

**RIVERSIDE COUNTY REGIONAL PARK
AND OPEN-SPACE DISTRICT
AUDIT REPORT
For the Fiscal Year Ended
June 30, 2014**



RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
For the Fiscal Year Ended June 30, 2014
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Financial Section

INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District, as of and for the fiscal year ended June 30, 2014, 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, 2014, 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 8 and budgetary comparison information on pages 35 and 36 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.

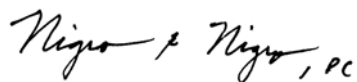
Other Information

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 November 20, 2014 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.



Murrieta, California
November 20, 2014

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2014

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, 2014. 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 \$100,330,968. Of this amount, \$8,761,124 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 \$1,674,000, or 1.7%.
- Governmental expenses were about \$15.7 million. Revenues were about \$17.4 million.
- The District spent about \$0.9 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 \$0.1 million. This was due to vacation leave paid in excess of amounts earned.
- Unassigned fund balance in the District's General Fund represents 27.9% of total General Fund expenditures.

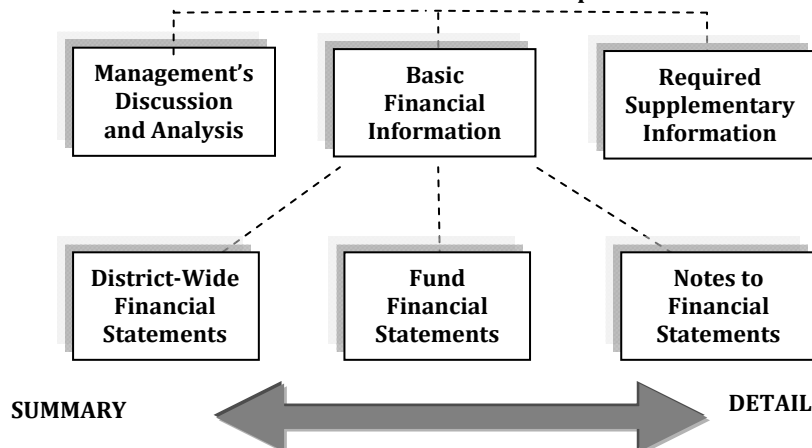
OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2014

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, 2014

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 deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

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

Fund Financial Statements

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

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

The District has two kinds of funds:

- 1) **Governmental funds** – Most of the District's basic services are included in governmental funds, which generally focus on (1) how cash and other financial assets that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental funds statements provide a detailed short-term view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the district-wide statements, we provide additional information on a separate reconciliation page that explains the relationship (or differences) between them. The District maintains 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, 2014

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position. The District's combined net position was higher on June 30, 2014, than it was the year before – increasing 1.7% to \$100.3 million (See Table A-1).

Table A-1

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2013*	2014	
Current and other assets	\$ 19.7	\$ 21.7	\$ 2.0
Capital assets	82.0	81.9	(0.1)
Total assets	101.7	103.6	1.9
Other liabilities	1.5	1.8	0.3
Long-term liabilities	1.6	1.5	(0.1)
Total liabilities	3.1	3.3	0.2
Net investment in Capital Assets	82.0	81.9	(0.1)
Restricted	9.3	9.7	0.4
Unrestricted	7.3	8.7	1.4
Total net position	<u>\$ 98.6</u>	<u>\$ 100.3</u>	<u>\$ 1.7</u>

*As restated

Changes in net position, governmental activities. The District's total revenues increased 9.7% to \$17.4 million (See Table A-2). The increase is due primarily to increases in charges for services.

The total cost of all programs and services increased less than 3.4% to \$15.7 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 (In millions)		Variance Increase (Decrease)
	2013	2014	
Total Revenues	\$ 16.0	\$ 17.4	\$ 1.4
Total Expenses	15.2	15.7	0.5
Increase (decrease) in net position	<u>\$ 0.8</u>	<u>\$ 1.7</u>	<u>\$ 0.9</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 \$19.7 million, which is above last year's ending fund balance of \$17.9 million. The primary cause of the increased fund balance is increased charges for services.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2014

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 revenues would exceed expenditures by about \$0.1 million, the actual results for the year show that revenues actually exceeded expenditures by roughly \$0.4 million. Actual revenues were \$0.5 million less than anticipated, but expenditures were \$0.8 million less than budgeted. That amount consists primarily of services, supplies and capital outlay that will be carried over into the 2014-15 budget.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2013-14 the District had invested \$0.9 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 \$1.0 million.

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

	Governmental Activities		Variance
	(In millions)		
	2013	2014	Increase (Decrease)
Land	\$ 28.3	\$ 28.3	\$ -
Construction in progress	4.4	5.3	0.9
Buildings	39.4	38.8	(0.6)
Machinery and equipment	0.6	0.5	(0.1)
Infrastructure	9.3	9.0	(0.3)
Total	<u>\$ 82.0</u>	<u>\$ 81.9</u>	<u>\$ (0.1)</u>

Long-Term Debt

At year-end the District had \$1.5 million in compensated absences – a decrease of 5.7% 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

	Governmental Activities		Variance
	(In millions)		
	2013	2014	Increase (Decrease)
Compensated Absences	<u>\$ 1.6</u>	<u>\$ 1.5</u>	<u>\$ (0.1)</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2014

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District looks forward to continued growth in the Volunteer Management program in FY 14/15, as well improved customer service and revenue reporting capabilities resulting from the recently approved District-wide web-based point of sale software system. With these changes, training will be needed to educate staff in proper volunteer supervisory techniques and to instill a level of comfort with the new technology required for today's business environment.

While some strides have been made in the Capital Improvement Program, significant energy will be required to build capacity and sustainability so projects are completed as planned and within budget targets. Moreover, with grants beginning to mirror desired societal changes, including healthy lifestyle habits, it is anticipated that trail-type projects will consume much of the time and energy required for most, if not all, future grant applications. Therefore, District staff will be required to collect and track data which demonstrates the positive outcomes of trails should the District wish to remain competitive.

Looking toward the end of FY14-15, the District will be celebrating its 25 year anniversary. This milestone will coincide with the completion of the 5-year strategic plan, which will require additional efforts to amend the plan with new goals and objectives. It is assumed that the new strategy will incorporate many of the new community recreation facilities and programs that have consumed resources in the last several months. In order to remain competitive, the District must develop adequate maintenance and programming plans for these facilities which are consistent with current District plans and industry best management practices.

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, 2014*

	Total Governmental Activities
ASSETS	
Current assets:	
Cash	\$ 20,089,413
Accounts receivable	160,383
Due from other governments	1,172,492
Total current assets	<u>21,422,288</u>
Non-current assets:	
Net OPEB asset	298,972
Total non-current assets	<u>298,972</u>
Capital assets:	
Non-depreciable assets	33,578,725
Depreciable assets	64,049,772
Less accumulated depreciation	<u>(15,771,689)</u>
Total capital assets	<u>81,856,808</u>
 Total assets	 <u>103,578,068</u>
 LIABILITIES	
Current liabilities:	
Accounts payable	1,185,933
Payments received in advance	568,175
Total current liabilities	<u>1,754,108</u>
Long-term liabilities:	
Due within one year	268,739
Due after one year	1,224,253
Total long-term liabilities	<u>1,492,992</u>
 Total liabilities	 <u>3,247,100</u>
 NET POSITION	
Net investment in capital assets	81,856,808
Restricted for capital projects	9,713,036
Unrestricted	<u>8,761,124</u>
 Total net position	 <u>\$ 100,330,968</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Statement of Activities
For the Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities				
Interpretive	\$ 1,167,796	\$ -	\$ -	\$ (1,167,796)
Natural Resources	1,775,083	1,378,141	-	(396,942)
Parks	3,702,287	300,772	739,522	(2,661,993)
Planning and Construction	1,136,423	-	-	(1,136,423)
Recreation	3,335,053	2,437,057	-	(897,996)
General Government	3,485,631	5,053,406	-	1,567,775
Depreciation (unallocated)	1,087,851	-	-	(1,087,851)
Total governmental activities	<u>\$ 15,690,124</u>	<u>\$ 9,169,376</u>	<u>\$ 739,522</u>	<u>(5,781,226)</u>
General Revenues:				
Property Taxes				4,808,606
Revenue From Use of Money and Property				57,259
Intergovernmental Revenues				<u>2,589,713</u>
Total general revenues				<u>7,455,578</u>
Change in net position				<u>1,674,352</u>
Net position - July 1, 2013, as originally stated				98,760,616
Adjustment for restatement (Note 12)				<u>(104,000)</u>
Net position - July 1, 2013				<u>98,656,616</u>
Net position - June 30, 2014				<u>\$ 100,330,968</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Balance Sheet – Governmental Funds

June 30, 2014

	General Fund	Santa Ana River Mitigation Fund	Capital Development Parks Prop 40	Non-Major Governmental Funds	Total Governmental Funds
ASSETS					
Cash	\$ 6,098,064	\$ 3,947,876	\$ 2,905,036	\$ 7,138,437	\$ 20,089,413
Accounts receivable	147,616	1,739	6,061	4,967	160,383
Due from other governments	495,202	-	-	677,290	1,172,492
Total Assets	<u>\$ 6,740,882</u>	<u>\$ 3,949,615</u>	<u>\$ 2,911,097</u>	<u>\$ 7,820,694</u>	<u>\$ 21,422,288</u>
LIABILITIES AND FUND BALANCES					
Liabilities					
Accounts payable	\$ 519,715	\$ 1,058	\$ -	\$ 59,350	\$ 580,123
Salaries and benefits payable	540,781	-	-	65,029	605,810
Payments received in advance	568,175	-	-	-	568,175
Total Liabilities	<u>1,628,671</u>	<u>1,058</u>	<u>-</u>	<u>124,379</u>	<u>1,754,108</u>
Fund Balances					
Nonspendable	20,000	-	-	-	20,000
Restricted	1,046,563	-	2,911,097	5,755,376	9,713,036
Assigned	324,904	3,976,583	-	2,177,274	6,478,761
Unassigned	3,720,744	(28,026)	-	(236,335)	3,456,383
Total Fund Balances	<u>5,112,211</u>	<u>3,948,557</u>	<u>2,911,097</u>	<u>7,696,315</u>	<u>19,668,180</u>
Total Liabilities and Fund Balances	<u>\$ 6,740,882</u>	<u>\$ 3,949,615</u>	<u>\$ 2,911,097</u>	<u>\$ 7,820,694</u>	<u>\$ 21,422,288</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

*Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2014*

Total fund balances - governmental funds \$ 19,668,180

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 \$97,628,497, and the accumulated depreciation is (\$15,771,689). 81,856,808

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: 298,972

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: (1,492,992)

Total net position - governmental activities \$ 100,330,968

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, 2014*

	General Fund	Santa Ana River Mitigation Fund	Capital Development Parks Prop 40	Non-Major Governmental Funds	Total Governmental Funds
Revenues					
General Revenues:					
Property taxes	\$ 4,808,606	\$ -	\$ -	\$ -	\$ 4,808,606
Revenue From Use of Money and Property	9,598	12,380	1,377	33,904	57,259
Intergovernmental Revenues	782,989	-	-	1,806,724	2,589,713
Charges for Services	7,712,525	2,634	-	1,454,217	9,169,376
Operating Grants and Contributions	-	-	-	739,522	739,522
Total revenues	13,313,718	15,014	1,377	4,034,367	17,364,476
Expenditures					
Interpretive	1,068,291	-	-	99,505	1,167,796
Natural Resources	492,021	43,038	-	1,240,024	1,775,083
Parks	4,614,222	-	-	-	4,614,222
Planning and Construction	227,968	-	263	908,192	1,136,423
Recreation	3,335,053	-	-	-	3,335,053
General Government	3,588,536	-	-	50	3,588,586
Total expenditures	13,326,091	43,038	263	2,247,771	15,617,163
Excess (Deficiency) of Revenues Over (Under) Expenditures	(12,373)	(28,024)	1,114	1,786,596	1,747,313
Other Financing Sources (Uses)					
Interfund transfers in	100,000	-	-	50,000	150,000
Interfund transfers out	(50,000)	-	-	(100,000)	(150,000)
Total Other Financing Sources and Uses	50,000	-	-	(50,000)	-
Net Change in Fund Balances	37,627	(28,024)	1,114	1,736,596	1,747,313
Fund Balances -July 1, 2013, as originally stated	2,907,178	3,976,581	1,446,126	9,694,982	18,024,867
Adjustment for restatements	2,167,406	-	1,463,857	(3,735,263)	(104,000)
Fund Balances - July 1, 2013, as restated	5,074,584	3,976,581	2,909,983	5,959,719	17,920,867
Fund Balances, June 30, 2014	\$ 5,112,211	\$ 3,948,557	\$ 2,911,097	\$ 7,696,315	\$ 19,668,180

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, 2014

Total net change in fund balances - governmental funds \$ 1,747,313

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	911,935	
Depreciation expense	<u>(1,087,851)</u>	
Net:		(175,916)

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: 13,430

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, the vacation leave paid exceeded the amounts earned by: 89,525

Change in net position of governmental activities \$ 1,674,352

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Statement of Fiduciary Net Position
June 30, 2014

	<u>Trust Funds</u>		<u>Total</u>
	<u>Historical Commission Fund</u>	<u>Iodine Springs Fund</u>	
ASSETS			
Cash	\$ 27,224	\$ 354,450	\$ 381,674
Accounts receivable	12	204	216
Total assets	<u>27,236</u>	<u>354,654</u>	<u>381,890</u>
LIABILITIES			
Accounts payable	-	-	-
NET POSITION			
Restricted	<u>\$ 27,236</u>	<u>\$ 354,654</u>	<u>\$ 381,890</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT*Statement of Changes in Fiduciary Net Position**For the Fiscal Year Ended June 30, 2014*

	Trust Funds		Total
	Historical Commission Fund	Iodine Springs Fund	
ADDITIONS			
Other local revenue	\$ 1,188	\$ -	\$ 1,188
Revenue from the use of money and property	84	1,447	1,531
Total additions	1,272	1,447	2,719
DEDUCTIONS			
Administrative expenses	1,097	-	1,097
Interfund transfers out		109,721	109,721
Total deductions	1,097	109,721	110,818
Change in net position	175	(108,274)	(108,099)
Net position, July 1, 2013	27,061	462,928	489,989
Net position, June 30, 2014	<u>\$ 27,236</u>	<u>\$ 354,654</u>	<u>\$ 381,890</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

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.

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

The District has no component units that meet the criteria of GASB Statement No.'s 14, 39, and also 61 which is an amendment of GASB Statement No. 14, to be included in the financial statements of the District.

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 Resident Utility, Habitat/Open Space Management, and Natural Resources Education Funds, and the activity in those funds is being reported in the General Fund.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Basis of Presentation (continued)

Major Governmental Funds (continued):

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

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.

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.

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

CSA Park Maintenance Fund: This fund accounts for the District's activities in accordance with its service contract with the County of Riverside Economic Development Agency (EDA) to perform maintenance and operations at several Community Service Area (CSA)-funded parks throughout Riverside County.

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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

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):

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.

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.

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.

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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Budgets and Budgetary Accounting (continued)

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

D. Encumbrances

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

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

1. Cash and Cash Equivalents

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

2. 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

3. 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.

4. 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. 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.

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has no deferred outflows of resources.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time. The District has no deferred inflows of resources.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

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

7. Net Position

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

- **Net investment in capital assets** - This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

F. 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.

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 1 - SIGNIFICANT ACCOUNTING POLICIES (continued)

H. New GASB Pronouncement

During the 2013-14 fiscal year, the following GASB Pronouncement became effective:

Statement No. 65, *Items Previously Reported as Assets and Liabilities* (Issued 03/12)

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.

Concepts Statement No. 4, *Elements of Financial Statements*, introduced and defined the elements included in financial statements, including deferred outflows of resources and deferred inflows of resources. In addition, Concepts Statement 4 provides that reporting a deferred outflow of resources or a deferred inflow of resources should be limited to those instances identified by the Board in authoritative pronouncements that are established after applicable due process.

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, 2014

NOTE 2 – CASH

Cash at June 30, 2014 is reported at fair value and consisted of the following:

	Governmental Activities/Funds	Fiduciary Funds
Pooled Funds:		
Cash in county treasury	\$ 20,068,013	\$ 381,674
Cash with fiscal agent	1,400	
	<u>20,069,413</u>	<u>381,674</u>
Total Pooled Funds	<u>20,069,413</u>	<u>381,674</u>
Deposits:		
Cash in revolving fund	20,000	-
	<u>20,000</u>	
Total Deposits	<u>\$ 20,089,413</u>	<u>\$ 381,674</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, 2014, 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.

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, 2014, none of the District's bank balance was exposed to custodial credit risk.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 3 – ACCOUNTS RECEIVABLE

Accounts receivable as of June 30, 2014 consisted of the following:

	General Fund	Santa Ana River Mitigation Fund	Capital Development Parks Prop 40	Non-Major Governmental Funds	Total Governmental Funds
Property Tax Receivable	\$ 95,935	\$ -	\$ -	\$ -	\$ 95,935
Operational Revenue Receivable	50,406	-	5,867	-	56,273
Interest Receivable	1,275	1,739	194	4,967	8,175
Due From Other Governments:					
State	-	-	-	415,962	415,962
City of Riverside	208,992	-	-	30,533	239,525
From Jurupa Unified SD	275,000	-	-	-	275,000
From Metropolitan Water District	11,210	-	-	230,795	242,005
Total	\$ 642,818	\$ 1,739	\$ 6,061	\$ 682,257	\$ 1,332,875

NOTE 4 - INTERFUND TRANSACTIONS

Transfers To/From Other Funds

Transfers to/from other funds for the fiscal year ended June 30, 2014 consisted of the following:

Transfers Out	Transfers In		Total
	General Fund	Non-Major Governmental Funds	
General Fund	\$ -	\$ 50,000	\$ 50,000
Non-Major Governmental Funds	100,000	-	100,000
Iodine Springs Mitigation Fund	109,721	-	109,721
Total	\$ 209,721	\$ 50,000	\$ 259,721

Transfer from Iodine Springs Mitigation Fund to General Fund for interest related to legal costs	\$ 109,721
Transfer from OHV Fund to General Fund for program support	100,000
Transfer from General Fund to Arundo Removal Fund for program support	50,000
	\$ 259,721

Transfers within General Fund not shown above:

General Fund to Recreation Fund to support recreation programs	\$ 278,232
Natural Resource Education Fund to General Fund for SART education program support	50,000
	\$ 328,232

During the 2013-14 fiscal year, the District made interfund transfers of \$278,232 from the General fund to the Recreation Fund to support recreation programs and \$50,000 from the Natural Resource Education Fund to the General Fund to fund programs for Santa Ana River Trail education program support. 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 5 - FUND BALANCES

Minimum Fund Balance Policy

The District adopted a formal minimum fund balance policy in November, 2012, as recommended by GASB Statement No.54.

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.

At June 30, 2014, fund balances of the District’s governmental funds were classified as follows:

	General Fund	Santa Ana River Mitigation Fund	Capital Development Parks Prop 40	Non-Major Governmental Funds	Total
Nonspendable:					
Revolving Cash	\$ 20,000	\$ -	\$ -	\$ -	\$ 20,000
Total Nonspendable	20,000	-	-	-	20,000
Restricted:					
Programs	1,046,563	-	-	359,364	1,405,927
Capital Projects	-	-	2,911,097	5,396,012	8,307,109
Total Restricted	1,046,563	-	2,911,097	5,755,376	9,713,036
Assigned:					
River Mitigation	-	3,976,583	-	-	3,976,583
Park Resident Employee Utility	208,782	-	-	-	208,782
Off Road	-	-	-	303,586	303,586
Off Highway	-	-	-	28,504	28,504
Natural Resource Education	116,122	-	-	-	116,122
MHSCP Reserve Management	-	-	-	639,535	639,535
Multi Species	-	-	-	122,941	122,941
Fish and Game	-	-	-	17,153	17,153
Arundo Removal	-	-	-	802,035	802,035
Park Maintenance	-	-	-	263,520	263,520
Total Assigned	324,904	3,976,583	-	2,177,274	6,478,761
Unassigned:					
Remaining Unassigned Balances	3,720,744	(28,026)	-	(236,335)	3,456,383
Total Unassigned	3,720,744	(28,026)	-	(236,335)	3,456,383
Total	\$ 5,112,211	\$ 3,948,557	\$ 2,911,097	\$ 7,696,315	\$ 19,668,180

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 6 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2014 was as follows:

	Balance, July 1, 2013	Additions	Retirements	Balance, June 30, 2014
Capital assets not being depreciated:				
Land	\$ 28,263,385	\$ -	\$ -	\$ 28,263,385
Construction in progress	4,457,419	859,921	2,000	5,315,340
Total capital assets not being depreciated	<u>32,720,804</u>	<u>859,921</u>	<u>2,000</u>	<u>33,578,725</u>
Capital assets being depreciated:				
Buildings	47,171,954	-	-	47,171,954
Machinery and equipment	4,539,659	52,014	-	4,591,673
Infrastructure	12,284,145	2,000	-	12,286,145
Total capital assets being depreciated	<u>63,995,758</u>	<u>54,014</u>	<u>-</u>	<u>64,049,772</u>
Accumulated depreciation for:				
Buildings	(7,763,405)	(549,554)	-	(8,312,959)
Machinery and equipment	(3,923,884)	(195,022)	-	(4,118,906)
Infrastructure	(2,996,549)	(343,275)	-	(3,339,824)
Total accumulated depreciation	<u>(14,683,838)</u>	<u>(1,087,851)</u>	<u>-</u>	<u>(15,771,689)</u>
Total capital assets being depreciated, net	<u>49,311,920</u>	<u>(1,033,837)</u>	<u>-</u>	<u>48,278,083</u>
Governmental activity capital assets, net	<u>\$ 82,032,724</u>	<u>\$ (173,916)</u>	<u>\$ 2,000</u>	<u>\$ 81,856,808</u>

NOTE 7 – GENERAL LONG-TERM DEBT

The change in long-term debt for the year ended June 30, 2014 was as follows:

	Balance, July 1, 2013	Additions	Deductions	Balance, June 30, 2014	Due Within One Year
Compensated Absences Payable	\$ 1,582,517	\$ -	\$ 89,525	\$ 1,492,992	\$ 268,739

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, 2014, the District did not have any commitments 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, 2014.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

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, 2014, the District had no settlements exceeding insurance coverage for these categories of risk. For the past three years, settlements or judgment amounts have not exceeded insurance provided for the District.

NOTE 10 - 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 2013-14 was 11.442%. The contribution requirements of the plan members are established by State statute.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 10 - EMPLOYEE RETIREMENT PLANS (continued)

Public Employees' Retirement System (PERS) (continued)

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

	<u>Contribution</u>	<u>Percent of Required Contribution</u>
2013-14	\$ 838,789	100%
2012-13	\$ 850,585	100%
2011-12	\$ 794,100	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.

Membership in the plan consisted of the following:

Retirees and beneficiaries receiving benefits*	6
Active plan members*	<u>102</u>
Total	<u><u>108</u></u>

* As of July 1, 2013 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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 11 – OTHER POSTEMPLOYMENT BENEFITS (continued)

Implicit Subsidy (continued)

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	2014
Management*	\$256.00	\$256.00	\$256.00	\$256.00
SEIU	\$25.00	\$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.

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	\$	-
Interest on net OPEB obligation (asset)		(20,000)
Adjustment to annual required contribution		16,000
Annual OPEB cost		(4,000)
Contributions made:		(9,430)
(Increase) decrease in net OPEB asset		(13,430)
Net OPEB liability (asset) – July 1, 2013		(285,542)
Net OPEB liability (asset) – June 30, 2014	\$	(298,972)

The District’s annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2013-14 and the preceding two years are as follows:

<u>Year Ended June 30,</u>	<u>Annual OPEB Cost</u>	<u>Percentage Contributed</u>	<u>Net OPEB Obligation (Asset)</u>
2014	\$ (4,000)	236%	\$ (298,972)
2013	\$ (3,698)	118%	\$ (285,542)
2012	\$ (2,000)	225%	\$ (277,497)

Funded Status and Funding Progress – OPEB Plans

As of July 1, 2013, the most recent actuarial valuation date, the District actuarial accrued liability (AAL) for benefits was \$132,000 and the funding excess was \$127,000. As of June 30, 2014, the District had \$306,274 in plan assets.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 11 - OTHER POSTEMPLOYMENT BENEFITS (continued)

Funded Status and Funding Progress - OPEB Plans (continued)

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.

Additional information as of the latest actuarial valuation follows:

Valuation date	July 1, 2013
Actuarial cost method	Entry Age Normal
Amortization method	Straight Line
Remaining amortization period	Open, 30 years
Asset valuation	Fair Value
Actuarial assumptions:	
Discount rate	7.36%
Payroll increases	3.00%
Inflation	2.75%

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 \$104,000 to eliminate revenues recognized in the prior year that are not collectible.

Additionally, the District made several restatements to beginning fund balances in the General Fund and several Capital Improvement Project Funds which results in no net change to beginning net position of the District as a whole.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 12 - ADJUSTMENT FOR RESTATEMENT (continued)

Between fiscal years 2002-03 and 2012-13, the District received funding from various sources for Capital Improvement Projects. During this time, the District utilized both the General Fund and the Capital Improvement Projects funds to account for revenues and expenditures associated with these projects. As of June 30, 2014, all projects associated with this funding have been completed and restrictions on fund balances should have been released as expenditures relating to the projects were incurred. Several expenditures relating these projects were made from the General Fund's operating reserves, and this resulted in several restricted balances in the Capital Improvement Project Funds carrying forward to fiscal year 2012-2013.

Due to the inconsistency of accounting for these restricted capital improvement funds, the District reclassified fund balances in order to properly reflect accurate ending fund balances as of June 30, 2014. This included restatements of beginning balances for the General Fund and several Capital Improvement Projects Funds by reimbursing the General Fund for expenditures it had incurred during fiscal years 2002-03 through 2012-13 for several capital improvement projects.

The following restatements of beginning fund balance have been made in the following amounts:

1. \$1,167,406 of restricted fund balance was paid to the General Fund from the following funds:
 - a. \$175,385 from the Park Acquisition and Development Fund
 - b. \$475,378 from the Capital Development Parks Prop 40 fund
 - c. \$516,643 from the DIF West Parks Fund
2. \$2,939,235 of restricted fund balance was paid from the SAR Parkway Prado Dam Trail Fund to the Capital Development Parks Prop 40 Fund.
3. \$1,000,000 of restricted fund balance was paid from the Capital Development Parks Prop 40 Fund to the Recreation Fund.

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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 13 – SERVICE CONCESSION ARRANGEMENTS (continued)

- 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 a lease that is proposed to expire in June 2044. 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.

NOTE 14 – FUTURE GASB PRONOUNCEMENT

The following statement issued by the Governmental Accounting Standards Board (GASB) will become effective in 2014-15 and is expected to have a significant impact on the District’s financial reporting:

Statement No. 68, *Accounting and Financial Reporting for Pensions—An Amendment of GASB Statement No. 27 (Issued 06/12)*

The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency.

This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria.

This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures. For defined benefit pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

Cost-Sharing Employers

In financial statements prepared using the economic resources measurement focus and accrual basis of accounting, a cost-sharing employer that does not have a special funding situation is required to recognize a liability for its proportionate share of the net pension liability (of all employers for benefits provided through the pension plan)—the collective net pension liability. An employer’s proportion is required to be determined on a basis that is consistent with the manner in which contributions to the pension plan are determined, and consideration should be given to separate rates, if any, related to separate portions of the collective net pension liability. The use of the employer’s projected long-term contribution effort as compared to the total projected long-term contribution effort of all employers as the basis for determining an employer’s proportion is encouraged.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to Financial Statements

June 30, 2014

NOTE 14 - FUTURE GASB PRONOUNCEMENT (continued)

Statement No. 68 (continued)

Cost-Sharing Employers (continued)

A cost-sharing employer is required to recognize pension expense and report deferred outflows of resources and deferred inflows of resources related to pensions for its proportionate shares of collective pension expense and collective deferred outflows of resources and deferred inflows of resources related to pensions.

Required Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Budgetary Comparison Schedule - General Fund
For the Fiscal Year Ended June 30, 2014

	<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	\$ 3,950,000	\$ 4,065,000	\$ 4,808,606	\$ 743,606
Revenue From Use of Money and Property	578,970	3,570	2,528	(1,042)
Intergovernmental Revenues	15,000	45,000	156,221	111,221
Charges for Services	4,238,700	6,127,323	4,991,652	(1,135,671)
Other Revenues	346,500	200,750	-	(200,750)
Total Revenues	9,129,170	10,441,643	9,959,007	(482,636)
Expenditures				
Salaries and Employee Benefits	4,595,233	5,139,233	5,413,155	(273,922)
Services and Supplies	3,807,725	4,120,945	3,457,308	663,637
Capital Outlay	55,600	502,853	80,731	422,122
Other Charges	561,565	569,565	581,147	(11,582)
Total Expenditures	9,020,123	10,332,596	9,532,341	800,255
Excess (Deficiency) of Revenues Over (Under) Expenditures	109,047	109,047	426,666	317,619
Other Financing Sources (Uses)				
Interfund transfers in (out)	(228,232)	(228,232)	(228,232)	-
Total Other Financing Sources and Uses	(228,232)	(228,232)	(228,232)	-
Net Change in Fund Balances	(119,185)	(119,185)	198,434	317,619
Fund Balances, July 1, 2013**	2,506,320	2,506,320	2,506,320	-
Fund Balances, June 30, 2014	\$ 2,387,135	\$ 2,387,135	\$ 2,704,754	\$ 317,619

* 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 Fund
For the Fiscal Year Ended June 30, 2014

	<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	\$ 8,554	\$ 8,554	\$ 12,380	\$ 3,826
Charges for Services	-	-	2,634	2,634
Total Revenues	<u>8,554</u>	<u>8,554</u>	<u>15,014</u>	<u>6,460</u>
Expenditures				
Services and Supplies	<u>127,568</u>	<u>127,568</u>	<u>43,038</u>	<u>84,530</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(119,014)	(119,014)	(28,024)	90,990
Fund Balances, July 1, 2013	<u>3,976,581</u>	<u>3,976,581</u>	<u>3,976,581</u>	-
Fund Balances, June 30, 2014	<u>\$ 3,857,567</u>	<u>\$ 3,857,567</u>	<u>\$ 3,948,557</u>	<u>\$ 90,990</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Schedule of Funding Progress
For the Fiscal Year Ended June 30, 2014

<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%)
7/1/2013	\$ 259,000	\$ 132,000	\$ (127,000)	196.2%	\$ 4,607,000	(2.76%)

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Required Supplementary Information

For the Fiscal Year Ended June 30, 2014

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, 2014, the District incurred the following excess of expenditures over appropriations in individual major funds presented in the Budgetary Comparison Schedules by major object code:

<u>General Fund</u>	
Salaries and employee benefits	\$ 273,922
Other charges	11,582

Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT
Combining Balance Sheet - Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2014

	Fish and Game Fund	Arundo Removal	Off Road Vehicle Mgt. Fund	Off Hwy Vehicle Vehicle Mgmt	MSHCP Fund	CSA Park Maintenance	Multi-Species Reserve Fund	West Co. Park DIF Fund	SAR Parkway Prado Dam Fund	Trails West Co. Park DIF Fund	East Co Park DIF Fund	Park Acquisition ACO Fund	Park Acquisition & Dev. Fund	Prop 50 Pkwys Grant SART	Trails East Co Park DIF Fund	All Non Major
ASSETS																
Cash	\$ 17,426	\$ 750,938	\$ 560,931	\$ 28,447	\$ 737,263	\$ 309,238	\$ (46,818)	\$ 356,799	\$ -	\$ 1,369,650	\$ 478,745	\$ 626,159	\$ 1,704,679	\$ (1,568)	\$ 246,548	\$ 7,138,437
Interest Receivable	6	310	247	57	253	96	(1)	668	1,293	539	211	331	827	87	43	4,967
Due From Other Governments	-	30,533	-	-	-	-	230,795	-	-	-	-	415,962	-	-	-	677,290
	<u>\$ 17,432</u>	<u>\$ 781,781</u>	<u>\$ 561,178</u>	<u>\$ 28,504</u>	<u>\$ 737,516</u>	<u>\$ 309,334</u>	<u>\$ 183,976</u>	<u>\$ 357,467</u>	<u>\$ 1,293</u>	<u>\$ 1,370,189</u>	<u>\$ 478,956</u>	<u>\$ 1,042,452</u>	<u>\$ 1,705,506</u>	<u>\$ (1,481)</u>	<u>\$ 246,591</u>	<u>\$ 7,820,694</u>
LIABILITIES AND FUND BALANCES																
Liabilities																
Accounts Payable	\$ -	\$ 6,857	\$ -	\$ -	\$ 11,365	\$ 25,772	\$ 6,556	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,800	\$ -	\$ -	\$ 59,350
Salaries and Benefits Payable	-	1,652	-	-	30,054	20,042	13,281	-	-	-	-	-	-	-	-	65,029
Total Liabilities	-	8,509	-	-	41,419	45,814	19,837	-	-	-	-	-	8,800	-	-	124,379
Fund Balances																
Restricted	279	-	257,592	-	56,562	-	44,931	357,467	1,293	1,574,028	478,956	1,042,452	1,696,706	(1,481)	246,591	5,755,376
Assigned	17,153	802,035	303,586	28,504	639,535	263,520	122,941	-	-	-	-	-	-	-	-	2,177,274
Unassigned	-	(28,763)	-	-	-	-	(3,733)	-	-	(203,839)	-	-	-	-	-	(236,335)
Total Fund Balances	<u>17,432</u>	<u>773,272</u>	<u>561,178</u>	<u>28,504</u>	<u>696,097</u>	<u>263,520</u>	<u>164,139</u>	<u>357,467</u>	<u>1,293</u>	<u>1,370,189</u>	<u>478,956</u>	<u>1,042,452</u>	<u>1,696,706</u>	<u>(1,481)</u>	<u>246,591</u>	<u>7,696,315</u>
Total Liabilities and Fund Balances	<u>\$ 17,432</u>	<u>\$ 781,781</u>	<u>\$ 561,178</u>	<u>\$ 28,504</u>	<u>\$ 737,516</u>	<u>\$ 309,334</u>	<u>\$ 183,976</u>	<u>\$ 357,467</u>	<u>\$ 1,293</u>	<u>\$ 1,370,189</u>	<u>\$ 478,956</u>	<u>\$ 1,042,452</u>	<u>\$ 1,705,506</u>	<u>\$ (1,481)</u>	<u>\$ 246,591</u>	<u>\$ 7,820,694</u>

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, 2014

	Fish and Game Fund	Arundo Removal	Off Road Vehicle Mgmt. Fund	Off Hwy Vehicle Mgmt Fund	MSHCP Fund	CSA Park Maintenance Fund	Multi-Species Reserve Fund	West Co. Park DIF Fund	SAR Parkway Prado Dam Fund	Trails West Co. Park DIF Fund	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	\$ 2,320	\$ 1,750	\$ 333	\$ 1,879	\$ 429	\$ (35)	\$ 3,535	\$ 9,168	\$ 4,085	\$ 1,494	\$ 2,309	\$ 5,779	\$ 618	\$ 197	\$ 33,904
Intergovernmental Revenues	-	-	-	-	-	159,299	-	973,747	-	259,423	-	-	175,285	-	238,970	1,806,724
Charges for Services	4,531	97,869	-	103,575	659,386	296,241	292,615	-	-	-	-	-	-	-	-	1,454,217
Operating Grants	-	-	-	-	-	-	-	-	-	-	-	739,522	-	-	-	739,522
Total revenues	4,574	100,189	1,750	103,908	661,265	455,969	292,580	977,282	9,168	263,508	1,494	741,831	181,064	618	239,167	4,034,367
EXPENDITURES																
Interpretive	-	99,505	-	-	-	-	-	-	-	-	-	-	-	-	-	99,505
Natural Resources	-	79,447	-	10,800	661,016	192,449	296,312	-	-	-	-	-	-	-	-	1,240,024
Planning and Construction	-	-	-	-	-	-	-	122,461	-	467,346	-	309,585	8,800	-	-	908,192
General Government	50	-	-	-	-	-	-	-	-	-	-	-	-	-	-	50
Total Expenditures	50	178,952	-	10,800	661,016	192,449	296,312	122,461	-	467,346	-	309,585	8,800	-	-	2,247,771
Excess (Deficiency) of Revenues Over (Under) Expenditures	4,524	(78,763)	1,750	93,108	249	263,520	(3,732)	854,821	9,168	(203,838)	1,494	432,246	172,264	618	239,167	1,786,596
OTHER FINANCING SOURCES (USES)																
Interfund transfers in	-	50,000	-	-	-	-	-	-	-	-	-	-	-	-	-	50,000
Interfund transfers out	-	-	-	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(100,000)
Total Other Financing Sources and Uses	-	50,000	-	(100,000)	-	-	-	-	-	-	-	-	-	-	-	(50,000)
Net Change in Fund Balances	4,524	(28,763)	1,750	(6,892)	249	263,520	(3,732)	854,821	9,168	(203,838)	1,494	432,246	172,264	618	239,167	1,736,596
Fund Balances, July 1, 2013, as originally stated	12,908	802,035	559,428	35,396	695,848	-	167,871	19,289	2,931,360	1,574,027	477,462	610,206	1,699,827	101,901	7,424	9,694,982
Adjustments for restatements	-	-	-	-	-	-	-	(516,643)	(2,939,235)	-	-	-	(175,385)	(104,000)	-	(3,735,263)
Fund Balances, July 1, 2013, as restated	-	-	-	-	-	-	-	(497,354)	(7,875)	-	-	-	1,524,442	(2,099)	-	5,959,719
Fund Balances, June 30, 2014	\$ 17,432	\$ 773,272	\$ 561,178	\$ 28,504	\$ 696,097	\$ 263,520	\$ 164,139	\$ 357,467	\$ 1,293	\$ 1,370,189	\$ 478,956	\$ 1,042,452	\$ 1,696,706	\$ (1,481)	\$ 246,591	\$ 7,696,315

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Balance Sheet - General Fund

June 30, 2014

	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	\$ 3,344,029	\$ 1,103,451	\$ 364,694	\$ 595,983	\$ 673,473	\$ 16,434	\$ 6,098,064
Property Tax Receivable	95,935	-	-	-	-	-	95,935
Accounts Receivable	50,406	-	-	-	-	-	50,406
Interest Receivable	489	81	163	195	296	51	1,275
Due From Other Governments	211,210	75,000	-	208,992	-	-	495,202
	<u>\$ 3,702,069</u>	<u>\$ 1,178,532</u>	<u>\$ 364,857</u>	<u>\$ 805,170</u>	<u>\$ 673,769</u>	<u>\$ 16,485</u>	<u>\$ 6,740,882</u>
LIABILITIES AND FUND BALANCES							
Liabilities							
Accounts Payable	\$ 293,319	\$ 217,259	\$ 1,524	\$ 7,613	\$ -	\$ -	\$ 519,715
Salaries and Benefits Payable	271,462	248,809	-	20,510	-	-	540,781
Customer Deposits	-	-	5,000	-	-	-	5,000
Payments Received in Advance	432,534	130,641	-	-	-	-	563,175
	<u>997,315</u>	<u>596,709</u>	<u>6,524</u>	<u>28,123</u>	<u>-</u>	<u>-</u>	<u>1,628,671</u>
Fund Balances							
Nonspendable	10,000	10,000	-	-	-	-	20,000
Restricted	-	822,998	109,815	-	113,750	-	1,046,563
Assigned	-	-	208,782	-	-	116,122	324,904
Unassigned	2,694,754	(251,175)	39,736	777,047	560,019	(99,637)	3,720,744
Total Fund Balances	<u>2,704,754</u>	<u>581,823</u>	<u>358,333</u>	<u>777,047</u>	<u>673,769</u>	<u>16,485</u>	<u>5,112,211</u>
Total Liabilities and Fund Balances	<u>\$ 3,702,069</u>	<u>\$ 1,178,532</u>	<u>\$ 364,857</u>	<u>\$ 805,170</u>	<u>\$ 673,769</u>	<u>\$ 16,485</u>	<u>\$ 6,740,882</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statements of Revenues and Expenditures - General Fund

For the Fiscal Year Ended June 30, 2014

	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	\$ 4,808,606	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,808,606
Revenue From Use of Money and Property	2,528	1,821	1,104	1,681	2,101	363	9,598
Intergovernmental Revenues	156,221	366,768	-	260,000	-	-	782,989
Charges for Services	4,991,652	2,437,057	61,754	222,062	-	-	7,712,525
Total Revenues	\$ 9,959,007	\$ 2,805,646	\$ 62,858	\$ 483,743	\$ 2,101	\$ 363	\$ 13,313,718
EXPENDITURES							
Interpretive	\$ 1,068,291	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,068,291
Natural Resources	56,446	-	-	435,575	-	-	492,021
Parks	4,591,100	-	23,122	-	-	-	4,614,222
Planning and Construction	227,968	-	-	-	-	-	227,968
Recreation	-	3,335,053	-	-	-	-	3,335,053
General Government	3,588,536	-	-	-	-	-	3,588,536
Total Expenditures	\$ 9,532,341	\$ 3,335,053	\$ 23,122	\$ 435,575	\$ -	\$ -	\$ 13,326,091
OTHER FINANCING SOURCES (USES)							
Interfund transfers in	\$ 50,000	\$ 278,232	\$ -	\$ 100,000	\$ -	\$ -	\$ 428,232
Interfund transfers out	(278,232)	-	-	-	-	(100,000)	(378,232)
Total Other Financing Sources and Uses	\$ (228,232)	\$ 278,232	\$ -	\$ 100,000	\$ -	\$ (100,000)	\$ 50,000

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, 2014, 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 November 20, 2014.

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 questioned costs as Findings 2014-1 and 2014-2 that we consider to be significant deficiencies.

Compliance and Other Matters

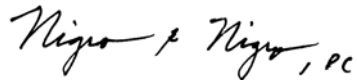
As part of obtaining reasonable assurance about whether Riverside County Regional Park and Open-Space District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with 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 no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

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 questioned costs. Riverside County Regional Park and Open-Space 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.



Murrieta, California
November 20, 2014

Findings and Responses

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of Audit Findings and Responses

For the Fiscal Year Ended June 30, 2014

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 2014-1: Cash Receipts and Deposits

Observation: During our test of cash receipt and deposit procedures at Jensen-Alvarado Historic Center, Luis Rubidoux Nature Center and Lake Skinner, we noted that these sites did not perform duplicate cash counts with two persons present, and subsequently sign daily cash reconciliation sheets to ensure all cash collected is deposited intact. We noted that at Santa Rosa Plateau that three of five deposits did not agree with the point of sale system. Additionally, we noted that the District is not reviewing site level cash receipts, and cash receipts for wedding activities are being deposited in an untimely fashion.

Recommendation: We recommend that cash be double counted in the presence of two persons, to fortify internal controls over cash collections. Also, the District should be reviewing site level cash receipts to ensure adequate oversight and internal control. Deposits should be made within two weeks of collection.

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 14-15 to review current procedures, provide on-site training, and ensure all sites and staff are in compliance.

Finding 2014-2: Expenditures

Observation: During our cash disbursements testing at the District office, we noted out of fifty-three expenditures selected, seven were made with a purchase order dated for the prior fiscal year. Fourteen expenditures predated the purchase order and/or the requisition form, and thirteen expenditures had an invoice with no supporting documentation that would indicate approval.

Recommendation: A purchase order should be obtained for all expenditures prior to incurrence, in the current fiscal year. 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 2014, 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, 2014

Original Finding No.	Finding	Recommendation	Current Status
<i>Finding 2013-1: Cash Receipts and Deposits</i>	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.	We recommend that cash be double counted to fortify internal controls over cash collections.	Not Implemented. See Finding 2014-1.
<i>Finding 2013-2: Contracts-Bid Advertisement</i>	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.	We recommend the District comply with Public Contract Code and maintain adequate records to document compliance.	Implemented.
<i>Finding: 2013-3: Expenditures</i>	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.	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 2014-2.