

**VALLEY-WIDE RECREATION AND PARK DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2022**



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YEAR ENDED JUNE 30, 2022**

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Valley-Wide Recreation and Park District
Hemet, 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 the Valley-Wide Recreation and Park District (the District) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

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 the District, as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

Change in Accounting Principle

As described in Note 1D to the financial statements, effective July 1, 2021, the District adopted new accounting guidance, Statement of Governmental Accounting Standards Board (GASB Statement) No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Required Supplementary Information

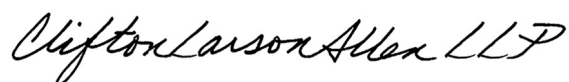
Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of proportionate share of the net pension liability and schedule of contributions for defined benefit pension plans, schedule of changes in the total OPEB liability and related ratios, and the budgetary comparison schedules, identified as required supplementary information (RSI) in the accompanying table of contents, 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 RSI 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.

Supplementary 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 combining nonmajor governmental fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information 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. The 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 combining nonmajor governmental fund financial statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 27, 2023, 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 solely 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 the effectiveness of the District's 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.



CliftonLarsonAllen LLP

Irvine, California
October 27, 2023

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

As management of the Valley-Wide Recreation and Park District (the District), we offer readers of the District's annual financial report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. This information is presented in conjunction with the audited basic financial statements which follows this section.

Financial Highlights for Fiscal Year 2022

- On June 30, 2022, the District's assets and deferred outflows exceeded liabilities and deferred inflows by \$123.8 million (net position). Of this amount, \$(1,458,409) (unrestricted net position) may not be used to meet ongoing obligations to citizens and creditors, and the District has \$107,526,343 invested in capital assets.
- The District's government-wide net position decreased by \$.9 million during the fiscal year, primarily due to the decrease in the District's Capital Contributions as compared to prior year.
- As of June 30, 2022 the District's 14 governmental funds reported combined fund balances of \$26.5 million, an increase of \$2.7 million from the prior year. Approximately \$8.8 million of fund balance, or 33%, is in the General fund. Of this amount \$8.7 million is unassigned General fund Balance.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements and notes to the financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

Required Financial Statements

Government-wide financial statements are designed to provide readers with a broad overview of District finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets, deferred outflows, liabilities, and deferred inflows, and provides information about the nature and amounts of investments in resources and the obligations to District creditors. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The statement of activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business type activities). The governmental activities of the District are recreational and park activities. The business type activities are golf course activities.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and to demonstrate finance-related legal compliance. The funds of the District are governmental funds and proprietary funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

Proprietary funds are used when the District charges fees to cover the costs of certain services it provides. Proprietary funds are reported in the same way that all activities are reported in the statement of net position and the statement of activities. The District uses a proprietary fund to report its golf course activities.

Notes to Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to financial statements can be found immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required and other supplementary information, which can be found on pages 44 through 58 of this report.

General Fund Budgetary Highlights

At the close of the fiscal year 2021-2022, the General Fund revenues were down 3% compared to the final budget, primarily due to a decrease in estimated property tax collections. Expenditures at the end of the fiscal year 2021-2022 were down 13% compared to the final budget, primarily due to not having to pay for an election, not filling full-time and part-time positions, as well as the District's ongoing effort to maximize efficient operations and utility cost management.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Government-Wide Financial Analysis

A summary of the District's statement of net position in comparison to the prior year is presented below:

**CONDENSED STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021**

	Governmental Activities	
	2022	2021
ASSETS		
Current and Other Assets	\$ 30,491,702	\$ 25,308,795
Capital Assets	107,526,343	109,950,410
Total Assets	138,018,045	135,259,205
DEFERRED OUTFLOWS OF RESOURCES		
Pension Related	994,522	1,017,927
OPEB Related	1,685,479	514,452
Total Deferred Outflows	2,680,001	1,532,379
LIABILITIES		
Current Liabilities	2,672,514	1,521,928
Noncurrent	9,854,909	9,985,790
Total Liabilities	12,527,423	11,507,718
DEFERRED INFLOWS OF RESOURCES		
Pension Related	2,487,420	57,814
OPEB Related	669,965	433,444
Lease Related	810,041	-
Total Deferred Inflows	3,157,385	491,258
NET POSITION		
Net Investment in Capital Assets	107,526,343	109,950,410
Restricted (Parks and Recreation)	17,797,576	15,782,285
Unrestricted	(1,458,409)	(940,087)
Total Net Position	\$ 123,865,510	\$ 124,792,608

The following is a brief explanation for the balance changes on the condensed statement of net position for the year ended June 30, 2022:

- At the end of fiscal year 2022, the District showed a negative balance in its unrestricted net position of \$ (1,458,409) which will need to be offset in future years, this is up \$518,322 from last year due to the impacts of increase in net pension liability and related expenses.
- The decrease in the net investment in capital assets is due the excess of depreciation expense over acceptance of parks from developers.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

A summary of the District's statement of activities in comparison to the prior year is presented below:

**CONDENSED STATEMENT OF ACTIVITIES
JUNE 30, 2022 AND 2021**

	Governmental Activities	
	2022	2021
REVENUES		
Program Revenues:		
Charges for Services	\$ 17,356,469	\$ 15,117,168
Operating Grants and Contributions	607,296	437,226
Capital Contributions and Grants	50,000	18,383,460
Total Program Revenues	<u>18,013,765</u>	<u>33,937,854</u>
General Revenues:		
Taxes and Special Assessments	2,119,098	1,976,619
Investment Earnings	329,938	220,082
Miscellaneous	4,756,359	4,036,930
Total General Revenues	<u>7,205,395</u>	<u>6,233,631</u>
Total Revenues	<u>25,219,160</u>	<u>40,171,485</u>
EXPENSES		
Recreation and Park Activities	26,141,529	21,932,557
Interest on Long-Term Debt	4,729	-
Total Expenses	<u>26,146,258</u>	<u>21,932,557</u>
CHANGE IN NET POSITION	(927,098)	18,238,928
Net Position - Beginning of Year	<u>124,792,608</u>	<u>106,553,680</u>
NET POSITION - END OF YEAR	<u>\$ 123,865,510</u>	<u>\$ 124,792,608</u>

The following is a brief explanation for the balance changes of the condensed statement of activities for the year ended June 30, 2022:

- Charges for services increase is primarily due to increase in collection of assessments collected from the growing landscape maintenance districts (LMD) and community facilities districts (CFD).
- Miscellaneous revenues increased mainly an increase in in-lieu fees.
- Recreation and park activities expenses increased largely due to increased landscape maintenance, utilities and repair costs associated with a growing District including adding streetscapes and parks.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Capital Assets

CAPITAL ASSETS AT YEAR-END

	Balance at July 1, 2021, Net of Accumulated Depreciation	Increases	Transfers/ Decreases	Current Year Depreciation	Balance at June 30, 2022, Net of Accumulated Depreciation
Governmental Activities:					
Land	\$ 28,775,041	\$ -	\$ -	\$ -	\$ 28,775,041
Historical Automobile	22,900	-	-	-	22,900
Construction in Progress	1,340,962	880,975	(1,586,319)	-	635,618
Building and Improvements	79,525,391	135,468	1,586,319	(3,395,738)	77,851,440
Equipment	207,924	-	-	(30,261)	177,663
Vehicles	78,192	-	-	(12,633)	65,559
Leased Asset	143,508	-	-	(43,884)	99,624
Total Governmental Activities	<u>\$ 110,093,918</u>	<u>\$ 1,016,443</u>	<u>\$ -</u>	<u>\$ (3,482,516)</u>	<u>\$ 107,627,845</u>

As of June 30, 2022, the District's investment in capital assets net of accumulated depreciation was \$107,627,845. The investment in capital assets includes land, site improvements, buildings and improvements, vehicles and equipment. The capital assets are presented in the government – wide statement of net position. The District made improvements to several parks in the 2021-2022 fiscal year utilizing Quimby funds, park development funds, grants, and donations.

The planning process for new parks which are going to be improved and dedicated to the District in fiscal year 2022-2023 and beyond include Eagle Crest Park and Braverde Veterans Park which were accepted in the next fiscal year. Pleasant Valley Park, North Sky Pocket Park and Willow Glen Park are under construction. 10 parks which are currently in the planning process. All these parks will add over 100 acres of additional parkland which may include lighted tennis courts, lighted soccer fields, lighted basketball courts, and pickle ball courts along with many other active recreation park amenities.

Financial Analysis of the District's Funds

At year-end, the District's governmental funds reported combined fund balance of \$26.5 million, which is an increase of \$ 2.7 million from the \$23.82 million at June 30, 2021.

- The general fund had a positive fund balance change of \$667,428 primarily due to not having to pay for an election, the collection of funds from the dissolution of the local Redevelopment Agencies, as well as the District's ongoing effort to maximize efficient operations and utility cost management.
- The capital projects fund had a positive fund balance change of \$1,260,210 due the collection of Quimby Fees over the costs for new parks being added and the improvements made to existing parks.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2022**

Long-Term Debt

As of June 30, 2022, the District had \$9,854,909 in noncurrent liabilities with \$ 78,109 of current portion of long-term debt as reported in the statement of net position. The outstanding debt consists of the District's obligation to its employees for compensated absences, the District's net OPEB obligation (Note 7), and the District's net pension liability (Note 6). For more detailed information about the District's long-term debt see Note 3.

Economic Factors and Next Year's Budget

The 2022/2023 fiscal year is expected to prove to be a challenge. Even though the economic indicators in the Riverside County region showed signs of full recovery and strength after the pandemic which started in early 2020. Inflation has become the No. 1 economic threat in the current and subsequent years. Management has been carefully monitoring the costs to operate our facilities as prices continue to increase.

The District continues to make necessary financial adjustments needed to lessen the impact of inflation. The District also continues to operate our facilities at full capacity and keep our parks well maintained and safe for the public. However the duration and financial impact of inflation cannot be determined at this time and we will to monitor it and continue to use cost conscious measures to minimize the effect.

Additional Financial Information

This financial report is designed to provide the District's customers, investors, and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Valley-Wide Recreation and Park District, General Manager at 901 West Esplanade Avenue, San Jacinto, California 92581, (951) 654-1505, or via email at fun@gorecreation.org.

VALLEY-WIDE RECREATION AND PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2022

	<u>Government</u>
	<u>Governmental</u>
	<u>Activities</u>
ASSETS	
Current Assets:	
Cash and Investments	\$ 22,808,356
Accounts Receivable	137,495
Taxes Receivable	325,025
Intergovernmental Receivable	121,582
Interest Receivable	5,087
Lease Receivable	818,367
Inventories	7,160
Prepaid Items	21,378
Restricted Assets:	
Cash and Investments	6,245,197
Interest Receivable	2,055
Total Current Assets	30,491,702
Noncurrent Assets:	
Capital Assets:	
Not being Depreciated/Amortized	29,433,559
Capital Assets, Net of Depreciation/Amortization	78,194,286
Total Capital Assets	107,627,845
Total Assets	138,119,547
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts from Pension	994,522
Deferred Amounts from OPEB	1,685,479
Total Deferred Outflows of Resources	2,680,001
LIABILITIES	
Accounts Payable and Accrued Liabilities	2,672,514
Noncurrent Liabilities:	
Long-term Debt, Due Within One Year	78,109
Due in More than One Year	
Long-term Debt	186,276
Net Pension Liability	2,781,776
Total OPEB Liability	6,808,748
Total Liabilities	12,527,423
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts from Pension	2,487,420
Deferred Amounts from OPEB	669,965
Deferred Amounts for Future Revenues	439,189
Deferred Amounts from Leases	810,041
Total Deferred Inflows of Resources	4,406,615
NET POSITION	
Net Investment in Capital Assets	107,526,343
Restricted for Parks and Recreation	17,797,576
Unrestricted	(1,458,409)
Total Net Position	\$ 123,865,510

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

	Program Revenues				Changes in Net Position Primary Government
Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	
FUNCTIONS/PROGRAMS					
Primary Government:					
Governmental Activities:					
General Government	\$ 6,515,527	\$ -	\$ 607,296	\$ -	\$ (5,908,231)
Parks and Recreation	6,506,508	1,059,284	-	50,000	(5,397,224)
Public Works - Landscape Maintenance	13,119,494	16,297,185	-	-	3,177,691
Interest on Long-Term Debt	4,729	-	-	-	(4,729)
Total Governmental Activities	<u>\$ 26,146,258</u>	<u>\$ 17,356,469</u>	<u>\$ 607,296</u>	<u>\$ 50,000</u>	(8,132,493)
GENERAL REVENUES					
Taxes					2,119,098
Investment Earnings					329,938
In Lieu Fees					2,287,804
Other Revenues					2,468,555
Total General Revenues					<u>7,205,395</u>
CHANGES IN NET POSITION					
					(927,098)
Net Position - Beginning of Year					124,792,608
NET POSITION - END OF YEAR					<u>\$ 123,865,510</u>

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2022**

	General Fund	Special Revenue Funds			French Valley CFD
		Menifee Landscape Maintenance District	Menifee North Landscape Maintenance District	French Valley Landscape Maintenance District	
ASSETS					
Cash and Investments	\$ 9,306,478	\$ 522,988	\$ 1,361,126	\$ 4,575,529	\$ 3,137,794
Restricted Cash	-	-	-	-	-
Accounts Receivable	82,150	10,135	21,775	22,129	1,267
Taxes Receivable	73,105	21,460	24,124	46,592	21,073
Inventory	7,160	-	-	-	-
Intergovernmental Receivable	79,928	30,921	-	10,733	-
Lease Receivable	818,367	-	-	-	-
Due from Other Funds	112,219	-	-	-	-
Interest Receivable	1,329	-	31	1,629	1,325
Prepaid Items	21,378	-	-	-	-
Total Assets	\$ 10,502,114	\$ 585,504	\$ 1,407,056	\$ 4,656,612	\$ 3,161,459
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 463,598	\$ 301,795	\$ 511,178	\$ 580,384	\$ 128,478
Due to Other Funds	-	-	-	-	-
Unearned Revenue	-	-	-	-	-
Total Liabilities	463,598	301,795	511,178	580,384	128,478
DEFERRED INFLOWS OF RESOURCES					
Future revenues	439,189	-	-	-	-
Leases	810,041	-	-	-	-
Total Deferred Inflows of Resources	1,249,230	-	-	-	-
FUND BALANCES					
Nonspendable:					
Prepaid Items	21,378	-	-	-	-
Inventory	7,160	-	-	-	-
Restricted for:					
Parks and Recreation	-	283,709	895,878	4,076,228	3,032,981
Unassigned	8,760,748	-	-	-	-
Total Fund Balances	8,789,286	283,709	895,878	4,076,228	3,032,981
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 10,502,114	\$ 585,504	\$ 1,407,056	\$ 4,656,612	\$ 3,161,459

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ -	\$ 3,904,441	\$ 22,808,356
Restricted Cash	6,245,197	-	6,245,197
Accounts Receivable	-	39	137,495
Taxes Receivable	-	43,195	229,549
Inventory	-	-	7,160
Intergovernmental Receivable	-	-	121,582
Lease Receivable	-	-	818,367
Due from Other Funds	-	-	112,219
Interest Receivable	2,055	773	7,142
Prepaid Items	-	-	21,378
	<u>\$ 6,247,252</u>	<u>\$ 3,948,448</u>	<u>\$ 30,508,445</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 296,046	\$ 391,035	\$ 2,672,514
Due to Other Funds	-	112,219	112,219
Unearned Revenue	-	-	-
Total Liabilities	<u>296,046</u>	<u>503,254</u>	<u>2,784,733</u>
DEFERRED INFLOWS OF RESOURCES			
Future revenues	-	-	439,189
Leases	-	-	810,041
Total Deferred Inflows of Resources	<u>-</u>	<u>-</u>	<u>1,249,230</u>
FUND BALANCES			
Nonspendable:			
Prepaid Items	-	-	21,378
Inventory	-	-	7,160
Restricted for:			
Parks and Recreation	5,951,206	3,557,574	17,797,576
Unassigned	-	(112,380)	8,648,368
Total Fund Balances	<u>5,951,206</u>	<u>3,445,194</u>	<u>26,474,482</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 6,247,252</u>	<u>\$ 3,948,448</u>	<u>\$ 30,508,445</u>

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL
FUNDS TO STATEMENT OF NET POSITION
JUNE 30, 2022**

Fund Balances for Governmental Funds \$ 26,474,482

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental funds are not financial resources and therefore are not reported in governmental funds (net of accumulated depreciation). 107,627,845

Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long term, are reported in the statement of net position:

Lease Payable	(101,502)	
Compensated Absences	(162,883)	
		(264,385)

OPEB related debts applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to OPEB are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources	1,685,479	
Deferred Inflows of Resources	(669,965)	
Total OPEB Liability	(6,808,748)	
Total		(5,793,234)

Certain receivables are not available and are not recognized as revenue on the full-accrual basis and therefore are not reported in the fund statements. 95,476

Pension related debts applicable to the District's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pension are only reported in the statement of net position as the changes in these amounts affect only the government-wide statements for governmental activities.

Deferred Outflows of Resources	994,522	
Deferred Inflows of Resources	(2,487,420)	
Net Pension Liability	(2,781,776)	
Total		(4,274,674)

Net Position of Governmental Activities \$ 123,865,510

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2022**

	General Fund	Special Revenue Funds			French Valley CFD
		Menifee Landscape Maintenance District	Menifee North Landscape Maintenance District	French Valley Landscape Maintenance District	
REVENUES					
Taxes	\$ 2,120,854	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	224,824	83,334	449	85,352	(22,494)
Intergovernmental Revenues	607,296	-	-	-	-
Charges for Services	1,986,340	2,442,584	2,635,001	5,585,631	2,612,970
In-Lieu Fees	-	-	-	-	-
Other Revenues	2,356,731	7,196	42,086	24,915	2,285
Total Revenues	7,296,045	2,533,114	2,677,536	5,695,898	2,592,761
EXPENDITURES					
Current:					
General Government	1,655,033	696,939	549,765	1,209,003	531,876
Parks and Recreation	2,412,181	378,350	175	334,870	-
Public Works - Landscape Maintenance	2,429,266	1,848,983	2,362,168	4,003,480	1,089,074
Capital Outlay	101,349	-	-	19,768	1,059
Debt Service:					
Principal	29,944	2,766	-	9,296	-
Interest and Fiscal Charges	3,276	284	-	1,169	-
Total Expenditures	6,631,049	2,927,322	2,912,108	5,577,586	1,622,009
NET CHANGES IN FUND BALANCES	664,996	(394,208)	(234,572)	118,312	970,752
Fund Balances - Beginning of Year	8,124,290	677,917	1,130,450	3,957,916	2,062,229
FUND BALANCES - END OF YEAR	\$ 8,789,286	\$ 283,709	\$ 895,878	\$ 4,076,228	\$ 3,032,981

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCES – GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED JUNE 30, 2022**

	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 2,120,854
Revenues from Use of Money and Property	(32,413)	(9,114)	329,938
Intergovernmental Revenues	50,000	-	657,296
Charges for Services	-	2,093,943	17,356,469
In-Lieu Fees	2,287,804	-	2,287,804
Other Revenues	35,252	90	2,468,555
Total Revenues	<u>2,340,643</u>	<u>2,084,919</u>	<u>25,220,916</u>
EXPENDITURES			
General Government	-	622,456	5,265,072
Parks and Recreation	-	-	3,125,576
Public Works - Landscape Maintenance	-	1,167,265	12,900,236
Capital Outlay	1,080,433	3,698	1,206,307
Debt Service:			
Principal	-	-	42,006
Interest and Fiscal Charges	-	-	4,729
Total Expenditures	<u>1,080,433</u>	<u>1,793,419</u>	<u>22,543,926</u>
NET CHANGES IN FUND BALANCES	1,260,210	291,500	2,676,990
Fund Balances - Beginning of Year	<u>4,690,996</u>	<u>3,153,694</u>	<u>23,797,492</u>
FUND BALANCES - END OF YEAR	<u>\$ 5,951,206</u>	<u>\$ 3,445,194</u>	<u>\$ 26,474,482</u>

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2022**

Net Changes in Fund Balances - Total Governmental Funds \$ 2,676,990

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

Governmental funds report capital assets acquisitions as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.

Capital Assets Acquisition	1,016,442	
Depreciation Expense	<u>(3,482,515)</u>	
Total		(2,466,073)

Taxes and special assessment revenues in the statement of activities differ from the amounts reported in governmental funds due to accrued property taxes received after the availability period for governmental funds. (1,756)

The issuance of long-term liabilities provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes current financial resources of governmental funds. However, these transactions have no effect on net position:

Principal payment	42,006	
Net Decrease in Compensated Absences Payable	<u>9,572</u>	
		51,578

Pension expense reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net pension liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. (735,297)

OPEB expense reported in the governmental funds includes the annual required contributions. In the statement of activities, pension expense includes the change in the net OPEB liability and related change in pension amounts for deferred outflows of resources and deferred inflows of resources. (452,540)

Changes in Net Position of Governmental Activities \$ (927,098)

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

Valley-Wide Recreation and Park District (the District) was incorporated on July 27, 1972, under the statutory authority of the State of California Public Resources Code Section 5780 as a recreation and park district in eastern Riverside County, California. As required by accounting principles generally accepted in the United States of America, these financial statements present the District and its component units, entities for which the District is considered financially accountable.

A component unit is included in the primary government's financial statements if the District appoints a voting majority of the component unit's governing body and (1) it is able to impose its will on the component unit, or (2) there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the District. The component unit discussed below is controlled by common governing boards, which are substantively the same as the District's governing boards. In addition, the component units provide services or other benefits almost entirely to the District, and there is a potential for the component unit to impose financial burden on the District. Therefore, the component unit is presented as blended component unit for financial reporting purposes. The component unit has the same fiscal year-end as the District. The blended component unit discussed below, although a legally separate entity, is in substance part of the government operation and has been combined herein.

The Valley-Wide Recreation Foundation (Foundation) was incorporated on September 29, 1980, as a nonprofit public benefit corporation under the State of California Nonprofit Public Benefit Corporation Law. The Foundation was organized for the purposes of rendering assistance to the District by acquiring, constructing, and financing recreation and park improvements, buildings, and the acquisition of land and related facilities for the use, benefit, and enjoyment of the public. Separate The Foundation had no transactions during the year and has no assets or liabilities as of June 30, 2022.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the District and its component unit. For the most part, the effect of interfund activity has been removed from these statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

B. Government-Wide and Fund Financial Statements (Continued)

Likewise, the primary government (including its blended component units) is reported separately from discretely presented component units for which the primary government is financially accountable. The District has no discretely presented component units. Certain eliminations have been made as prescribed by Governmental Accounting Standards Board (GASB) Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the statement of net position have been eliminated.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include (1) charges to customers who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, deferred inflows of resources, fund equity, revenues, and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements for the District's governmental funds are presented after the government-wide financial statements. These statements display information about major funds individually and other governmental funds in the aggregate for governmental funds.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Measurement focus is a term used to describe "which" transactions are recorded within the various financial statements. Basis of accounting refers to "when" transactions are recorded regardless of the measurement focus applied.

VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Under the economic resources measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activity are included on their statement of net position. Operating statements present increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under the current financial resources measurement focus, only current assets, current liabilities, and deferred inflows of resources are generally included on their balance sheets. The reported fund balance is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Under the modified accrual basis of accounting, revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

However, debt service expenditures, as well as expenditures related to compensated absences, are recorded only when payment is due. Property taxes and interest associated with the current fiscal period are all considered to be susceptible to accrual and so are recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the District.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The funds designated as major funds are determined by a mathematical calculation consistent with GASB Statement No. 34. The District reports the following major governmental funds:

The *General Fund* is the primary operating fund. It accounts for and reports all financial resources of the general government, except those not accounted for and reported in another fund.

The *Menifee Landscape Maintenance District (MLMD) Special Revenue Fund* accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for the administration and maintenance of the improvements within the legal boundaries of MLMD.

The *Menifee North Landscape Maintenance District (MNLMD) Special Revenue Fund* accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for the administration and maintenance of the improvements within the legal boundaries of MNLMD.

The *French Valley Landscape Maintenance District (FVLMD) Special Revenue Fund* accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for the administration and maintenance of the improvements within the legal boundaries of FVLMD.

The *French Valley Community Facilities District (FVCFD) Special Revenue Fund* accounts for and reports the proceeds of specific revenue sources that are restricted or committed to expenditure for the administration and maintenance of the improvements within the legal boundaries of FVCFD.

The *Capital Projects Fund* accounts for and reports financial resources that are restricted, committed, or assigned to expenditure for capital outlays, including the acquisition or construction of capital facilities or other capital assets.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

**C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation
(Continued)**

The District's fund structure also includes nonmajor special revenue funds that are used to account for the proceeds of specific revenue sources that are legally restricted for specified purposes.

Amounts reported as program revenues include (1) fees and charges to customers, applicants, and citizens; (2) operating grants and contributions; and (3) capital grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. General revenues include all taxes. Program revenues and expenditures are classified by function. Each function is defined as a major department with a department head and separate budget.

D. New Accounting Pronouncements

GASB 87

In June 2017, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. The District adopted the requirements of the guidance effective July 1, 2021, and has applied the provisions of this standard to the beginning of the period of adoption.

E. Investments

Investments are reported in the accompanying balance sheet at fair value. Changes in fair value that occur during a fiscal year are recognized as revenues from use of money and property. Revenues from use of money and property include interest earnings, any gains or losses realized upon liquidation, maturity, or sale of investments.

The District pools investments of all funds. Each fund's share in this pool is displayed in the accompanying financial statements as investments. Investment income earned by the pooled investments is allocated to the various funds on a quarterly basis based on each fund's average cash and investment balance.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

F. Receivables and Payables

Activity between funds that is representative of lending/borrowing arrangements outstanding at the end of the fiscal year is referred to as either “due to/due from other funds.

Management estimates all receivables at June 30, 2022, to be collectable, as any receivables deemed uncollectable have been written off.

G. Lease Receivable

The District measures lease receivable at the present value of lease payments expected to be received during the lease term. Interest revenue is recognized ratably over the contract term.

H. Compensated Absences

Vacation pay is payable to employees at the time used or upon termination of employment. In the government-wide financial statements, the cost of vacation pay is recorded as a liability when incurred. Compensated absences are expected to be paid primarily by the general fund.

I. Claims and Judgments

When it is probable that a claim liability has been incurred at year-end, and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage under its self-insurance program. At June 30, 2022, in the opinion of the District's counsel, the District is unaware of material claims that would require loss provision in the financial statements, including losses for claims that are incurred but not reported. Small-dollar claims and judgments are recorded as expenditures when paid, if any.

J. Property Taxes

Under California law, property taxes are assessed and collected by the counties for up to 1% of the assessed value, plus other increases approved by the voters. The property taxes go into a pool and are then allocated to the governmental entities based on complex formulas. Accordingly, the District accrues only those taxes that are received within 60 days after year-end.

Lien Date	January 1
Levy Date	July 1
Due Dates	November 1 and February 1
Delinquent Dates	December 11 and April 11

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

K. Capital Assets

The District's capital assets that have an estimated useful life greater than one year are valued at historical cost or estimated historical cost if actual historical cost is not available. Donated fixed assets are valued at their acquisition value on the date donated. The cost of normal maintenance and repairs that does not add to the value of the assets or materially extend asset lives is not capitalized. Construction-in-progress costs are capitalized and transferred to their respective fixed asset category upon completion of the project. The District's policy has set the capitalization threshold for reporting capital assets as follows:

Buildings	\$50,000
Improvements other than Buildings	25,000
Equipment (except Vehicles)	10,000
Vehicles	5,000

Depreciation is recorded on a straight-line basis over the useful lives of the assets as follows:

Buildings	50 Years
Improvements other than Buildings	25 Years
Equipment and Vehicles	5 to 20 Years

L. 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 future periods, and it will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflows related to pensions and other postemployment benefits (OPEB) for employer contributions made after the measurement date of the net pension liability and total OPEB liability.
- Deferred outflows related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employee that are provided with pensions through the plans.
- Deferred outflows related to pensions for changes in proportion and differences between employer contributions and proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.

VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

L. Deferred Outflows/Inflows of Resources (Continued)

- Deferred outflows related to OPEB for changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with OPEB through the plan.

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 future periods, and it will not be recognized as an inflow of resources (revenue) until that time. The District has the following that qualify for reporting in this category:

- Deferred inflows resulting from sale of future rent revenues. During the year, the District entered into an agreement under which the District sold its rights to rental payments under a lease agreement for certain real property. The District received a lump-sum payment of \$446,500. The total rental payments sold, based on the projected payment schedule in the Lease Agreement, adjusted for annual 3% increase, is estimated to be approximately \$920,000. The deferred inflow of resources is recognized as revenue over the life of the agreement.
- Deferred inflows from lease receivable is initially measured at the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
- Deferred inflows related to OPEB for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employee that are provided with OPEB through the plan.
- Deferred inflows from OPEB resulting from changes in assumptions. These amounts are amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with OPEB through the plan.
- Deferred inflows related to pensions for changes in proportion and differences between employer contributions and proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the plans.
- Deferred inflows from pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

M. Net Position Classification (Continued)

Net position of the District 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.

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 – This component of net position consists of net position that does not meet the definition of “restricted” or “net investment in capital assets.”

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.

N. Fund Balances

The fund balances reported on the fund statements consist of the following categories:

Nonspendable – This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally contractually required to be maintained intact.

Restricted – This classification includes amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers, or through enabling legislation. The District receives funding from Quimby Fees, which is accounted for in the capital projects fund. Quimby Fee expenditures are restricted in use by the Quimby Act of 1975. Revenues guaranteed through the Quimby Act cannot be used for the operation and maintenance of park facilities.

Committed – This classification includes amounts that can be used only for the specific purposes determined by a formal action of the District’s Board of Directors.

Assigned – This classification includes amounts to be used by the government, authorized by the Board of Directors for specific purposes, but they do not meet the criteria to be classified as restricted or committed. In governmental funds, other than the general fund, assigned fund balance represents the remaining amount that is not restricted or committed.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

**NOTE 1 REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES
(CONTINUED)**

O. Fund Balances (Continued)

Unassigned – This classification includes the residual balance for the government’s general fund and includes all spendable amounts not contained in other classifications. In other funds, the unassigned classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

P. 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) plans and additions to/deductions from these plans’ 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.

Q. Use of Estimates

The preparation of financial statements in accordance with accounting principles generally accepted in the United States of America 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 expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2 CASH AND INVESTMENTS

Cash and investments at June 30, 2022, are reported in the accompanying basic financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 22,808,356
Restricted:	
Cash and Investments	6,245,197
Total Cash and Investments	<u><u>\$ 29,053,553</u></u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2022, consisted of the following:

Petty Cash	\$ 1,983
Deposits with Financial Institutions	18,354,313
Investments	<u>10,697,257</u>
Total Cash and Investments	<u>\$ 29,053,553</u>

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

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Amount or Percentage Allowed</u>	<u>Maximum Investment in One Issuer</u>
U.S. Treasury Bills, Bonds, and Notes	5 Years	None	None
U.S. Government-Sponsored Entities	5 Years	None	None
Banker's Acceptance Notes	180 Days	40%	None
State of California Notes or Bonds	5 Years	None	None
Repurchase Agreements	1 Year	None	None
Riverside County Investment Pool	N/A	None	None
Medium-Term Corporate Notes	5 Years	30%	30%
Commercial Paper	270 Days	25%	20%
Local Agency Investment Fund	N/A	None	None
Money Market Mutual Funds	N/A	20%	20%

N/A = Not Applicable

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of an investment. Generally, the longer the maturity an investment has, the greater the sensitivity of its fair value to changes in market interest rates. One of the ways that the District manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

B. Disclosures Relating to Interest Rate Risk (Continued)

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

Investment Type	12 Months or Less
Local Agency Investment Fund	\$ 10,381,881
Riverside County Investment Pool	315,376
Total	\$ 10,697,257

C. Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. At June 30, 2022, the District's investment in the Riverside County Investment Pool is rated AA+ by Fitch Ratings; the investment in the Local Agency Investment Fund (LAIF) is not rated.

D. Concentration of Credit Risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of and during the year ended June 30, 2022, the District had no investments in any one issuer that represented 5% or more of total District investments.

E. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: 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% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. As of June 30, 2022, all the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

F. Investments in State Investment Pool

The District is a voluntary participant in the LAIF that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the state of California. LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with state statute. The State Treasurer's Office audits the fund annually. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

G. Investments in County Investment Pool

The District is a voluntary participant in the County of Riverside Treasurer's Pooled Investment Fund (TPIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of County of Riverside. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro rata share of the fair value provided by TPIF for the entire TPIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by TPIF, which are recorded on an amortized cost basis.

H. Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The District's investments in the Riverside County Investment Pool and LAIF are not subject to the fair value hierarchy.

NOTE 3 LEASE RECEIVABLE

The District, acting as lessor, leases land under long-term, noncancelable lease agreements. The lease expire at 2046 and provide various renewal options. During the year ended June 30, 2022, the District recognized \$16,201 and \$5,925 in lease revenue and interest revenue, respectively, pursuant to these contracts. The leases provide for increases in future minimum annual rental payments ranging from 3% to 5% annually.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 3 LEASE RECEIVABLE (CONTINUED)

Total future minimum lease payments to be received under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 16,336	\$ 11,678	\$ 28,014
2024	17,418	11,436	28,854
2025	18,542	11,178	29,720
2026	19,708	10,903	30,611
2027	20,918	10,612	31,530
2028 - 2032	124,381	48,038	172,419
2033 - 2037	162,092	37,789	199,881
2038 - 2042	207,145	24,572	231,717
2043 - 2047	231,827	7,901	239,728
Totals	<u>\$ 818,367</u>	<u>\$ 174,107</u>	<u>\$ 992,474</u>

NOTE 4 CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2022, was as follows:

	<u>Balance at July 1, 2021</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers*</u>	<u>Balance at June 30, 2022</u>
Capital Assets, Not Being Depreciated:					
Land	\$ 28,775,041	\$ -	\$ -	\$ -	\$ 28,775,041
Historical Automobile	22,900	-	-	-	22,900
Construction in Progress	1,340,962	880,975	-	(1,586,319)	635,618
Total Capital Assets, Not Being Depreciated	30,138,903	880,975	-	(1,586,319)	29,433,559
Capital Assets, Being Depreciated/Amortized:					
Building and Improvements	111,676,694	135,468	-	1,586,319	113,398,481
Equipment	503,068	-	(65,825)	-	437,243
Vehicles	359,055	-	(47,177)	-	311,878
Leased asset	143,508	-	-	-	143,508
Total Capital Assets, Being Depreciated/Amortized	112,682,325	135,468	(113,002)	1,586,319	114,291,110
Less Accumulated Depreciation for:					
Building and Improvements	(32,151,303)	(3,395,738)	-	-	(35,547,041)
Equipment	(295,144)	(30,261)	65,825	-	(259,580)
Vehicles	(280,863)	(12,633)	47,177	-	(246,319)
Less Accumulated Amortization for:					
Leased asset	-	(43,884)	-	-	(43,884)
Total Accumulated Depreciation/Amortization	(32,727,310)	(3,482,516)	113,002	-	(36,096,824)
Total Capital Assets, Being Depreciated/Amortized, Net	79,955,015	(3,347,048)	-	1,586,319	78,194,286
Total Governmental Activities Capital Assets, Net	<u>\$ 110,093,918</u>	<u>\$ (2,466,073)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 107,627,845</u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 4 CAPITAL ASSETS (CONTINUED)

General Government	\$ 72,190
Parks And Recreation	3,380,933
Public Works - Landscape Maintenance	29,393
Total Depreciation/Amortization	\$ 3,482,516

NOTE 5 LONG-TERM LIABILITIES

A summary of changes in the long-term liabilities of the District for the year ended June 30, 2022, is as follows:

	Balance at July 1, 2021	Additions	Deletions	Balance at June 30, 2022	Due Within One Year
Lease Payable	\$ 143,508	\$ -	\$ (42,006)	\$ 101,502	\$ 43,608
Compensated Absences	172,455	83,517	(93,089)	162,883	34,501
Total Long-Term Debt	\$ 315,963	\$ 83,517	\$ (135,095)	\$ 264,385	\$ 78,109

Lease Payable

The District leases office equipment and vehicles for various terms under long-term, noncancelable lease agreements. The leases expire at various dates through 2025.

Total future minimum lease payments under lease agreements are as follows:

<u>Year Ending June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 43,608	\$ 3,127	\$ 46,735
2024	34,703	1,599	36,302
2025	23,191	360	23,551
Totals	\$ 101,502	\$ 5,086	\$ 106,588

B. Compensated Absences

The District's policies relating to compensated absences are described in Note 1H. This liability, amounting to \$162,883 at June 30, 2022, will be paid in future years from the general fund.

NOTE 6 INSURANCE JOINT POWERS AGENCY

The District is a member of the California Association for Park and Recreation Indemnity (CAPRI), a joint powers agency composed of California Special Districts. Each member District pays for its proportionate share of its individually contracted insurance coverage.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 6 INSURANCE JOINT POWERS AGENCY (CONTINUED)

The District is insured against claims and judgments for public liability and workers' compensation with insurance coverage as follows:

	Insurance Per Occurrence	Excess Coverage Per Occurrence Over Insurance Retention
General Liability (Including Automobile)	\$ 1,000,000	\$ 24,000,000
Public Officials and Employee	1,000,000	25,000,000
Workers' Compensation	350,000	State Statutory Limits

Under the terms of the District's agreement, CAPRI acts as servicing agent in administering the workers' compensation claims program. Settled claims have not exceeded any of the District's coverage amounts in any of the last three fiscal years, and there were no reductions in the District's insurance coverage during the year ended June 30, 2022. The District's insurance coverage with CAPRI also includes general liability (casualty), automotive, property, and excess umbrella liability. There is no deductible on the general and automobile liability insurance or workers' compensation. There is a \$5,000 deductible for employment liability claims.

The District has an all-risk property loss coverage including boiler and machinery coverage, which has a limit of \$1,000,000,000 per occurrence shared by the membership with an excess limit of \$100,000,000 (limited to insurable value). There is a \$2,000 deductible per occurrence payable by the District.

In addition, the District has flood and earthquake insurance coverage with an annual aggregate limit of \$10,000,000 and \$5,000,000, respectively. The deductible for all loss or damage arising from the risk of flood is \$50,000. The deductible for all loss or damage arising from the risk of an earthquake is \$50,000 per occurrence or 5% of the value of the building, contents, and/or structure damaged, whichever is greater.

NOTE 7 PENSION PLANS

A. General Information about the Pension Plans

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's 2.5% at 55 (Tier 1 Miscellaneous Plan), the 2.0% at 60 (Tier 2 Miscellaneous Plan), and 2.0% at 62 (California Public Employees' Pension Reform Act (PEPRA) Miscellaneous Plan) employee pension plans, which are cost-sharing multiple employer defined benefit pension plans administered by CalPERS. Benefit provisions under the plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

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 to 62 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five 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. Cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at the **June 30, 2021** measurement date are summarized as follows:

	Miscellaneous		
	Tier 1 Plan	Tier 2 Plan	PEPRA Plan
Benefit Formula	2.5% @ 55	2.0% @ 60	2.0% @ 62
Benefit Vesting Schedule	Five Years of Service	Five Years of Service	Five Years of Service
Benefit Payments	Monthly for Life	Monthly for Life	Monthly for Life
Retirement Age	50 to 55	50 to 63	52 to 67
Monthly Benefits, as a Percentage of Eligible Compensation	2.000% to 2.500%	1.092% to 2.418%	1.000% to 2.500%
Required Employee Contribution Rates	8.00%	7.00%	6.75%
Required Employer Contribution Rates	12.361%	8.794%	7.732%
Payment of Unfunded Liability	\$ 311,624	\$ 6,156	\$ 9,285

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Total plan contributions are determined through CalPERS's annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. District contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by pension plan terms as plan member contributions requirements are classified as plan member contributions.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported net pension liabilities for its proportionate share of the net pension liability of all plans as follows:

	Proportionate Share of Net Pension Liability <hr style="border-top: 1px solid black;"/>
Miscellaneous Plans	\$ 2,781,776 <hr style="border-top: 3px double black;"/>

The District's net pension liability for each plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the plans is measured as of **June 30, 2021**, and the total pension liability for each plan used to calculate the net pension liability was determined by an actuarial valuation as of **June 30, 2020**, rolled forward to **June 30, 2021**, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for all Plans as of the measurement dates ended **June 30, 2021 and 2020**, was as follows:

	Miscellaneous <hr style="border-top: 1px solid black;"/>
Proportion - June 30, 2020	0.001067 %
Proportion - June 30, 2021	0.001465
Change - Increase	0.000398 % <hr style="border-top: 3px double black;"/>

For the year ended June 30, 2022, the District recognized pension expense of \$1,361,835. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension Contributions Subsequent to Measurement Date	\$ 626,539	\$ -
Differences between Actual and Expected Experience	311,946	-
Change in Employer's Proportion and Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	56,037	(59,078)
Net Differences between Projected and Actual Earnings on Plan Investments	-	(2,428,342)
Total	\$ 994,522	\$ (2,487,420)

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

An amount of \$626,539 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending **June 30, 2023**. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ (421,125)
2024	(475,763)
2025	(551,481)
2026	(671,068)
Total	<u><u>\$ (2,119,437)</u></u>

Actuarial Assumptions

The total pension liability for the **June 30, 2021**, measurement period was determined by an actuarial valuation as of **June 30, 2020**, with updated procedures used to roll forward the total pension liability to **June 30, 2021**. The total pension liability was based on the following assumptions:

Valuation Date	<u>Miscellaneous</u>
Measurement Date	June 30, 2020
Actuarial Cost Method	June 30, 2021
	Entry-Age
	Normal Cost
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.75%
Salary Increases	3.00%
Mortality Rate Table	(a)
Postretirement Benefit Increase	(c)

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

(b) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Preretirement and postretirement mortality rates includes 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

(c) The less of contract COLA or 2.50% until Purchasing Power Protection Allowance Floor on purchasing power applies, 2.50% thereafter.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Long-Term Expected Rate of Return

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

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

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

<u>Asset Class (a)</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1 through 10 (b)</u>	<u>Real Return Years 11+ (c)</u>
Global Equity	50.00 %	4.80 %	5.98 %
Fixed Income	28.00	1.00	2.62
Inflation Assets	0.00	0.77	1.81
Private Equity	8.00	6.30	7.23
Real Assets	13.00	3.75	4.93
Liquidity	1.00	0.00	(0.92)
Total	<u>100.00%</u>		

(a) In the CalPERS CAFR, fixed income is included Global Debt Securities; liquidity is included in short-term investments; and inflation assets are included in both Global Equity Securities and Global Debt Securities.

(b) An expected inflation of 2.0% used for this period.

(c) An expected inflation of 2.92% used for this period.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 7 PENSION PLANS (CONTINUED)

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

Discount Rate

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

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 for each plan calculated using the discount rate for each plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	Miscellaneous Plan
1% Decrease	6.15 %
Net Pension Liability	\$ 5,038,407
Current Discount Rate	7.15 %
Net Pension Liability	\$ 2,781,776
1% Increase	8.15 %
Net Pension Liability	\$ 916,251

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

C. Payable to the Pension Plans

At June 30, 2022, the District had no outstanding amounts of contributions to the pension plans required for the year ended June 30, 2022.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS

A. Plan Description

The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act (PEMHCA), an agent multiple-employer plan, commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options. For administrative personnel, the District contributes the full premium for the retired participant, including spouse and, if applicable, family portion. The contribution continues when the retiree is Medicare eligible. Those who retire directly from the District with at least 50 years in age and 5 years of CalPERS service if hired before January 1, 2013, and 52 years in age and 5 years of CalPERS service if hired on or after January 1, 2013, are eligible. For miscellaneous/clerical, the District contributes to the employee-only premium for the retired participant. The contribution continues when the retiree is Medicare eligible. Those who retire directly from the District with at least 50 years in age and 5 years of CalPERS service if hired before January 1, 2013, and 52 years in age and 5 of years CalPERS service if hired on or after January 1, 2013, are eligible. In addition, the District pays the PEMHCA administrative fee (0.33% of premium for 2019/20). Survivor benefits are available. The District does not contribute dental, vision, and life benefits for retirees. No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75. The plan does not issue a separate report.

Employees Covered

As of the **June 30, 2021** measurement date, the following current and former employees were covered by the benefit terms under the plan:

Inactive Employees or Beneficiaries	
Currently Receiving Benefits	8
Active Employees	26
Total	34

Contributions

Contribution requirements are established by District policy and may be amended by the Board of Directors. For the measurement period **June 30, 2021**, the District made contributions of \$78,853 in the form of premium payments and \$15,921 in implicit subsidy benefit payments for a total contribution of \$94,774.

B. Total OPEB Liability

The District's OPEB liability of \$6,808,748 was measured as of **June 30, 2021**, and was determined by an actuarial valuation as of **June 30, 2021**.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the **June 30, 2021**, actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	1.92%
Projected Salary Increase	3.00%
Inflation Rate	2.50%
Healthcare Cost Trend Rates	(a)
Mortality	(b)

- (a) 5.20% for 2021 THROUGH 2034; 5.0% for 2035 through 2049; 4.50% for 2050 through and 4.00% for 2065 and later years.
(b) Based on the RP-2014 Employee Mortality table for Males or Females, as appropriate, without projection.

Discount Rate

The discount rate was based on the Fidelity GO AA 20-Year municipal index. The municipal bond rate utilized was 1.92%.

Change in Assumption

Discount rate was changed from 2.45% to 1.92%.

Change in Total OPEB Liability

The change in total OPEB liability is as follows:

	<u>Total OPEB Liability</u>
Balance at June 30, 2020 (Measurement Date)	\$ 5,421,702
Changes in the Year:	
Service Cost	324,581
Interest on the Total OPEB Liability	139,630
Changes of Assumptions	1,429,509
Differences between Expected and Actual Experience	(411,900)
Benefit Payments	(94,774)
Net Changes	<u>1,387,046</u>
Balance at June 30, 2021 (Measurement Date)	<u>\$ 6,808,748</u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, calculated using the discount rate for the plan, as well as what the District's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (0.92%) or one percentage point higher (2.92%) than the current rate:

	1% Decrease (0.92%)	Discount Rate (1.92%)	1% Increase (2.92%)
Total OPEB Liability	<u>\$ 8,111,119</u>	<u>\$ 6,808,748</u>	<u>\$ 5,786,111</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate (Continued)

The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (3.00%) or one percentage point higher (5.00%) than the current healthcare cost trend rates:

	1% Decrease (4.20% current, 3.00% Ultimate, 3.00% Medicare)	Current Healthcare Cost Trend Rates (5.20% current, 4.00% Ultimate, 4.00% Medicare)	1% Increase (6.20% current, 5.00% Ultimate, 5.00% Medicare)
Total OPEB Liability	<u>\$ 5,618,006</u>	<u>\$ 6,808,748</u>	<u>\$ 8,397,327</u>

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

For the year ended June 30, 2022, the District recognized OPEB expense of \$560,387. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions Subsequent to Measurement Date	\$ 106,194	\$ -
Change in Assumptions	1,579,285	(480,064)
Differences between Expected and Actual Experience	-	(189,901)
Total	<u>\$ 1,685,479</u>	<u>\$ (669,965)</u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 8 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

An amount of \$106,194 reported as deferred outflows of resources resulting from the District's contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ending **June 30, 2023**. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Year Ending June 30,</u>	<u>Amount</u>
2023	\$ 96,176
2024	96,176
2025	172,667
2026	118,327
2027	118,327
Thereafter	307,647

NOTE 9 COMMITMENTS AND CONTINGENT LIABILITIES

A. Grant Audit Contingencies

Under the terms of federal and state grants, periodic audits are required and certain costs may be questioned as not being appropriate expenditures under the terms of the grants. Such audits could lead to reimbursement to the grantor agencies. District management believes disallowances, if any, will be immaterial.

B. Litigation

At June 30, 2022, the District is a defendant in certain legal actions in the normal course of operations. Management is not aware of any liability resulting from these actions that will result in a material adverse effect on the District's financial position

NOTE 10 INTERFUND TRANSACTIONS

Individual interfund receivables and payables at June 30, 2022, were as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	<u>\$ 112,219</u>	Other Governmental Funds	<u>\$ 112,219</u>

The above interfund transactions were for short-term borrowings to fund operations.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022**

NOTE 11 INDIVIDUAL FUND DISCLOSURES

The following funds contained deficit fund balances/net position as of June 30, 2022:

	<u>Deficit Amount</u>
Other Governmental Special Revenue Funds:	
Wheatfield Landscape Maintenance District	<u>\$ 112,380</u>

The fund balance deficit will be eliminated by excess revenues over expenditures.

NOTE 12 COMMUNITY CENTER

On May 17, 2011, the District entered into a lease agreement with the County of Riverside (County). The agreement states that the County will convey its ownership interest in a 12-acre community and childcare center (Center) located at 25625 Briggs Road, Menifee, California, on real property currently owned by the County to the District after a 49-year lease period. The agreement calls for an annual payment of \$1 per year of the lease. The District has the option to purchase the Center for \$1 at the end of the lease. The District agrees to operate and maintain the Center's community center, childcare facility, and park area. Operation and maintenance will be at the sole cost and expense of the District. In the event that the Center is abandoned or no longer used in accordance with the agreement, the Center will revert to the County unless alternate use is approved by the County. This lease agreement was extended for an additional three years and expired on May 17, 2020. The lease is currently on a month-to-month.

NOTE 13 ELLER PARK

On April 6, 2010, the Park District entered into an agreement with the County for the maintenance and operation of Eller Park located at 25926 Antelope Road in Menifee. All operations at the park will be managed by the District and any and all fees collected for the services and programs shall be retained by the District. This five-acre park has a wide variety of amenities, including a lighted ball field, outdoor basketball courts, running/jogging track, playground equipment, and restroom facilities. Eller Park will service the residents in the Romoland, Homeland, and Menifee area. In the event that the park is abandoned or no longer used in accordance with the agreement, the park will revert to the County unless alternate use is approved by the County. The agreement states that if and when a notice of completion is approved by the County's Board of Supervisors for a Caltrans connection, the County will convey its ownership interest in the property to the District. This property has not been conveyed to the District as of June 30, 2022.

NOTE 14 SUBSEQUENT EVENT

In September 2022, the Board approved the purchase and sale of telecom easement and assignment agreement. Pursuant to the agreement, the District grants and conveys an exclusive easement in a Telecom Easement Area and also sells, transfers and assigns all its right, title and interest in and to an Existing Telecom Agreement. This Existing Telecom Agreement is currently recorded as a lease receivable by the District as discussed in Note 3.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST TEN FISCAL YEARS***

	Fiscal Year Ended			
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Plan's Proportion of the Net Pension Liability	0.14650%	0.10670%	0.10476%	0.10293%
Plan's Proportionate Share of the Net Pension Liability	\$ 2,781,776	\$ 4,499,490	\$ 4,197,145	\$ 3,879,198
Plan's Covered Payroll	\$ 2,027,805	\$ 2,464,404	\$ 2,367,573	\$ 2,172,665
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	137.18%	182.58%	177.28%	178.55%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	83.72%	72.13%	75.26%	75.26%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 626,539	\$ 520,393	\$ 450,261	\$ 398,678

NOTES TO SCHEDULE

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015, to June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016, to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017, to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018, to June 30, 2019:

There were no changes in assumptions.

From fiscal year June 30, 2019, to June 30, 2020:

There were no changes in assumptions.

From fiscal year June 30, 2020, to June 30, 2021:

There were no changes in assumptions.

From fiscal year June 30, 2021, to June 30, 2022:

There were no changes in assumptions.

*Fiscal year 2015 was the first year of implementation; therefore, only eight years are shown.

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (CONTINUED)
LAST TEN FISCAL YEARS***

	Fiscal Year Ended			
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Measurement Date	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014
Plan's Proportion of the Net Pension Liability	0.10033%	0.09958%	0.10310%	0.08969%
Plan's Proportionate Share of the Net Pension Liability	\$ 3,955,018	\$ 3,459,147	\$ 2,828,422	\$ 2,196,948
Plan's Covered Payroll	\$ 2,132,386	\$ 2,202,481	\$ 2,080,642	\$ 2,254,756
Plan's Proportionate Share of the Net Pension Liability as a Percentage of Its Covered Payroll	185.47%	157.06%	135.94%	97.44%
Plan's Proportionate Share of the Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	73.31%	74.06%	75.27%	80.13%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 355,525	\$ 327,337	\$ 329,468	\$ 241,879

* Fiscal year 2015 was the first year of implementation and therefore only eight years are shown.

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLANS
LAST TEN FISCAL YEARS***

	Fiscal Year Ended			
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019
Contractually Required Contribution (Actuarially Determined)	\$ 626,539	\$ 553,819	\$ 533,936	\$ 467,745
Contributions In Relation to the Actuarially Determined Contributions	<u>626,539</u>	<u>553,819</u>	<u>533,936</u>	<u>467,745</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,372,993	\$ 2,027,805	\$ 2,464,404	\$ 2,367,573
Contributions as a Percentage of Covered Payroll	26.40%	27.31%	21.67%	19.76%

NOTES TO SCHEDULE

Valuation Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	Fair Value

Inflation	2.75%	2.75%	2.625%	2.75%
Salary Increases	(b)	(b)	(b)	(b)
Investment Rate of Return	7.15% (c)	7.15% (c)	7.25% (c)	7.375% (c)
Retirement Age	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)

- (a) Level Percentage of Payroll, Closed
- (b) Depending on Age, Service, and Type of Employment
- (c) Net of Pension Plan Investment Expense, including Inflation
- (d) 50 for All Plans with the Exception of 52 for Miscellaneous PEPRA 2% @ 62
- (e) Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first year of implementation; therefore, only eight years are shown.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLANS (CONTINUED)
LAST TEN FISCAL YEARS***

	Fiscal Year Ended			
	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 395,647	\$ 379,956	\$ 329,674	\$ 292,330
Contributions In Relation to the Actuarially Determined Contributions	<u>395,647</u>	<u>379,956</u>	<u>329,674</u>	<u>292,330</u>
Contribution Deficiency	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered Payroll	\$ 2,172,665	\$ 2,132,386	\$ 2,202,481	\$ 2,080,642
Contributions as a Percentage of Covered Payroll	18.21%	17.82%	14.97%	14.05%

NOTES TO SCHEDULE

Valuation Date	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
Methods and Assumptions Used to Determine Contribution Rates:				
Actuarial Cost Method	Entry Age	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value	15-Year Smoothed Market Method
Inflation	2.75%	2.75%	2.75%	2.75%
Salary Increases	(b)	(b)	(b)	(b)
Investment Rate of Return	7.50% (c)	7.50% (c)	7.50% (c)	7.50% (c)
Retirement Age	(d)	(d)	(d)	(d)
Mortality	(e)	(e)	(e)	(e)

*Fiscal year 2015 was the first year of implementation; therefore, only eight years are shown.

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS***

	Fiscal Year Ended				
	<u>June 30, 2022</u>	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>June 30, 2018</u>
Measurement Date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:					
Service Cost	\$ 324,581	\$ 211,182	\$ 203,389	\$ 145,126	\$ 140,899
Interest on Total OPEB Liability	139,630	149,989	176,027	150,917	144,732
Difference between Expected and Actual Experience	(411,900)	-	(261,133)	-	-
Changes of Assumptions	1,429,509	526,664	(110,052)	(375,973)	-
Benefit Payments	<u>(94,774)</u>	<u>(93,121)</u>	<u>(80,217)</u>	<u>(84,808)</u>	<u>(91,204)</u>
Net Change in Total OPEB Liability	1,387,046	794,714	(71,986)	(164,738)	194,427
Total OPEB Liability - Beginning of Year	<u>5,421,702</u>	<u>4,626,988</u>	<u>4,698,974</u>	<u>4,863,712</u>	<u>4,669,285</u>
Total OPEB Liability - Ending (A)-(B)	<u>\$ 6,808,748</u>	<u>\$ 5,421,702</u>	<u>\$ 4,626,988</u>	<u>\$ 4,698,974</u>	<u>\$ 4,863,712</u>
Covered - Employee Payroll	\$ 1,695,512	\$ 1,662,541	\$ 1,547,380	\$ 1,551,559	\$ 2,132,386
Total OPEB Liability as a Percentage of Covered - Employee Payroll	401.57%	326.11%	299.02%	302.85%	228.09%

NOTES TO SCHEDULE

Benefit Changes:

There were no changes in benefits.

Changes In Assumptions:

From fiscal year June 30, 2018, to June 30, 2019:

The discount rate was increased from 3.13% to 3.62%.

From fiscal year June 30, 2019, to June 30, 2020:

The discount rate was decreased from 3.62% to 3.13%

From fiscal year June 30, 2020, to June 30, 2021:

The discount rate was decreased from 3.13% to 2.45%

From fiscal year June 30, 2021, to June 30, 2022:

The discount rate was decreased from 2.45% to 1.92%

*Fiscal year 2018 was the first year of implementation and therefore only five years are shown.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,247,500	\$ 3,247,500	\$ 2,120,854	\$ (1,126,646)
Revenues from Use of Money and Property	261,888	261,888	224,824	(37,064)
Intergovernmental Revenues	890,000	890,000	607,296	(282,704)
Charges for Services	938,512	938,512	1,986,340	1,047,828
Other Revenues	2,222,950	2,222,950	2,356,731	133,781
Total Revenues	<u>7,560,850</u>	<u>7,560,850</u>	<u>7,296,045</u>	<u>(264,805)</u>
EXPENDITURES				
Current:				
General Government	1,726,179	1,726,179	1,655,033	71,146
Parks and Recreation	3,388,932	3,388,932	2,412,181	976,751
Public Works - Landscape Maintenance	2,418,548	2,418,548	2,429,266	(10,718)
Capital Outlay	5,000	5,000	101,349	(96,349)
Debt Service				
Principal	2,000	-	29,944	(29,944)
Interest	-	-	3,276	(3,276)
Total Expenditures	<u>7,540,659</u>	<u>7,538,659</u>	<u>6,631,049</u>	<u>907,610</u>
EXCESS OF REVENUES OVER EXPENSES	20,191	22,191	664,996	642,805
Fund Balance - Beginning of Year	<u>8,124,290</u>	<u>8,124,290</u>	<u>8,124,290</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 8,144,481</u></u>	<u><u>\$ 8,146,481</u></u>	<u><u>\$ 8,789,286</u></u>	<u><u>\$ 642,805</u></u>

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
MENIFEE LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Revenues from Use of Money and Property	\$ 60,000	\$ 60,000	\$ 83,334	\$ 23,334
Charges for Services	2,422,500	2,422,500	2,442,584	20,084
Other Revenues	77,500	77,500	7,196	(70,304)
Transfers from Other Funds	-	-	-	-
Total Revenues	<u>2,560,000</u>	<u>2,560,000</u>	<u>2,533,114</u>	<u>(26,886)</u>
EXPENDITURES				
Current:				
General Government	765,642	765,642	696,939	68,703
Parks and Recreation	431,630	431,630	378,350	53,280
Public Works - Landscape Landscape Maintenance	1,360,228	1,360,228	1,848,983	(488,755)
Debt Service:				
Principal	2,500	2,500	2,766	(266)
Interest	-	-	284	(284)
Total Expenditures	<u>2,560,000</u>	<u>2,560,000</u>	<u>2,927,322</u>	<u>(367,322)</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	-	-	(394,208)	(394,208)
Fund Balance - Beginning of Year	<u>677,917</u>	<u>677,917</u>	<u>677,917</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 677,917</u>	<u>\$ 677,917</u>	<u>\$ 283,709</u>	<u>\$ (394,208)</u>

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
MENIFEE NORTH LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Revenues from Use of Money and Property	\$ 1,500	\$ 1,500	\$ 449	\$ (1,051)
Charges for Services	2,156,000	2,156,000	2,635,001	479,001
Other Revenues	22,500	22,500	42,086	19,586
Total Revenues	<u>2,180,000</u>	<u>2,180,000</u>	<u>2,677,536</u>	<u>497,536</u>
EXPENDITURES				
Current:				
General Government	431,008	431,008	549,765	(118,757)
Parks and Recreation	-	-	175	(175)
Public Works - Landscape Maintenance	<u>1,675,000</u>	<u>1,675,000</u>	<u>2,362,168</u>	<u>(687,168)</u>
Total Expenditures	<u>2,106,008</u>	<u>2,106,008</u>	<u>2,912,108</u>	<u>(806,100)</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	73,992	73,992	(234,572)	(308,564)
Fund Balance - Beginning of Year	<u>1,130,450</u>	<u>1,130,450</u>	<u>1,130,450</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,204,442</u></u>	<u><u>\$ 1,204,442</u></u>	<u><u>\$ 895,878</u></u>	<u><u>\$ (308,564)</u></u>

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
FRENCH VALLEY LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Revenues from Use of Money and Property	\$ 113,685	\$ 113,685	\$ 85,352	\$ (28,333)
Charges for Services	5,293,635	5,293,635	5,585,631	291,996
Other Revenues	17,680	17,680	24,915	7,235
Total Revenues	<u>5,425,000</u>	<u>5,425,000</u>	<u>5,695,898</u>	<u>270,898</u>
EXPENDITURES				
Current:				
General Government	1,153,284	1,153,284	1,209,003	(55,719)
Parks and Recreation	391,346	391,346	334,870	56,476
Public Works - Landscape Maintenance	3,800,000	3,800,000	4,003,480	(203,480)
Capital Outlay	-	-	19,768	(19,768)
Debt Service:				
Principal	-	-	9,296	(9,296)
Interest	-	-	1,169	(1,169)
Total Expenditures	<u>5,344,630</u>	<u>5,344,630</u>	<u>5,577,586</u>	<u>(232,956)</u>
EXCESS OF REVENUES OVER EXPENSES	80,370	80,370	118,312	37,942
Fund Balance - Beginning of Year	<u>3,957,916</u>	<u>3,957,916</u>	<u>3,957,916</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 4,038,286</u></u>	<u><u>\$ 4,038,286</u></u>	<u><u>\$ 4,076,228</u></u>	<u><u>\$ 37,942</u></u>

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
FRENCH VALLEY COMMUNITY FACILITIES DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2022**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
REVENUES				
Revenues from Use of Money and Property	\$ 2,000	\$ 2,000	\$ (22,494)	\$ (24,494)
Charges for Services	1,628,000	1,628,000	2,612,970	984,970
Other Revenues	-	-	2,285	2,285
Total Revenues	<u>1,630,000</u>	<u>1,630,000</u>	<u>2,592,761</u>	<u>962,761</u>
EXPENDITURES				
Current:				
General Government	331,217	331,217	531,876	(200,659)
Public Works - Landscape Maintenance	914,308	914,308	1,089,074	(174,766)
Capital Outlay	-	-	1,059	(1,059)
Total Expenditures	<u>1,245,525</u>	<u>914,308</u>	<u>1,622,009</u>	<u>(175,825)</u>
EXCESS OF REVENUES OVER EXPENSES	384,475	715,692	970,752	786,936
Fund Balance - Beginning of Year	<u>2,062,229</u>	<u>2,062,229</u>	<u>2,062,229</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 2,446,704</u>	<u>\$ 2,777,921</u>	<u>\$ 3,032,981</u>	<u>\$ 786,936</u>

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2022**

BUDGETS AND BUDGETARY ACCOUNTING

The District follows these procedures in establishing the budgetary data reflected in the budgetary comparison schedule:

1. The annual budget adopted by the Board of Directors provides for the general operation of the District. It includes proposed expenditures and the means of financing them.
2. The Board of Directors approves total budgeted appropriations and any amendments to appropriations throughout the year. This “appropriated budget” covers substantially all District expenditures, with the exception of debt service on bond issues and capital improvement projects, which expenditures constitute legally authorized “nonappropriated budget.” There were no significant nonbudgeted financial activities. Actual expenditures may exceed budgeted appropriations at the fund level. However, the District’s general manager is authorized to transfer budgeted amounts between individual departments. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the year.
3. Formal budgetary integration is employed as a management control device. Appropriations that are encumbered at year-end lapse and then are added to the following year’s budgeted appropriations.
4. Budget information is adopted for general, special revenue, and capital project funds and presented only for the general fund and major special revenue funds as required supplemental information. The presentation represents original appropriations adjusted for supplemental appropriations, if any, made during the year. Budgets for the general and special revenue funds are adopted on a basis substantially consistent with accounting principles generally accepted in the United States of America.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	Menifee LMD 88-1 CFD	Menifee South Landscape Maintenance District	Winchester CFD	Wheatfield Landscape Maintenance District	Rivercrest Landscape Maintenance District
ASSETS					
Cash and Investments	\$ 244,678	\$ 2,298,184	\$ 828,659	\$ -	\$ 154,792
Accounts Receivable	-	39	-	-	-
Taxes Receivable	2,049	39,138	707	-	691
Interest Receivable	-	773	-	-	-
Total Assets	<u>\$ 246,727</u>	<u>\$ 2,338,134</u>	<u>\$ 829,366</u>	<u>\$ -</u>	<u>\$ 155,483</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 858	\$ 103,989	\$ 238,651	\$ 161	\$ 1,260
Due to Other Funds	-	-	-	112,219	-
Total Liabilities	<u>858</u>	<u>103,989</u>	<u>238,651</u>	<u>112,380</u>	<u>1,260</u>
FUND BALANCE					
Restricted for:					
Parks and Recreation	245,869	2,234,145	590,715	-	154,223
Unassigned	-	-	-	(112,380)	-
Total Fund Balance	<u>245,869</u>	<u>2,234,145</u>	<u>590,715</u>	<u>(112,380)</u>	<u>154,223</u>
Total Liabilities and Fund Balance	<u>\$ 246,727</u>	<u>\$ 2,338,134</u>	<u>\$ 829,366</u>	<u>\$ -</u>	<u>\$ 155,483</u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds				Total Other Governmental Funds
	Winchester/Hunter Landscape Maintenance District	Menifee South CFD	Menifee North CFD	Water Quality Management Plan CFD	
ASSETS					
Cash and Investments	\$ 307,485	\$ 24,527	\$ 42,220	\$ 3,896	\$ 3,904,441
Accounts Receivable	-	-	-	-	39
Taxes Receivable	610	-	-	-	43,195
Interest Receivable	-	-	-	-	773
Total Assets	<u>\$ 308,095</u>	<u>\$ 24,527</u>	<u>\$ 42,220</u>	<u>\$ 3,896</u>	<u>\$ 3,948,448</u>
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 28,374	\$ 6,321	\$ 10,766	\$ 655	\$ 391,035
Due to Other Funds	-	-	-	-	112,219
Total Liabilities	<u>28,374</u>	<u>6,321</u>	<u>10,766</u>	<u>655</u>	<u>503,254</u>
FUND BALANCE					
Restricted for:					
Parks and Recreation	279,721	18,206	31,454	3,241	3,557,574
Unassigned	-	-	-	-	(112,380)
Total Fund Balance	<u>279,721</u>	<u>18,206</u>	<u>31,454</u>	<u>3,241</u>	<u>3,445,194</u>
Total Liabilities and Fund Balance	<u>\$ 308,095</u>	<u>\$ 24,527</u>	<u>\$ 42,220</u>	<u>\$ 3,896</u>	<u>\$ 3,948,448</u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022**

	Special Revenue Funds				
	Menifee LMD 88-1 CFD	Menifee South Landscape Maintenance District	Winchester CFD	Wheatfield Landscape Maintenance District	Rivercrest Landscape Maintenance District
REVENUES					
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	-	(9,845)	557	-	-
Charges for Services	114,874	1,160,677	479,580	-	43,228
Other Revenues	90	-	-	-	-
Total Revenues	<u>114,964</u>	<u>1,150,832</u>	<u>480,137</u>	<u>-</u>	<u>43,228</u>
EXPENDITURES					
Current:					
General Government	24,399	309,572	143,159	935	13,678
Public Works - Landscape Maintenance	20,785	878,930	126,084	2,362	19,055
Capital outlay	3,698	-	-	-	-
Total Expenditures	<u>48,882</u>	<u>1,188,502</u>	<u>269,243</u>	<u>3,297</u>	<u>32,733</u>
NET CHANGES IN FUND BALANCES	66,082	(37,670)	210,894	(3,297)	10,495
Fund Balances - Beginning of Year	<u>179,787</u>	<u>2,271,815</u>	<u>379,821</u>	<u>(109,083)</u>	<u>143,728</u>
FUND BALANCES - END OF YEAR	<u>\$ 245,869</u>	<u>\$ 2,234,145</u>	<u>\$ 590,715</u>	<u>\$ (112,380)</u>	<u>\$ 154,223</u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2022**

	Special Revenue Funds				Total Other Governmental Funds
	Winchester/ Hunter Landscape Maintenance District	Menifee South CFD	Menifee North CFD	Water Quality Management Plan CFD	
REVENUES					
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	174	-	-	-	(9,114)
Charges for Services	222,887	23,133	43,350	6,214	2,093,943
Other Revenues	-	-	-	-	90
Total Revenues	<u>223,061</u>	<u>23,133</u>	<u>43,350</u>	<u>6,214</u>	<u>2,084,919</u>
EXPENDITURES					
Current:					
General Government	60,280	9,024	58,436	2,973	622,456
Public Works - Landscape Maintenance	115,325	2,362	2,362	-	1,167,265
Capital outlay	-	-	-	-	3,698
Total Expenditures	<u>175,605</u>	<u>11,386</u>	<u>60,798</u>	<u>2,973</u>	<u>1,793,419</u>
NET CHANGES IN FUND BALANCES	47,456	11,747	(17,448)	3,241	291,500
Fund Balances - Beginning of Year	<u>232,265</u>	<u>6,459</u>	<u>48,902</u>	<u>-</u>	<u>3,153,694</u>
FUND BALANCES - END OF YEAR	<u>\$ 279,721</u>	<u>\$ 18,206</u>	<u>\$ 31,454</u>	<u>\$ 3,241</u>	<u>\$ 3,445,194</u>



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