RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Financial Statements
and
Independent Auditor's Report

For the Fiscal Year Ended
June 30, 2018

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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 fiscal year ended June 30, 2018, 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, 2018, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America, 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 November 6, 2018 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
November 6, 2018

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Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2018

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, 2018. 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 $85,835,393.
- The District's financial position increased overall as a result of this year's operations. Net position of governmental activities increased by $1,281,153, or 1.52% of the restated beginning Net Position.
- Governmental expenses were about $18.8 million. Revenues were about $20.2 million.
- The District spent about 4.0 million in new capital assets during the year. These expenses were incurred primarily from capital projects funds for capital improvement projects.
- The District decreased its outstanding long-term debt by $1,094,243, and overall debt increased by $2,752,019. This was due to changes in compensated absences and net pension liability.
- Unassigned fund balance in the District's General Fund represents 37.9% 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.

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

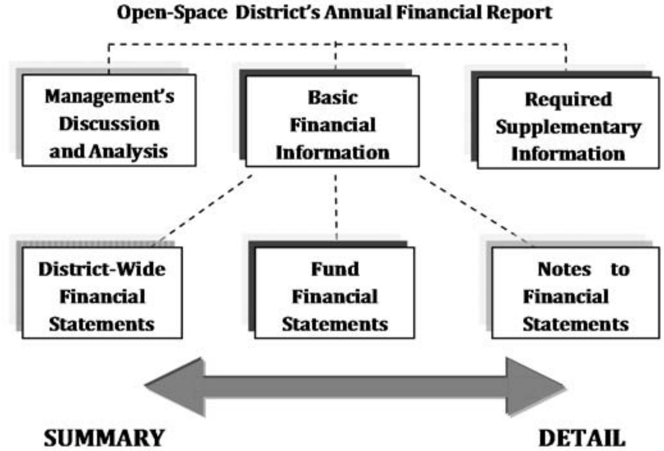

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

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

Type of Statements	District-Wide	Governmental Funds	Fiduciary Funds
Scope	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.
Required financial statements	• Statement of Net Position • Statement of Activities	• Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances	• Statement of Fiduciary Net Position • Statement of Changes in Fiduciary Net Position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	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
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during the year, regardless of when cash is received or paid

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

District-Wide Statements

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

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

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FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net Position

The District's combined net position was higher on June 30, 2018 than it was the year before, increased 1.4% from the restated beginning net position to $85.8 million.

Table A-1: Net Position

	Governmental Activities (In millions) 2017	Governmental Activities (In millions) 2018	Variance Increase (Decrease)
Current and other assets	$ 18.8	$ 20.5	$ 1.7
Capital assets	76.0	76.9	0.9
Total assets	**94.8**	**97.4**	**2.6**
Total deferred outflows of resources	**3.3**	**3.9**	**0.6**
Other liabilities	2.3	2.6	0.3
Long-term liabilities	10.8	12.4	1.6
Total liabilities	**13.1**	**15.0**	**1.9**
Total deferred inflows of resources	**0.4**	**0.5**	**0.1**
Net position			-
Net investment in Capital Assets	76.0	76.9	0.9
Restricted	8.5	12.9	4.4
Unrestricted	0.1	(4.0)	(4.1)
Total net position	**$ 84.6**	**$ 85.8**	**$ 1.2**

Changes in net position, governmental activities

The District's total revenues decreased 4.9% to $20.2 million. The decrease is due primarily to decreased charges for services. The total cost of all programs and services decreased 0.1% to $18.88 million. This decrease is due to the discontinuation of Community Centers services as of January 1, 2017.

Table A-2: Changes in Net Position

	Governmental Activities (In millions) 2017	Governmental Activities (In millions) 2018	Variance Increase (Decrease)
Total Revenues	$ 21.2	$ 20.2	$ (1.0)
Total Expenditures	18.9	18.9	(0.0)
Special Item: Transfer of Operations	(2.5)	-	2.5
Increase (decrease) in net position	**$ (0.2)**	**$ 1.3**	**$ 1.5**

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 $17.7 million, which is higher than last year's ending fund balance of $16.1 million, as restated. The primary cause of the decreased fund balance is continuing costs associated with maintenance and operations within the District's open-space areas, particularly in Hidden Valley, without sufficient specific revenue sources to support such activities.

General Fund Budgetary Highlights

Over the course of the year, the District revised the annual operating budget to revise operational cost and revenue estimates. While the District's final budget for the General Fund anticipated that expenditures would exceed revenues by about $119 thousand, the actual results for the year show that revenues exceeded expenditures by roughly $1.3 million. Actual revenues were $771,006 more than anticipated, and expenditures were $532,557 less than budgeted.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

By the end of 2017-18 the District had invested $4.0 million in new capital assets, related to the District's ongoing efforts towards constructing new regional trails and continued work on the Santa Ana River Trail. Total depreciation expense for the year was about $2.8 million.

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

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2017	2018	
Land	$ 28.4	$ 28.1	$ (0.3)
Construction in Progress	7.2	10.9	3.7
Buildings	36.4	35.9	(0.5)
Machinery & Equipment	0.4	0.4	0.0
Infrastructure	3.6	1.6	(2.0)
Total Net Capital Assets at Year-End	**$ 76.0**	**$ 76.9**	**$ 0.9**

Long-Term Debt

At year-end the District had $12.4 million in compensated absences and net pension liability – an increase of 15.4% from the prior year balance – as shown in Table A-4. (More detailed information about the District's long-term liabilities is presented in Note 6 to the financial statements).

Table A-4: Outstanding Debt at Year-End

	Governmental Activities (In millions)		Variance Increase (Decrease)
	2017	2018	
Compensated Absences	$ 1.6	$ 1.7	$ 0.1
Net Pension Liability	9.2	10.7	1.5
Total Outstanding Debt at Year-End	**$ 10.8**	**$ 12.4**	**$ 1.6**

FACTORS BEARING ON THE DISTRICT'S FUTURE

This work being done by the District is becoming more and more relevant as we continue to experience a seismic generational shift as people spend more time indoors than ever before. In order to reverse this trend, outdoor recreation providers continue to create, promote and maintain safe and inviting spaces. The District is making great strides in the area of conservation, health/wellness and social equity, and we are confident in the positive impact our work has on the community.

Accomplishing our goals continues to be a challenge on several fronts. This past fiscal year, the District experienced its highest attrition rate in recorded history. As the economy continues to improve, many people are leaving existing employers for better opportunities and those that were holding back on retirement are beginning to make the leap. We are witnessing a major shift in staffing across all areas including finance, regional parks, open-space, planning and marketing. Although these changes are challenging, we are also beginning to recognize some benefits that come with staff turnover such as new energy, experience, and promotional opportunities for those who have prepared themselves. While this reporting period will be noted as the period in which the District made progress on commitments while welcoming many new faces, the next reporting period will be one in which these new faces begin to make their mark on delivering quality services.

The District continues to outperform industry standards for customer service, which is typically in the 85 percent range. As part of our effort to maintain a high level of service to our customers, we completed the transition to a new web-based point-of-sale system during fiscal year 2017-18.This system enables real-time revenue reporting, an online camping reservation system with 24/7 customer access, and the ability to collect and report on a wide range of customer and activity data to drive management decision-making.

Healthy Special Events are continuing to appreciate the backdrop and logistical advantages of Regional Park and Open-Space facilities and trails. All of the events are partnerships, requiring significant resources to develop planning documents, contracts and business plans, often with very little notice. The District anticipates additional partnership requests moving forward and has adjusted the workforce accordingly.

In FY17-18 the District was allocated $222,722 of Net County Cost (NCC) to support operations. The District received the first half of that allocation, but as of December 2017 offered to forego the second half for FY17-18 and did not request any NCC support for FY18-19. Due to the steady increase in the value of the District's property tax allocations, combined with the District's user fees that are structured to recover as much cost as possible, NCC is not critically needed in FY18-19 in order to sustain District operations at their current levels.

One of the biggest challenges facing the District's future is the growing problem of aging infrastrucure and deferred maintenance. As with State and Federal park systems, the District is also experiencing a severe funding shortage when it comes to maintaining, retrofitting, and replacing important infrastructure elements such as sewer lift stations, roads and paving, and aging public buildings. Adding to this burden is the long list of needed facility updates outlined in our recently-completed ADA Transition Plan. While we are incorporating these upgrades into each construction and infrastructure project where possible, the funding for completing all updates is scarce.

The District continues to remain resilient, focusing on innovation, creativity and efficiency. As more attention continues to be placed upon quality-of-life providers, it remains critical that we continue to operate like a business. Equally important, we must remain true to our mission of protecting valuable resources ensuring they are well-maintained and operated for generations to come.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

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

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Net Position
June 30, 2018

		Governmental Activities
ASSETS		
Cash	$	15,688,980
Accounts receivable		92,377
Taxes receivable		86,773
Interest receivable		49,725
Due from other governments		3,030,303
Prepaid expenses		1,376,819
OPEB asset		193,084
Capital assets, not being depreciated		38,987,533
Capital assets, net of depreciation		37,932,530
Total assets		97,438,124
DEFERRED OUTLFOWS OF RESOURCES		
Pension related		3,907,556
OPEB related		20,759
Total deferred outflow of resources		3,928,315
LIABILITIES		
Accounts payable		1,480,956
Accrued liabilities		560,154
Customer deposits		6,517
Unearned revenue		584,255
Long-term liabilities:		
Due within one year:		
Compensated absences		376,186
Due in more than one year:		
Compensated absences		1,295,456
Net pension liability		10,739,277
Total liabilities		15,042,801
DEFERRED INFLOWS OF RESOURCES		
Pension related		477,589
OPEB related		10,656
Total deferred inflows of resources		488,245
NET POSITION		
Net investment in capital assets		76,920,063
Restricted		12,906,793
Unrestricted		(3,991,463)
Total net position	$	85,835,393

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, 2018

		Program Revenues		Net (Expense)
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Revenue and Changes in Net Position
Governmental Activities:				
Interpretive	$ 1,188,199	$ 375,454	$ -	$ (812,745)
Natural resources	2,107,060	1,304,246	260,000	(542,814)
Regional parks	5,546,359	5,155,795	15	(390,549)
Community centers	359,247	-	-	(359,247)
Planning and construction	7,862,351	3,613,160	2,023,457	(2,225,734)
Recreation	1,042,748	610,205	116,361	(316,182)
General government	777,315	311,311	-	(466,004)
Total governmental activities	$ 18,883,279	$ 11,370,171	$ 2,399,833	(5,113,275)

General revenues:	
Property taxes	6,253,380
Use of money and property	141,048
Total general revenues	6,394,428
Change in net position	1,281,153
Net position, beginning of year, as restated	84,554,240
Net position, end of year	$ 85,835,393

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, 2018

		Special Revenue Fund	Capital Project Funds
	General Fund	Santa Ana River Mitigation	Park Acquisition and Development
ASSETS			
Cash	$ 5,867,818	$ 3,769,571	$ 1,783,797
Accounts receivable	92,190	187	-
Taxes receivable	86,773	-	-
Interest receivable	20,769	13,235	1,865
Due from other governments	61,422	-	2,450,346
Due from other funds	202,579	-	22,753
Prepaid expenses	-	-	-
Total assets	$ 6,331,551	$ 3,782,993	$ 4,258,761
LIABILITIES			
Accounts payable	$ 297,702	$ 947	$ 81,127
Accrued liabilities	484,155	-	-
Due to other funds	202,579	-	99,965
Customer deposits	5,850	-	667
Unearned revenues	584,255	-	-
Total liabilities	1,574,541	947	181,759
FUND BALANCE			
Restricted	-	3,782,046	4,077,002
Unassigned	4,757,010	-	-
Total fund balance	4,757,010	3,782,046	4,077,002
Total liabilities and fund balance	$ 6,331,551	$ 3,782,993	$ 4,258,761

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

(continued)

Capital Project Funds: Capital Development Parks - Grants	Capital Project Funds: Developer Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
$ 1,986,381	$ 921,997	$ 1,359,416	$ 15,688,980
-	-	-	92,377
-	-	-	86,773
8,114	1,693	4,049	49,725
319,562	-	198,973	3,030,303
599,965	-	-	825,297
505,000	871,819	-	1,376,819
$ 3,419,022	$ 1,795,509	$ 1,562,438	$ 21,150,274
$ 754,233	$ 335,461	$ 11,486	$ 1,480,956
-	-	75,999	560,154
-	522,753	-	825,297
-	-	-	6,517
-	-	-	584,255
754,233	858,214	87,485	3,457,179
2,664,789	937,295	1,445,661	12,906,793
-	-	29,292	4,786,302
2,664,789	937,295	1,474,953	17,693,095
$ 3,419,022	$ 1,795,509	$ 1,562,438	$ 21,150,274

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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, 2018

Fund balances of governmental funds		$ 17,693,095
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	38,987,533	
Depreciable, net	37,932,530	
Total capital assets		76,920,063
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:		193,084
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		(1,671,642)
Net pension liability		(10,739,277)
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		3,907,556
Deferred inflows of resources related to pensions		(477,589)
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		20,759
Deferred inflows of resources related to OPEB		(10,656)
Net position of governmental activities		$ 85,835,393

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, 2018

		Special Revenue Fund	Capital Projects Funds
	General Fund	Santa Ana River Mitigation	Park Acquisition and Development
REVENUES			
Property taxes	$ 6,253,379	$ -	$ -
Use of money and property	50,070	37,582	908
Intergovernmental	396,155	-	180,230
Charges for services	6,538,948	-	2,652,885
Operating grants and contributions	20,534	-	-
Total revenues	13,259,086	37,582	2,834,023
EXPENDITURES			
Interpretive	872,259	-	-
Natural resources	672,798	17,310	-
Regional parks	4,961,157	-	-
Planning and construction	871,583	-	560,267
Recreation	960,266	-	-
General government	4,207,014	-	-
Community centers	-	-	-
Total expenditures	12,545,077	17,310	560,267
Excess (deficiency) of revenues over (under) expenditures	714,009	20,272	2,273,756
OTHER FINANCING SOURCES (USES)			
Transfers in	100,000	-	1,000,000
Transfers out	(1,000,000)	-	-
Total other financing sources (uses)	(900,000)	-	1,000,000
Net change in fund balance	(185,991)	20,272	3,273,756
Fund balance, beginning of year, as restated	4,943,001	3,761,774	803,246
Fund balance, end of year	$ 4,757,010	$ 3,782,046	$ 4,077,002

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

(continued)

Capital Projects Funds: Capital Development Parks - Grants	Capital Projects Funds: Developer Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
$ -	$ -	$ -	$ 6,253,379
20,609	13,574	18,305	141,048
-	2,023,457	1,274,959	3,874,801
-	-	39,454	9,231,287
693,856	-	-	714,390
714,465	2,037,031	1,332,718	20,214,905
-	-	120,444	992,703
-	-	1,199,730	1,889,838
-	-	-	4,961,157
1,181,196	2,638,844	-	5,251,890
-	-	-	960,266
-	-	3,000	4,210,014
-	-	359,247	359,247
1,181,196	2,638,844	1,682,421	18,625,115
(466,731)	(601,813)	(349,703)	1,589,790
-	-	-	1,100,000
-	-	(100,000)	(1,100,000)
-	-	(100,000)	-
(466,731)	(601,813)	(449,703)	1,589,790
3,131,520	1,539,108	1,924,656	16,103,305
$ 2,664,789	$ 937,295	$ 1,474,953	$ 17,693,095

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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, 2018

Net change in fund balance - governmental funds	$	1,589,790
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.		877,669
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.		(70,274)
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.		(1,076,262)
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.		10,703
Revenues reported as unavailable in the governmental funds and recognized in the Statement of Activities. These are included in the intergovernmental revenues in the governmental fund activity.		(50,473)
Change in net position of governmental activities	$	1,281,153

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, 2018

	Trust Funds		
	Historical Commission Fund	Park District Fiduciary Funds	Total
ASSETS			
Cash	$ 25,662	-	$ 25,662
Interest receivable	90	1,267	1,357
Accounts receivable		667	667
Total assets	25,752	1,934	27,686
LIABILITIES			
Due to other governments	218	671	889
NET POSITION			
Restricted	$ 25,534	$ 1,263	$ 26,797

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Statement of Changes in Fiduciary Net Position
For the Fiscal Year Ended June 30, 2018

	Trust Funds		
	Historical Commission Fund	**Park District Springs Funds**	**Total**
ADDITIONS			
Other local revenue	$ 74	$ -	$ 74
Intergovernmental revenues	-	8,627	8,627
Use of money and property	264	5,566	5,830
Total additions	338	14,193	14,531
DEDUCTIONS			
Administrative expenses	466	365,936	366,402
Change in net position	(128)	(351,743)	(351,871)
Net position, beginning of year, as restated	25,662	353,006	378,668
Net position, end of year	$ 25,534	$ 1,263	$ 26,797

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

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NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

B. Basis of Presentation, Basis of Accounting

Government-Wide Financial Statements

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

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fund Financial Statements

Governmental funds are accounted for on a spending or *current financial resources* measurement focus and the modified accrual basis of accounting. The fund financial statements provide information about the District's funds, 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 Resident Utility, and Habitat/Open Space Management, 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.

Park Acquisition and Development 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.

Capital Development Parks – 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.

Capital Development Parks – Developer Impact Fees (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.

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

Arundo Removal Fund – To account for activities to remove and control *Arundo Donax*, as well as Interpretive Education regarding habitat and native vegetation, and maintaining trails and outdoor facilities in sensitive areas along the Santa Ana River.

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.

Lakeland Village/Perret Park Fund – This fund receives property tax increment collected from the Lakeland Village area of Lake Elsinore. Revenues are used to support District operations and programming at Lakeland Village Community Center and Perret Park.

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Fiduciary Funds

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

Historical Commission Fund – This private purpose trust fund accounts for revenues and expenditures related to discovering and identifying persons, events and places of historical significance in Riverside County as approved by the Historical Commission.

Park District Fiduciary Trust – This private purpose trust fund accounts for assets held in a trustee or agency capacity for others for various purposes.

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.

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:

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

Unavailable and Unearned Revenue

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

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

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, 2016
Measurement Date June 30, 2017
Measurement Period July 1, 2016 to June 30, 2017

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, 2017
Measurement Date June 30, 2017
Measurement Period July 1, 2016 to June 30, 2017

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.

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 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.

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 probably that virtually all of 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.

K. Implementation of New Pronouncement

GASB has issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* (OPEB). The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for other postemployment benefits. This statement established standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. For postemployment benefits other than pensions, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

NOTE 2 – CASH

Cash at June 30, 2018, is reported at fair value and consisted of the following:

	Governmental Activities/Funds	Fiduciary Funds	Total
Pooled funds:			
Cash in County Treasury	$ 15,678,980	$ 25,662	$ 15,704,642
Total pooled funds	15,678,980	25,662	15,704,642
Deposits:			
Cash in revolving fund	10,000	-	10,000
Total cash	$ 15,688,980	$ 25,662	$ 15,714,642

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, 2018, the County Treasurer has represented that the Pooled Investment Fund contained no derivatives or other investments with similar risk profiles.

Custodial Credit Risk – Deposits

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

NOTE 2 – CASH, (continued)

Custodial Credit Risk – Deposits, (continued)

California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits. As of June 30, 2018, 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 $17,516,874 as of June 30, 2018. 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, 2018 are as follows:

	Total	Level 1	Level 2	Level 3	Other
Municipal bonds	$ 592,065	$ -	$ 592,065	$ -	$ -
U.S. Treasury	526,106	526,106	-	-	
Federal Agencies	7,792,643	7,792,643	-	-	-
Commercial paper	2,765,587		2,765,587	-	-
Certificate & Time Deposits	2,066,731	-	2,066,731	-	-
Medium Term Notes	446,012	-	446,012	-	-
CalTrust Short Term Fund	58,107	-		-	58,107
Money Market Mutual funds	218,295	-	-	-	218,295
Cash/Deposit Account	1,239,096	-	-	-	1,239,096
Total	$15,704,642	$ 8,318,749	$ 5,870,395	$ -	$ 1,515,498

NOTE 3 – RECEIVABLES

Receivables as of June 30, 2018, consisted of the following:

	General Fund	Santa Ana River Mitigation	Park Acquisition and Development	Capital Development Parks - Grants	Developer Impact Fees	Non-Major Governmental Funds	Total Governmental Funds
Operational revenue	$ 92,190	$ 187	$ -	$ -	$ -	$ -	$ 92,377
Property taxes	86,773	-	-	-	-	-	86,773
Interest	20,769	13,235	1,865	8,114	1,693	4,049	49,725
Due from other governments:							
State of California	15,534	-	-	-	-	-	15,534
Coastal Conservancy	-	-	-	319,562	-	-	319,562
Metropolitan Water District	45,888	-	-	-	-	198,973	244,861
San Jacinto Community College	-	-	2,450,346	-	-	-	2,450,346
Total receivables	$ 261,154	$ 13,422	$ 2,452,211	$ 327,676	$ 1,693	$ 203,022	$ 3,259,178

NOTE 4 – INTERFUND TRANSACTIONS

A. Transfers To/From Other Funds

Transfers to/from other funds for the fiscal year ended June 30, 2018 consisted of the following:

	Transfers in		
Transfers Out	General Fund	Park Acquisition and Development	Total
Off-Highway Vehicle Management	$ 100,000	$ -	$ 100,000
General Fund	-	1,000,000	1,000,000
Total	$ 100,000	$ 1,000,000	$ 1,100,000

During the fiscal year ended June 30, 2018, the District made interfund transfers in accordance with its adopted budget. The Off-Highway Vehicle Management Special Revenue Fund transferred $100,000 to the General Fund to support related operations. The General fund transferred $1,000,000 to the Park Acquisition and Development Capital Projects Fund to support planning and constructions activities.

NOTE 4 – INTERFUND TRANSACTIONS, (continued)

B. Due To/From Other Funds

Due to/from other funds for the fiscal year ended June 30, 2018 consisted of the following:

Fund	Due From Other Funds	Due To Other Funds
General Fund	$ 202,579	$ (202,579)
Park Acquisition and Development	22,753	(99,965)
Capital Development Parks-Grants	599,965	-
Developer Impact Fees	-	(522,753)
	$ 825,297	$ (825,297)

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.

NOTE 5 – CAPITAL ASSETS AND DEPRECIATION

Capital asset activity for the year ended June 30, 2018, was as follows:

	Balance as of July 1, 2017	Additions	Deletions	Balance as of June 30, 2018
Capital assets, not being depreciated:				
Land	$ 28,371,340	$ -	$ (270,500)	$ 28,100,840
Construction in progress	7,242,082	4,041,479	(396,868)	10,886,693
Total capital assets, not being depreciated	35,613,422	4,041,479	(667,368)	38,987,533
Capital assets, being depreciated:				
Buildings	47,171,954	109,075	-	47,281,029
Machinery and equipment	4,874,998	111,182	(208,107)	4,778,073
Infrastructure	18,863,277	154,024	-	19,017,301
Total capital assets, being depreciated	70,910,229	374,281	(208,107)	71,076,403
Accumulated depreciation				
Buildings	(10,758,603)	(636,909)	-	(11,395,512)
Machinery and equipment	(4,463,838)	(74,065)	182,336	(4,355,567)
Infrastructure	(15,258,816)	(2,133,978)	-	(17,392,794)
Total accumulated depreciation	(30,481,257)	(2,844,952)	182,336	(33,143,873)
Total capital assets, being depreciated, net	40,428,972	(2,470,671)	(25,771)	37,932,530
Total capital assets, net	$ 76,042,394	$ 1,570,808	$ (693,139)	$ 76,920,063

Depreciation expense for the year ended June 30, 2018 was $2,844,952, and was charged to the following functions in the Statement of Activities:

Interpretive	$ 96,921
Natural resources	25,198
Regional parks	93,525
Planning and construction	2,610,461
Recreation	1,154
General government	17,693
Total depreciation expense	$ 2,844,952

NOTE 6 – GENERAL LONG-TERM DEBT

The change in long-term debt for the year ended June 30, 2018, was as follows:

	Balance as of July 1, 2017	Additions	Deletions	Balance as of June 30, 2018	Due within one year
Compensated absences	$ 1,601,368	$ 70,274	$ -	$ 1,671,642	$ 376,186
Net pension liability	9,151,775	2,681,745	1,094,243	10,739,277	-
Total	$ 10,753,143	$ 2,752,019	$ 1,094,243	$ 12,410,919	$ 376,186

NOTE 7 – COMMITMENTS AND CONTINGENCIES

A. State and Federal Allowances, Awards and Grants

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

B. Construction Commitments

On April 24, 2018, the District awarded a construction contract to Woodcliff Corporation in the amount of $3,517,500 for the Park District Headquarters Expansion Project. On May 8, 2018, the District issued a Notice to Proceed to Woodcliff, and construction began on May 21, 2018. The project is expected to be complete on or near February 15, 2019. As of June 30, 2018, the District expended $139,413 against Woodcliff's contract, with $3,378,087 remaining on the contract to be expended in fiscal year 2018-2019.

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, 2018.

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.

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, 2018, 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, Benefits Provided and Employees Covered

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 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.

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, 2018 are summarized as follows:

	Tier I	Tier II	Tier III
Hire date	Prior to August 23, 2012	August 23, 2012 to December 31, 2012	On or after January 1, 2013
Benefit formula	3% @ 60	2% @ 60	2% @ 62
Benefit vesting schedule	5 years 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	13.545%	7.850%	6.908%

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, 2018 were $1,094,073. The actual employer payments of $1,094,243 made to CalPERS by the District during the measurement period ended June 30, 2017 differed from the District's proportionate share of the employer's contributions of $1,239,037 by $144,794, which is being amortized over the expected average remaining service lifetime in the Public Agency Cost-Sharing Multiple Employer Plan.

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, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry Age Normal
Asset Valuation Method	Market Value of Assets
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases (1)	3.3% - 14.2%
Investment Rate of Return (2)	7.15%
Mortality Rate Table (3)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power protection allowance floor on purchasing power applies, 2.75% thereafter

(1) Annual increases vary by category, entry age, and duration of service
(2) Net of pension plan investment and administrative expenses; includes inflation
(3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2016 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at CalPERS' website at www.calpers.ca.gov.

Change of Assumptions

In fiscal year 2016-17, the financial reporting discount rate for the PERF C was lowered from 7.65 percent to 7.15 percent.

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability (continued)

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent and reflects the long-term expected rate of return for the Plan net of investment expenses and without reduction for administrative expenses. To determine whether the municipal bond rate should be used in the calculation of the discount rate for public agency plans (including PERF C), the amortization and smoothing periods adopted by the Board in 2013 were used. For the Plan, the crossover teste was performed for a miscellaneous agent plan and a safety agent plan selected as being more at risk of failing the crossover test and resulting in a discount rate that would be different from the long-term expected rate of return on pension investments. Based on the testing of the plans, the tests revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF C. The crossover test results can be found on CalPERS' website, at www.calpers.ca.gov.

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.

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.

NOTE 9 – PENSION PLAN (continued)

B. Net Pension Liability

Discount Rate (continued)

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the CalPERS Board effective on July 1, 2014.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10[1]	Real Return Years 11+[2]
Global Equity	47.0%	4.90%	5.38%
Global Fixed Income	19.0%	80.00%	2.27%
Inflation Sensitive	6.0%	60.00%	1.39%
Private Equity	12.0%	6.60%	6.63%
Real Estate	11.0%	2.80%	5.21%
Infrastructure and Forestland	3.0%	3.90%	5.36%
Liquidity	2.0%	-0.40%	-0.90%
Total	100%		

[1] An expected inflation of 2.5% used for this period

[2] An expected inflation of 3.0% used for this period

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.

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: 6/30/2016 (Valuation Date)	$ 37,974,460	$ 28,822,685	$ 9,151,775
Balance at: 6/30/2017 (Measurement Date)	43,486,528	32,747,251	10,739,277
Net Changes During 2016-17	5,512,068	3,924,566	1,587,502

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, 2017, 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, 2016 rolled forward to June 30, 2017 using standard update procedures. The District's proportion of the net pension liability was determined by CalPERS using the output from the Actuarial Valuation System and the fiduciary net position, as provided in the CalPERS Public Agency Cost-Sharing Allocation Methodology Report, which is a publicly available report that can be obtained at CalPERS' website at www.calpers.ca.gov. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

Proportionate Share - June 30, 2017	0.26345%
Proportionate Share - June 30, 2018	0.27243%
Change - Increase (Decrease)	0.00898%

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

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

	Discount Rate - 1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate + 1% (8.15%)
Plan's Net Pension Liability	$ 16,720,714	$ 10,739,277	$ 5,785,343

Subsequent Events

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

NOTE 9 – PENSION PLAN (continued)

C. Proportionate Share of Net Pension Liability (continued)

Recognition of Gains and Losses

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 the Plan for the 2016-17 measurement period is 3.8 years, which was obtained by dividing the total service years of 490,088 (the sum of remaining service lifetimes of the active employees) by 130,595 (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.

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, 2016), the District's net pension liability is $9,151,775. For the measurement period ending June 30, 2017 (the measurement date), the District incurred pension expense of $2,170,334.

As of June 30, 2018, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences Between Expected and Actual Experience	$ 14,625	$ (209,528)
Changes of Assumptions	1,814,599	(138,365)
Difference Between Projected and Investment Earnings	410,387	-
Difference between Employer's Contribution and Proportionate Share of Contributions	-	(129,696)
Change in Employer's Proportion	573,872	
Measurement Date	1,094,073	-
Total	$ 3,907,556	$ (477,589)

These amounts above are net of outflows and inflows recognized in the 2016-17 measurement period expense. Contributions subsequent to the measurement date of $1,094,073 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:

NOTE 9 – PENSION PLAN (continued)

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

Measurement Period Ended June 30:	Deferred Outflows/(Inflows) of Resources
2019	$ 670,057
2020	1,195,286
2021	714,206
2022	(243,655)

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, 2018.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS

Plan Description

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

Employees Covered

As of the July 1, 2017 actuarial valuation, the following current and former employees were covered by the benefit terms under the OPEB Plan.

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

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.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Net OPEB Liability/Asset

The District's net OPEB asset was measured as of July 1, 2017 and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation dated June 30, 2017, based on the following actuarial methods and assumptions:

Actuarial Assumptions:

Discount Rate	7.28%
Inflation	2.75%
Salary Increases	3.00% - This is the annual rate at which total payroll is expected to increase and is used in the funding method to calculate the funding contribution as a level percent of payroll.
Investment Rate of Return	7.28% - Based on CalPERS CERBT Asset Allocation Strategy 1
Mortality Rate	Mortality rates are based on the most recent CalPERS mortality table developed in the 1997-2011 CalPERS Experience Study, with generational future improvements using scale MP-2017

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

Asset Class	Target Allocation	Long-term expected real rate of return
Global Equities	57%	5.25%
Fixed Income	27%	2.25%
Treasury Inflation-Protected Securities	5%	1.25%
Real Estate Investment Trusts	8%	4.50%
Commodities	3%	1.25%
Total	100%	

Discount Rate

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

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, 2017			
(Based on Measurement Date June 30, 2016)	$ 116,057	$ 308,541	$ (192,484)
Changes recognized for the measurement period:			
Service cost	2,780	-	2,780
Interest on the total OPEB liability	8,369	-	8,369
Differences between expected and actual experience	23,284	-	23,284
Changes of assumptions	(2,589)	-	(2,589)
Benefit payments	(7,900)	(7,900)	-
Net investment income	-	32,602	(32,602)
Administrative expenses	-	(158)	158
Net Changes	23,944	24,544	(600)
Balance at June 30, 2018			
(Based on Measurement Date June 30, 2017)	$ 140,001	$ 333,085	$ (193,084)

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, 2017:

	1% Decrease 6.28%	Current Discount Rate 7.28%	1% Increase 8.28%
Net OPEB Asset	$ (178,324)	$ (193,084)	$ (205,538)

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.

NOTE 10 – OTHER POST-EMPLOYMENT BENEFITS (continued)

Recognition of Deferred Outflows and Deferred Inflows of Resources

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

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

Net difference between projected and actual earnings on OPEB plan investments	5 years
All other amounts	Expected average remaining service lifetime (EARSL) (9.22 Years at June 30, 2017)

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

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of $10,703. As of June 30, 2018, 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	$ 20,759	$ -
Changes of assumptions	-	2,308
Difference between expected and actual earnings on OPEB plan investments	-	8,348
Total	$ 20,759	$ 10,656

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**
2019	$ 157
2020	157
2021	157
2022	157
2023	2,244
Thereafter	7,231

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.

NOTE 11 – SERVICE CONCESSION ARRANGEMENTS (continued)

D. On February 7, 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 – PRIOR PERIOD RESTATEMENT

During the fiscal year ended June 30, 2018, the District discovered an improper department number linked to the incorrect fund. Therefore, an adjustment to beginning fund balance and net position has been recorded to account for these variances. The restatement to Special Revenue funds beginning net position are as follows:

	Beginning Net Position, as previously reported	Restatement	Beginning Net Position, as restated
Special Revenue Funds			
CSA Parks Maintenance	$ (89,458)	$ 117,253	$ 27,795
Community Center Maintenance	475,619	(117,253)	358,366
	386,161	-	386,161

During the fiscal year ended June 30, 2018, the District discovered an improper classification of an equity account in accounts receivable. Therefore, an adjustment to beginning fund balance and net position has been recorded to account for these variances. The restatement to Fiduciary beginning net position is as follows:

	Beginning Net Position, as previously reported	Restatement	Beginning Net Position, as restated
Fiduciary Fund:			
Park District	$ 453,006	$ (100,000)	$ 353,006

NOTE 12 – PRIOR PERIOD RESTATEMENT (continued)

Change in Accounting Principle

As discussed in Note 1, the District implemented GASB Statement No. 75 (GASB 75) effective July 1, 2017. GASB 75, among other provisions, amended prior guidance with respect to the reporting of postemployment benefits other than pensions (OPEB). GASB 75 establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expenses. The District's net OPEB liability/asset was not previously recorded on the statement of net position. GASB 75 requires that accounting changes adopted to conform to the provisions of the Statement be applied retroactively by restating financial statements. The cumulative effects of applying the provisions of GASB 75 have been reported as a restatement of the beginning net position for the year ended June 30, 2018 in accordance with the Statement.

	Governmental Activities
Beginning net position, as previously reported	$ 84,681,340
Elimination of prior year OPEB asset in accordance with GASB 45	(319,584)
Recording of beginning balance of OPEB asset in accordance with GASB 75	192,484
Beginning net position, as restated	$ 84,554,240

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Required Supplementary Information

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Budgetary Comparison Schedule – General Fund – Budgetary Basis
For the Fiscal Year Ended June 30, 2018

	Budget Original	Budget Final	Actual Amounts	Variance with Final Budget
REVENUES				
Property taxes	$ 5,831,197	$ 5,715,745	$ 6,253,379	$ 537,634
Use of money and property	6,500	6,500	36,836	30,336
Intergovernmental	156,537	156,537	8,771	(147,766)
Charges for services	5,498,100	5,465,865	5,816,667	350,802
Total revenues	11,492,334	11,344,647	12,115,653	771,006
EXPENDITURES				
Salaries and benefits	6,996,835	6,996,835	6,599,531	397,304
Services and supplies	3,730,735	3,730,735	3,749,163	(18,428)
Interfund expenditures	628,706	628,706	582,525	46,181
Capital outlay	107,500	107,500	-	107,500
Total expenditures	11,463,776	11,463,776	10,931,219	532,557
Excess (deficiency) of revenues over (under) expenditures	28,558	(119,129)	1,184,434	1,303,563
OTHER FINANCING SOURCES (USES)				
Transfers out	(1,000,000)	(1,000,000)	(1,000,000)	-
Total other financing sources (uses)	(1,000,000)	(1,000,000)	(1,000,000)	-
Net change in fund balance	(971,442)	(1,119,129)	184,434	1,303,563
Fund balance, beginning of year	3,681,734	3,681,734	3,681,734	-
Fund balance, end of year	$ 2,710,292	$ 2,562,605	$ 3,866,168	$ 1,303,563

See notes to the required supplementary information.

Budgetary Comparison Schedule – General Fund – Budgetary Basis (continued)
For the Fiscal Year Ended June 30, 2018

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

Actual revenues from budgetary comparison schedule	$	12,115,653
Revenues from other general funds are combined with the general fund, as required under generally accepted accounting principles		1,143,433
Total revenues as areported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)		13,259,086
Actual expenditures from budgetary comparison schedule		10,931,219
Expenditures from other general funds are combined with the general fund, as required under generally accepted accounting principles		1,613,858
Total expenditures as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)		12,545,077
Actual other financing sources (uses) from budgetary comparison schedule		(1,000,000)
Other financing sources (uses) from other general funds are combined with the general fund, as required under generally accepted accounting principles		100,000
Total other financing sources (uses) as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)		(900,000)
Net change in fund balance as reported on the Statement of Revenues, Expenditures and Changes in Fund Balances for the General Fund (GAAP Basis)		(185,991)
Fund balance, beginning of year, as restated (GAAP Basis)		4,943,001
Fund balance, end of year (GAAP Basis)	$	4,757,010

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Budgetary Comparison Schedule – Santa Ana River Mitigation Fund
For the Fiscal Year Ended June 30, 2018

	Budget		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES				
Use of money and property	$ 13,000	$ 13,121	$ 37,582	$ 24,461
Total revenues	13,000	13,121	37,582	24,461
EXPENDITURES				
Salaries and benefits	15,146	15,146	7,423	7,723
Services and supplies	95,760	95,760	9,721	86,039
Interfund expenditures	1,121	1,121	166	955
Total expenditures	112,027	112,027	17,310	94,717
Excess (deficiency) of revenues over (under) expenditures	(99,027)	(98,906)	20,272	119,178
OTHER FINANCING SOURCES (USES)				
Transfers out	(10,000)	(10,000)	-	10,000
Total other financing sources (uses)	(10,000)	(10,000)	-	10,000
Net change in fund balance	(109,027)	(108,906)	20,272	129,178
Fund balance, beginning of year	3,761,774	3,761,774	3,761,774	-
Fund balance, end of year	$ 3,652,747	$ 3,652,868	$ 3,782,046	$ 129,178

See notes to the required supplementary information.

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, 2018

	Measurement Date			
	6/30/2014	6/30/2015	6/30/2016	6/30/2017
Employer's Proportion of the Collective Net Pension Liability[1]	0.09942%	0.25620%	0.26345%	0.27243%
Employer's Proportionate Share of the Collective Net Pension Liability	$6,188,861	$7,028,782	$9,151,775	$10,739,277
Employer's Covered Payroll	$4,992,076	$5,799,186	$6,790,996	$6,200,874
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%
Pension Plan's Fiduciary Net Position as a Percentage of the Total Pension Liability	81.15%	80.20%	75.90%	75.30%

[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.

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of Pension Plan Contributions – Last 10 Years*
For the Fiscal Year Ended June 30, 2018

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

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

Notes to Schedule:

Change in Benefit Terms: None

Changes in Assumptions: In 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 of 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.

Schedule of Changes in the Net OPEB Liability and Related Ratios – Last Ten Years*
For the Fiscal Year Ended June 30, 2018

Measurement Period		2017
Total OPEB Liability		
Service cost	$	2,780
Interest cost		8,369
Differences between expected and actual experiences		23,284
Changes of assumptions		(2,589)
Benefit payments		(7,900)
Net Change in Total OPEB Liability		23,944
Total OPEB Liability - beginning		116,057
Total OPEB Liability - ending (a)	$	140,001
Plan Fiduciary Net Position		
Net investment income	$	32,602
Benefit payments		(7,900)
Administrative expenses		(158)
Net Change in Plan Fiduciary Net Position		24,544
Plan Fiduciary Net Position - beginning		308,541
Plan Fiduciary Net Position - ending (b)	$	333,085
Net OPEB Liability (Asset) - ending (a) - (b)	$	(193,084)
Plan fiduciary net position as a percentage of the total OPEB liability		237.92%
Covered employee payroll	$	5,682,573
Net OPEB liability (asset) as a percentage of covered employee payroll		-3.40%

Notes to schedule:

The following assumptions were changed from the prior valuation:

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

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

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

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Schedule of OPEB Plan Contributions – Last Ten Years*
For the Fiscal Year Ended June 30, 2018

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

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

Methods and assumptions used to determine contributions:

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

Asset Valuation Method
5 Year Assets Smoothing

Salary Increases
3.00%

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

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

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

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

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

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

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, 2018, the District did not actually incur any expenditures in excess of appropriations in the individual major funds presented in the Budgetary Comparison Schedules.

Supplementary Information

Combining Balance Sheet – Non-Major Governmental Funds
June 30, 2018

	Off Hwy Vehicle Mgmt	Fish and Game Commission	Arundo Removal	Multi-Species Reserve
ASSETS				
Cash	$ 354,735	$ 13,354	$ 658,677	$ 50,492
Interest receivable	955	57	2,377	335
Due from other governments	-	-	-	198,973
Total assets	$ 355,690	$ 13,411	$ 661,054	$ 249,800
LIABILITIES				
Accounts payable	$ -	$ -	$ 984	$ 3,858
Accrued liabilities	-	-	15,381	16,738
Total liabilities	-	-	16,365	20,596
FUND BALANCE				
Restricted	355,690	13,411	644,689	229,204
Unassigned	-	-	-	-
Total fund balance	355,690	13,411	644,689	229,204
Total liabilities and fund balance	$ 355,690	$ 13,411	$ 661,054	$ 249,800

Combining Balance Sheet – Non-Major Governmental Funds (continued)
June 30, 2018

	MSHCP Reserve Management	Lakeland Village/ Perret Park	CSA Park Maintenance	Community Center Maintenance	Total Non-Major Funds
ASSETS					
Cash	$ 250,708	$ -	$ 29,198	$ 2,252	$ 1,359,416
Interest receivable	218	-	102	5	4,049
Due from other governments	-	-	-	-	198,973
Total assets	$ 250,926	$ -	$ 29,300	$ 2,257	$ 1,562,438
LIABILITIES					
Accounts payable	$ 6,636	$ -	$ 8	$ -	$ 11,486
Accrued liabilities	43,880	-	-	-	75,999
Total liabilities	50,516	-	8	-	87,485
FUND BALANCE					
Restricted	200,410	-	-	2,257	1,445,661
Unassigned	-	-	29,292	-	29,292
Total fund balance (deficit)	200,410	-	29,292	2,257	1,474,953
Total liabilities and fund balance	$ 250,926	$ -	$ 29,300	$ 2,257	$ 1,562,438

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, 2018

	Off Hwy Vehicle Mgmt	Fish and Game Commission	Arundo Removal	Multi-Species Reserve
REVENUES				
Use of money and property	$ 3,670	$ 156	$ 7,956	$ 1,218
Intergovernmental	95,754	1,286	-	336,157
Charges for services	-	-	39,454	-
Total revenues	99,424	1,442	47,410	337,375
EXPENDITURES				
Interpretive	-	-	120,444	-
Natural resources	3,272	-	98,390	284,750
General government	-	3,000	-	-
Community centers	-	-	-	-
Total expenditures	3,272	3,000	218,834	284,750
Excess (deficiency) of revenues over (under) expenditures	96,152	(1,558)	(171,424)	52,625
OTHER FINANCING SOURCES (USES)				
Transfers out	(100,000)	-	-	-
Total other financing sources (uses)	(100,000)	-	-	-
Net change in fund balance	(3,848)	(1,558)	(171,424)	52,625
Fund balance, beginning of year, as restated	359,538	14,969	816,113	176,579
Fund balance, end of year	$ 355,690	$ 13,411	$ 644,689	$ 229,204

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, 2018

	MSHCP Reserve Management	Lakeland Village/ Perret Park	CSA Park Maintenance	Community Center Maintenance	Total Non-Major Funds
REVENUES					
Use of money and property	$ -	$ 670	$ 1,497	$ 3,138	$ 18,305
Intergovernmental	841,762	-	-	-	1,274,959
Charges for services	-	-	-	-	39,454
Total revenues	841,762	670	1,497	3,138	1,332,718
EXPENDITURES					
Interpretive	-	-	-	-	120,444
Natural resources	813,318	-	-	-	1,199,730
General government	-	-	-	-	3,000
Community centers	-	-	-	359,247	359,247
Total expenditures	813,318	-	-	359,247	1,682,421
Excess (deficiency) of revenues over (under) expenditures	28,444	670	1,497	(356,109)	(349,703)
OTHER FINANCING SOURCES (USES)					
Transfers out	-	-	-	-	(100,000)
Total other financing sources (uses)	-	-	-	-	(100,000)
Net change in fund balance	28,444	670	1,497	(356,109)	(449,703)
Fund balance, beginning of year, as restated	171,966	(670)	27,795	358,366	1,924,656
Fund balance (deficit), end of year	$ 200,410	$ -	$ 29,292	$ 2,257	$ 1,474,953

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Combining Balance Sheet – General Fund
June 30, 2018

	General Fund Operating	Recreation	Habitat & Open Space Management	Park Resident Emp Utility	Reported General Fund
ASSETS					
Cash	$ 4,916,289	$ 65,470	$ 463,087	$ 422,972	$ 5,867,818
Accounts receivable	68,055	24,135	-	-	92,190
Taxes receivable	86,773	-	-	-	86,773
Interest receivable	17,461	348	1,467	1,493	20,769
Due from other governments	45,888	-	15,534	-	61,422
Due from other funds	178,906	23,673	-	-	202,579
Total assets	$ 5,313,372	$ 113,626	$ 480,088	$ 424,465	$ 6,331,551
LIABILITIES					
Accounts payable	$ 258,997	$ 18,550	$ 19,219	$ 936	$ 297,702
Accrued liabilities	425,046	30,021	29,088	-	484,155
Due to other funds	178,906	23,673	-	-	202,579
Customer deposits	-	-	-	5,850	5,850
Unearned revenue	584,255	-	-	-	584,255
Total liabilities	1,447,204	72,244	48,307	6,786	1,574,541
FUND BALANCE					
Unassigned	3,866,168	41,382	431,781	417,679	4,757,010
Total fund balance	3,866,168	41,382	431,781	417,679	4,757,010
Total liabilities and fund balance	$ 5,313,372	$ 113,626	$ 480,088	$ 424,465	$ 6,331,551

RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Combining Statement of Revenues and Expenditures – General Fund
For the Fiscal Year Ended June 30, 2018

	General Fund Operating	Recreation	Habitat & Open Space Management	Park Resident Emp Utility	Reported General Fund
REVENUES					
Property taxes	$ 6,253,379	$ -	$ -	$ -	$ 6,253,379
Use of money and property	36,836	2,981	5,995	4,258	50,070
Intergovernmental	8,771	127,355	260,000	29	396,155
Charges for services	5,816,667	644,684	15,039	62,558	6,538,948
Operating grants and contributions	-	5,000	15,534	-	20,534
Total revenues	12,115,653	780,020	296,568	66,845	13,259,086
EXPENDITURES					
Interpretive	872,259	-	-	-	872,259
Natural resources	71,801	-	600,997	-	672,798
Regional parks	4,961,157	-	-	-	4,961,157
Planning and construction	818,988	-	-	52,595	871,583
Recreation	-	960,266	-	-	960,266
General government	4,207,014	-	-	-	4,207,014
Total expenditures	10,931,219	960,266	600,997	52,595	12,545,077
Excess (deficiency) of revenues over (under) expenditures	1,184,434	(180,246)	(304,429)	14,250	714,009
OTHER FINANCING SOURCES (USES)					
Transfers in	-	-	100,000	-	100,000
Transfers out	(1,000,000)	-	-	-	(1,000,000)
Total other financing sources (uses)	(1,000,000)	-	100,000	-	(900,000)
Net change in fund balance	184,434	(180,246)	(204,429)	14,250	(185,991)
Fund balance, beginning of year	3,681,734	221,628	636,210	403,429	4,943,001
Fund balance, end of year	$ 3,866,168	$ 41,382	$ 431,781	$ 417,679	$ 4,757,010

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Other Independent Auditor's Report

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

Independent Auditor's Report

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Riverside County Regional Park and Open-Space District (the District) as of and for the year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 6, 2018.

Internal Control Over Financial Reporting

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

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

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

Compliance and Other Matters

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

Purpose of this Report

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

Rogers, Anderson, Malody & Scott, LLP.

San Bernardino, California
November 6, 2018

Findings and Responses

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RIVERSIDE COUNTY REGIONAL PARK AND OPEN-SPACE DISTRICT

Summary Schedule of Prior Audit Findings
For the Fiscal Year Ended June 30, 2018

None reported.

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