

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

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

**For the Fiscal Year Ended
June 30, 2020**

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

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Financial Section

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Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District (the District), as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District, as of June 30, 2020, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State regulations governing Special Districts.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2020 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 23, 2020

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

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, 2020. Please read it in conjunction with the District's financial statements, which immediately follow this section.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the current fiscal year by \$85,506,064.
- The District's financial position decreased overall as a result of this year's operations. Net position of governmental activities decreased by \$2,185,819, or 2.49% of the restated beginning Net Position.
- Governmental expenses were about \$19.3 million. Revenues were about \$17.1 million.
- The District spent about \$8.8 million in new capital assets during the year. These expenses were incurred primarily from capital projects funds for capital improvement projects.
- The District's net decrease in its long-term liabilities from compensated absences was \$59,112.
- Unassigned fund balance in the District's General Fund represents 43.2% of total General Fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

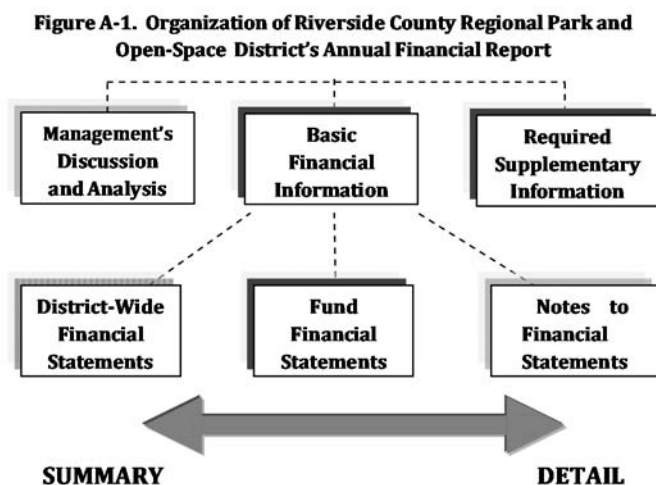
- The first two statements are *district-wide financial statements* that provide both short-term and long-term information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on individual parts of the District, reporting the District's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

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

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

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

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



RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Management’s Discussion and Analysis
For the Fiscal Year Ended June 30, 2020**

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

District-Wide Statements

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

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

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

Fund Financial Statements

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

The District has two kinds of funds:

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position on June 30, 2020 decreased \$2.2 million from the beginning net position to \$85.5 million.

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2019	2020	
Current and other assets	\$ 18.3	\$ 16.1	\$ (2.2)
Capital assets	81.8	81.5	(0.3)
Total assets	100.1	97.6	(2.5)
Total deferred outflows of resources	3.3	3.4	0.1
Other liabilities	2.9	1.6	(1.3)
Long-term liabilities	12.1	13.1	1.0
Total liabilities	15.0	14.7	(0.3)
Total deferred inflows of resources	0.7	0.8	0.1
Net position			-
Net investment in capital assets	81.8	81.5	(0.3)
Restricted	9.6	8.9	(0.7)
Unrestricted	(3.7)	(4.9)	(1.2)
Total net position	\$ 87.7	\$ 85.5	\$ (2.2)

Changes in net position, governmental activities

The District's total revenues decreased by \$4.2 million. The decrease is due primarily to the COVID-19 pandemic. The stay-at-home measures and park closures had a dramatic impact on the District's ability to collect revenue. Our regional parks, interpretive sites, and recreation facilities have been hit the hardest.

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2019	2020	
Total Revenues	\$ 21.3	\$ 17.1	\$ (4.2)
Total Expenditures	19.4	19.3	(0.1)
Increase (decrease) in net position	\$ 1.9	\$ (2.2)	\$ (4.1)

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

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 \$14.4 million, which is lower than last year's ending fund balance of \$15.2 million. The primary causes of the decreased fund balance are the planned use of reserves for capital improvement projects and the unplanned use of reserves to mitigate the revenue deficits caused by the COVID-19 pandemic.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget to revise operational cost and revenue estimates. The District's final budget for the General Fund anticipated that revenues would be under expenditures by about \$490 thousand. The actual results for the year show that revenues exceeded expenditures by roughly \$627 thousand. Actual revenues were \$9,868 more than anticipated, and expenditures were \$1,107,530 less than budgeted. This discrepancy is primarily a result of receiving more property tax revenues than expected and unspent project funds due to project holds as a result of the pandemic.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2019-20, the District had invested \$8.8 million in new capital assets, related to the District's ongoing efforts towards constructing new regional trails and continued work on the Santa Ana River Trail, as well as the expansion of the District's headquarters campus to allow for additional revenue opportunities. Total depreciation expense for the year was about \$2.9 million.

	Governmental Activities (In millions)		Variance
	2019	2020	Increase (Decrease)
Land	\$ 28.1	\$ 28.1	\$ 0.1
Construction in Progress	15.6	12.1	(3.5)
Buildings	35.3	39.3	4.0
Machinery & Equipment	0.6	0.5	(0.1)
Infrastructure	2.3	1.5	(0.8)
Total Net Capital Assets at Year-End	\$ 81.8	\$ 81.5	\$ (0.3)

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

Long-Term Liabilities

At year-end, the District had \$13.1 million in compensated absences and net pension liability – an increase of 8.0% from the prior year balance. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements).

	Governmental Activities (In millions)		Variance
	2019	2020	Increase (Decrease)
Compensated Absences	\$ 1.6	\$ 1.5	\$ (0.1)
Net Pension Liability	10.5	11.5	1.0
Total Outstanding Long-term Liabilities at Year-End	\$ 12.1	\$ 13.0	\$ 0.9

FACTORS BEARING ON THE DISTRICT'S FUTURE

The District had a very unusual and challenging year. The COVID-19 pandemic and two catastrophic fire events on our properties had direct impacts to the District's core operations. These events forced the District to analyze and consider some drastic changes to current operations and redirect resources to ensure sustainability.

The COVID-19 pandemic, which resulted in stay-at-home measures and District facility closures, had a dramatic impact on the District's ability to collect revenue. Interpretive sites and recreation facilities were closed completely, resulting in nearly zero revenue in the fourth quarter. Regional park operations were limited due to the orders, and revenues in fourth quarter were significantly reduced.

The Tenaja Fire in early Fall of 2019 ravaged through our Santa Rosa Plateau (SRP) Ecological Reserve and destroyed most of the trails, fencing, and structures. Although, the visitor center was not affected by the fire, the site was closed for most of the year. Fortunately, with the help of the SRP Nature Education Foundation, renovation and repair of the burned areas are now underway. The 46 Fire in October of 2019 destroyed the Louis Rubidoux Nature Center building that was scheduled for renovations and collaborative use with a new group of partners.

Due to the uncertainty surrounding the COVID-19 pandemic, the District's management team had to swiftly and decisively make some difficult decisions regarding staffing and operations. The District workforce was reduced by roughly 20% and all non-essential spending was ceased during the fourth quarter of 2019/20 to limit the impacts to reserve funds as the full impacts and duration of the pandemic regulations remained unknown. Operational procedures were developed and implemented to ensure the safety of the District's team and guests as certain sites were allowed to re-open.

Going forward, the District focus will be on fiscal sustainability and providing core services. In order to successfully do this, the District will need to: Identify ongoing revenue sources to support our Habitat and Open- Space Management program; Develop strategies to repair, upgrade, or replace aging infrastructure, specifically at Regional Parks; Successfully transfer the institutional knowledge from a growing list of long-time staff who are nearing retirement ; Propel long term projects, such as the Santa Ana River Trail, forward through collaboration with the appropriate local, state, and federal agencies; Continue to partner with other agencies and organizations to provide services and programs utilizing the land resources of the District; and Implement fiscal strategies to replenish reserve funds and support CIP projects. The District must remain true to the mission of protecting valuable resources and ensuring they are well-maintained and operated for generations to come.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Management's Discussion and Analysis For the Fiscal Year Ended June 30, 2020

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Net Position June 30, 2020

	Governmental Activities
ASSETS	
Cash (Note 2)	\$ 13,820,440
Accounts receivable (Note 3)	54,385
Taxes receivable (Note 3)	126,764
Interest receivable (Note 3)	23,551
Due from other governments	1,603,921
Prepaid expenses	366,284
OPEB asset (Note 10)	142,858
Capital assets, not being depreciated (Note 5)	40,092,594
Capital assets, net of depreciation (Note 5)	<u>41,389,670</u>
Total assets	<u>97,620,467</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 9)	3,278,194
OPEB related (Note 10)	<u>121,490</u>
Total deferred outflows of resources	<u>3,399,684</u>
LIABILITIES	
Accounts payable	530,258
Accrued liabilities	491,015
Customer deposits	8,625
Unearned revenue	552,944
Long-term liabilities:	
Due within one year:	
Compensated absences (Note 6)	219,299
Due in more than one year:	
Compensated absences (Note 6)	1,312,370
Net pension liability (Note 9)	<u>11,534,322</u>
Total liabilities	<u>14,648,833</u>
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 9)	822,428
OPEB related (Note 10)	<u>42,825</u>
Total deferred inflows of resources	<u>865,253</u>
NET POSITION	
Net investment in capital assets	81,482,264
Restricted	8,945,094
Unrestricted	<u>(4,921,293)</u>
Total net position	<u>\$ 85,506,065</u>

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

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Statement of Activities
For the Fiscal Year Ended June 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
Governmental Activities:				
Interpretive	\$ 1,324,231	\$ 223,800	\$ 121,160	\$ (979,271)
Natural resources	996,310	1,259,747	352,766	616,203
Regional parks	4,135,764	4,557,097	250	421,583
Planning and construction	6,354,791	104,794	2,480,349	(3,769,648)
Recreation	784,774	417,391	699	(366,684)
General government	5,714,273	358,843	24,545	(5,330,885)
Total governmental activities	<u>\$ 19,310,143</u>	<u>\$ 6,921,672</u>	<u>\$ 2,979,769</u>	<u>(9,408,702)</u>
General revenues:				
				7,007,107
				190,051
				<u>7,197,158</u>
Special Item:				
				25,726
				<u>(2,185,818)</u>
				<u>87,691,883</u>
				<u>\$ 85,506,065</u>

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Balance Sheet – Governmental Funds
June 30, 2020**

	<u>Special Revenue Fund</u>		
	<u>General Fund</u>	<u>Santa Ana River Mitigation</u>	<u>Lake Skinner</u>
ASSETS			
Cash	\$ 6,402,570	\$ 3,857,111	\$ 75,488
Accounts receivable	54,385	-	-
Taxes receivable	126,764	-	-
Interest receivable	9,088	7,328	-
Due from other governments	30,097	-	-
Due from other funds	75,603	216	200,000
Prepaid expenses	-	-	-
Total assets	<u>\$ 6,698,507</u>	<u>\$ 3,864,655</u>	<u>\$ 275,488</u>
LIABILITIES			
Accounts payable	\$ 135,351	\$ 101,805	\$ 90,476
Accrued liabilities	422,888	-	2,931
Due to other funds	263,543	-	-
Customer deposits	8,125	-	500
Unearned revenues	401,191	-	151,753
Total liabilities	<u>1,231,098</u>	<u>101,805</u>	<u>245,660</u>
FUND BALANCE			
Restricted	-	3,762,850	29,828
Unassigned	5,467,409	-	-
Total fund balance	<u>5,467,409</u>	<u>3,762,850</u>	<u>29,828</u>
Total liabilities and fund balance	<u>\$ 6,698,507</u>	<u>\$ 3,864,655</u>	<u>\$ 275,488</u>

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

(continued)

Capital Project Funds		
Park Acquisition & Development	Non-Major Governmental Funds	Total Governmental Funds
\$ 2,185,121	\$ 1,300,150	\$ 13,820,440
-	-	54,385
-	-	126,764
4,439	2,696	23,551
-	1,573,824	1,603,921
-	6,759	282,578
-	366,284	366,284
<u>\$ 2,189,560</u>	<u>\$ 3,249,713</u>	<u>\$ 16,277,923</u>
\$ 152,975	\$ 49,651	\$ 530,258
-	65,196	491,015
-	19,035	282,578
-	-	8,625
-	-	552,944
<u>152,975</u>	<u>133,882</u>	<u>1,865,420</u>
2,036,585	3,115,831	8,945,094
-	-	5,467,409
<u>2,036,585</u>	<u>3,115,831</u>	<u>14,412,503</u>
<u>\$ 2,189,560</u>	<u>\$ 3,249,713</u>	<u>\$ 16,277,923</u>

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position June 30, 2020

Fund balances of governmental funds \$ 14,412,503

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

Nondepreciable	\$ 40,092,594	
Depreciable, net	<u>41,389,670</u>	
Total capital assets		81,482,264

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

142,858

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

Compensated absences	(1,531,669)
Net pension liability	(11,534,322)

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

Deferred outflows of resources related to pensions	3,278,194
Deferred inflows of resources related to pensions	(822,428)

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

Deferred outflows of resources related to OPEB	121,490
Deferred inflows of resources related to OPEB	<u>(42,825)</u>

Net position of governmental activities \$ 85,506,065

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

RIVERSIDE COUNTY REGIONAL PARK AND-OPEN SPACE DISTRICT

**Statement of Revenues, Expenditures and Changes in
Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2020**

	<u>Special Revenue Fund</u>		
	<u>General Fund</u>	<u>Santa Ana River Mitigation</u>	<u>Lake Skinner</u>
REVENUES			
Property taxes	\$ 7,007,107	\$ -	\$ -
Use of money and property	74,967	63,560	351
Intergovernmental	537,012	-	-
Charges for services	4,937,214	-	753,649
Operating grants and contributions	60,798	-	-
	<u>12,617,098</u>	<u>63,560</u>	<u>754,000</u>
EXPENDITURES			
Interpretive	1,166,605	-	-
Natural resources	715,208	124,635	-
Regional parks	4,011,164	-	924,172
Planning and construction	791,864	-	-
Recreation	704,641	-	-
General government	5,280,300	-	-
	<u>12,669,782</u>	<u>124,635</u>	<u>924,172</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(52,684)</u>	<u>(61,075)</u>	<u>(170,172)</u>
OTHER FINANCING SOURCES (USES)			
Transfers in	136,000	-	200,000
Transfers out	<u>(200,000)</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>(64,000)</u>	<u>-</u>	<u>200,000</u>
Net change in fund balance	(116,684)	(61,075)	29,828
Fund balance, beginning of year, as restated (Note 12)	<u>5,584,093</u>	<u>3,823,925</u>	<u>-</u>
Fund balance, end of year	<u>\$ 5,467,409</u>	<u>\$ 3,762,850</u>	<u>\$ 29,828</u>

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

(continued)

Capital Projects Funds		
Park Acquisition and Development	Non-Major Governmental Funds	Total Governmental Funds
\$ -	\$ -	\$ 7,007,107
34,558	16,612	190,048
-	2,054,286	2,591,298
-	1,041	5,691,904
840,494	716,950	1,618,242
<u>875,052</u>	<u>2,788,889</u>	<u>17,098,599</u>
-	-	1,166,605
-	1,275,081	2,114,924
-	-	4,935,336
1,232,698	1,634,328	3,658,890
-	-	704,641
-	-	5,280,300
<u>1,232,698</u>	<u>2,909,409</u>	<u>17,860,696</u>
<u>(357,646)</u>	<u>(120,520)</u>	<u>(762,097)</u>
-	-	336,000
-	(136,000)	(336,000)
-	(136,000)	-
(357,646)	(256,520)	(762,097)
<u>2,394,231</u>	<u>3,372,351</u>	<u>15,174,600</u>
<u>\$ 2,036,585</u>	<u>\$ 3,115,831</u>	<u>\$ 14,412,503</u>

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balance to the Statement of Activities For the Fiscal Year Ended June 30, 2020

Net change in fund balance - governmental funds \$ (762,097)

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

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the Statement of Activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlay exceeded depreciation expense and capital asset dispositions in the current period. (340,113)

Transfer of operations from fiduciary fund to General fund is included in the special item on the Statement of Activities. 25,726

Compensated absences expense was reported in the Statement of Activities, but does not require the use of current financial resources and, therefore, the changes in compensated absences is not reported as an expenditure in governmental funds. 59,112

Pension obligation expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. (1,173,894)

OPEB expenses reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds. 5,448

Change in net position of governmental activities \$ (2,185,818)

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Fiduciary Net Position
June 30, 2020

	Fiduciary Trust
ASSETS	<u>\$ -</u>
Total assets	<u>-</u>
LIABILITIES	<u>-</u>
Total liabilities	<u>-</u>
NET POSITION	<u><u>\$ -</u></u>

The accompanying notes are an integral part of these financial statements.
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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2020**

	Fiduciary Trust
ADDITIONS	
Use of money and property	<u>\$ 2</u>
Total additions	<u> 2</u>
DEDUCTIONS	
Administrative expenses	<u> 1,139</u>
Change in net position	(1,137)
Net position, beginning of year	<u> 1,137</u>
Net position, end of year	<u><u> -</u></u>

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

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Basis of Presentation, Basis of Accounting

Government-Wide Financial Statements

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

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

Major Governmental Funds:

The District maintains the following major governmental funds:

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Non-Major Governmental Funds:

The District maintains the following non-major governmental funds:

Special Revenue Funds:

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

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

Arundo Removal Fund – This fund is used to account for activities to remove and control *Arundo Donax*, as well as Interpretive Education regarding habitat and native vegetation, and maintaining trails and outdoor facilities in sensitive areas along the Santa Ana River. The revenue source for these activities was from California Proposition 13 for water quality improvements and was not an ongoing revenue source. This fund will be closed permanently in fiscal year 2020-21.

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

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

CSA Park Maintenance Fund – This special revenue fund accounts for the District's activities in accordance with its service contract with the County of Riverside Economic Development Agency (EDA) to perform maintenance and operations at several Community Service Area (CSA) funded parks throughout Riverside County. This service contract ended January 2017 and this fund will be permanently closed in fiscal year 2020-21

Community Center Maintenance Fund – This special revenue fund accounts for the District's activities in accordance with its service contract with the County of Riverside to perform programming, maintenance, and operations at several Community Centers throughout Riverside County. This service contract ended January 2017 and this fund will be permanently closed in fiscal year 2020-21.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Special Revenue Funds:

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

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

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:

Park District Fiduciary Trust – This private purpose trust fund accounts for assets held in a trustee or agency capacity for others for various purposes. This fund was closed in fiscal year 19-20.

C. Budgets and Budgetary Accounting

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

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

D. Encumbrances

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Cash and Cash Equivalents

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

Capital Assets

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

Capital Assets (continued)

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

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

Unavailable and Unearned Revenue

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred Outflows/Inflows of Resources

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

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

Compensated Absences

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Pensions

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

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

Valuation Date June 30, 2018
Measurement Date June 30, 2019
Measurement Period July 1, 2018 to June 30, 2019

Other Postemployment Benefits (OPEB)

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

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

Valuation Date July 1, 2019
Measurement Date June 30, 2019
Measurement Period July 1, 2018 to June 30, 2019

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Balances

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

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

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

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Net Position

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

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

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

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

F. Minimum Fund Balance Policy

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

G. Property Tax Calendar

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Use of Estimates

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

I. Compensated Absences

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

J. Relationship to the County of Riverside

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 2 – CASH

Cash at June 30, 2020, is reported at fair value and consisted of the following:

	<u>Governmental Activities/Funds</u>
Pooled funds:	
Cash in County Treasury	<u>\$ 13,810,440</u>
Total pooled funds	<u>13,810,440</u>
Deposits:	
Cash in revolving fund	<u>10,000</u>
Total cash	<u><u>\$ 13,820,440</u></u>

Pooled Funds

The District maintains substantially all of its cash in the County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited annually to participating funds. Any investment losses are proportionately shared by all funds in the pool. Because the District's deposits are maintained in a recognized pooled investment fund under the care of a third party and the District's share of the pool does not consist of specific, identifiable investment securities owned by the District, disclosure of the individual deposits and investments and related custodial credit risk classifications should be obtained from the County of Riverside Comprehensive Annual Financial Report at www.auditorcontroller.org. In accordance with applicable state laws, the County Treasurer may invest in derivative securities with the State of California. However, at June 30, 2020, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 2 – CASH (continued)

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

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

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

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

Interest Rate Risk

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 2 – CASH (continued)

Interest Rate Risk (continued)

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

Investment Type	Total	Remaining Maturity	
		1 Year or Less	2 to 5 Years
Municipal Bonds	\$ 227,734	-	\$ 227,734
U.S. Treasuries	3,596,100	-	3,596,100
Federal Agencies	7,873,332	-	7,873,332
Commercial Paper	443,315	443,315	-
Certification & Time Deposits	266,541	-	266,541
Medium Term Notes	147,634	-	147,634
CalTrust Short Term Fund	6,215	6,215	-
Money Market Mutual Funds	584,044	584,044	-
Cash/Deposit Account	665,525	665,525	-
	<u>\$ 13,810,440</u>	<u>\$ 1,699,099</u>	<u>\$ 12,111,341</u>

Credit Risk

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

Investment Type	Total	Minimum Legal Rating	Ratings as of Year End			
			AAA	A	A1	Not Rated
Municipal Bonds	\$ 227,734	N/A	-	-	-	\$ 227,734
U.S. Treasuries	3,596,100	N/A	-	-	-	3,596,100
Federal Agencies	7,873,332	AAA	7,873,332	-	-	-
Commercial Paper	443,315	A1/P1	-	-	443,315	-
Certification & Time Deposits	266,541	N/A	-	-	-	266,541
Medium Term Notes	147,634	A	-	147,634	-	-
CalTrust Short Term Fund	6,215	N/A	-	-	-	6,215
Money Market Mutual Funds	584,044	AAA	584,044	-	-	-
Cash/Deposit Account	665,525	N/A	-	-	-	665,525
	<u>\$ 13,810,440</u>		<u>\$ 8,457,376</u>	<u>\$ 147,634</u>	<u>\$ 443,315</u>	<u>\$ 4,762,115</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 2 – CASH (continued)

Custodial Credit Risk – Deposits

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

California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2020, none of the District's bank balance was exposed to custodial credit risk.

Fair Value Measurements

The District relies upon information provided by the County Treasury in estimating the fair value position of its holdings in it. The District's holdings in the pool had a value of \$13,810,440 as of June 30, 2020. The allocated totals for each investment type is derived from the percentage of the District's investment balance in relation to the pool's investment balance applied to the pool's total balance for each investment category.

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

The fair value measurements and levels within the fair value hierarchy of those measurements for the assets reported at fair value on a recurring basis at June 30, 2020 are as follows:

	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>	<u>Other</u>
Municipal bonds	\$ 227,734	\$ -	\$ 227,734	\$ -	\$ -
U.S. Treasury	3,596,100	3,596,100	-	-	-
Federal Agencies	7,873,332	7,873,332	-	-	-
Commercial paper	443,315	-	443,315	-	-
Certificate & Time Deposits	266,541	-	266,541	-	-
Medium Term Notes	147,634	-	147,634	-	-
CalTrust Short Term Fund	6,215	-	-	-	6,215
Money Market Mutual funds	584,044	-	-	-	584,044
Cash/Deposit Account	665,525	-	-	-	665,525
Total	<u>\$ 13,810,440</u>	<u>\$ 11,469,432</u>	<u>\$ 1,085,224</u>	<u>\$ -</u>	<u>\$ 1,255,784</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2020, consisted of the following:

	<u>General Fund</u>	<u>Santa Ana River Mitigation</u>	<u>Park Acquisition and Development</u>	<u>Non-Major Governmental Funds</u>	<u>Total Governmental Funds</u>
Operational revenue	\$ 54,385	\$ -	\$ -	\$ -	\$ 54,385
Property taxes	126,764	-	-	-	126,764
Interest	9,088	7,328	4,439	2,696	23,551
Due from other governments:					
Coastal Conservancy	-	-	-	1,367,668	1,367,668
Metropolitan Water District	30,097	-	-	206,156	236,253
 Total receivables	 <u>\$220,334</u>	 <u>\$ 7,328</u>	 <u>\$ 4,439</u>	 <u>\$ 1,576,520</u>	 <u>\$ 1,808,621</u>

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers To/From Other Funds

Transfers to/from other funds for the fiscal year ended June 30, 2020 consisted of the following:

<u>Transfers Out</u>	<u>Transfers in</u>		
	<u>General Fund</u>	<u>Lake Skinner</u>	<u>Total</u>
General Fund	\$ -	\$ 200,000	\$ 200,000
Non-Major Fund:			
Off-Highway Vehicle Management	100,000	-	100,000
MSHCP Reserve Management	36,000	-	36,000
 Total	 <u>\$ 136,000</u>	 <u>\$ 200,000</u>	 <u>\$ 336,000</u>

During the fiscal year ended June 30, 2020, the District made interfund transfers in accordance with its adopted budget. Lake Skinner fund was transferred \$200,000 from the General Fund to support related operations. Two non-major funds, the Off-Highway Vehicle Management Fund and MSHCP Reserved Management fund transferred \$100,000 and \$36,000, respectively to the General Fund to support related operations.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 4 – INTERFUND TRANSACTIONS (continued)

B. Due To/From Other Funds

Due to/from other funds for the fiscal year ended June 30, 2020 consisted of the following:

<u>Fund</u>	<u>Due From Other Funds</u>	<u>Due To Other Funds</u>
General Fund	\$ 75,603	\$ (263,543)
Santa Ana River Mitigation	216	-
Lake Skinner	200,000	-
Non-Major Governmental Funds	<u>6,759</u>	<u>(19,035)</u>
	<u>\$ 282,578</u>	<u>\$ (282,578)</u>

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2020, was as follows:

	<u>Balance as of July 1, 2019</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance as of June 30, 2020</u>
Capital assets, not being depreciated:				
Land	\$ 28,100,840	\$ -	\$ (83,960)	\$ 28,016,880
Construction in progress	15,590,616	2,610,250	(6,125,152)	12,075,714
 Total capital assets, not being depreciated	 43,691,456	 2,610,250	 (6,209,112)	 40,092,594
Capital assets, being depreciated:				
Buildings	47,281,029	4,641,785	-	51,922,814
Machinery and equipment	4,987,035	39,192	(248,576)	4,777,651
Infrastructure	21,785,648	1,483,366	-	23,269,014
 Total capital assets, being depreciated	 74,053,712	 6,164,343	 (248,576)	 79,969,479
Accumulated depreciation				
Buildings	(12,000,432)	(604,467)	-	(12,604,899)
Machinery and equipment	(4,390,566)	(93,680)	248,576	(4,235,670)
Infrastructure	(19,531,793)	(2,207,447)	-	(21,739,240)
 Total accumulated depreciation	 (35,922,791)	 (2,905,594)	 248,576	 (38,579,809)
 Total capital assets, being depreciated, net	 38,130,921	 3,258,749	 -	 41,389,670
 Total capital assets, net	 <u>\$ 81,822,377</u>	 <u>\$ 5,868,999</u>	 <u>\$ (6,209,112)</u>	 <u>\$ 81,482,264</u>

Depreciation expense for the year ended June 30, 2020 was \$2,905,594, and was charged to the following functions in the Statement of Activities:

Interpretive	\$ 65,456
Natural resources	26,517
Regional parks	107,398
Planning and construction	2,695,901
Recreation	2,458
General government	7,864
 Total depreciation expense	 <u>\$ 2,905,594</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 6 – Long-Term Liabilities

The change in long-term liabilities for the year ended June 30, 2020, was as follows:

	Balance as of July 1, 2019	Additions	Deletions	Balance as of June 30, 2020	Due within one year
Compensated absences	\$ 1,590,781	\$ 662,024	\$ (721,136)	\$ 1,531,669	\$ 219,299
Total	\$ 1,590,781	\$ 662,024	\$ (721,136)	\$ 1,531,669	\$ 219,299

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

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

B. Construction Commitments

On April 24, 2018, the District awarded a construction contract to Woodcliff Corporation in the amount of \$3,517,500 for the Park District Headquarters Expansion Project. On May 8, 2018, the District issued a Notice to Proceed to Woodcliff, and construction began on May 21, 2018. On January 28, 2020, the District issued a Notice of Completion to Woodcliff. As of June 30, 2020, the District expended \$3,661,807 against Woodcliff's contract, which included change orders totaling \$144,310.

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, 2020.

NOTE 8 – RISK MANAGEMENT

Property and Liability

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 8 – RISK MANAGEMENT (continued)

Workers' Compensation

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

Claims Liability

During the year ended June 30, 2020, the District had no settlements exceeding insurance coverage for these categories of risk. For the past three years, settlements or judgment amounts have not exceeded insurance provided for the District.

NOTE 9 – PENSION PLAN

A. General Information about the Pension Plan

Plan Description

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

Benefits Provided

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 9 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Benefits Provided (continued)

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

The Plan's provisions and benefits in effect at June 30, 2020 are summarized as follows:

	Miscellaneous		
	Tier I	Tier II	Tier III
	Prior to August 23, 2012	August 23, 2012 to December 31, 2012	On or after January 1, 2013
Hire date			
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-67	50-67	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 3.0%	1.092% to 2.418%	1.0% to 2.5%
Required employer contribution rates	15.206%	8.668%	7.072%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Employer contributions for the fiscal year ended June 30, 2020 were \$1,515,379. The actual employer payments of \$1,229,176 made to CalPERS by the District during the measurement period ended June 30, 2019 differed from the District's proportionate share of the employer's contributions of \$1,520,970 by \$291,794, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2019, using an annual actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is as follows.

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table ⁽¹⁾	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	The Lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter.

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

All other actuarial assumptions used in the June 30, 2018 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at www.calpers.ca.gov.

Long-term Expected Rate of Return

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

Long-term Expected Rate of Return (continued)

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

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

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

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

² An expected inflation of 2.0% used for this period

³ An expected inflation of 2.92% used for this period

Change of Assumptions

There were no changes in assumptions.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

Discount Rate

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

Pension Plan Fiduciary Net Position

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 9 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability

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

	Increase (Decrease)		
	Plan Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Plan Net Pension Liability (c) = (a) - (b)
Balance at: 6/30/2018 (Valuation Date)	\$ 45,781,782	\$ 35,275,744	\$ 10,506,038
Balance at: 6/30/2019 (Measurement Date)	48,240,787	36,706,465	11,534,322
Net Changes During 2018-19	2,459,005	1,430,721	1,028,284

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District’s proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS’ website at www.calpers.ca.gov. The District’s proportionate share of the net pension liability for the miscellaneous total Plan as of June 30, 2018 and 2019 was as follows:

Proportionate Share - June 30, 2018	0.27877%
Proportionate Share - June 30, 2019	0.28803%
Change - Increase (Decrease)	0.00926%

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

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

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan’s Net Pension Liability	\$ 18,022,855	\$ 11,534,322	\$ 6,178,496

Subsequent Events

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 9 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

Amortization of Deferred Outflows and Deferred Inflows of Resources

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

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

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

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

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

The EARSL for PERF C for the measurement period ending June 30, 2019 is 3.8 years, which was obtained by dividing the total service years of 530,470 (the sum of remaining service lifetimes of the active employees) by 140,593 (the total number of participants: active, inactive, and retired). Note that inactive employees and retirees have remaining service lifetimes equal to 0. Also note that total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 9 – PENSION PLAN (continued)

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

As of the start of the measurement period (July 1, 2018), the District's net pension liability is \$10,506,038. For the measurement period ending June 30, 2019 (the measurement date), the District incurred pension expense of \$2,689,273.

As of June 30, 2020, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of Assumptions	\$ 550,010	\$ (194,974)
Differences Between Expected and Actual Experience	801,107	(62,070)
Difference Between Projected and Actual Investment Earnings	-	(201,656)
Difference between Employer's Contribution and Proportionate Share of Contributions	-	(363,728)
Change in Employer's Proportion	411,698	-
Pension Contributions Made Subsequent to Measurement Date	1,515,379	-
Total	<u>\$ 3,278,194</u>	<u>\$ (822,428)</u>

These amounts above are net of outflows and inflows recognized in the 2018-19 measurement period expense. Contributions subsequent to the measurement date of \$1,515,379 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year ended. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 9 – PENSION PLAN (continued)

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

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2020	\$ 907,964
2021	(106,942)
2022	98,617
2023	40,748
2024	-
Thereafter	-

E. Payable to the Pension Plan

The District reported a payable of \$-0- for the outstanding amount of contributions to the pension plan required for the year ended June 30, 2020.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Employees Covered

As of the July 1, 2019 actuarial valuation date, for the June 30, 2019 measurement date, the following current and former employees were covered by the benefit terms under the OPEB Plan.

Active employees	107
Inactive employees or beneficiaries currently receiving benefits	8
Total	115

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Contributions

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

Net OPEB Liability/Asset

The District’s net OPEB asset was measured as of June 30, 2019 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2019, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	7.59%
Inflation	2.50%
Salary Increases	2.75%
Investment Rate of Return	7.59% - net of OPEB plan investment expense, including inflation
Mortality Rate	Most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements from 2010 using scale MP-2019

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability/Asset (continued)

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Real Return Years 1 - 10¹</u>	<u>Real Return Years 11+²</u>
Global Equities	59%	4.80%	5.98%
Fixed Income	25%	1.10%	2.62%
Treasury Inflation-Protected Securities	5%	0.25%	1.46%
Real Estate Investment Trusts	8%	3.20%	5.00%
Commodities	3%	1.50%	2.87%
Total	<u>100%</u>		

¹ An expected inflation of 2.0% used for this period

² An expected inflation of 2.92% used for this period

Discount Rate

The discount rate used to measure the total OPEB liability was 7.59% percent. The projection of cash flows used to determine the discount rate assumed that District contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Changes in the OPEB Liability

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

	Total OPEB Liability (a)	Plan Fiduciary Net Position (B)	Net OPEB Liability/(Asset) (c)= (a) - (b)
Balance at June 30, 2019 (Based on Measurement Date June 30, 2018)	\$ 140,439	\$ 348,848	\$ (208,409)
Changes recognized for the measurement period:			
Service cost	1,391	-	1,391
Interest on the total OPEB liability	10,041	-	10,041
Differences between expected and actual experience	(42,603)	-	(42,603)
Changes of assumptions	117,850	-	117,850
Benefit payments	(7,944)	(7,944)	-
Net investment income	-	21,299	(21,299)
Administrative expenses	-	(172)	172
Net Changes	78,735	13,183	65,552
Balance at June 30, 2020 (Based on Measurement Date June 30, 2019)	\$ 219,174	\$ 362,031	\$ (142,857)

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

The following presents the net OPEB asset of the District if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

	1% Decrease 6.59%	Current Discount Rate 7.59%	1% Increase 8.59%
Net OPEB Asset	\$ (112,150)	\$ (142,857)	\$ (167,702)

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

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

OPEB Plan Fiduciary Net Position

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Financial Statements
June 30, 2020**

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (9.77 Years at June 30, 2019)

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

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$5,448. As of June 30, 2020, the District reported deferred outflows and inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 15,709	\$ (38,240)
Changes of assumptions	105,781	(1,746)
Difference between expected and actual earnings on OPEB plan investments	-	(2,839)
Total	<u>\$ 121,490</u>	<u>\$ (42,825)</u>

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

Fiscal Year Ended June 30:	Deferred Outflows/(Inflows) of Resources
2021	\$ 8,054
2022	8,054
2023	10,141
2024	10,710
2025	9,952
Thereafter	31,754

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements

June 30, 2020

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Financial Statements June 30, 2020

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS (continued)

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

NOTE 12 – Special Items (Transfer of Operations)

In fiscal year 2019-20, the District transferred operations from the Historical Commission fund, previously reported as fiduciary fund, to be rolled up into the General Fund.

	<u>General Fund</u>
Fund balance as previously stated	\$ 5,558,367
Transfer of operations	<u>25,726</u>
Fund balance restated	<u>\$ 5,584,093</u>

NOTE 13 – COVID-19 Considerations

On March 11, 2020, the World Health Organization declared the novel strain of coronavirus (COVID-19) a global pandemic and recommended containment and mitigation measures worldwide. The COVID-19 outbreak in the United States has caused business disruption through mandated and voluntary closings of businesses and shelter in place orders for all but those deemed essential services. While the business disruption is currently expected to be temporary, there is considerable uncertainty around the duration of the closings and shelter in place orders. As a result, the outbreak has caused uncertainty in the financial markets. Although the District's services are considered essential, the District's office was closed to the public, certain other services transitioned to online-only and because the District's major revenue sources are directly impacted by these events, it is possible that this matter will negatively impact the District. However, the ultimate financial impact and duration cannot be estimated at this time.

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Required Supplementary Information

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Budgetary Comparison Schedule – General Fund – Budgetary Basis
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 6,472,057	\$ 6,472,057	\$ 7,007,107	\$ 535,050
Use of money and property	100,000	100,000	54,126	(45,874)
Intergovernmental	27,631	27,631	269,209	241,578
Charges for services	6,445,705	5,139,180	4,452,308	(686,872)
Operating grants and contributions	94,362.00	94,362	60,348	(34,014)
Total revenues	13,139,755	11,833,230	11,843,098	9,868
EXPENDITURES				
Salaries and benefits	7,238,359	7,238,359	6,869,125	369,234
Services and supplies	4,326,942	4,326,942	3,852,500	474,442
Interfund expenditures	511,787	511,787	481,251	30,536
Capital outlay	246,954	246,954	13,636	233,318
Total expenditures	12,324,042	12,324,042	11,216,512	1,107,530
Excess (deficiency) of revenues over (under) expenditures	815,713	(490,812)	626,586	1,117,398
OTHER FINANCING SOURCES (USES)				
Transfer in	36,000	36,000	36,000	-
Transfers out	(550,000)	(550,000)	(550,000)	-
Total other financing sources (uses)	(514,000)	(514,000)	(514,000)	-
Net change in fund balance	301,713	(1,004,812)	112,586	1,117,398
Fund balance, beginning of year	4,253,138	4,253,138	4,253,138	-
Fund balance, end of year	<u>\$ 4,554,851</u>	<u>\$ 3,248,326</u>	<u>\$ 4,365,724</u>	<u>\$ 1,117,398</u>

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Budgetary Comparison Schedule – General Fund – Budgetary Basis (continued) For the Fiscal Year Ended June 30, 2020

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

Actual revenues from budgetary comparison schedule	\$ 11,843,098
Revenues from other general funds are combined with the general fund, as required under generally accepted accounting principles	<u>774,000</u>
Total revenues as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	<u>12,617,098</u>
Actual expenditures from budgetary comparison schedule	11,216,512
Expenditures from other general funds are combined with the general fund, as required under generally accepted accounting principles	<u>1,453,270</u>
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	<u>12,669,782</u>
Actual other financing sources (uses) from budgetary comparison schedule	(514,000)
Other financing sources (uses) from other general funds are combined with the general fund, as required under generally accepted accounting principles	<u>450,000</u>
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	<u>(64,000)</u>
Net change in fund balance as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)	(116,684)
Fund balance, beginning of year, as restated (GAAP Basis)	<u>5,584,093</u>
Fund balance, end of year (GAAP Basis)	<u>\$ 5,467,409</u>

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Budgetary Comparison Schedule – Santa Ana River Mitigation Fund
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ 60,000	\$ 60,000	\$ 63,560	\$ 3,560
Total revenues	60,000	60,000	63,560	3,560
EXPENDITURES				
Salaries and benefits	35,648	35,648	11,302	24,346
Services and supplies	149,139	149,139	112,626	36,513
Interfund expenditures	2,494	2,494	707	1,787
Total expenditures	187,281	187,281	124,635	62,646
Excess (deficiency) of revenues over (under) expenditures	(127,281)	(127,281)	(61,075)	66,206
Net change in fund balance	(127,281)	(127,281)	(61,075)	66,206
Fund balance, beginning of year	3,823,925	3,823,925	3,823,925	-
Fund balance, end of year	<u>\$ 3,696,644</u>	<u>\$ 3,696,644</u>	<u>\$ 3,762,850</u>	<u>\$ 66,206</u>

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Budgetary Comparison Schedule – Lake Skinner
For the Fiscal Year Ended June 30, 2020**

	Budget		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES				
Use of money and property	\$ -	\$ -	\$ 351	\$ 351
Charges for services	896,273	896,273	753,649	(142,624)
Total revenues	896,273	896,273	754,000	(142,273)
EXPENDITURES				
Salaries and benefits	476,147	476,147	474,929	1,218
Services and supplies	3,850	3,850	444,703	(440,853)
Interfund expenditures	105	105	4,540	(4,435)
Total expenditures	480,102	480,102	924,172	(444,070)
Excess (deficiency) of revenues over (under) expenditures	416,171	416,171	(170,172)	(586,343)
OTHER FINANCING SOURCES (USES)				
Transfers in	100,000	200,000	200,000	-
Total other financing sources (uses)	100,000	200,000	200,000	-
Net change in fund balance	516,171	616,171	29,828	(586,343)
Fund balance, beginning of year	-	-	-	-
Fund balance (deficit), end of year	\$ 516,171	\$ 616,171	\$ 29,828	\$ (586,343)

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Schedule of Proportionate Share of the Plan's Net Pension Liability and
Related Ratios as of the Measurement Date – Last 10 Years*
For the Fiscal Year Ended June 30, 2020**

	Measurement Date					
	6/30/2014	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019
Employer's Proportion of the Collective Net Pension Liability ¹	0.09942%	0.25620%	0.26345%	0.27243%	0.27877%	0.28803%
Employer's Proportionate Share of the Collective Net Pension Liability	\$6,188,861	\$7,028,782	\$9,151,775	\$10,739,277	\$10,506,038	\$11,534,322
Employer's Covered Payroll	\$4,992,076	\$5,799,186	\$6,790,996	\$6,200,874	\$5,415,135	\$5,438,751
Employer's Proportionate Share of the Collective Net Pension Liability as a Percentage of its Covered Payroll	123.97%	121.20%	134.76%	173.19%	194.01%	212.08%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	81.15%	80.20%	75.90%	75.30%	77.05%	76.09%

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

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of Pension Plan Contributions – Last 10 Years* For the Fiscal Year Ended June 30, 2020

	Fiscal Year					
	6/30/2015	6/30/2016	6/30/2017	6/30/2018	6/30/2019	6/30/2020
Actuarially Determined Contribution	\$ 950,056	\$ 1,061,769	\$ 1,094,243	\$ 1,094,073	\$ 1,229,176	\$ 1,515,379
Contributions in Relation to the Actuarially Determined Contribution	(950,056)	(1,061,769)	(1,094,243)	(1,094,073)	(1,229,176)	(1,515,379)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll	\$ 5,799,186	\$ 6,790,996	\$ 6,200,874	\$ 5,415,135	\$ 5,438,751	\$ 5,463,566
Contributions as a Percentage of Covered Payroll	16.38%	15.63%	17.65%	20.20%	22.60%	27.74%

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

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: There were no changes in assumptions in 2019. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate. In 2017, the accounting discount rate was reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment to the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of Changes in the Net OPEB Liability and Related Ratios – Last Ten Years* For the Fiscal Year Ended June 30, 2020

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS for the Measurement Period Ended June 30			
Measurement Period	2017	2018	2019
Total OPEB Liability			
Service cost	\$ 2,780	\$ 1,350	\$ 1,391
Interest cost	8,369	9,904	10,041
Differences between expected and actual experiences	23,284	-	(42,603)
Changes of assumptions	(2,589)	-	117,850
Benefit payments	(7,900)	(10,816)	(7,944)
Net Change in Total OPEB Liability	23,944	438	78,735
Total OPEB Liability - beginning	116,057	140,001	140,439
Total OPEB Liability - ending (a)	<u>\$ 140,001</u>	<u>\$ 140,439</u>	<u>\$ 219,174</u>
Plan Fiduciary Net Position			
Contributions - employer	\$ -	\$ 50	\$ -
Net investment income	32,602	26,702	21,299
Benefit payments	(7,900)	(10,816)	(7,944)
Administrative expenses	(158)	(173)	(172)
Net Change in Plan Fiduciary Net Position	24,544	15,763	13,183
Plan Fiduciary Net Position - beginning	308,541	333,085	348,848
Plan Fiduciary Net Position - ending (b)	<u>\$ 333,085</u>	<u>\$ 348,848</u>	<u>\$ 362,031</u>
Net OPEB Liability (Asset) - ending (a) - (b)	\$ (193,084)	\$ (208,409)	\$ (142,857)
Plan fiduciary net position as a percentage of the total OPEB liability	237.92%	248.40%	165.18%
Covered-employee payroll	\$ 5,682,573	\$ 5,853,050	\$ 5,563,315
Net OPEB liability (asset) as a percentage of covered-employee payroll	-3.40%	-3.56%	-2.57%

Notes to schedule:

The following assumptions were changed from the prior valuation:

- 1) Mortality improvement was updated to use scale MP-2019

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

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of OPEB Plan Contributions – Last Ten Years* For the Fiscal Year Ended June 30, 2020

SCHEDULE OF CONTRIBUTIONS			
Fiscal Year Ended June 30	2018	2019	2020
Actuarially Determined Contributions (ADC)	\$ -	\$ -	\$ -
Contributions in relation to the ADC	-	-	-
Contribution deficiency/(excess)	\$ -	\$ -	\$ -
Covered-employee payroll	\$ 5,853,050	\$ 5,563,315	\$ 5,463,566
Contribution as a percentage of covered-employee payroll	0.00%	0.00%	0.00%

Notes to schedule:

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

Methods and assumptions used to determine contributions:

Actuarial Cost Method

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

Asset Valuation Method

5 Year Assets Smoothing

Salary Increases

2.75%

Investment Rate of Return

7.59%, net of OPEB plan investment expense, including inflation.

Retirement Age

Retirement rates developed in the 2017 CalPERS Experience Study.

Mortality

Pub-2010 Public Retirement Plans Mortality Tables using scale MP-2019.

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Notes to the Required Supplementary Information For the Fiscal Year Ended June 30, 2020

NOTE 1 – PURPOSE OF SCHEDULES

Budgetary Comparison Schedules

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

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

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

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

Schedule of Pension Contributions

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

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

Schedule of Changes in the Net OPEB Liability and Related Ratios

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

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

See notes to the required supplementary information.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020**

NOTE 1 – PURPOSE OF SCHEDULES (continued)

Schedule of OPEB Plan Contributions

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

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

NOTE 2 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

At June 30, 2020, the District incurred excess expenditures over appropriations in the Lake Skinner Fund presented in the major Budgetary Comparison Schedules. The original budget only reflects half of the fiscal year since the fund was established in January 2020. The updated 30-year lease contract for Lake Skinner did not include the \$100,000 water credits from Eastern Municipal Water District which caused excess expenditures over appropriations.

Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2020**

	Off Hwy Vehicle Mgmt	Fish and Wildlife Commission	Arundo Removal	Multi- Species Reserve	MSHCP Reserve Management
ASSETS					
Cash	\$ 356,668	\$ 14,362	\$ -	\$ 74,549	\$ 221,926
Interest receivable	386	27	-	195	97
Due from other governments	-	-	-	206,156	-
Due from other funds	-	-	1,029	1,379	4,351
Prepays	-	-	-	-	-
Total assets	<u>\$ 357,054</u>	<u>\$ 14,389</u>	<u>\$ 1,029</u>	<u>\$ 282,279</u>	<u>\$ 226,374</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ 33,173
Accrued liabilities	-	-	-	14,507	50,689
Due to other funds	-	-	116	135	-
Total liabilities	<u>-</u>	<u>-</u>	<u>116</u>	<u>14,642</u>	<u>83,862</u>
FUND BALANCE					
Restricted	<u>357,054</u>	<u>14,389</u>	<u>913</u>	<u>267,637</u>	<u>142,512</u>
Total fund balance	<u>357,054</u>	<u>14,389</u>	<u>913</u>	<u>267,637</u>	<u>142,512</u>
Total liabilities and fund balance	<u>\$ 357,054</u>	<u>\$ 14,389</u>	<u>\$ 1,029</u>	<u>\$ 282,279</u>	<u>\$ 226,374</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Balance Sheet – Non-Major Governmental Funds (continued)
June 30, 2020**

	CSA Park Maintenance	Community Center Maintenance	Capital Development Parks - Grants	Developer Impact Fees	Total Non-Major Funds
ASSETS					
Cash	\$ 152	\$ 12	\$ 260,204	\$ 372,277	\$ 1,300,150
Interest receivable	-	-	105	1,886	2,696
Due from other governments	-	-	1,367,668	-	1,573,824
Due from other funds	-	-	-	-	6,759
Prepays	-	-	34,007	332,277	366,284
	<u>152</u>	<u>12</u>	<u>1,661,984</u>	<u>706,440</u>	<u>3,249,713</u>
Total assets	<u>\$ 152</u>	<u>\$ 12</u>	<u>\$ 1,661,984</u>	<u>\$ 706,440</u>	<u>\$ 3,249,713</u>
LIABILITIES					
Accounts payable	\$ -	\$ -	\$ -	\$ 16,478	\$ 49,651
Accrued liabilities	-	-	-	-	65,196
Due to other funds	-	-	18,784	-	19,035
	<u>-</u>	<u>-</u>	<u>18,784</u>	<u>16,478</u>	<u>133,882</u>
Total liabilities	<u>-</u>	<u>-</u>	<u>18,784</u>	<u>16,478</u>	<u>133,882</u>
FUND BALANCE					
Restricted	<u>152</u>	<u>12</u>	<u>1,643,200</u>	<u>689,962</u>	<u>3,115,831</u>
Total fund balance	<u>152</u>	<u>12</u>	<u>1,643,200</u>	<u>689,962</u>	<u>3,115,831</u>
Total liabilities and fund balance	<u>\$ 152</u>	<u>\$ 12</u>	<u>\$ 1,661,984</u>	<u>\$ 706,440</u>	<u>\$ 3,249,713</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-Major Governmental Funds
For the Fiscal Year Ended June 30, 2020**

	Off Hwy Vehicle Mgmt	Fish and Wildlife Commission	Arundo Removal	Multi- Species Reserve	MSHCP Reserve Management
REVENUES					
Use of money and property	\$ 6,157	\$ 232	\$ -	\$ 2,415	1,431
Intergovernmental	92,766	810	-	329,938	922,397
Charges for services	-	-	-	275	-
Operating grants and contributions	-	-	-	-	-
Total revenues	<u>98,923</u>	<u>1,042</u>	<u>-</u>	<u>332,628</u>	<u>923,828</u>
EXPENDITURES					
Natural resources	-	-	-	323,078	952,003
Planning and construction	-	-	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>323,078</u>	<u>952,003</u>
Excess (deficiency) of revenues over (under) expenditures	<u>98,923</u>	<u>1,042</u>	<u>-</u>	<u>9,550</u>	<u>(28,175)</u>
OTHER FINANCING SOURCES (USES)					
Transfers out	(100,000)	-	-	-	(36,000)
Total other financing sources (uses)	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(36,000)</u>
Net change in fund balance	(1,077)	1,042	-	9,550	(64,175)
Fund balance, beginning of year	<u>358,131</u>	<u>13,347</u>	<u>913</u>	<u>258,087</u>	<u>206,687</u>
Fund balance, end of year	<u>\$ 357,054</u>	<u>\$ 14,389</u>	<u>\$ 913</u>	<u>\$ 267,637</u>	<u>\$ 142,512</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances –
Non-Major Governmental Funds (continued)
For the Fiscal Year Ended June 30, 2020**

	CSA Park Maintenance	Community Center Maintenance	Capital Development Parks - Grants	Developer Impact Fees	Total Non-Major Funds
REVENUES					
Use of money and property	\$ -	\$ -	\$ 2,481	\$ 3,896	\$ 16,612
Intergovernmental	-	-	-	708,375	2,054,286
Charges for services	-	-	-	766	1,041
Operating grants and contributions	-	-	716,950	-	716,950
Total revenues	-	-	719,431	713,037	2,788,889
EXPENDITURES					
Natural resources	-	-	-	-	1,275,081
Planning and construction	-	-	165,761	1,468,567	1,634,328
Total expenditures	-	-	165,761	1,468,567	2,909,409
Excess (deficiency) of revenues over (under) expenditures	-	-	553,670	(755,530)	(120,520)
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	(136,000)
Total other financing sources (uses)	-	-	-	-	(136,000)
Net change in fund balance	-	-	553,670	(755,530)	(256,520)
Fund balance, beginning of year	152	12	1,089,530	1,445,492	3,372,351
Fund balance, end of year	<u>\$ 152</u>	<u>\$ 12</u>	<u>\$ 1,643,200</u>	<u>\$ 689,962</u>	<u>\$ 3,115,831</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Balance Sheet – General Fund
June 30, 2020**

	<u>General Fund Operating</u>	<u>Recreation</u>	<u>Habitat & Open Space Management</u>	<u>Park Residence Utilities & Maintenance</u>	<u>Historical Commission</u>	<u>Reported General Fund</u>
ASSETS						
Cash	\$ 5,218,218	\$ 279,095	\$ 453,424	\$ 425,816	\$ 26,017	\$ 6,402,570
Accounts receivable	23,386	30,999	-	-	-	54,385
Taxes receivable	126,764	-	-	-	-	126,764
Interest receivable	6,736	654	859	791	48	9,088
Due from other governments	30,097	-	-	-	-	30,097
Due from other funds	65,004	7,731	2,784	58	26	75,603
Total assets	<u>\$ 5,470,205</u>	<u>\$ 318,479</u>	<u>\$ 457,067</u>	<u>\$ 426,665</u>	<u>\$ 26,091</u>	<u>\$ 6,698,507</u>
LIABILITIES						
Accounts payable	\$ 116,777	\$ 10,443	\$ 7,328	\$ 803	\$ -	\$ 135,351
Accrued liabilities	374,572	11,978	36,338	-	-	422,888
Due to other funds	263,091	291	135	-	26	263,543
Customer deposits	450	-	-	7,675	-	8,125
Unearned revenue	349,591	51,600	-	-	-	401,191
Total liabilities	<u>1,104,481</u>	<u>74,312</u>	<u>43,801</u>	<u>8,478</u>	<u>26</u>	<u>1,231,098</u>
FUND BALANCE						
Unassigned	<u>4,365,724</u>	<u>244,167</u>	<u>413,266</u>	<u>418,187</u>	<u>26,065</u>	<u>5,467,409</u>
Total fund balance	<u>4,365,724</u>	<u>244,167</u>	<u>413,266</u>	<u>418,187</u>	<u>26,065</u>	<u>5,467,409</u>
Total liabilities and fund balance	<u>\$ 5,470,205</u>	<u>\$ 318,479</u>	<u>\$ 457,067</u>	<u>\$ 426,665</u>	<u>\$ 26,091</u>	<u>\$ 6,698,507</u>

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

**Combining Statement of Revenues and Expenditures – General Fund
For the Fiscal Year Ended June 30, 2020**

	<u>General Fund Operating</u>	<u>Recreation</u>	<u>Habitat & Open Space Management</u>	<u>Park Resident Utilities & Maintenance</u>	<u>Historical Commission</u>	<u>Eliminations</u>	<u>Reported General Fund</u>
REVENUES							
Property taxes	\$ 7,007,107	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,007,107
Use of money and property	54,126	5,320	8,177	6,917	427	-	74,967
Intergovernmental	269,209	7,803	260,000	-	-	-	537,012
Charges for services	4,452,308	409,838	7,137	67,931	-	-	4,937,214
Operating grants and contributions	60,348	450	-	-	-	-	60,798
Total revenues	<u>11,843,098</u>	<u>423,411</u>	<u>275,314</u>	<u>74,848</u>	<u>427</u>	<u>-</u>	<u>12,617,098</u>
EXPENDITURES							
Interpretive	1,166,517	-	-	-	88	-	1,166,605
Natural resources	66,306	-	648,902	-	-	-	715,208
Regional parks	4,011,164	-	-	-	-	-	4,011,164
Planning and construction	692,225	-	-	99,639	-	-	791,864
Recreation	-	704,641	-	-	-	-	704,641
General government	5,280,300	-	-	-	-	-	5,280,300
Total expenditures	<u>11,216,512</u>	<u>704,641</u>	<u>648,902</u>	<u>99,639</u>	<u>88</u>	<u>-</u>	<u>12,669,782</u>
Excess (deficiency) of revenues over (under) expenditures	<u>626,586</u>	<u>(281,230)</u>	<u>(373,588)</u>	<u>(24,791)</u>	<u>339</u>	<u>-</u>	<u>(52,684)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	36,000	350,000	100,000	-	-	(350,000)	136,000
Transfers out	(550,000)	-	-	-	-	350,000	(200,000)
Total other financing sources (uses)	<u>(514,000)</u>	<u>350,000</u>	<u>100,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(64,000)</u>
Net change in fund balance	112,586	68,770	(273,588)	(24,791)	339	-	(116,684)
Fund balance, beginning of year, as restated (Note 12)	<u>4,253,138</u>	<u>175,397</u>	<u>686,854</u>	<u>442,978</u>	<u>25,726</u>	<u>-</u>	<u>5,584,093</u>
Fund balance, end of year	<u>\$ 4,365,724</u>	<u>\$ 244,167</u>	<u>\$ 413,266</u>	<u>\$ 418,187</u>	<u>\$ 26,065</u>	<u>\$ -</u>	<u>\$ 5,467,409</u>

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Other Independent Auditor's Report

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

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Independent Auditor's Report

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

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We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District (the District) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 23, 2020.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
October 23, 2020