities*

For the Fiscal Year Ended June 30, 2013

Total net change in fund balances - governmental funds \$ (1,720,528)

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. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay	2,720,224	
Depreciation expense	<u>(1,161,832)</u>	
Net:		1,558,392

In governmental funds, the retirement of long term debt is reported as an expenditure in the period it is retired. In the government-wide statements, the payment is recognized in the period that it was incurred. The retirement of long term debt incurred during the year was: 1,000,000

In governmental funds, postemployment benefits (OPEB) costs are recognized as expenditures in the period they are paid. In the government-wide statements, OPEB costs are recognized in the period that they are incurred. The increase in the net OPEB asset at the end of the period was: 8,045

In the statements of activities, certain operating expenses such as compensated absences, are measured by the amounts earned during the year. In the governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially, the amounts actually paid). This year, vacation leave earned exceeded the amounts paid by: (10,107)

Change in net position of governmental activities \$ 835,802

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Net Position – Fiduciary Funds

June 30, 2013

	Trust Funds		
	Historical Commission Fund	Iodine Springs Fund	Total
ASSETS			
Cash	\$ 27,098	\$ 462,697	\$ 489,795
Accounts receivable	14	231	245
Total assets	<u>27,112</u>	<u>462,928</u>	<u>490,040</u>
LIABILITIES			
Accounts payable	<u>51</u>	<u>-</u>	<u>51</u>
NET POSITION			
Restricted	<u>\$ 27,061</u>	<u>\$ 462,928</u>	<u>\$ 489,989</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Statement of Changes in Net Position – Fiduciary Funds
For the Fiscal Year Ended June 30, 2013

	Trust Funds		Total
	Historical Commission Fund	Iodine Springs Fund	
ADDITIONS			
Other local revenue	\$ 1,035	\$ -	\$ 1,035
Revenue from the use of money and property	87	1,508	1,595
Total additions	1,122	1,508	2,630
DEDUCTIONS			
Administrative expenses	152	13,115	13,267
Change in net position	970	(11,607)	(10,637)
Net position, June 30, 2012	26,091	474,535	500,626
Net position, June 30, 2013	<u>\$ 27,061</u>	<u>\$ 462,928</u>	<u>\$ 489,989</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING 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.

The accompanying financial statements present the activities of Riverside County Regional Park and Open-Space District and any component units which are legally separate organizations for which the District is financially accountable. Component units are so intertwined with the District that they are, in substance, the same as the District and, therefore, are blended and reported as if they were part of the District. The District has no component units.

B. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District). 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.

Fund Financial Statements

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

Major Governmental Funds:

The District maintains the following major governmental funds:

General Fund: This fund is used to account for and report all financial resources not accounted for and reported in another fund. Under GASB 54 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, Habitat/Open Space Management, and Natural Resources Education Funds, and the activity in those funds is being reported in the General Fund.

Santa Ana River Mitigation Fund: This fund is used to account for activities related to the Santa Ana Mitigation Bank project.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Basis of Presentation (continued)

Major Governmental Funds (continued):

West Co. Park DIF Fund: This fund is used to account for Development Impact Fees, proceeds and expenditures for the expansion of park facilities in the Western County.

SAR Parkway Prado Dam Trail Fund: This fund is used to account for trail project expenditures.

Non-Major Governmental Funds:

The District maintains the following non-major governmental funds:

Special Revenue Funds:

Fish and Game Commission Fund: To account for activities related to the protection, education, conservation, propagation and preservation of fish and wildlife.

Arundo Removal Fund: 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.

Off Road Vehicle and Off Highway Vehicle Management Funds: Used for repair of and restriction to sensitive open space areas owned by the District and those damaged by unauthorized off road vehicles and trash dumping.

Multi-Species Reserve Fund: To account for activities performed under contract with Municipal Water District to provide reserve management services.

MSHCP Reserve Management Fund: To account for activities performed under contract with Western Riverside County Regional Conservation Authority to provide reserve management services.

Capital Projects Funds:

East Co Park DIF Fund: To account for developer impact fees and to provide for expansion of park facilities in the Eastern County.

Park Acquisition ACO Fund: This fund is used to account for proceeds and expenditures related to Proposition 84.

Park Acquisition and Development Fund: To account for capital improvements for major parks and open space areas countywide as designated by the Board of Supervisors.

Trails West Co. Park DIF Fund: This fund is used to account for Development Impact Fees, proceeds and expenditures for the expansion of trails and trail systems in the Western County.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Basis of Presentation (continued)

Non-Major Governmental Funds (continued):

Capital Projects Funds (continued):

Capital Development Parks - Prop 40: This fund is used to account for proceeds and expenditures related to Proposition 40 for the expansion of park facilities.

Prop 50 Parkways Grant Fund: To account for proceeds and expenditures related to Proposition 50.

Trails East Co Park DIF Fund: To account for developer impact fees to provide for expansion of trails in the Eastern County.

Fiduciary Funds

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

Historical Commission Fund: This fund accounts for revenues and expenditures related to discovering and identifying persons, events and places of historical significance in Riverside County.

Iodine Springs Mitigation Fund: This fund is used to account for activities related to Iodine Springs.

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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

E. Assets, Liabilities, and Net Position

1. Deposits and Investments

The cash balances of substantially all funds are pooled and invested by the County Treasurer for the purpose of increasing earnings through investment activities. The pool's investments are reported at fair value at June 30, 2013, based on market prices. The individual funds' portions of the pool's fair value are presented as "Pooled Cash and Investments". Earnings on the pooled funds are apportioned and paid or credited to the funds quarterly based on the average daily balance of each participating fund.

2. Cash and Cash Equivalents

The District considers cash and cash equivalents in proprietary funds to be cash on hand and demand deposits. In addition, because the 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.

3. 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.

4. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized.

Capital assets 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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Assets, Liabilities, and Net Position (continued)

5. 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.

6. 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: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

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

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

F. 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.

G. 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

G. Relationship to the County of Riverside (continued)

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.

H. New GASB Pronouncements

During the 2012-13 fiscal year, the following GASB Pronouncements became effective:

GASB Statement No. 60, *Accounting and Financial Reporting for Service Concession Arrangements:*

The objective of this Statement is to improve financial reporting by addressing issues related to service concession arrangements (SCAs), which are a type of public-private or public-public partnership. As used in this Statement, an SCA is an arrangement between a transferor (a government) and an operator (governmental or nongovernmental entity) in which (1) the transferor conveys to an operator the right and related obligation to provide services through the use of infrastructure or another public asset (a "facility") in exchange for significant consideration and (2) the operator collects and is compensated by fees from third parties. The requirements of this Statement improve financial reporting by establishing recognition, measurement, and disclosure requirements for SCAs for both transferors and governmental operators, requiring governments to account for and report SCAs in the same manner, which improves the comparability of financial statements.

GASB Statement No. 61, *The Financial Reporting Entity: Omnibus - An Amendment of GASB Statements No. 14 and No. 34:* The objective of this Statement is to improve financial reporting for a governmental financial reporting entity. The requirements of Statement No. 14, *The Financial Reporting Entity*, and the related financial reporting requirements of Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments*, were amended to better meet user needs and to address reporting entity issues that have arisen since the issuance of those Statements.

This Statement modifies certain requirements for inclusion of component units in the financial reporting entity. For organizations that previously were required to be included as component units by meeting the fiscal dependency criterion, a financial benefit or burden relationship also would need to be present between the primary government and that organization for it to be included in the reporting entity as a component unit. Further, for organizations that do not meet the financial accountability criteria for inclusion as component units but that, nevertheless, should be included because the primary government's management determines that it would be misleading to exclude them, this Statement clarifies the manner in which that determination should be made and the types of relationships that generally should be considered in making the determination.

This Statement also amends the criteria for reporting component units as if they were part of the primary government (that is, blending) in certain circumstances. For component units that currently are blended based on the "substantively the same governing body" criterion, it additionally requires that (1) the primary government and the component unit have a financial benefit or burden relationship or (2) management (below the level of the elected officials) of the primary government have operational responsibility (as defined in paragraph 8a) for the activities of the component unit. New criteria also are added to require blending of component units whose total debt outstanding is expected to be repaid entirely or almost entirely with resources of the primary government. The blending provisions are amended to clarify that funds of a blended component unit have the same financial reporting requirements as a fund of the primary government.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

H. New GASB Pronouncements (continued)

GASB Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*: The objective of this Statement is to incorporate into the GASB's authoritative literature certain accounting and financial reporting guidance that is included in the following pronouncements issued on or before November 30, 1989, which does not conflict with or contradict GASB pronouncements:

1. Financial Accounting Standards Board (FASB) Statements and Interpretations
2. Accounting Principles Board Opinions
3. Accounting Research Bulletins of the American Institute of Certified Public Accountants' (AICPA) Committee on Accounting Procedure.

Hereinafter, these pronouncements collectively are referred to as the "FASB and AICPA pronouncements."

This Statement also supersedes Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Governmental Entities That Use Proprietary Fund Accounting*, thereby eliminating the election provided in paragraph 7 of that Statement for enterprise funds and business-type activities to apply post-November 30, 1989 FASB Statements and Interpretations that do not conflict with or contradict GASB pronouncements. However, those entities can continue to apply, as other accounting literature, post-November 30, 1989 FASB pronouncements that do not conflict with or contradict GASB pronouncements, including this Statement.

Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*: This Statement provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources. Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined those elements as a consumption of net assets by the government that is applicable to a future reporting period, and an acquisition of net assets by the government that is applicable to a future reporting period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities.

Concepts Statement 4 also identifies net position as the residual of all other elements presented in a statement of financial position. This Statement amends the net asset reporting requirements in Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, and other pronouncements by incorporating deferred outflows of resources and deferred inflows of resources into the definitions of the required components of the residual measure and by renaming that measure as net position, rather than net assets.

Statement No. 65, *Items previously reported as Assets and Liabilities*: This Statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

This statement also provides other financial reporting guidance related to the impact of the financial statement elements deferred outflows of resources and deferred inflows of resources, such as changes in the determination of the major fund calculations and limiting the use of the term deferred in financial statement presentations.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

H. New GASB Pronouncements (continued)

Statement No. 65 (continued) Although Statement No. 65 is effective for periods beginning after December 15, 2012, the County of Riverside has elected to early implement this Statement, and the District as a component unit of the County has presented the financial statements consistently.

NOTE 2 - CASH

Cash at June 30, 2013 is reported at fair value and consisted of the following:

	Governmental Activities/Funds	Fiduciary Funds
Pooled Funds:		
Cash in county treasury	\$ 18,464,241	\$ 489,795
Cash with fiscal agent	1,450	
Total Pooled Funds	<u>18,465,691</u>	<u>489,795</u>
Deposits:		
Cash in revolving fund	7,500	-
Cash in transit	<u>208,560</u>	<u>-</u>
Total Deposits	<u>\$ 18,681,751</u>	<u>\$ 489,795</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, no disclosure of the individual deposits and investments or related custodial credit risk classifications is required.

In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2013, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 2 – CASH (continued)

Custodial Credit Risk – Deposits (continued)

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, 2013, none of the District’s bank balance was exposed to custodial credit risk.

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2013 consisted of the following:

	General Fund	Santa Ana River Mitigation Fund	West Co Park DIF Fund	SAR Park Prado Dam Fund	Non-Major Governmental Funds	Total Governmental Funds
Property Tax Receivable	\$ 109,675	\$ -	\$ -	\$ -	\$ -	\$ 109,675
Accounts Receivable	62,667	-	-	-	-	62,667
Interest Receivable	1,191	2,003	171	1,464	3,132	7,961
Due From Other Governments:						
State	-	-	-	-	181,000	181,000
From Jurupa Unified SD	230,554	-	-	-	-	230,554
From Metropolitan Water District	-	-	-	-	224,866	224,866
Other	9,574	-	-	-	-	9,574
Total	\$ 413,661	\$ 2,003	\$ 171	\$ 1,464	\$ 408,998	\$ 826,297

NOTE 4 - INTERFUND TRANSACTIONS

A. Balances Due To/From Other Funds

Balances due/to other funds at June 30, 2013 consisted of the following:

	Due to Other Funds			Total
	General Fund	West Co. Park DIF	Non-Major Governmental Funds	
<u>Due from Other Funds(Advance to)</u>				
General Fund	\$ -	\$ 600,000	\$ 100,000	\$ 700,000
Non-Major Governmental Funds	1,000,000	-	200,000	1,200,000
Total	\$ 1,000,000	\$ 600,000	\$ 300,000	\$ 1,900,000

General Fund due from West Co. Park DIF Fund to cover expenditures for capital improvement projects	\$ 600,000
General Fund due from Prop. 84 Construction & Land Acquisition Fund for projects funded under new Proposition 84	100,000
Capital Development Parks Prop 40 Fund due from General Fund for the Recreation Fund	1,000,000
Trails West Co. Park DIF Fund due from Prop. 50 River Parkways Grant Fund for capital improvement projects to be funded under New Proposition 50	200,000
Total	\$ 1,900,000

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 4 - INTERFUND TRANSACTIONS (continued)

B. Transfers To/From Other Funds

Transfers to/from other funds at June 30, 2013 consist of the following:

Transfers Out	Transfers In			Total
	General Fund	West Co Park DIF Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ -	\$ 50,000	\$ 50,000
Non-Major Governmental Funds	262,249	97,375	500,000	859,624
Total	\$ 262,249	\$ 97,375	\$ 550,000	\$ 909,624

Off-Highway Vehicle Management Fund transfer to the General Fund to fund activities in the Habitat & Open Space Mgmt Program	\$ 100,000
County Fish & Game Fund transfer to the General Fund for reimbursement of expenses	1,594
Arundo Removal Fund transfer to the General Fund to correct transfer posted in 2006-07	160,655
General Fund to the Arundo Removal Fund for the transfer of interest earnings to fund interpretive programs	50,000
Multi-Species Reserve Fund transfer to the West Co Park DIF Fund for future use on District CIP and asset	97,375
MSHCP Reserve Management Fund to the Park Acquisition and Development Fund for future use on District CIP	500,000
	<u>\$ 909,624</u>

During the 2012-13 fiscal year, the District made interfund transfers of \$500,000 from the General fund to the Recreation Fund for operating deficits and \$50,000 from the Natural Resource Education Fund to the General Fund to fund programs along the Santa Ana River. As described in Note 1.E. and in accordance with GASB statement No. 54, the Recreation and Natural Resource Education Funds are reported within the General Fund in these financial statements, therefore, all interfund activity has been removed from the fund financial statements.

NOTE 5 - FUND BALANCES

Minimum Fund Balance Policy

The District has not adopted a formal minimum fund balance policy, as recommended by GASB Statement No.54. However, the District has chosen to abide by the policy adopted by the County of Riverside. The District adopted its own minimum fund balance policy in November, 2012.

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 5 - FUND BALANCES (continued)

At June 30, 2013, fund balances of the District's governmental funds were classified as follows:

	General Fund	Santa Ana River Mitigation Fund	West Co Park DIF Fund	SAR Park Prado Dam Fund	Non-Major Governmental Funds	Total
Nonspendable:						
Revolving Cash	\$ 7,500	\$ -	\$ -	\$ -	\$ -	\$ 7,500
Total Nonspendable	7,500	-	-	-	-	7,500
Restricted:						
Programs	-	-	-	-	555,649	555,649
Capital Projects	-	-	19,289	2,931,360	5,916,973	8,867,622
Total Restricted	-	-	19,289	2,931,360	6,472,622	9,423,271
Assigned:						
River Mitigation	-	3,976,581	-	-	-	3,976,581
Recreation	(167,002)	-	-	-	-	(167,002)
Park Resident Employee Utility	318,597	-	-	-	-	318,597
Off Road	-	-	-	-	559,428	559,428
Off Highway	-	-	-	-	35,396	35,396
Habitat Open Space Parks	628,879	-	-	-	-	628,879
Habitat Open Space Management	671,668	-	-	-	-	671,668
Natural Resource Education	116,122	-	-	-	-	116,122
MHSCP	-	-	-	-	259,466	259,466
Multi Species	-	-	-	-	48,604	48,604
Fish and Game	-	-	-	-	12,908	12,908
Arrundo Removal	-	-	-	-	802,035	802,035
Total Assigned	1,568,264	3,976,581	-	-	1,717,837	7,262,682
Unassigned:						
Remaining Unassigned Balances	1,331,414	-	-	-	-	1,331,414
Total Unassigned	1,331,414	-	-	-	-	1,331,414
Total	\$ 2,907,178	\$ 3,976,581	\$ 19,289	\$ 2,931,360	\$ 8,190,459	\$ 18,024,867

NOTE 6 - CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2013 was as follows:

	Balance, July 1, 2012	Additions	Retirements	Balance, June 30, 2013
Capital assets not being depreciated:				
Land	\$ 28,263,385	\$ -	\$ -	\$ 28,263,385
Construction in progress	3,157,638	2,558,572	1,258,791	4,457,419
Total capital assets not being depreciated	31,421,023	2,558,572	1,258,791	32,720,804
Capital assets being depreciated:				
Buildings	46,950,219	221,735	-	47,171,954
Machinery and equipment	4,371,402	168,257	-	4,539,659
Infrastructure	11,253,694	1,030,451	-	12,284,145
Total capital assets being depreciated	62,575,315	1,420,443	-	63,995,758
Accumulated depreciation for:				
Buildings	(7,202,890)	(560,515)	-	(7,763,405)
Machinery and equipment	(3,667,397)	(256,487)	-	(3,923,884)
Infrastructure	(2,651,719)	(344,830)	-	(2,996,549)
Total accumulated depreciation	(13,522,006)	(1,161,832)	-	(14,683,838)
Total capital assets being depreciated, net	49,053,309	258,611	-	49,311,920
Governmental activity capital assets, net	\$ 80,474,332	\$ 2,817,183	\$ 1,258,791	\$ 82,032,724

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 7 – GENERAL LONG-TERM DEBT

Changes in long-term debt for the year ended June 30, 2013 were as follows:

	Balance, July 1, 2012	Additions	Deductions	Balance, June 30, 2013	Due Within One Year
Compensated Absences Payable	\$ 1,572,410	\$ 10,107	\$ -	\$ 1,582,517	\$ 284,853
Claims and Judgments Payable	1,000,000	-	1,000,000	-	-
	<u>\$ 2,572,410</u>	<u>\$ 10,107</u>	<u>\$ 1,000,000</u>	<u>\$ 1,582,517</u>	<u>\$ 284,853</u>

NOTE 8 - 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

As of June 30, 2013, the District did not have any commitment with respect to unfinished capital projects.

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, 2013.

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.

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, 2013, 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 10 - EMPLOYEE RETIREMENT PLANS

Qualified employees are covered under an employer defined benefit pension plan maintained by agencies of the State of California. Employees are members of the Public Employees' Retirement System (PERS).

Plan Description and Provisions

Public Employees' Retirement System (PERS)

Plan Description

The District contributes to the California Public Employees' Retirement System (CalPERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. The plan provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefit provisions are established by state statutes, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a separate comprehensive annual financial report that includes financial statements and required supplementary information. Copies of the comprehensive annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, California 95811.

Funding Policy

Active plan members with less than five years of service to the County of Riverside are required to contribute 8.0% of their salary and the District is required to contribute an actuarially determined rate. The District contributes the members of 8.0% share for active plan members with more than five years of service to Riverside County. However, effective 12/1/11, those employees with 5 years of service or more and not currently paying any CalPERS member contributions shall be required to pay 3% of compensation. Effective 7/12/12, they shall be required to pay a further 3%, and effective 7/11/13, they shall be required to pay an additional 2% for a total of 8% of compensation payable as member contribution. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. The required employer contribution for fiscal year 2012-13 was 11.417%. The contribution requirements of the plan members are established by State statute.

The District's contributions to CalPERS for the last three fiscal years were as follows:

	<u>Contribution</u>	<u>Percent of Required Contribution</u>
2012-13	\$ 850,585	100%
2011-12	\$ 794,100	100%
2010-11	\$ 584,835	100%

NOTE 11- OTHER POSTEMPLOYMENT BENEFITS

Background

The Riverside County Regional Park and Open-Space 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Notes to Financial Statements
June 30, 2013

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Background (continued)

Membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits*	8
Active plan members*	<u>122</u>
Total	<u><u>130</u></u>

* As of July 1, 2011 actuarial valuation

This report provides valuation results for the District, whose employees participate in the District’s plans.

District 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.

Implicit Subsidy

There is no longer an implicit subsidy in this plan. Previously, the District allowed certain retirees to receive coverage prior to age 65 by paying premiums that were developed by blending active and retiree costs, which resulted in an implicit subsidy to retirees. Effective January 1, 2011, all retirees pay premiums based on their “true” retiree only costs, and the implicit subsidy ceased to exist.

The District contributes a portion of an eligible retiree’s medical plan premium under a District sponsored health plan (either at retirement or during a subsequent annual enrollment) for the retiree’s lifetime. Contributions are based on bargaining unit at the time of retirement as follows:

<i>Bargaining Unit at Retirement</i>	<i>Monthly Contribution</i>		
	2011	2012	2013
Management*	\$256.00	\$256.00	\$256.00
SEIU	\$25.00	\$25.00	\$25.00

* Management retired before 11/1/2005 receive a monthly contribution of \$128 and after 11/1/2005 receive a monthly contribution of \$256.

Annual OPEB Cost and Net OPEB Obligation

The District’s annual OPEB cost is calculated based on the Annual Required Contribution (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Annual OPEB Cost and Net OPEB Obligation (continued)

The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation (asset):

Annual required contribution	\$	1,000
Interest on net OPEB obligation (asset)		(21,118)
Adjustment to annual required contribution		<u>16,420</u>
Annual OPEB cost (income)		(3,698)
Contributions made:		<u>(4,347)</u>
(Increase) decrease in net OPEB asset		(8,045)
Net OPEB liability (asset) – July 1, 2012		<u>(277,497)</u>
Net OPEB liability (asset) – June 30, 2013	\$	<u>(285,542)</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2012-13 and the preceding two years are as follows:

Year Ended June 30,	Annual OPEB Cost	Percentage Contributed	Net OPEB Obligation (Asset)
2013	\$ (3,698)	118%	\$ (285,542)
2012	\$ (2,000)	225%	\$ (277,497)
2011	\$ 4,000	650%	\$ (271,000)

Funded Status and Funding Progress – OPEB Plans

As of July 1, 2011, the most recent actuarial valuation date, the District actuarial accrued liability (AAL) for benefits was \$139,000 and the funding excess was \$(93,000). As of June 30, 2013, the District had \$258,780 in plan assets.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Actuarially determined amounts are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedules of funding progress present multiyear trend information about whether the actuarial values of plan assets are increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designated to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2013

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Actuarial Methods and Assumptions (continued)

Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2011
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Remaining amortization period	Open, 30 years
Asset valuation	Fair Value
Actuarial assumptions:	
Discount rate	7.61%
Payroll increases	3.25%

NOTE 12 - ADJUSTMENT FOR RESTATEMENT

The beginning net position on the Statement of Activities and beginning fund balance on the Statement of Revenues, Expenditures and Changes in Fund Balances have been restated by \$45,679 to record revenues from recreation fees collected in the prior year.

NOTE 13 – 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., now Destiny RV, LLC who assigned its lease rights to Riviera-Reynolds (the “company”). 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 June 2013. The company will pay the District the greater of \$300 or seven percent of gross receipts earned from operation of the RV park. 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.

Required Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual*</u> <u>(Budgetary Basis)</u>	<u>Variance with</u> <u>Final Budget -</u> <u>Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Property Taxes	\$ 3,520,000	\$ 3,520,000	\$ 4,328,064	\$ 808,064
Revenue From Use of Money and Property	524,100	524,100	4,140	(519,960)
Intergovernmental Revenues	443,913	604,568	243,884	(360,684)
Charges for Services	4,092,500	4,092,500	4,988,814	896,314
Total Revenues	8,580,513	8,741,168	9,564,902	823,734
Expenditures				
Salaries and Employee Benefits	5,097,467	5,347,467	5,237,343	110,124
Services and Supplies	4,189,697	4,201,697	4,128,527	73,170
Capital Outlay	61,750	152,200	64,495	87,705
Other Charges	1,478,821	1,363,321	1,286,997	76,324
Total Expenditures	10,827,735	11,064,685	10,717,362	347,323
Excess (Deficiency) of Revenues Over (Under) Expenditures	(2,247,222)	(2,323,517)	(1,152,460)	1,171,057
Other Financing Sources (Uses)				
Interfund transfers in (out)	-	(500,000)	(287,751)	212,249
Total Other Financing Sources and Uses	-	(500,000)	(287,751)	212,249
Net Change in Fund Balances	(2,247,222)	(2,823,517)	(1,440,211)	1,383,306
Fund Balances, June 30, 2012**	2,795,464	2,795,464	2,795,464	-
Fund Balances, June 30, 2013	\$ 548,242	\$ (28,053)	\$ 1,355,253	\$ 1,383,306

* The actual amounts reported in this schedule are for the General Fund only, and do not agree with the amounts reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances because the amounts on that schedule include the financial activity of the Recreation, Park Resident Employees, Habitat/Open Space Management, and Natural Resources Education Funds, in accordance with the fund type definitions promulgated by GASB Statement No. 54.

** As restated

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Budgetary Comparison Schedule - Santa Ana River Mitigation
For the Fiscal Year Ended June 30, 2013

	<u>Budgeted Amounts</u>		<u>Actual (Budgetary Basis)</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues				
Revenue From Use of Money and Property	\$ 15,000	\$ 15,000	\$ 13,014	\$ (1,986)
Total Revenues	15,000	15,000	13,014	(1,986)
Expenditures				
Services and Supplies	136,401	135,401	90,316	45,085
Other Charges	15,147	16,147	-	16,147
Total Expenditures	151,548	151,548	90,316	61,232
Excess (Deficiency) of Revenues Over (Under) Expenditures	(136,548)	(136,548)	(77,302)	59,246
Fund Balances, June 30, 2012	4,053,883	4,053,883	4,053,883	-
Fund Balances, June 30, 2013	<u>\$ 3,917,335</u>	<u>\$ 3,917,335</u>	<u>\$ 3,976,581</u>	<u>\$ 59,246</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Schedule of Funding Progress
For the Fiscal Year Ended June 30, 2013

<u>Actuarial Valuation Date</u>	<u>Value of Assets</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded AAL (UAAL)</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>UAAL as a Percentage of Covered Payroll</u>
1/1/2007	N/A	\$ 190,000	\$ 190,000	0%	\$ 7,204,000	2.64%
1/1/2009	\$ 147,000	\$ 144,000	\$ (3,000)	102.1%	\$ 4,429,000	(0.07%)
7/1/2011	\$ 232,000	\$ 139,000	\$ (93,000)	166.9%	\$ 4,871,000	(1.91%)

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2013

NOTE 1 - PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

These schedules are required by GASB Statement No.34 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 Funding Progress

This schedule is required by GASB Statement No.45 for all sole and agent employers that provide other postemployment benefits (OPEB). The schedule presents, for the most recent actuarial valuation and the two preceding valuations, information about the funding progress of the plan, including, for each valuation, the actuarial valuation date, the actuarial value of assets, the actuarial accrued liability, the total unfunded actuarial liability (or funding excess), the actuarial value of assets as a percentage of the actuarial accrued liability (funded ratio), the annual covered payroll, and the ratio of the total unfunded actuarial liability (or funding excess) to annual covered payroll.

NOTE 2 - EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2013, the District incurred no excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedules by major object code.

Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Combining Balance Sheet - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2013

	Fish and Game Fund	Arundo Removal Fund	Off Road Vehicle Mgt. Fund	Off Hwy Vehicle Vehicle Mgmt	MSHCP Fund	Multi-Species Reserve Fund	Trails West Co. Park DIF Fund	Capital Dev. Parks Prop-40	East Co Park DIF Fund	Park Acquisition ACO Fund	Park Acquisition & Dev. Fund	Prop 50 Pkwy's Grant SART	Trails East Co Park DIF Fund	All Non Major
ASSETS														
Cash	\$ 12,901	\$ 831,486	\$ 559,149	\$ 36,581	\$ 730,693	\$ (45,019)	\$ 1,377,250	\$ 439,759	\$ 477,224	\$ 658,951	\$ 1,698,978	\$ 197,802	\$ 7,422	\$ 6,983,177
Interest Receivable	7	513	279	15	275	(1)	7	500	238	349	849	99	2	3,132
Due From Other Governments	-	-	-	-	-	224,866	-	-	-	77,000	-	104,000	-	405,866
Due From Other Funds	-	-	-	-	-	-	200,000	1,000,000	-	-	-	-	-	1,200,000
Total Assets	\$ 12,908	\$ 831,999	\$ 559,428	\$ 36,596	\$ 730,968	\$ 179,846	\$ 1,577,257	\$ 1,440,259	\$ 477,462	\$ 736,300	\$ 1,699,827	\$ 301,901	\$ 7,424	\$ 8,592,175
LIABILITIES AND FUND BALANCES														
Liabilities														
Accounts Payable	\$ -	\$ 15,847	\$ -	\$ 1,200	\$ 11,223	\$ 3,387	\$ 3,230	\$ (5,867)	\$ -	\$ 26,094	\$ -	\$ -	\$ -	\$ 55,114
Salaries and Benefits Payable	-	14,117	-	-	23,897	8,588	-	-	-	-	-	-	-	46,602
Due to Other Funds	-	-	-	-	-	-	-	-	-	100,000	-	200,000	-	300,000
Total Liabilities	-	29,964	-	1,200	35,120	11,975	3,230	(5,867)	-	126,094	-	200,000	-	401,716
Fund Balances														
Restricted	-	-	-	-	436,382	119,267	1,574,027	1,446,126	477,462	610,206	1,699,827	101,901	7,424	6,472,622
Assigned	12,908	802,035	559,428	35,396	259,466	48,604	-	-	-	-	-	-	-	1,717,837
Total Fund Balances	12,908	802,035	559,428	35,396	695,848	167,871	1,574,027	1,446,126	477,462	610,206	1,699,827	101,901	7,424	8,190,459
Total Liabilities and Fund Balances	\$ 12,908	\$ 831,999	\$ 559,428	\$ 36,596	\$ 730,968	\$ 179,846	\$ 1,577,257	\$ 1,440,259	\$ 477,462	\$ 736,300	\$ 1,699,827	\$ 301,901	\$ 7,424	\$ 8,592,175

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Combining Statement of Revenues, Expenditures, and Changes in Fund Balance - Non-Major Funds For the Fiscal Year Ended June 30, 2013

	Fish and Game Fund	Arundo Removal Fund	Off Road Vehicle Mgmt. Fund	Off Hwy Vehicle Mgmt Fund	MSHCP Fund	Multi-Species Reserve Fund	Trails West Co. Park DIF Fund	Capital Dev. Parks Prop-40	East Co Park DIF Fund	Park Acquisition ACO Fund	Park Acquisition & Dev. Fund	Prop 50 Pkwy Grant SART	Trails East Co Park DIF Fund	All Non- Major
REVENUES														
Revenue From Use of Money and Property	\$ 43	\$ 3,522	\$ 1,921	\$ 74	\$ 2,674	\$ 287	\$ 2,629	\$ 4,342	\$ 1,538	\$ 2,553	\$ 4,530	\$ 643	\$ 22	\$ 24,778
Intergovernmental Revenues	-	-	-	24,356	-	-	1,734,382	-	-	-	-	-	11,394.00	1,770,132
Charges for Services	2,537	89,800	-	103,298	709,106	291,128	-	-	-	-	-	-	-	1,195,869
Operating Grants	-	-	-	-	-	-	-	-	-	77,000	-	104,000.00	-	181,000
Total revenues	<u>2,580</u>	<u>93,322</u>	<u>1,921</u>	<u>127,728</u>	<u>711,780</u>	<u>291,415</u>	<u>1,737,011</u>	<u>4,342</u>	<u>1,538</u>	<u>79,553</u>	<u>4,530</u>	<u>104,643</u>	<u>11,416</u>	<u>3,171,779</u>
EXPENDITURES														
Interpretive	-	146,422	-	-	-	-	-	-	-	-	-	-	-	146,422
Natural Resources	-	203,809	-	17,348	591,599	268,378	-	-	-	-	-	-	-	1,081,134
Planning and Construction	-	-	-	-	-	-	1,725,663	5,201	-	222,343	107	4,754.00	11,337.00	1,969,405
General Government	470	-	-	-	-	-	-	-	-	-	-	-	-	470
Total Expenditures	<u>470</u>	<u>350,231</u>	<u>-</u>	<u>17,348</u>	<u>591,599</u>	<u>268,378</u>	<u>1,725,663</u>	<u>5,201</u>	<u>-</u>	<u>222,343</u>	<u>107</u>	<u>4,754</u>	<u>11,337</u>	<u>3,197,431</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,110</u>	<u>(256,909)</u>	<u>1,921</u>	<u>110,380</u>	<u>120,181</u>	<u>23,037</u>	<u>11,348</u>	<u>(859)</u>	<u>1,538</u>	<u>(142,790)</u>	<u>4,423</u>	<u>99,889</u>	<u>79</u>	<u>(25,652)</u>
OTHER FINANCING SOURCES (USES)														
Interfund transfers in	-	50,000	-	-	-	-	-	-	-	-	500,000	-	-	550,000
Interfund transfers out	(1,594)	(160,655)	-	(100,000)	(500,000)	(97,375)	-	-	-	-	-	-	-	(859,624)
Total Other Financing Sources and Uses	<u>(1,594)</u>	<u>(110,655)</u>	<u>-</u>	<u>(100,000)</u>	<u>(500,000)</u>	<u>(97,375)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>500,000</u>	<u>-</u>	<u>-</u>	<u>(309,624)</u>
Net Change in Fund Balances	516	(367,564)	1,921	10,380	(379,819)	(74,338)	11,348	(859)	1,538	(142,790)	504,423	99,889	79	(335,276)
Fund Balances, July 1, 2012	12,392	1,169,599	557,507	25,016	1,075,667	242,209	1,562,679	1,446,985	475,924	752,996	1,195,404	2,012	7,345	8,525,735
Fund Balances, June 30, 2013	<u>\$ 12,908</u>	<u>\$ 802,035</u>	<u>\$ 559,428</u>	<u>\$ 35,396</u>	<u>\$ 695,848</u>	<u>\$ 167,871</u>	<u>\$ 1,574,027</u>	<u>\$ 1,446,126</u>	<u>\$ 477,462</u>	<u>\$ 610,206</u>	<u>\$ 1,699,827</u>	<u>\$ 101,901</u>	<u>\$ 7,424</u>	<u>\$ 8,190,459</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Balance Sheet - General Fund

For the Fiscal Year Ended June 30, 2013

	General Fund #25400	Recreation #25420	Park Resident Emp Utility #25510	Habitat/Open Space Mgmt - Parks #25430	Habitat/Open Space #25521	Natural Resource Education #25535	Reported General Fund
ASSETS							
Cash	\$ 1,484,842	\$ 901,513	\$ 326,874	\$ 647,220	\$ 671,333	\$ 116,064	\$ 4,147,846
Property Tax Receivable	109,675	-	-	-	-	-	109,675
Accounts Receivable	62,667	-	-	-	-	-	62,667
Interest Receivable	256	72	161	309	335	58	1,191
Due From Other Governments	9,574	230,554	-	-	-	-	240,128
Due From Other Funds	700,000	-	-	-	-	-	700,000
Total Assets	\$ 2,367,014	\$ 1,132,139	\$ 327,035	\$ 647,529	\$ 671,668	\$ 116,122	\$ 5,261,507
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 281,873	\$ 100,985	\$ 538	\$ 4,978	\$ -	\$ -	\$ 388,374
Salaries and Benefits Payable	240,916	105,378	-	13,672	-	-	359,966
Due to Other Funds	-	1,000,000	-	-	-	-	1,000,000
Customer Deposits	505,311	92,778	7,900	-	-	-	605,989
	1,028,100	1,299,141	8,438	18,650	-	-	2,354,329
Fund Balances							
Nonspendable	7,500	-	-	-	-	-	7,500
Assigned	-	(167,002)	318,597	628,879	671,668	116,122	1,568,264
Unassigned	1,331,414	-	-	-	-	-	1,331,414
Total Fund Balances	1,338,914	(167,002)	318,597	628,879	671,668	116,122	2,907,178
Total Liabilities and Fund Balances	\$ 2,367,014	\$ 1,132,139	\$ 327,035	\$ 647,529	\$ 671,668	\$ 116,122	\$ 5,261,507

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statements of Revenues and Expenditures - General Fund

For the Fiscal Year Ended June 30, 2013

	General Fund #25400	Recreation #25420	Park Resident Emp Utility #25510	Habitat/Open Space Mgmt - Parks #25430	Habitat/Open Space #25521	Natural Resource Education #25535	Reported General Fund
REVENUES							
Property Taxes	\$ 4,328,064	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,328,064
Revenue From Use of Money and Property	4,140	(194)	993	1,520	2,163	563	9,185
Intergovernmental Revenues	242,912	131,000	-	260,000	-	-	633,912
Charges for Services	4,988,814	1,849,741	63,163	213,749	-	-	7,115,467
Operating Grants	972	-	-	-	-	-	972
Total Revenues	\$ 9,564,902	\$ 1,980,547	\$ 64,156	\$ 475,269	\$ 2,163	\$ 563	\$ 12,087,600
EXPENDITURES							
Interpretive	\$ 1,051,811	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,051,811
Natural Resources	89,956	-	-	321,353	-	-	411,309
Parks	4,868,218	-	27,621	-	-	-	4,895,839
Planning and Construction	244,345	-	-	-	-	-	244,345
Recreation	-	2,550,095	-	-	-	-	2,550,095
General Government	4,479,371	-	-	-	-	-	4,479,371
Total Expenditures	\$ 10,733,701	\$ 2,550,095	\$ 27,621	\$ 321,353	\$ -	\$ -	\$ 13,632,770
OTHER FINANCING SOURCES (USES)							
Interfund transfers in	\$ 212,249	\$ 500,000	\$ -	\$ 100,000	\$ -	\$ -	\$ 812,249
Interfund transfers out	(500,000)	-	-	-	-	(100,000)	(600,000)
Total Other Financing Sources and Uses	\$ (287,751)	\$ 500,000	\$ -	\$ 100,000	\$ -	\$ (100,000)	\$ 212,249

Other Independent Auditors' Report



INDEPENDENT AUDITORS' 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

Board of Supervisors
Riverside County Regional Park and Open-Space District
Riverside, 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 as of and for the year ended June 30, 2013, and the related notes to the financial statements, which collectively comprise Riverside County Regional Park and Open-Space District's basic financial statements, and have issued our report thereon dated October 29, 2013.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Riverside County Regional Park and Open-Space 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 Riverside County Regional Park and Open-Space District's internal control. Accordingly, we do not express an opinion on the effectiveness of the Riverside County Regional Park and Open-Space 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 certain deficiencies in internal control, described in the accompanying schedule of findings and responses as items 2013-1 and 2013-3 that we consider to be significant deficiencies.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Riverside County Regional Park and Open-Space 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.

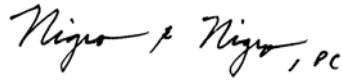
The results of our tests disclosed an instance of noncompliance or other matters that is required to be reported under *Government Auditing Standards* and which is described in the accompanying schedule of findings and responses as item 2013-2.

Riverside County Regional Park and Open-Space District's Responses to Findings

Riverside County Regional Park and Open-Space District's responses to the findings identified in our audit are described in the accompanying schedule of findings and responses. The District's responses were not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on them.

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.



October 29, 2013

Findings and Responses

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of Audit Findings and Responses

For the Fiscal Year Ended June 30, 2013

SECTION I - FINANCIAL STATEMENT FINDINGS

This section identifies the significant deficiencies, material weaknesses, and instances of noncompliance related to the financial statements that are required to be reported in accordance with *Government Auditing Standards*.

Finding 2013-1: CASH RECEIPTS AND DEPOSITS

Observation: During our test of cash receipt and deposit procedures at Rancho Jurupa Park, Hurkey Creek Park and Lake Cahuilla Park, we noted that these sites did not perform duplicate cash counts to ensure all cash collected is deposited intact. Additionally, we noted that at Rancho Jurupa Park two of five deposits did not agree with the point of sale system and three of five deposits did not incorporate use of a cash reconciliation worksheet.

Recommendation: We recommend that cash be double counted to fortify internal controls over cash collections.

District Response: The District's Cash Handling Procedure Manual specifies that cash is to be double counted before it is deposited. The District's Fiscal Manager will be working with field staff management to conduct visits of all District collection sites during FY 13-14 to review current procedures, provide on-site training, and ensure all sites and staff are in compliance.

Finding 2013-2: CONTRACTS-BID ADVERTISEMENT

Observation: During testing of contracts and bid requirements, the District was unable to provide evidence in one of four contracts tested that the request for bidding was properly advertised in accordance with Public Contract Code Section 20815.3(a). The District is required to publish bid notices in a newspaper of general circulation at least one week before the time specified for receiving bids.

Recommendation: We recommend the District comply with Public Contract Code and maintain adequate records to document compliance.

District Response: The District's Buyer II utilizes a checklist to verify all required procedures have been followed for each contract. The District will implement an additional internal control of having the Fiscal Manager review and sign off on every completed checklist to ensure all required procedures have been followed and appropriate documentation has been retained.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of Audit Findings and Responses

For the Fiscal Year Ended June 30, 2013

SECTION I - FINANCIAL STATEMENT FINDINGS (continued)

Finding: 2013-3 EXPENDITURES

Observation: During our cash disbursements testing at the District office, we noted out of sixty-six expenditures selected, thirteen were made with an approved requisition but the subsequent purchase order was not made until after the invoice date. Five expenditures predated the purchase order and/or the requisition form, and one expenditure had an invoice with no supporting documentation that would indicate approval.

Recommendation: A purchase order should be obtained for all expenditures prior to incurrence. Obtaining a purchase order prior to incurring each expenditure is an important internal control which verifies that purchases are approved and within established budgets.

District Response: The District will be sending a letter to all its vendors in November 2013, asking for their assistance in ensuring invoices are mailed to District Headquarters and contain all required information, specifically a Purchase Order Number. This should prompt vendors to ask staff for a P.O. number when they are placing orders. Additionally, the Fiscal Manager will develop and present a series of training courses specifically for supervisors and managers to further educate them on the important of following proper purchasing procedures.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Summary Schedule of Prior Audit Findings

For the Fiscal Year Ended June 30, 2013

Original Finding No.	Finding	Recommendation	Current Status
<i>Finding 2012-1: Capital Assets</i>	Through inquiry with District personnel, we found that a reliable capital asset and equipment inventory have not been completed. While the District conducted site visits and performed visual inspections, the information was deemed unreliable and the project is being reevaluated.	We recommend that the District conduct a comprehensive physical inventory count of its capital assets in the 2012-13 fiscal year and at least every other year thereafter.	Implemented
<i>Finding 2012-2: Expenditures</i>	During our cash disbursements testing, we were unable to review the entire sample selected; however, of the expenditures reviewed we found ten expenditures where the goods and/or services were received prior to obtaining a purchase order.	We recommend that a purchase order should be obtained for all expenditures prior to incurrence. Obtaining a purchase order prior to incurring each expenditure is an important internal control which verifies that purchases are approved and within established budgets.	Not Implemented See Finding 2013-3