

**VALLEY-WIDE RECREATION AND PARK DISTRICT
ANNUAL FINANCIAL REPORT
YEAR ENDED JUNE 30, 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

CLAconnect.com

**VALLEY-WIDE RECREATION AND PARK DISTRICT
TABLE OF CONTENTS
YEAR ENDED JUNE 30, 2021**

INDEPENDENT AUDITORS' REPORT	1
MANAGEMENT'S DISCUSSION AND ANALYSIS	4
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
STATEMENT OF NET POSITION	10
STATEMENT OF ACTIVITIES	11
FUND FINANCIAL STATEMENTS	
GOVERNMENTAL FUNDS	
BALANCE SHEET	12
RECONCILIATION OF BALANCE SHEET OF GOVERNMENTAL FUNDS TO STATEMENT OF NET POSITION	14
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES	15
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO STATEMENT OF ACTIVITIES	17
NOTES TO FINANCIAL STATEMENTS	18
REQUIRED SUPPLEMENTARY INFORMATION	47
SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY	47
SCHEDULE OF CONTRIBUTIONS – DEFINED BENEFIT PENSION PLANS	49
SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS	51

**VALLEY-WIDE RECREATION AND PARK DISTRICT
TABLE OF CONTENTS (CONTINUED)
YEAR ENDED JUNE 30, 2021**

BUDGETARY COMPARISON SCHEDULES	
GENERAL FUND	52
MENIFEE LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND	53
MENIFEE NORTH LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND	54
FRENCH VALLEY LANDSCAPE MAINTENANCE DISTRICT SPECIAL REVENUE FUND	55
WINCHESTER COMMUNITY FACILITIES DISTRICT SPECIAL REVENUE FUND	56
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION	57
OTHER SUPPLEMENTARY INFORMATION	
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS	58
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES – NONMAJOR GOVERNMENTAL FUNDS	60



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, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Valley-Wide Recreation and Park District as of June 30, 2021, and the respective changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

Board of Directors
Valley-Wide Recreation and Park District

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 2022, 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.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Carlsbad, California
November 8, 2022

VALLEY-WIDE RECREATION AND PARK DISTRICT

THIS PAGE INTENTIONALLY LEFT BLANK

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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, 2021. This information is presented in conjunction with the audited basic financial statements which follows this section.

Financial Highlights for Fiscal Year 2021

- On June 30, 2021, the District's assets and deferred outflows exceeded liabilities and deferred inflows by \$124.7 million (net position). Of this amount, \$(940,087) (unrestricted net position) may not be used to meet ongoing obligations to citizens and creditors, and the District has \$109,950,410 invested in capital assets.
- The District's government-wide net position increased by \$18 million during the fiscal year, primarily due to the increase in the District's Capital Contributions of \$17 million from acceptance of parks from developers.
- As of June 30, 2021 the District's 14 governmental funds reported combined fund balances of \$23.7 million, an increase of \$1.7 million from the prior year. Approximately \$8.1 million of fund balance, or 34%, is in the General fund. Of this amount \$8 million is unassigned General fund Balance.
- The District as of June 30, 2021, has no outstanding debt.

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, 2021**

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 47 through 61 of this report.

General Fund Budgetary Highlights

At the close of the fiscal year 2020-2021, the General Fund revenues were down 4% compared to the final budget, primarily due to recreation program fees being lower due to Covid-19 restrictions imposed by the state during most of the fiscal year. Expenditures at the end of the fiscal year 20/21 were down 25% compared to the final budget, primarily due to not having to pay for an election, not filling full-time positions and the forced closure of our facilities due to Covid-19 restrictions imposed by the state during most of the fiscal year.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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
YEARS ENDED JUNE 30, 2021 AND 2020**

	Governmental Activities		Total	
	2021	2020	2021	2020
ASSETS				
Current and Other Assets	\$ 25,308,795	\$ 23,632,433	\$ 25,308,795	\$ 23,632,433
Capital Assets	109,950,410	92,930,559	109,950,410	92,930,559
Total Assets	135,259,205	116,562,992	135,259,205	116,562,992
DEFERRED OUTFLOWS OF RESOURCES				
Pension Related	1,017,927	1,110,805	1,017,927	1,110,805
OPEB Related	514,452	90,576	514,452	90,576
Total Deferred Outflows	1,532,379	1,201,381	1,532,379	1,201,381
LIABILITIES				
Current Liabilities	1,521,928	1,519,488	1,521,928	1,519,488
Noncurrent	9,985,790	8,905,491	9,985,790	8,905,491
Total Liabilities	11,507,718	10,424,979	11,507,718	10,424,979
DEFERRED INFLOWS OF RESOURCES				
Pension Related	57,814	224,786	57,814	224,786
OPEB Related	433,444	560,928	433,444	560,928
Total Deferred Inflows	491,258	785,714	491,258	785,714
NET POSITION				
Net Investment in Capital Assets	109,950,410	92,930,559	109,950,410	92,844,630
Restricted (Parks and Recreation)	15,782,285	15,486,261	15,782,285	15,486,261
Unrestricted	(940,087)	(1,863,140)	(940,087)	(1,863,140)
Total Net Position	<u>\$ 124,792,608</u>	<u>\$ 106,553,680</u>	<u>\$ 124,792,608</u>	<u>\$ 108,467,751</u>

The following is a brief explanation for the balance changes on the condensed statement of net position for the year ended June 30, 2021.

- At the end of fiscal year 2021, the District showed a negative balance in its unrestricted net position of \$ (940,087) which will need to be offset in future years, this is down 50% from last year. This negative balance is due the adjustments made in the FY17/18 net OPEB liability of \$3,468,804, which is due to the implementation of the GASB 75 reporting.
- The increase in the net investment in capital assets is due the acceptance of parks from developers in excess of depreciation expense.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

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

**CONDENSED STATEMENT OF ACTIVITIES
YEARS ENDED JUNE 30, 2021 AND 2020**

	Governmental Activities		Total	
	2021	2020	2021	2020
REVENUES				
Program Revenues:				
Charges for Services	\$ 15,117,168	\$ 13,656,995	\$ 15,117,168	\$ 13,656,995
Operating Grants and Contributions	437,226	870,190	437,226	870,190
Capital Contributions and Grants	18,383,460	10,961,101	18,383,460	10,961,101
Total Program Revenues	<u>33,937,854</u>	<u>25,488,286</u>	<u>33,937,854</u>	<u>25,488,286</u>
General Revenues:				
Taxes and Special Assessments	1,976,619	1,887,755	1,976,619	1,887,755
Investment Earnings	220,082	289,378	220,082	289,378
Miscellaneous	4,036,930	4,320,029	4,036,930	4,320,029
Transfers	-	(560,489)	-	(560,489)
Total General Revenues	<u>6,233,631</u>	<u>5,936,673</u>	<u>6,233,631</u>	<u>5,936,673</u>
Total Revenues	<u>40,171,485</u>	<u>31,424,959</u>	<u>40,171,485</u>	<u>31,424,959</u>
EXPENSES				
Recreation and Park Activities	21,932,557	20,808,250	21,932,557	20,808,250
Interest on Long-Term Debt	-	-	-	-
Total Expenses	<u>21,932,557</u>	<u>20,808,250</u>	<u>21,932,557</u>	<u>20,808,250</u>
CHANGE IN NET POSITION	18,238,928	10,616,709	18,238,928	10,616,709
Net Position - Beginning of Year	<u>106,553,680</u>	<u>95,936,971</u>	<u>106,553,680</u>	<u>95,936,971</u>
NET POSITION - END OF YEAR	<u>\$ 124,792,608</u>	<u>\$ 106,553,680</u>	<u>\$ 124,792,608</u>	<u>\$ 106,553,680</u>

The following is a brief explanation for the balance changes of the condensed statement of activities for the year ended June 30, 2021.

- Charges for services showed a modest increase primarily due to increase in collection of assessments collected from the growing landscape maintenance districts (LMD) and community facilities districts (CFD).
- Miscellaneous revenues decreased mainly due to the slow planning development community and not having any reimbursements for any recycle water retrofit projects.
- 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, 2021**

Capital Assets

CAPITAL ASSETS AT YEAR-END

	Balance at July 1, 2020, Net of Accumulated Depreciation	Increases	Transfers/ Decreases	Current Year Depreciation	Balance at June 30, 2021, Net of Accumulated Depreciation
Governmental Activities:					
Land	\$ 20,885,041	\$ 7,890,000	\$ -	\$ -	\$ 28,775,041
Historical Automobile	22,900	-	-	-	22,900
Construction in Progress	85,929	1,340,962	(85,929)	-	1,340,962
Building and Improvements	71,683,691	11,049,642	-	(3,207,942)	79,525,391
Equipment	156,516	75,291	-	(23,883)	207,924
Vehicles	96,482	-	-	(18,290)	78,192
Total Governmental Activities	<u>\$ 92,930,559</u>	<u>\$ 20,355,895</u>	<u>\$ (85,929)</u>	<u>\$ (3,250,115)</u>	<u>\$ 109,950,410</u>

As of June 30, 2021, the District's investment in capital assets net of accumulated depreciation was \$109,928,060. 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 2020-2021 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 2021-2022 and beyond include Eagle Vista Park and Braverde Veterans Park which are under construction, 7 parks which are in progress and 11 parks which are currently in the planning process. All these parks will add over 137 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 \$23.7 million, which is an increase of \$ 1.7 million from the \$22 million at June 30, 2020.

- The general fund had a positive fund balance change of \$1,415,407 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 negative fund balance change of \$(67,091) due the costs for new parks being added and the improvements made to existing parks over the collection of Quimby Fees.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED JUNE 30, 2021**

Long-Term Debt

As of June 30, 2021, the District had \$9,985,790 in noncurrent liabilities and \$107,857 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 2021-2022 fiscal year is expected to prove to be a challenge with the global pandemic still raging, causing shutdowns of government facilities and businesses alike. Management has been carefully monitoring and will continue to do so, the COVID-19 pandemic situation and evaluating its options during these difficult times. At the outset of the pandemic, the District took immediate preventative measures to address the projected financial impacts by reducing expenses while also providing critical services to the community. Throughout the COVID-19 public health emergency, the District continued to maintain safe and accessible outdoor spaces for all in support of collective public mental health and physical well-being. The District also kept over 100 parks open and clean and kept public restrooms open and clean.

We continue to make financial adjustments to lessen the impact that the pandemic has on the district; however, the ultimate financial impact and duration cannot be estimated at this time but are expected to be significant due to fixed costs and reduced program revenues. While the District is one of many Government entities that have taken on COVID-19 related expenses, special districts fell through the cracks for many of the federal relief options available to other governments, private businesses or nonprofits. As the economy picks up, and shut down restrictions are loosened, we look forward to being able to operate all of our facilities at 100% capacity.

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

BASIC FINANCIAL STATEMENTS

VALLEY-WIDE RECREATION AND PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021

	Primary Government
	Governmental
	Activities
ASSETS	
Current Assets:	
Cash and Investments	\$ 19,789,599
Accounts Receivable	33,303
Taxes Receivable	286,514
Intergovernmental Receivable	252,186
Interest Receivable	864
Inventories	16,234
Prepaid Items	67,625
Restricted Assets:	
Cash and Investments	4,862,416
Interest Receivable	54
Total Current Assets	25,308,795
Noncurrent Assets:	
Capital Assets:	
Not being Depreciated	30,138,903
Capital Assets, Net of Depreciation	79,811,507
Total Capital Assets	109,950,410
Total Assets	135,259,205
DEFERRED OUTFLOWS OF RESOURCES	
Deferred Amounts from Pension	1,017,927
Deferred Amounts From OPEB	514,452
Total Deferred Outflows of Resources	1,532,379
LIABILITIES	
Current Liabilities:	
Accounts Payable and Accrued Liabilities	1,414,071
Current Portion of Compensated Absences	107,857
Total Current Liabilities	1,521,928
Noncurrent Liabilities:	
Compensated Absences	64,598
Net Pension Liability	4,499,490
Total OPEB Liability	5,421,702
Total Noncurrent Liabilities	9,985,790
Total Liabilities	11,507,718
DEFERRED INFLOWS OF RESOURCES	
Deferred Amounts from Pension	57,814
Deferred Amounts from OPEB	433,444
Total Deferred Inflows of Resources	491,258
NET POSITION	
Investment in Capital Assets	109,950,410
Restricted for Parks and Recreation	15,782,285
Unrestricted	(940,087)
Total Net Position	\$ 124,792,608

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
STATEMENT OF ACTIVITIES
YEAR ENDED JUNE 30, 2021**

FUNCTIONS/PROGRAMS	Program Revenues				Net Revenue (Expense) and Changes in Net Position
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government
					Governmental Activities
Primary Government					
Governmental Activities:					
General Government	\$ 1,928,775	\$ -	\$ 437,226	\$ -	\$ (1,491,549)
Parks and Recreation	4,960,143	588,330	-	18,383,460	14,011,647
Public Works - Landscape Maintenance	15,043,639	14,528,838	-	-	(514,801)
Total Governmental Activities	21,932,557	15,117,168	437,226	18,383,460	12,005,297
GENERAL REVENUES					
Taxes					1,976,619
Investment Earnings					220,082
In Lieu Fees					1,317,888
Other Revenues					2,719,042
Total General Revenues					6,233,631
CHANGES IN NET POSITION					18,238,928
Net Position - Beginning of Year					106,553,680
NET POSITION - END OF YEAR					\$ 124,792,608

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds				
	General Fund	Menifee Landscape Maintenance District	Menifee North Landscape Maintenance District	French Valley Landscape Maintenance District	Winchester CFD
ASSETS					
Cash and Investments	\$ 7,873,002	\$ 815,538	\$ 1,247,784	\$ 4,195,490	\$ 572,712
Restricted Cash	-	-	-	-	-
Accounts Receivable	17,365	2,264	8,257	5,417	-
Taxes Receivable	65,933	25,142	22,640	38,963	2,106
Inventory	16,234	-	-	-	-
Intergovernmental Receivable	232,564	9,790	-	9,832	-
Due from Other Funds	107,428	-	-	-	-
Interest Receivable	449	51	25	249	-
Prepaid Items	67,625	-	-	-	-
Total Assets	\$ 8,380,600	\$ 852,785	\$ 1,278,706	\$ 4,249,951	\$ 574,818
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES					
LIABILITIES					
Accounts Payable and Accrued Liabilities	\$ 256,310	\$ 174,868	\$ 148,256	\$ 292,035	\$ 194,997
Total Liabilities	256,310	174,868	148,256	292,035	194,997
FUND BALANCES					
Nonspendable:					
Prepaid Items	67,625	-	-	-	-
Inventory	16,234	-	-	-	-
Restricted for:					
Parks and Recreation	-	677,917	1,130,450	3,957,916	379,821
Unassigned	8,040,431	-	-	-	-
Total Fund Balances	8,124,290	677,917	1,130,450	3,957,916	379,821
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	\$ 8,380,600	\$ 852,785	\$ 1,278,706	\$ 4,249,951	\$ 574,818

See accompanying Notes to Basic Financial Statements.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021**

	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS			
Cash and Investments	\$ -	\$ 5,085,073	\$ 19,789,599
Restricted Cash	4,862,416	-	4,862,416
Accounts Receivable	-	-	33,303
Taxes Receivable	-	34,498	189,282
Inventory	-	-	16,234
Intergovernmental Receivable	-	-	252,186
Due from Other Funds	-	-	107,428
Interest Receivable	54	90	918
Prepaid Items	-	-	67,625
	<u>\$ 4,862,470</u>	<u>\$ 5,119,661</u>	<u>\$ 25,318,991</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES			
LIABILITIES			
Accounts Payable and Accrued Liabilities	\$ 171,474	\$ 176,131	\$ 1,414,071
Total Liabilities	<u>171,474</u>	<u>283,559</u>	<u>1,521,499</u>
FUND BALANCES			
Nonspendable:			
Prepaid Items	-	-	67,625
Inventory	-	-	16,234
Restricted for:			
Parks and Recreation	4,690,996	4,945,185	15,782,285
Unassigned	-	(109,083)	7,931,348
Total Fund Balances	<u>4,690,996</u>	<u>4,836,102</u>	<u>23,797,492</u>
Total Liabilities, Deferred Inflows of Resources, and Fund Balances	<u>\$ 4,862,470</u>	<u>\$ 5,119,661</u>	<u>\$ 25,318,991</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, 2021**

Fund Balances for Governmental Funds \$ 23,797,492

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). 109,950,410

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:

Compensated Absences	(172,455)
Total	(172,455)

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	514,452
Deferred Inflows of Resources	(433,444)
Total OPEB Liability	(5,421,702)
Total	(5,340,694)

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. 97,232

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	1,017,927
Deferred Inflows of Resources	(57,814)
Net Pension Liability	(4,499,490)
Total	(3,539,377)

Net Position of Governmental Activities \$ 124,792,608

See accompanying Notes to Basic Financial Statements.

VALLEY-WIDE RECREATION AND PARK DISTRICT

THIS PAGE INTENTIONALLY LEFT BLANK

VALLEY-WIDE RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED JUNE 30, 2021

	General Fund	Special Revenue Funds			
		Menifee Landscape Maintenance District	Menifee North Landscape Maintenance District	French Valley Landscape Maintenance District	Winchester CFD
REVENUES					
Taxes	\$ 3,269,939	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	80,901	43,005	1,015	83,098	455
Intergovernmental Revenues	437,226	-	-	-	-
Charges for Services	276,724	2,343,889	2,369,140	5,166,095	435,848
In-Lieu Fees	-	-	-	-	-
Other Revenues	2,489,085	-	45,281	2,832	-
Total Revenues	6,553,875	2,386,894	2,415,436	5,252,025	436,303
EXPENDITURES					
General Government	1,429,464	5,499	-	304	-
Parks and Recreation	1,475,498	117,127	-	168,724	-
Public Works - Landscape Maintenance	2,112,307	2,491,761	2,307,053	5,078,167	255,932
Capital Outlay	121,199	181,857	-	13,907	-
Total Expenditures	5,138,468	2,796,244	2,307,053	5,261,102	255,932
NET CHANGES IN FUND BALANCES	1,415,407	(409,350)	108,383	(9,077)	180,371
Fund Balances - Beginning of Year	6,708,883	1,087,267	1,022,067	3,966,993	199,450
FUND BALANCES - END OF YEAR	\$ 8,124,290	\$ 677,917	\$ 1,130,450	\$ 3,957,916	\$ 379,821

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, 2021**

	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES			
Taxes	\$ -	\$ -	\$ 3,269,939
Revenues from Use of Money and Property	6,444	5,164	220,082
Intergovernmental Revenues	-	-	437,226
Charges for Services	-	3,259,891	13,851,587
In-Lieu Fees	1,317,888	-	1,317,888
Other Revenues	181,249	595	2,719,042
Total Revenues	1,505,581	3,265,650	21,815,764
EXPENDITURES			
General Government	-	-	1,435,267
Parks and Recreation	-	-	1,761,349
Public Works - Landscape Maintenance	-	2,775,403	15,020,623
Capital Outlay	1,572,672	-	1,889,635
Total Expenditures	1,572,672	2,775,403	20,106,874
NET CHANGES IN FUND BALANCES	(67,091)	490,247	1,708,890
Fund Balances - Beginning of Year	4,758,087	4,345,855	22,088,602
FUND BALANCES - END OF YEAR	\$ 4,690,996	\$ 4,836,102	\$ 23,797,492

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, 2021**

Net Changes in Fund Balances - Total Governmental Funds \$ 1,708,890

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	1,886,505
Capital Assets Donated to the District	18,383,460
Depreciation Expense	<u>(3,250,115)</u>
Total	17,019,850

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. (27,739)

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:

Net Decrease in Compensated Absences Payable	<u>9,531</u>
Total	9,531

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. (228,251)

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. (243,353)

Changes in Net Position of Governmental Activities \$ 18,238,928

See accompanying Notes to Basic Financial Statements.

VALLEY-WIDE RECREATION AND PARK DISTRICT

NOTES TO FINANCIAL SATATEMENTS

VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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 financial statements are not issued for this entity.

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, 2021

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, 2021

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, 2021**

**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 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 *Winchester Community Facilities District (WCFD) 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 WCFD.

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, 2021

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. Cash and Cash Equivalents

For purposes of the statement of cash flows, cash and cash equivalents have been defined as demand deposits and highly liquid investments purchased with an original maturity of 90 days or less.

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. There are no significant differences between fair value and cost at June 30, 2021.

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, 2021**

**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, 2021, to be collectable, as any receivables deemed uncollectable have been written off.

G. 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.

H. 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, 2021, in the opinion of the District's counsel, the District had no 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.

I. 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, 2021**

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

J. 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

K. COBRA Benefits

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration fee is paid in full by the insured on or before the tenth day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program, and there were no participants in the program as of June 30, 2021.

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.

VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

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

M. Deferred Outflows/Inflows of Resources

- 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.
- 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 pensions through the plans.

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 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 pensions and OPEB through the plans.
- Deferred inflows from pensions and 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 pensions and OPEB through the plans.
- 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, 2021**

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

N. Net Position Classification

Net position of the District is classified into three components - net investment in capital assets, restricted, and unrestricted. These classifications are defined as follows:

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. The District has no outstanding debt at June 30, 2021.

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 “investment in capital assets.”

O. Net Position Flow Assumption

Sometimes the District will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the statement of net position, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District’s policy to consider restricted net position to have been depleted before unrestricted net position can be used.

P. 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.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

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

P. Fund Balances (Continued)

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.

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.

Q. 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.

R. 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, 2021, are reported in the accompanying basic financial statements as follows:

Statement of Net Position:	
Cash and Investments	\$ 19,789,599
Restricted:	
Cash and Investments	4,862,416
Total Cash and Investments	<u>\$ 24,652,015</u>

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

Cash and investments at June 30, 2021, consisted of the following:

Petty Cash	\$ 933
Deposits with Financial Institutions	23,914,341
Investments	736,741
Total Cash and Investments	<u>\$ 24,652,015</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, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

B. Disclosures Relating to Interest Rate Risk

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	\$ 515,846
Riverside County Investment Pool	220,895
Total	\$ 736,741

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, 2021, 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, 2021, the District had no investments in any one issuer that represented 5% or more of total District investments.

VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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, 2021, all the District's deposits with financial institutions were covered by federal depository insurance limits or were held in collateralized accounts.

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.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 CASH AND INVESTMENTS (CONTINUED)

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 LONG-TERM LIABILITIES

A summary of changes in the long-term liabilities of the District for the year ended June 30, 2021, is as follows:

	Balance at July 1, 2020	Additions	Deletions	Balance at June 30, 2021	Due Within One Year
Governmental Activities:					
Compensated Absences	<u>\$ 181,986</u>	<u>\$ 100,733</u>	<u>\$ (110,264)</u>	<u>\$ 172,455</u>	<u>\$ 107,857</u>

A. Compensated Absences

The District's policies relating to compensated absences are described in Note 1H. This liability, amounting to \$172,455 at June 30, 2021, will be paid in future years from the general fund.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS

Capital asset activity for governmental activities for the year ended June 30, 2021, was as follows:

	Balance at July 1, 2020	Additions	Deletions	Transfers*	Balance at June 30, 2021
Capital Assets, Not Being Depreciated:					
Land	\$ 20,885,041	\$ 7,890,000	\$ -	\$ -	\$ 28,775,041
Historical Automobile	22,900	-	-	-	22,900
Construction in Progress	85,929	1,340,962	-	(85,929)	1,340,962
Total Capital Assets, Not Being Depreciated	20,993,870	9,230,962	-	(85,929)	30,138,903
Capital Assets, Being Depreciated:					
Building and Improvements	100,627,053	11,049,641	-	-	111,676,694
Equipment	427,776	75,292	-	-	503,068
Vehicles	359,055	-	-	-	359,055
Total Capital Assets, Being Depreciated	101,413,884	11,124,933	-	-	112,538,817
Less Accumulated Depreciation for:					
Building and Improvements	(28,943,362)	(3,207,941)	-	-	(32,151,303)
Equipment	(271,260)	(23,884)	-	-	(295,144)
Vehicles	(262,573)	(18,290)	-	-	(280,863)
Total Accumulated Depreciation	(29,477,195)	(3,250,115)	-	-	(32,727,310)
Total Capital Assets, Being Depreciated, Net	71,936,689	7,874,818	-	-	79,811,507
Total Governmental Activities Capital Assets, Net	\$ 92,930,559	\$ 17,105,780	\$ -	\$ (85,929)	\$ 109,950,410

* At June 30, 2020, the Golf Fund was absorbed by the General Fund and as a result, capital assets were transferred to the governmental activities.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 CAPITAL ASSETS (CONTINUED)

Depreciation expense was charged to functions/programs of the District as follows:

Governmental Activities:	
General Government	\$ 28,305
Parks And Recreation	3,198,794
Public Works - Landscape Maintenance	23,016
Total Depreciation - Governmental Activities	<u>\$ 3,250,115</u>

NOTE 5 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. 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, 2021. 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.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 5 INSURANCE JOINT POWERS AGENCY (CONTINUED)

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 6 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.

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.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 PENSION PLANS (CONTINUED)

A. General Information about the Pension Plans (Continued)

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at the June 30, 2020 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			
Normal Cost Rate	11.432%	8.081%	6.985%
Payment of Unfunded Liability	\$ 278,367	\$ 4,563	\$ 5,777

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, 2021**

NOTE 6 PENSION PLANS (CONTINUED)

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

As of June 30, 2021, 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
Miscellaneous Plans	\$ 4,499,490

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, 2020, 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, 2019, rolled forward to June 30, 2020, 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, 2020 and 2019, was as follows:

	Miscellaneous
Proportion - June 30, 2019	0.04096 %
Proportion - June 30, 2020	0.10667 %
Change - Increase	0.06571 %

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 PENSION PLANS (CONTINUED)

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

For the year ended June 30, 2021, the District recognized pension expense of \$782,069. At June 30, 2021, 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	\$ 553,819	\$ -
Differences between Actual and Expected Experience	231,871	-
Change in Assumptions	-	(32,092)
Change in Employer's Proportion and Differences between the Employer's Contributions and the Employer's Proportionate Share of Contributions	98,573	(25,722)
Net Differences between Projected and Actual Earnings on Plan Investments	133,664	-
Total	\$ 1,017,927	\$ (57,814)

An amount of \$553,819 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, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2022	\$ 68,372
2023	159,629
2024	114,183
2025	64,110
2026	-
Thereafter	-
Total	\$ 406,294

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 PENSION PLANS (CONTINUED)

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

Actuarial Assumptions

The total pension liability for the June 30, 2020, measurement period was determined by an actuarial valuation as of June 30, 2019, with updated procedures used to roll forward the total pension liability to June 30, 2020. The total pension liability was based on the following assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	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.

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.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 PENSION PLANS (CONTINUED)

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

Long-Term Expected Rate of Return (Continued)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations, as well as the expected pension fund cash flows. Using historical returns of all 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.

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.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 6 PENSION PLANS (CONTINUED)

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

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	\$ 6,648,222
Current Discount Rate	7.15 %
Net Pension Liability	\$ 4,499,490
1% Increase	8.15 %
Net Pension Liability	\$ 2,724,061

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, 2021, the District had no outstanding amounts of contributions to the pension plans required for the year ended June 30, 2021.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 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, 2020 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	23
Total	31

Contributions

Contribution requirements are established by District policy and may be amended by the Board of Directors. For the measurement period June 30, 2020, the District made contributions of \$77,478 in the form of premium payments and \$15,643 in implicit subsidy benefit payments for a total contribution of \$93,121.

B. Total OPEB Liability

The District's OPEB liability of \$5,421,702 was measured as of June 30, 2020, and was determined by an actuarial valuation as of June 30, 2020.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Actuarial Assumptions and Other Inputs

The total OPEB liability as of the June 30, 2020, 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, 2020
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry Age, Level Percent of Pay
Actuarial Assumptions:	
Discount Rate	2.45%
Projected Salary Increase	3.00%
Inflation Rate	3.00%
Expected Long-Term Investment Rate of Return	7.00%
Healthcare Cost Trend Rates	(a)
Percent Married	50%
Retirement Age	58
Mortality	(b)

(a) 5.90% for 2020; 5.80% for 2021; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2029 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 High Quality 20-Year Tax-Exempt Bond Buyer Index rate. The municipal bond rate utilized was 2.45%.

Change in Assumption

Discount rate was changed from 3.13% to 2.45%.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

Change in Total OPEB Liability

The change in total OPEB liability is as follows:

	Total OPEB Liability
Balance at June 30, 2019 (Measurement Date)	\$ 4,626,988
Changes in the Year:	
Service Cost	211,182
Interest on the Total OPEB Liability	149,989
Changes of Assumptions	-
Changes in Benefit Terms	526,664
Differences between Expected and Actual Experience	-
Contribution - Employer	-
Administrative Expenses	-
Benefit Payments	(93,121)
Net Changes	794,714
Balance at June 30, 2020 (Measurement Date)	\$ 5,421,702

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 (1.45%) or one percentage point higher (3.45%) than the current rate:

	1% Decrease (1.45%)	Discount Rate (2.45%)	1% Increase (3.45%)
Total OPEB Liability	\$ 6,368,356	\$ 5,421,702	\$ 4,674,139

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 (4.00%) or one percentage point higher (6.00%) than the current healthcare cost trend rates:

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

B. Total OPEB Liability (Continued)

	1% Decrease (4.90% current, 4.00% Ultimate, 3.00% Medicare)	Current Healthcare Cost Trend Rates (5.90% current, 5.00% Ultimate, 4.00% Medicare)	1% Increase (6.90% current, 6.00% Ultimate, 5.00% Medicare)
Total OPEB Liability	<u>\$ 4,583,680</u>	<u>\$ 5,421,702</u>	<u>\$ 6,497,924</u>

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

For the year ended June 30, 2021, the District recognized OPEB expense of \$339,020. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
OPEB Contributions Subsequent to Measurement Date	\$ 93,121	\$ -
Change in Assumptions	421,331	(269,027)
Differences between Expected and Actual Experience	-	(164,417)
Total	<u>\$ 514,452</u>	<u>\$ (433,444)</u>

An amount of \$93,121 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, 2022. 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>
2022	\$ (22,151)
2023	(22,151)
2024	(22,151)
2025	54,340
2026	-
Thereafter	-

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 8 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, 2021, the District is a defendant in certain legal actions in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the District's financial position

NOTE 9 INTERFUND TRANSACTIONS

Individual interfund receivables and payables at June 30, 2021, were as follows:

<u>Receivable Fund</u>	<u>Amount</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	<u>\$ 107,428</u>	Other Governmental Funds	<u>\$ 107,428</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, 2021

NOTE 10 INDIVIDUAL FUND DISCLOSURES

The following funds contained deficit fund balances/net position as of June 30, 2021:

	<u>Deficit Amount</u>
Other Governmental Special Revenue Funds:	
Wheatfield Landscape Maintenance District	<u>\$ 109,083</u>

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

NOTE 11 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 12 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, 2021.

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

	Fiscal Year Ended		
	June 30, 2021	June 30, 2020	June 30, 2019
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018
Plan's Proportion of the Net Pension Liability	0.10670%	0.10476%	0.10293%
Plan's Proportionate Share of the Net Pension Liability	\$ 4,499,490	\$ 4,197,145	\$ 3,879,198
Plan's Covered Payroll	\$ 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	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	72.13%	75.26%	75.26%
Plan's Proportionate Share of Aggregate Employer Contributions	\$ 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.

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

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

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

NOTES TO SCHEDULE

Valuation Date	June 30, 2019	June 30, 2018	June 30, 2017
Methods and Assumptions Used to Determine Contribution Rates:			
Actuarial Cost Method	Entry Age	Entry Age	Entry Age
Amortization Method	(a)	(a)	(a)
Asset Valuation Method	Fair Value	Fair Value	Fair Value
Inflation	0.000%	2.625%	2.75%
Salary Increases	(b)	(b)	(b)
Investment Rate of Return	0.00% (c)	7.25% (c)	7.375% (c)
Retirement Age	(d)	(d)	(d)
Mortality	(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 seven 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 seven 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			
	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Measurement Date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Total OPEB Liability:				
Service Cost	\$ 211,182	\$ 203,389	\$ 145,126	\$ 140,899
Interest on Total OPEB Liability	149,989	176,027	150,917	144,732
Difference between Expected and Actual Experience	-	(261,133)	-	-
Changes of Assumptions	526,664	(110,052)	(375,973)	-
Benefit Payments, including Refunds of \$_____	<u>(93,121)</u>	<u>(80,217)</u>	<u>(84,808)</u>	<u>(91,204)</u>
Net Change in Total OPEB Liability	794,714	(71,986)	(164,738)	194,427
Total OPEB Liability - Beginning of Year	<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>\$ 5,421,702</u>	<u>\$ 4,626,988</u>	<u>\$ 4,698,974</u>	<u>\$ 4,863,712</u>
Covered - Employee Payroll	\$ 1,662,541	\$ 1,547,380	\$ 1,551,559	\$ 2,132,386
Total OPEB Liability as a Percentage of Covered - Employee Payroll	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%

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

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes	\$ 3,269,939	\$ 3,269,939	\$ 3,269,939	\$ -
Revenues from Use of Money and Property	186,181	186,181	80,901	(105,280)
Intergovernmental Revenues	890,000	890,000	437,226	(452,774)
Charges for Services	591,234	591,234	276,724	(314,510)
Other Revenues	2,092,641	2,092,641	2,489,085	396,444
Total Revenues	<u>7,029,995</u>	<u>7,029,995</u>	<u>6,553,875</u>	<u>(476,120)</u>
EXPENDITURES				
General Government	1,670,164	1,670,164	1,429,464	240,700
Parks and Recreation	2,935,494	2,935,494	1,475,498	1,459,996
Public Works - Landscape Maintenance	2,188,813	2,188,813	2,112,307	76,506
Capital Outlay	-	-	121,199	(121,199)
Total Expenditures	<u>6,794,471</u>	<u>6,794,471</u>	<u>5,138,468</u>	<u>1,656,003</u>
EXCESS OF REVENUES OVER EXPENSES	235,524	235,524	1,415,407	1,179,883
Fund Balance - Beginning of Year	<u>6,708,883</u>	<u>6,708,883</u>	<u>6,708,883</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 6,944,407</u>	<u>\$ 6,944,407</u>	<u>\$ 8,124,290</u>	<u>\$ 1,179,883</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, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes Special Assessments	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	21,000	21,000	43,005	22,005
Charges for Services	2,310,000	2,310,000	2,343,889	33,889
Other Revenues	69,000	69,000	-	(69,000)
Transfers from Other Funds	-	-	-	-
Total Revenues	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,386,894</u>	<u>(13,106)</u>
EXPENDITURES				
General Government	5,500	5,500	5,499	1
Parks and Recreation	318,431	318,431	117,127	201,304
Public Works - Landscape Landscape Maintenance	2,076,069	2,076,069	2,491,761	(415,692)
Capital Outlay	-	-	181,857	(181,857)
Total Expenditures	<u>2,400,000</u>	<u>2,400,000</u>	<u>2,796,244</u>	<u>(396,244)</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	-	-	(409,350)	(409,350)
Fund Balance - Beginning of Year	<u>1,087,267</u>	<u>1,087,267</u>	<u>1,087,267</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 1,087,267</u></u>	<u><u>\$ 1,087,267</u></u>	<u><u>\$ 677,917</u></u>	<u><u>\$ (409,350)</u></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, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes Special Assessments	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	1,500	1,500	1,015	(485)
Charges for Services	2,000,000	2,000,000	2,369,140	369,140
Other Revenues	28,500	28,500	45,281	16,781
Total Revenues	<u>2,030,000</u>	<u>2,030,000</u>	<u>2,415,436</u>	<u>385,436</u>
EXPENDITURES				
Public Works - Landscape Maintenance	1,976,819	1,976,819	2,307,053	(330,234)
Total Expenditures	<u>1,976,819</u>	<u>1,976,819</u>	<u>2,307,053</u>	<u>(330,234)</u>
EXCESS OF REVENUES OVER EXPENSES	53,181	53,181	108,383	55,202
Fund Balance - Beginning of Year	<u>1,022,067</u>	<u>1,022,067</u>	<u>1,022,067</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 1,075,248</u>	<u>\$ 1,075,248</u>	<u>\$ 1,130,450</u>	<u>\$ 55,202</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, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes Special Assessments	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	88,422	88,422	83,098	(5,324)
Charges for Services	4,984,855	4,984,855	5,166,095	181,240
Other Revenues	1,723	1,723	2,832	1,109
Total Revenues	<u>5,075,000</u>	<u>5,075,000</u>	<u>5,252,025</u>	<u>177,025</u>
EXPENDITURES				
General Government	-	-	304	(304)
Parks and Recreation	363,281	363,281	168,724	194,557
Public Works - Landscape Maintenance	4,682,325	4,682,325	5,078,167	(395,842)
Capital Outlay	-	-	13,907	(13,907)
Total Expenditures	<u>5,045,606</u>	<u>5,045,606</u>	<u>5,261,102</u>	<u>(215,496)</u>
EXCESS (DEFICIT) OF REVENUES OVER (UNDER) EXPENSES	29,394	29,394	(9,077)	(38,471)
Fund Balance - Beginning of Year	<u>3,966,993</u>	<u>3,966,993</u>	<u>3,966,993</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u><u>\$ 3,996,387</u></u>	<u><u>\$ 3,996,387</u></u>	<u><u>\$ 3,957,916</u></u>	<u><u>\$ (38,471)</u></u>

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
WINCHESTER COMMUNITY FACILITIES DISTRICT SPECIAL REVENUE FUND
YEAR ENDED JUNE 30, 2021**

	Original Budget	Final Budget	Actual Amounts	Variance with Final Budget Positive (Negative)
REVENUES				
Taxes Special Assessments	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	1,500	1,500	455	(1,045)
Charges for Services	223,500	223,500	435,848	212,348
Total Revenues	<u>225,000</u>	<u>225,000</u>	<u>436,303</u>	<u>211,303</u>
EXPENDITURES				
Public Works - Landscape Maintenance	157,078	157,078	255,932	(98,854)
Total Expenditures	<u>157,078</u>	<u>157,078</u>	<u>255,932</u>	<u>(98,854)</u>
EXCESS OF REVENUES OVER EXPENSES	67,922	67,922	180,371	112,449
Fund Balance - Beginning of Year	<u>199,450</u>	<u>199,450</u>	<u>199,450</u>	<u>-</u>
FUND BALANCE - END OF YEAR	<u>\$ 267,372</u>	<u>\$ 267,372</u>	<u>\$ 379,821</u>	<u>\$ 112,449</u>

See accompanying Note to Required Supplementary Information.

**VALLEY-WIDE RECREATION AND PARK DISTRICT
NOTE TO REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2021**

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, 2021**

	Special Revenue Funds				
	Menifee LMD 88-1 CFD	Menifee South Landscape Maintenance District	French Valley CFD	Wheatfield Landscape Maintenance District	Rivercrest Landscape Maintenance District
ASSETS					
Cash and Investments	\$ 180,727	\$ 2,329,630	\$ 2,105,864	\$ -	\$ 145,394
Accounts Receivable	-	-	-	-	-
Taxes Receivable	1,102	10,609	22,337	-	151
Intergovernmental Receivable	-	-	-	-	-
Due from Other Funds	-	-	-	-	-
Interest Receivable	-	90	-	-	-
Prepaid Items	-	-	-	-	-
Total Assets	\$ 181,829	\$ 2,340,329	\$ 2,128,201	\$ -	\$ 145,545
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$ 2,042	\$ 68,514	\$ 65,972	\$ 1,655	\$ 1,817
Due to Other Funds	-	-	-	107,428	-
Total Liabilities	2,042	68,514	65,972	109,083	1,817
FUND BALANCE					
Restricted for:					
Parks and Recreation	179,787	2,271,815	2,062,229	-	143,728
Unassigned	-	-	-	(109,083)	-
Total Fund Balance	179,787	2,271,815	2,062,229	(109,083)	143,728
Total Liabilities and Fund Balance	\$ 181,829	\$ 2,340,329	\$ 2,128,201	\$ -	\$ 145,545

**VALLEY-WIDE RECREATION AND PARK DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
JUNE 30, 2021**

	Special Revenue Funds			Total Other Governmental Funds
	Winchester/Hunter Landscape Maintenance District	Menifee South CFD	Menifee North CFD	
ASSETS				
Cash and Investments	\$ 245,172	\$ 27,884	\$ 50,402	\$ 5,085,073
Accounts Receivable	-	-	-	-
Taxes Receivable	299	-	-	34,498
Intergovernmental Receivable	-	-	-	-
Due from Other Funds	-	-	-	-
Interest Receivable	-	-	-	90
Prepaid Items	-	-	-	-
Total Assets	\$ 245,471	\$ 27,884	\$ 50,402	\$ 5,119,661
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$ 13,206	\$ 21,425	\$ 1,500	\$ 176,131
Due to Other Funds	-	-	-	107,428
Total Liabilities	13,206	21,425	1,500	283,559
FUND BALANCE				
Restricted for:				
Parks and Recreation	232,265	6,459	48,902	4,945,185
Unassigned	-	-	-	(109,083)
Total Fund Balance	232,265	6,459	48,902	4,836,102
Total Liabilities and Fund Balance	\$ 245,471	\$ 27,884	\$ 50,402	\$ 5,119,661

**VALLEY-WIDE RECREATION AND PARK DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds				
	Menifee LMD 88-1 CFD	Menifee South Landscape Maintenance District	French Valley CFD	Wheatfield Landscape Maintenance District	Rivercrest Landscape Maintenance District
REVENUES					
Special Assessments	\$ -	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	-	3,194	1,785	-	-
Charges for Services	107,320	1,029,512	1,909,616	-	37,882
Other Revenues	-	-	-	-	595
Total Revenues	107,320	1,032,706	1,911,401	-	38,477
EXPENDITURES					
Public Works - Landscape Maintenance	54,131	1,162,196	1,369,591	2,540	21,358
Total Expenditures	54,131	1,162,196	1,369,591	2,540	21,358
NET CHANGES IN FUND BALANCES	53,189	(129,490)	541,810	(2,540)	17,119
Fund Balances - Beginning of Year	126,598	2,401,305	1,520,419	(106,543)	126,609
FUND BALANCES - END OF YEAR	\$ 179,787	\$ 2,271,815	\$ 2,062,229	\$ (109,083)	\$ 143,728

**VALLEY-WIDE RECREATION AND PARK DISTRICT
COMBINING STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES (CONTINUED)
NONMAJOR GOVERNMENTAL FUNDS
JUNE 30, 2021**

	Special Revenue Funds			Total Other Governmental Funds
	Winchester/ Hunter Landscape Maintenance District	Menifee South CFD	Menifee North CFD	
REVENUES				
Special Assessments	\$ -	\$ -	\$ -	\$ -
Revenues from Use of Money and Property	185	-	-	5,164
Charges for Services	130,652	44,909	-	3,259,891
Other Revenues	-	-	-	595
Total Revenues	<u>130,837</u>	<u>44,909</u>	<u>-</u>	<u>3,265,650</u>
EXPENDITURES				
Public Works - Landscape Maintenance	<u>99,567</u>	<u>59,966</u>	<u>6,054</u>	<u>2,775,403</u>
Total Expenditures	<u>99,567</u>	<u>59,966</u>	<u>6,054</u>	<u>2,775,403</u>
NET CHANGES IN FUND BALANCES	31,270	(15,057)	(6,054)	490,247
Fund Balances - Beginning of Year	<u>200,995</u>	<u>21,516</u>	<u>54,956</u>	<u>4,345,855</u>
FUND BALANCES - END OF YEAR	<u>\$ 232,265</u>	<u>\$ 6,459</u>	<u>\$ 48,902</u>	<u>\$ 4,836,102</u>



©CLA (CliftonLarsonAllen LLP) is a network member of CLA Global. See CLAGlobal.com/disclaimer. Investment advisory services are offered through CliftonLarsonAllen Wealth Advisors, LLC, an SEC-registered investment advisor.