BEAUMONT – CHERRY VALLEY
RECREATION AND PARK DISTRICT
Creating Opportunities for a Healthy Community

FINANCIAL REPORT
JUNE 30, 2022

BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Beaumont-Cherry Valley Recreation and Park District
Beaumont, California

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of Beaumont-Cherry Valley Recreation and Park District (the Entity) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the Entity's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Entity as of June 30, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's minimum audit requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Beaumont-Cherry Valley Recreation and Park District, and to meet our ethical responsibilities, in accordance with the relevant ethical requirements related to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess risk of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Entity's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Entity's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the pension and other postemployment benefits plans (OPEB) information on pages 38 through 40 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Required Supplementary Information (Continued)
Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information
Management is responsible for the other information included in the annual report. The other information comprises the schedule of officers, directors, and senior management and insurance coverage on page 41, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Halliday & Co., CPAs

November 13, 2023

BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

June 30, 2022

		Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Assets		
Cash and cash equivalents	$	1,629,098
Accounts receivable:		
Program service fees		3,919
Property taxes		100,365
Restricted investments		40,000
Capital assets nondepreciable		9,141,580
Capital assets depreciable, net		4,429,475
Net OPEB asset		261,065
Total assets		15,605,502
Deferred outflows of resources		
Pension related		227,056
OPEB related		20,593
Total deferred outflows of resources		247,649
Total assets and deferred outflows of resources	**$**	**15,853,151**

See notes to financial statements.

BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

June 30, 2022

	Governmental Activities
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
Liabilities	
Accounts payable to vendors	$ 134,375
Accrued payroll	11,201
Accrued interest	9,575
Program service fee deposits	56,818
Grant reserve	296,696
Long-term liabilities	
Due within one year	109,092
Due in more than one year	
Notes payable	11,807
Revenue bond	246,941
Net pension liability	452,403
Total liabilities	1,328,908
Deferred inflows of resources	
Pension related	394,924
OPEB related	320,936
Lease assignment	272,391
Total deferred inflows of resources	988,251
Net position	
Net investment in capital assets	13,551,356
Restricted for pension obligations	40,000
Deficit	(55,364)
Total net position	13,535,992
Total liabilities, deferred inflows of resources, and net position	**$ 15,853,151**

See notes to financial statements.

BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT
STATEMENT OF ACTIVITIES
Year Ended June 30, 2022

		Program Revenues			Net (Expenses) Revenue
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities
Governmental Activities					
Recreation	$ 3,059,710	$ 702,748	$ 13,510	$ -	$ (2,343,452)
Foundation	173,368	154,635	-	5,605	(13,128)
Total	**$ 3,233,078**	**$ 857,383**	**$ 13,510**	**$ 5,605**	(2,356,580)
	General revenues:				
	Property taxes				2,725,777
	Intergovernmental revenues				450,089
	Interest income				3,352
	Other				19,449
	Total general revenues				3,198,667
	Change in net position				842,087
	Net position, beginning of year				12,693,905
	Net position, end of year				**$ 13,535,992**

See notes to financial statements.

BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT

BALANCE SHEET - GOVERNMENTAL FUND

June 30, 2022

	General Fund	Foundation Fund	Totals
Assets			
Cash and cash equivalents	$ 1,539,750	$ 89,348	$ 1,629,098
Restricted investments	40,000	-	40,000
Accounts receivable:			
Program service fees	3,919	-	3,919
Property taxes	72,482	-	72,482
Due from other funds	-	191,170	191,170
Total assets	**$ 1,656,151**	**$ 280,518**	**$ 1,936,669**
Liabilities			
Accounts payable to vendors	131,619	2,756	134,375
Accrued payroll	11,201	-	11,201
Program service fee deposits	46,818	10,000	56,818
Grant reserve	296,696	-	296,696
Due to other funds	191,170	-	191,170
Total liabilities	677,504	12,756	690,260
Fund balances			
Restricted for pension obligations	40,000	-	40,000
Unassigned	938,647	267,762	1,206,409
Total liabilities and fund balance	**$ 1,616,151**	**$ 280,518**	**$ 1,896,669**

See notes to financial statements.

Total fund balances - governmental fund	$ 1,246,409
Amounts reported for governmental activities in the statement of net position are different because:	
Accounts receivable in the statement of net position that do not provide current financial resources are not reported as receivables in the funds.	27,883
Capital assets, net of accumulated depreciation, used in governmental activities are not current financial resources and, therefore, are not reported in the fund.	13,571,055
Net OPEB assets in the statement of net position that do not provide current financial resources are not reported as assets in the funds.	261,065
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the fund.	(829,818)
Deferred inflows related to the lease assignment are not reported in the fund.	(272,391)
Deferred inflows and outflows related to the pension are not reported in the fund.	(167,868)
Deferred inflows and outflows related to OPEB are not reported in the fund.	(300,343)
Net position of governmental activities	**$ 13,535,992**

BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year Ended June 30, 2022

	General Fund	Foundation Fund	Totals
Revenues			
Program service fees	$ 702,748	$ 154,635	$ 857,383
Property taxes	2,730,840	-	2,730,840
Intergovernmental revenues	450,089	-	450,089
Interest income	3,352	-	3,352
Grant & donation income	20,289	5,605	25,894
Total revenues	3,907,318	160,240	4,067,558
Expenditures			
Salaries and benefits	1,311,285	-	1,311,285
Service and supplies	1,495,056	173,368	1,668,424
Capital outlay	9,244,159	(7,835,000)	1,409,159
Total expenditures	12,050,500	(7,661,632)	4,388,868
Revenues over expenditures	(8,143,182)	7,821,872	(321,310)
Other Financing Sources (Uses)			
Interfund transfer in	7,835,000	-	7,835,000
Interfund transfer out	-	(7,835,000)	(7,835,000)
Repayment of long-term debt	(75,417)	-	(75,417)
	7,759,583	(7,835,000)	(75,417)
Net change in fund balances	(383,599)	(13,128)	(396,727)
Fund balances, beginning of year	1,362,246	280,890	1,643,136
Fund balances, end of year	**$ 978,647**	**$ 267,762**	**$ 1,246,409**

See notes to financial statements.

BEAUMONT-CHERRY VALLEY RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS

Year Ended June 30, 2022

Net change in fund balance - governmental fund	$	(396,727)
Amounts reported for governmental activities in the statement of activities are different because:		
Revenues recorded in the statement of activities that are not considered current financial resources in the current year governmental fund statements.		7,607
Changes in long-term liabilities and deferred outflows and inflows		68,953
Capital outlays are reported as expenditures in the governmental fund statements; however, in the statement of activities, capital outlay is not an expense, rather it is an increase in capital assets.		1,409,159
Depreciation expense allocates the costs of capital assets over their useful lives. It is not reported as an expenditure in the governmental statements.		(246,905)
Change in net position of governmental activities	**$**	**842,087**

See notes to financial statements.

NOTE 1 – REPORTING ENTITY

The Beaumont-Cherry Valley Recreation and Park District (the Entity) was established in June 1972 under the authority of the Government Code, Section 58132. The Entity operates under a board of directors to provide, manage, and maintain recreation and park facilities and activities for the Beaumont-Cherry Valley area of Riverside County, California, as a separate governmental entity. The Entity receives a majority of its income from the County of Riverside through property taxes. The Board of Directors has the power to determine fiscal, personnel, and administrative policy subject only to state law.

The Entity, for financial reporting purposes, includes all of the funds relevant to the operations of the Entity and is not included as a component unit in any other primary government's financial statements. In determining the entities which comprise the governmental entity for financial reporting purposes, the criteria of oversight responsibility over such entities, special financial relationships, and scope of public service provided by the entities are used. Oversight responsibility is determined by the extent of financial interdependence, control over the selection of the governing authority and management, ability to significantly influence operations, and accountability for fiscal matters.

The Entity and the Beaumont-Cherry Valley Recreation and Park Improvement Corporation (the Corporation) have a financial and operational relationship which meets the reporting entity definition criteria of the Government Accounting Standards Board (GASB) Statement No. 14 (GASB 14), *The Financial Reporting Entity*, as amended by GASB Statement No. 39 (GASB 39), *Determining Whether Certain Organizations are Component Units*, for inclusion of the Corporation as a component unit of the Entity. Accordingly, the financial activities of the Corporation are included in the financial statements of the Entity.

The following are those aspects of the relationship between the Entity and the Corporation which satisfy the GASB 39 criteria:

A. The Corporation and the Entity share substantially the same board of directors and management.

B. The Entity is able to impose its will upon the Corporation.

The Corporation is a nonprofit, public benefit corporation incorporated under the laws of the State of California and recorded by the Secretary of State on April 22, 1992. The Corporation was formed primarily to strengthen the resources of the Entity, improve the general public's knowledge concerning programs sponsored by the Entity, and distribute funds or property received by the Corporation to the Entity for the use and benefit of the Entity.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES

The Entity's financial statements are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). GASB is responsible for establishing GAAP for state and local governments through its pronouncements (Statements and Interpretations). The more significant accounting policies established in GAAP and used by the Entity are discussed below.

Basic Financial Statements - Government-Wide Statements
The Entity's basic financial statements include both government-wide (reporting the Entity as a whole) and fund financial statements (reporting on the Entity's funds). Both the government-wide and fund financial statements categorize primary activities as governmental. The Entity's recreational program activities, development and maintenance of the Entity's various parks and facilities, and general administration are all classified as governmental activities.

In the government-wide statement of net position, the governmental activities are reported on a full accrual economic resource basis, which recognizes all long-term assets, deferred outflows of resources and receivables as well as long-term debt, deferred inflows of resources and obligations. The Entity's net position is reported in three parts: net investment in capital assets, restricted for pension obligations, and unrestricted net position.

The government-wide statement of activities reports both the gross and net cost of each of the Entity's functions (recreation and foundation). The functions are also supported by general government revenues (property taxes, intergovernmental revenue, interest income, etc.). The statement of activities reduces gross expenses (including depreciation) by related program revenues, operating grants and contributions, which include 1) charges to customers or applicants who purchase, use or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment.

The net costs (by function) are normally covered by general revenue (property taxes, intergovernmental revenue, interest income, etc.).

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

The government-wide focus is more on the sustainability of the Entity as an entity and the change in the Entity's net position resulting from the current year's activities.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basic Financial Statements – Fund Financial Statements

The financial transactions of the Entity are reported in individual funds in the fund financial statements. Each fund is accounted for by providing a separate set of self-balancing accounts that comprise its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund equity, revenues and expenditures/expenses.

The emphasis in fund financial statements is on the major funds in the governmental activities category. GASB No. 34 set forth minimum criteria (percentage of the assets and deferred outflows of resources, liabilities and deferred inflows of resources, revenues or expenditures/expenses of either fund category or all governmental and enterprise funds combined) for the determination of major funds. The Entity only has two funds which are both considered major funds.

Governmental Funds:

The focus of the governmental fund's measurement (in the fund statements) is upon determination of financial position and changes in financial position (sources, uses, and balances of financial resources) rather than upon net income. The Entity reports two major governmental funds:

The general fund is the Entity's operating fund used to account for and report all financial resources for the recreation activity. The activity reported in this fund is reported as governmental activity in the government-wide financial statements.

The foundation fund is a special revenue fund used to account for the proceeds of specific revenues sources that are restricted to expenditures for specific purposes. The foundation fund's primary source of revenue is provided by fundraising events and donations. The foundation funds resources are intended to be used for park improvement projects.

Measurement Focus and Basis of Accounting

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.

On the government-wide statement of net position and the statement of activities, governmental activities are presented using the economic resources measurement focus as defined below. In the fund financial statements, the "current financial resources" measurement focus or the "economic resources" measurement focus is used as appropriate.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting (Continued)
All governmental funds utilize a "current financial resources" measurement focus. Only current financial assets, deferred outflows of resources, liabilities, and deferred inflows of resources are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

The accounting objectives of the "economic resources" measurement focus are the determination of operating income, changes in net position (or cost of recovery), financial position, and cash flows. All assets, deferred outflows of resources, liabilities, and deferred inflows of resources (whether current or noncurrent) associated with their activities are reported.

In the government-wide statement of net position and statement of activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability, deferred inflow of resources is incurred or economic asset used. Revenues, expenses, gains, losses, assets, deferred outflows of resources, liabilities, and deferred inflows of resources resulting from exchange and exchange-like transactions are recognized when the exchange takes place. 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.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or within sixty days after year end. The Entity recognizes property taxes when they become both measurable and available. A sixty-day available period is used for revenue recognition for all other governmental funds revenues. Expenditures are recorded when the related fund liability is incurred, as under accrual accounting, except expenditures related to debt service, compensated absences, claims and judgments, pensions, and other postemployment benefits, which are recognized when due. General capital asset acquisitions are reported as capital outlay expenditures in governmental funds.

In applying the susceptible to accrual concept under the modified accrual basis, those revenues susceptible to accrual are program service fees, property taxes, intergovernmental revenues, interest income, and grant income. All other revenue items are considered to be measurable and available only when cash is received by the government.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents

For purposes of the statement of net position, the Entity considers cash and all highly liquid investments purchased with a maturity of three months or less to be cash equivalents. The Entity is a voluntary participant in the Riverside County Treasurer's Pooled Investment Fund (RCTPIF). Due to the high liquidity of this investment, the funds are classified as cash equivalents. The RCTPIF pools these funds with those of other entities and invests the cash as prescribed by the California Government Code. The fair value of the Entity's position in the pool approximates the fair value of the Entity's pro-rata share of the entire RCTPIF portfolio. The balance available for withdrawal is based on the accounting records maintained by RCTPIF, which are recorded on an amortized cost basis. There are no limitations on the withdrawal of these funds. For credit risk purposes, the fund is rated AAAf/S1.

Restricted Investments

Certain investments of the Entity are classified as restricted because they have been placed in the California Employer's Pension Prefunding Trust Fund (CEPPT). The CEPPT is an Internal Revenue Code Section 115 trust dedicated to prefunding employer contributions to defined benefit pension systems for eligible California public agencies. Assets held in CEPPT are restricted for use as pension contributions. As of June 30, 2022, the Entity reported investments held by the CEPPT in the amount of $40,000.

Accounts Receivable

The Entity believes all accounts receivable are fully collectible and therefore no allowance for doubtful accounts is provided.

Interfund Receivables, Payables, and Activity

Interfund activity is reported as loans, reimbursements or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Prepaids

Prepaids are valued at cost, which approximates market. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaids in both the government-wide and fund financial statements.

Capital Assets

Capital assets acquired and/or constructed with an original cost of $5,000 or more and an estimated useful life greater than one year, are recorded at historical cost. Donated capital assets are recorded at estimated acquisition value at the date of donation. Additions, improvements and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance that do not add to the value of the capital assets or materially extend the lives of capital assets are not capitalized. Upon retirement or other disposition of capital assets, the costs and related accumulated depreciation are removed from the respective balances and any gains or losses are recognized.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Capital Assets (Continued)
The cost of capital assets being constructed by the Entity are accumulated in capital assets non-depreciable within the government-wide financial statements during the construction period. Upon completion of construction and being placed into service, depreciation of the resulting asset is commenced.

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

Type of Asset	Life in Years
Buildings and infrastructure	25 – 40
Buildings and land improvements	15 – 20
Maintenance equipment and vehicles	5 – 15

The depreciation expense on assets acquired under financed purchases is included with depreciation expense on owned assets.

Capital assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amounts of the assets in question may not be recoverable. Impairment would be recorded in circumstances where undiscounted cash flows expected to be generated by an asset are less than the carrying value of the asset. As of June 30, 2022, no impairment was recognized as management expects to fully utilize the Entity's capital assets.

Deferred Outflows/Inflows of Resources
Deferred outflow/inflow of resources represents an increase/decrease of net position that applies to a future period and therefore will not be recognized as an outflow of resources (expense/expenditure)/inflow of resources (revenue) until that time.

Pension Accounting
For purposes of measuring the net pension liability, deferred outflows and inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the Entity's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the 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 currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Other Postemployment Benefits (OPEB)
For purposes of measuring the net OPEB asset/liability, deferred outflows of resources and deferred inflows of resources, and OPEB expense, information about the fiduciary net position of the Entity's OPEB plan (the OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as reported by the OPEB Plan's administrator, CalPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms.

Compensated Absences
Compensated absences are absences for which employees will be paid, such as vacation and sick leave and accrued compensatory time. Employees are entitled to accumulate this time in accordance with the Entity's policies. Upon termination of employment for any reason, the Entity shall compensate the employee for their accumulated vacation and compensatory time at the employee's rate of pay at the time of termination. Sick time is not eligible for payout at termination per the Entity's policies.

A liability for compensated absences that is attributable to services already rendered and not contingent on a specific event outside the control of the government and its employees is accrued in the government-wide financial statements as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

Property Taxes
The County of Riverside Assessor's Office assesses all real and personal property within the County each year. The County of Riverside Tax Collector's Office bills and collects the Entity's share of property taxes and assessments. The County of Riverside Treasurer's Office remits current and delinquent property tax collections to the Entity throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at 1.0 percent of countywide assessed valuations.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (Continued)
Property taxes receivable at year-end are related to property taxes collected by the County of Riverside, which have not been credited to the Entity's cash balance as of June 30. The property tax calendar is as follows:

Lien date:	January 1
Levy date:	On July 1 for July 1 to June 30
Due date:	November 1 – 1st installment
	February 1 – 2nd installment
Collection date:	December 10 – 1st installment
	April 10 – 2nd installment

Net Position
The government-wide statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted, or unrestricted. As of June 30, 202, the Entity's net position presentation is categorized as shown below.

Net investment in capital assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt (if any) that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted net position - This category represents net position that is subject to constraints either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position – This category represents the portion of net position that does not meet the definition of net investment in capital assets or restricted net position.

The Entity may 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 Entity's policy to consider restricted net position to have been depleted before unrestricted net position.

Fund Balance
In fund financial statements, the government fund balance may be categorized as nonspendable, restricted, committed, assigned, and unassigned. As of June 30, 2022, the Entity's governmental fund balance was comprised of restricted and unassigned amounts.

Fund balances in governmental funds are reported in classifications that comprise a hierarchy based primarily on the extent to which the Entity is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The Entity may fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance).

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balance (Continued)
In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. It is the Entity's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Nonspendable Fund Balance - Amounts that cannot be spent either because they are in nonspendable form or are required to be maintained intact.

Restricted Fund Balance - Amounts that are constrained to specific purposes by state or federal laws, or externally imposed conditions by grantors or creditors.

Committed Fund Balance - Amounts that may be specified by the Board of Directors by ordinance or resolution to formally commit part of the fund balance or future revenues for a specific purpose(s) or program. To change or repeal any such commitment will require an additional formal Board of Director's action utilizing the same type of action that was originally used.

Assigned Fund Balance - Amounts that are constrained by the Board's intent to use specified financial resources for specific purposes, but are neither restricted nor committed. The Entity's fund balance policy delegates the authority to assign amounts to be used for specific purposes to the General Manager.

Unassigned Fund Balance - These are either residual positive net resources in excess of what can properly be classified in one of the other four categories, or negative balances.

Budgetary Policies
The Entity adopts an annual nonappropriated budget for planning, control, and evaluation purposes for the general fund. A legal budget is neither required nor adopted. Therefore, these financial statements do not include budget and actual comparisons.

Use of Estimates
The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the amounts reported in the financial statements and disclosures made in the accompanying notes to the financial statements. While management believes these estimates are adequate, actual results could differ from those estimates.

NOTE 2 – SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Accounting Pronouncements

The Governmental Accounting Standards Board (GASB) has issued the below statements which may affect the Entity's financial reporting requirements in the future. The Entity is currently evaluating its accounting practices to determine the potential impact that these statements will have on the Entity's the financial statements.

In June 2022, GASB issued Statement No. 100, *Accounting Changes and Error Corrections – an amendment of GASB Statement No. 62*. The objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide a more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections, the required disclosures in the notes to the financial statements, and how information that is affected by a change in accounting principle or error correction should be presented in the required supplementary information and supplementary information. The requirements of this Statement are effective for fiscal years beginning after June 15, 2023. The Entity does not anticipate that this statement will have a material impact on the financial statements.

In June 2022, GASB issued Statement No. 101, *Compensated Absences*. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023. The Entity does not anticipate that this statement will have a material impact on the financial statements.

Recently Adopted Accounting Pronouncements

On July 1, 2021, the Entity adopted, GASB Statement No. 87, *Leases*, which requires that leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract will be recognized as a lease liability and an intangible right-to-use lease asset for lessees and a lease receivable and a deferred inflow of resources for a lessor. The adoption of this statement did not any impact on the financial statements.

On July 1, 2021, the Entity adopted GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation plans*, which requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC section 457 to determine whether those arrangements should be reported as fiduciary activities. The adoption of this statement did not have any impact on the financial statements, other than the addition of the disclosures at Note 11.

The Entity has determined that there have been no other recently adopted or issued accounting pronouncements that had, or potentially will have, a material impact on its financial statements.

NOTE 3 – CASH AND CASH EQUIVALENTS

For purposes of the following discussion, cash and cash equivalents have been classified as follows as of June 30, 2022:

Petty cash	$ 500
Deposits in financial institutions	649,623
Riverside County Treasurer's Pooled Investment Fund	978,975
	$ 1,629,098

Investments Authorized by the Entity's Investment Policy
The Entity's investment policy authorizes investment in the RCTPIF. The Entity's investment policy does not contain specific provisions intended to limit the Entity's exposure to interest rate risk, credit risk, and concentration of credit risk.

Credit Risk and Custodial 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. The RCTPIF is rated AAAF/S1. Investments in the RCTPIF are highly liquid assets and are secured by the full faith and credit of Riverside County.

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. Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty 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 Entity'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 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure Entity deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits.

As of June 30, 2022, $399,623 of the Entity's total bank balance was not insured by the Federal Deposit Insurance Corporation (FDIC); however, this amount was collateralized as described above by securities held by the bank in a public funds collateral pool, not specifically in the Entity's name.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Capital assets nondepreciable:				
Land	$ 8,752,950	$ -	$ -	$ 8,752,950
Construction in progress	81,019	542,584	(234,973)	388,630
Total capital assets nondepreciable	8,833,969	542,584	(234,973)	9,141,580
Capital assets depreciable:				
Buildings and infrastructure	2,304,728	743,957	-	3,048,685
Building and land improvements	2,284,991	329,199	-	2,614,190
Maintenance equipment and vehicles	432,229	20,493	-	452,722
Total capital assets depreciable	5,021,948	1,093,649	-	6,115,597
Less accumulated depreciation:				
Buildings and infrastructure	(797,772)	(79,420)	-	(877,192)
Building and land improvements	(463,344)	(124,580)	-	(587,924)
Maintenance equipment and vehicles	(178,101)	(42,905)	-	(221,006)
Total accumulated depreciation	(1,439,217)	(246,905)	-	(1,686,122)
Total capital assets depreciable, net	3,582,731	846,744	-	4,429,475
Total capital assets, net	**$ 12,416,700**	**$ 1,389,328**	**$ (234,973)**	**$ 13,571,055**

All depreciation expense was charged to recreation activities as the foundation fund does not have any depreciable capital assets.

NOTE 5 – LONG-TERM LIABILITIES AND GRANT RESERVE

Long-term liabilities activity for the year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Compensated absences	$ 27,317	$ 71,978	$ (75,737)	$ 23,558	$ 23,558
Notes payable	27,598	-	(7,899)	19,699	7,892
Revenue bond	400,000	-	(75,417)	324,583	77,642
Net pension liability	798,465	-	(346,062)	452,403	-
Total long-term liabilities	**$ 1,253,380**	**$ 71,978**	**$ (505,115)**	**$ 820,243**	**$ 109,092**

The following is a schedule of the future minimum payments under the notes payable and revenue bond as of June 30, 2022:

Year Ending June 30,	
2023	$ 85,534
2024	87,827
2025	86,203
2026	84,718
Total	$ 344,282

In November 2020 the Entity issued $400,000 in revenue bonds with an interest rate of 2.95%, where the Entity has pledged all revenues and all amounts on deposit in the General Fund to service the debt for the construction of capital improvement projects. The revenue bond is to be fully paid within 5 years from the date of issuance.

On January 10, 2022, the Entity received $310,206 of funds under the COVID-19 Fiscal Relief for Special Districts program. The COVID-19 Fiscal Relief for Special Districts program was established as part of the California Budget Act of 2021, to provide fiscal relief to independent special districts for revenue losses and unanticipated costs incurred due to the COVID-19 public health emergency. The funds were reserved for districts that have not received other forms of COVID-19 fiscal relief directly from the state or federal government. On August 24, 2023, the Entity received notification from the California Department of Finance, Office of State Audits and Evaluations, that a portion of the funds received by the Entity may be subject to claw back due to over-reporting of unanticipated costs. As a result, the funds that may potentially be paid back to the state have been reserved and are reflected in the Grant reserve line item. The Entity is currently awaiting further communication from the State regarding if any grant funds will be required to be returned. The State has not provided any estimated timetable within which the Entity can expect further communication or guidance on this matter.

NOTE 6 – PENSION PLAN

General Information About the Pension Plan

Plan Description
All qualified Entity employees are required to participate in the Entity's Miscellaneous Plan (the Plan), a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS, unless they specifically opt out. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employee's Retirement Law. The Entity selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through Board approval. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions, membership, and financial information that can be found on the CalPERS website at www.calpers.ca.gov.

Benefits Provided
CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Benefits are based on year of credited service, with one year of credited service being equal to one year of full-time employment. All members are eligible for standard non-industrial disability benefits after five years of service. The Entity has chosen the Optional Settlement 2W Death Benefit.

Contribution Description
Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance any unfunded accrued costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The Entity is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The Entity's total employer contributions were $149,684 for the year ended June 30, 2022.

NOTE 6 – PENSION PLAN (Continued)

General Information About the Pension Plan (Continued)

Contribution Description (Continued)
Active plan members who were hired before January 1, 2013 are referred to as "Classic" employees. Beginning January 1, 2013, the Entity established two classes of employees, as dictated by the newly enacted Public Employees Pension Reform Act (PEPRA).

The plan's provisions and benefits in effect at June 30, 2022 are summarized as follows:

	Miscellaneous	
	Hire date prior to January 2013	Hire date in or after January 2013*
Benefit formula	2.7% at 55	2.0% at 62
Benefit vesting schedule	5 years	5 years
Benefit payments	Monthly for life	Monthly for life
Final average compensation period	12 months	36 months
Sick leave credit	Yes	Yes
Retirement age	50 – 55 & up	52 -67 & up
Monthly benefits as a percent of eligible compensation	2.0% - 2.7%	1.0% - 2.5%
Cost of living adjustment	2.0%	2.0%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	14.02% + $5,508/month	7.59% + $175/month

* For employees that were hired on or after January 1, 2013, were already members of CalPERS prior to January 1, 2013, and had less than a six month break in service, the benefit formula is 2.0% at 55, the required employee contribution rate was 7.00%, and the required employer contribution rate was 10.34% + $171/month. All other plan provisions and benefits are the same as those for other employees hired on or after January 1, 2013.

NOTE 6 – PENSION PLAN (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

Methods and Assumptions
The actuarial methods and assumptions used are those adopted by the CalPERS Board of Administration. For the measurement period ending June 30, 2021 (the measurement date), the total pension liability was determined by rolling forward the total pension liability determined in the June 30, 2020 actuarial accounting valuation. The June 30, 2021 total pension liability was based on the following actuarial methods and assumptions:

Actuarial cost method	Entry age normal in accordance with the requirements of GASB Statement No. 68
Actuarial assumptions:	
Discount rate	7.15%
Inflation	2.50%
Salary increases	Varies by entry age and service
Mortality rate table*	Derived using CalPERS' membership data for all funds
Post-retirement benefit increase	Contract COLA up to 2.50% percent until purchasing power protection allowance floor on purchasing power applies.

* The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of scale MP 2016. For more details on this table, please refer to the December 2017 CalPERS experience study report (based on CalPERS demographic data from 1997 to 2015) that can be found on the CalPERS website.

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.

NOTE 6 – PENSION PLAN (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

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

The table below reflects long-term expected real rate of return by asset class.

	Asset	Real Return	
Asset Class*	Allocation	Years 1-10**	Years 11+***
Public equity	50%	4.80%	5.98%
Fixed income	28%	1.00%	2.62%
Inflation assets	-	.77%	1.81%
Private equity	8%	6.30%	7.23%
Real assets	13%	3.75%	4.93%
Liquidity	1%	-	(0.92)%
Total	100%		

* In CalPERS's Annual Comprehensive Financial Report (ACFR), fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

** An expected inflation of 2.00% used for this period.

*** An expected inflation of 2.92% used for this period. Figures are based on previous ALM of 2017.

NOTE 6 – PENSION PLAN (Continued)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability (Continued)

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

Changes in the Net Pension Liability

Sensitivity of the Net Pension Liability to Changes in the Discount Rate
The following presents the net pension liability of the Plan as of June 30, 2021 measurement date, calculated using the discount rate in effect at year-end. The table shows what the net pension liability would be if it were calculated using a discount rate that is 1.0 percentage-point lower or 1.0 percentage-point higher than the current rate:

	6.15%	7.15%	8.15%
Net pension liability	$ 892,343	$ 452,403	$ 88,712

NOTE 6 – PENSION PLAN (Continued)

Changes in the Net Pension Liability (Continued)

Pension Plan Fiduciary Net Position
Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial report.

Amortization of Deferred Outflows and Deferred Inflows of Resources
Under GASB 68, actuarial gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.

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

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

Difference between projected and actual earnings on pension plan investments	5 year straight-line amortization
All other amounts	3.8 year straight-line amortization

Pension Related Liabilities, Expense, and Deferred Outflows/Deferred Inflows of Resources

The Entity's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The Entity's proportion of the net pension liability was based on a projection of the Entity's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The Entity's proportionate share of the net pension liability as of June 30, 2021 measurement date was 0.02383%. This represents an increase in the percentage of 0.00490 since the prior measurement date.

NOTE 6 – PENSION PLAN (Continued)

Pension Related Liabilities, Expense, and Deferred Outflows/Deferred Inflows of Resources (Continued)

For the year ended June 30, 2022, the Entity recognized pension expense of $188,642. At June 30, 2022, the Entity deferred outflows and inflows of resources related to pensions as follows:

Governmental activities:	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 149,684	$ -
Difference between expected and actual experience	50,732	-
Difference between employer's contributions and proportionate share of contributions	15,848	-
Net difference between projected and actual investment earnings	-	394,924
Change in employer's proportion	10,792	-
Total	$ 227,056	$ 394,924

The amounts above are net of outflows and inflows recognized in the pension expense for the year ended June 30, 2022. The $149,684 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 fiscal year ended June 30, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Year Ending June 30,	
2023	$ (55,932)
2024	(67,658)
2025	(84,826)
2026	(109,137)
Total	$ (317,553)

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)

General Information About the OPEB Plan

Plan Description
The Entity has established a Retiree Healthcare Plan and participates in the California Employer's Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit postemployment healthcare plan administered by CalPERS. The CERBT is an Internal Revenue Code Section 115 trust and an investment vehicle that can be used by all California public employers to prefund future retiree healthcare and other postemployment benefits costs.

Benefits Provided
The OPEB Plan provides postemployment healthcare benefits through a third-party insurer to employees who retire from the Entity on or after age 50 and have at least 10 years of service. The Entity pays a portion of the retiree's health premiums for eligible retirees range from 50% at 10 years of service up to 100% at 25 years of service. The Entity's board of directors has the authority to establish and amend the benefit terms.

Employees Covered
As of the June 30, 2021 actuarial valuation, the following current and former employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	1
Active employees	15
Total	16

Contributions
The Entity's board of directors establishes and amends the contribution requirements for the OPEB Plan. The Entity pays a portion of retiree benefit expenses on a pay-as-you-go basis to third parties, outside of CERBT, and makes additional contributions to CERBT to prefund benefits as determined by the Entity's board of directors annually. For the year ended June 30, 2022, the Entity's contributed $3,586 to the OPEB Plan, of which $3,586 was used for current retiree healthcare premiums and $0 was used to prefund benefits.

Net OPEB Liability
The Entity's net OPEB liability (asset) was measured as of June 30, 2021 and the total OPEB liability used to calculate the net OPEB liability (asset) was determined by an actuarial valuation as June 30, 2021.

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Net OPEB Liability (Continued)

Actuarial Assumptions
The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Actuarial cost method	Entry age normal
Inflation	2.50%
Salary increases	2.75% per year
Investment rate of return	6.75% net of expenses
Healthcare cost trend rates	4.00% per year
Mortality rates	Based on the 2017 CalPERS mortality rates for Miscellaneous and Schools Employees experience studies.
Retirement rates	Based on the 2017 CalPERS retirement rates for miscellaneous employees experience studies.
Turnover rates	Based on the 2017 CalPERS turnover rates for miscellaneous employees experience studies.

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

The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized as follows:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Equity	59%	7.545%
Fixed income	25%	4.250%
Real Estate Investment Trusts	8%	7.250%
Treasury Inflation-Protected Securities	5%	3.000%
Commodities	3%	7.545%
Total	100%	

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Net OPEB Liability (Continued)

Rolling periods of time for all asset classes in combination were used to appropriately reflect correlation between asset classes. This means that the average returns for any asset class do not necessarily reflect the averages over time individually but reflect the return for the asset class for the portfolio average. Additionally, the historic 44-year real rates of return for each asset class along with the assumed long-term inflation assumption was used to set the discount rate. The investment return was offset by assumed investment expenses of 25 basis points.

Discount Rate
The discount rate used to measure the total OPEB liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that the Entity contributions will be made at rates sufficient to fully fund the obligation over a period not to exceed 44 years. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

Changes in the Net OPEB Liability

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance, beginning of year	$ 307,263	$ 407,805	$ (100,542)
Changes during the year:			
Service costs	6,488	-	6,488
Interest	21,537	112,112	(90,575)
Changes in assumptions	(3,415)	-	(3,415)
Administrative expense	-	(154)	154
Benefit payments	(3,618)	(3,618)	-
Experience (gains)/losses	(73,175)	-	(73,175)
Net Change	(52,183)	108,340	(160,523)
Balance, end of year	$ 255,080	$ 516,145	$ (261,065)

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

Changes in the Net OPEB Liability (Continued)

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate
The following presents the net OPEB liability of the Entity, as well as what the Entity's net OPEB liability would be if it was calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current discount rate:

	5.75%	6.75%	7.75%
Net OPEB liability/(asset)	$ (218,880)	$ (261,065)	$ (294,782)

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates
The following presents the net OPEB liability of the Entity, as well as what the Entity's net OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage-point lower or 1 percentage-point higher than the current healthcare cost trend rates:

	3.00%	4.00%	5.00%
Net OPEB liability/(asset)	$ (302,638)	$ (261,065)	$ (206,773)

OPEB Plan Fiduciary Net Position
Detailed information about the OPEB plan's fiduciary net position is available in CalPERS' CERBT Schedule of Changes in Fiduciary Net Position by Employer which can be found online at https://www.calpers.ca.gov/page/forms-publications.

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB
For the year ended June 30, 2022, the Entity recognized OPEB Plan expense of $26,508. At June 30, 2022, the Entity had a deferred outflow of resources and deferred inflows of resources related to OPEB as follows:

Governmental activities:	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ 10,932	$ 250,505
Changes in assumptions	-	3,272
Net difference between projected and actual investment earnings	9,661	67,159
Total	$ 20,593	$ 320,936

NOTE 7 – POSTEMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) (Continued)

OPEB Expense and Deferred Outflows and Deferred Inflows of Resources Related to OPEB (Continued)

The amounts above are net of outflows and inflows recognized in OPEB expense for the year ended June 30, 2022.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in future pension expense as follows:

Year Ending June 30,		
2022	$	(26,272)
2023		(26,074)
2024		(26,808)
2025		(29,536)
2026		(12,798)
Thereafter		(178,855)
Total	$	(300,343)

NOTE 8 – LEASE ASSIGNMENT

The Entity assigned its rights under a lease agreement to a third-party for a lease under which a small portion of the Entity's land is utilized by a lessor for a communications antenna facility. The Entity received a lumpsum in exchange for the lease assignment and the third-party will collect future rent payments made by the lessor in accordance with the original lease. The lease assignment agreement commenced in December of 2019 and has a twenty-five-year term. The lumpsum has been recorded as a deferred inflow of resources and will be recognized as revenue on a straight-line basis over the term of the lease assignment agreement. Future revenue recognition under this agreement will be as follows:

Year Ending June 30,		
2023	$	12,669
2024		12,669
2025		12,669
2026		12,669
2027		12,669
Thereafter		209,046
Total	$	272,391

NOTE 9 – JOINT VENTURES

The Entity participates in a joint venture under a joint powers agreement (JPA) with the California Association for Park and Recreation Indemnity (CAPRI). The relationship between the Entity and the JPA is such that the JPA is not a component unit of the Entity for financial reporting purposes. Audited financial statements are available by contacting CAPRI at 1075 Creekside Ridge Drive, Suite 240, Roseville, California 956278.

CAPRI provides insurance coverages, risk management, safety and loss prevention services to its many member districts through a risk-sharing pool. CAPRI is governed by a 7 member board of directors comprised primarily of representatives of the member districts. The board controls the operations of the JPA, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board.

NOTE 9 – JOINT VENTURES (Continued)

Condensed audited financial information for CAPRI for the year ended June 30, 2022 is as follows:

Total assets	$ 27,868,966
Total deferred outflows of resources	152,337
Total assets and deferred outflows of resources	$ 28,021,303
Total liabilities	$ 19,347,062
Total deferred inflows of resources	433,498
Total net position	8,240,743
Total liabilities, deferred inflows, and net position	$ 28,021,303
Total operating revenues	$ 12,656,797
Total operating expenses	(10,857,208)
Total nonoperating income (loss)	(1,005,080)
Total change in net position	$ 794,509

NOTE 10 – INTERFUND ACTIVITY AND BALANCES

The interfund due to and due from balances of $191,170 are the result of a loan from the special revenue fund to general fund for the general fund to acquire capital assets. Interfund transfers for the year ended June 30, 2022, are as follows:

Fund Financial Statements – Transfers:	In	Out
General fund – transfer of land from special revenue fund	$ 7,835,000	$ -
Special revenue fund – transfer of land to general fund	-	7,835,000
	$ 7,835,000	$ 7,835,000

NOTE 11 – DEFERRED COMPENSATION

For the benefit of its employees, the Entity has adopted a deferred compensation plan in accordance with Section 457 of the Internal Revenue Code. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death, or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

The Entity does not make any employer contributions to the plan. Amounts deferred by employees are transferred by the Entity each pay period to a third-party administrator who coordinates the investment of such proceeds in a variety of investment vehicles in accordance with the instructions of each participant. Accordingly, neither the assets nor the related liability of the plan are included in the accompanying basic financial statements. The Entity is not liable to its employees for any losses that may be incurred in connection with their participation in the plans.

NOTE 12 – SUBSEQUENT EVENTS

In January 2023, the Entity entered into a finance lease agreement for the acquisition of communications equipment of approximately $45,000. The finance lease has a term of 5 years and requires annual payments of approximately $9,000.

In February 2023, the General Fund received an interfund transfer from the Special Revenue Fund of 2 acres of land, valued at $490,000.

In preparation of these financial statements, the Entity considered subsequent events through November 13, 2023, which is the date these financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION – UNAUDITED

Schedule of Pension Plan Contributions
Last 10 Years*

Fiscal Year	Contractually Required Contributions	Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency/ (Excess)	Covered Payroll	Contributions as a % of Covered Payroll
2022	$ 149,684	$ (149,684)	$ -	$ 819,904	18.26%
2021	125,301	(125,301)	-	643,928	19.46%
2020	112,782	(112,782)	-	651,836	17.30%
2019	106,605	(106,605)	-	646,139	16.50%
2018	88,096	(88,096)	-	532,139	16.55%
2017	84,684	(84,684)	-	585,148	14.47%
2016	48,798	(48,798)	-	466,221	10.47%
2015	42,396	(42,396)	-	426,566	9.93%

* Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

Schedule of the Entity's Proportionate Share of the Net Pension Liability
Last 10 Years*

Fiscal Year	Proportion of the Net Pension Liability	Proportionate Share of Net Pension Liability	Covered Payroll	Proportionate Share of the Net Pension Liability as a % of Payroll	Plan Fiduciary Net Position as a % of the Total Pension Liability
2022	0.02383%	$ 452,404	$ 819,904	55.18%	72.98%
2021	0.01893%	798,465	643,928	124.00%	73.41%
2020	0.01847%	739,662	651,836	113.47%	73.93%
2019	0.01813%	683,427	646,139	105.77%	76.23%
2018	0.01788%	704,934	532,139	132.47%	75.88%
2017	0.01764%	612,637	585,148	104.70%	76.29%
2016	0.01670%	458,128	466,221	98.26%	81.57%
2015	Not available	313,776	426,566	73.56%	Not available

* Fiscal year 2015 was the first year of implementation, therefore, not all 10 years of information is available.

Notes to the Pension Schedules

Benefit Changes
None

Changes in Assumptions
Amounts reported in fiscal year 2018 reflect a change in the discount rate from 7.65% to 7.15%. Deferred outflows of resources for changes of assumptions includes the unamortized portion of this assumption change. Amounts reported in fiscal year 2019 reflect a change in the inflation rate from 2.75% to 2.50%.

Schedule of Changes in the Entity's Net OPEB Liability and Related Ratios
Last 10 Years*

	OPEB Liability/(Asset) – June 30				
	2022	2021	2020	2019	2018
Balance, beginning of year	$ (100,542)	$ (108,432)	$ 128,239	$ 160,735	$ 174,642
Changes during the year:					
Service costs	6,488	6,314	7,484	7,284	7,089
Interest	(90,575)	20,050	32,309	30,021	27,858
Changes in assumption	(3,415)	-	-	-	-
Employer contributions	-	(16,845)	(43,567)	(48,677)	(25,557)
Actual investment income	-	-	-	(21,365)	(23,494)
Expected investment income	-	(27,578)	(25,694)	-	-
Administrative expense	154	193	72	241	197
Experience (gains)/losses	(73,175)	12,102	(210,952)	-	-
Investment (gains)/losses	-	13,654	3,677	-	-
Balance, end of year	$ (261,065)	$ (100,542)	$ (108,432)	$ 128,239	$ 160,735
Covered employee payroll	$ 819,904	$ 643,928	$ 651,836	$ 646,139	$ 532,139
OPEB liability/(asset) as a % of covered payroll	(31.84)%	(15.61)%	(16.63)%	19.85%	30.21%

* Fiscal year 2018 was the first year of implementation, therefore, not all 10 years of information is available.

Notes to the OPEB Schedule

Benefit Changes
None

Changes in Assumptions
Amounts reported in fiscal year 2022 reflect a change in the discount rate from 7.00% to 6.75% and a change in the inflation rate from 2.75% to 2.50%. Deferred outflows of resources and deferred inflows of resources for changes of assumptions includes the unamortized portion of these assumption changes.

OTHER INFORMATION – UNAUDITED

Officers, Directors, and Senior Management

As of June 30, 2022, the officers, directors, and senior management of the Entity were as follows:

	Term Expires
Dan Hughes, Chairman	November 2024
John Flores, Treasurer	November 2024
Chris Diercks, Vice Chairman/Secretary	November 2022
Armando De La Cruz, Director	November 2022
Denise Ward, Director	November 2024
Duane Burk, General Manager	N/A

Insurance Coverage

The Entity's insurance provider is the California Association for Park and Recreation Indemnity (CAPRI). Coverage carried by the Entity includes bodily injury, personal injury, advertising injury, property damage, and public official and employee liability which may occur anywhere in the world. The insurance provides coverage up to $1,000,000 per occurrence for the following:

> Property Damage – The deductible for general property damage is $2,000 per occurrence. For earthquake damage the deductible is $50,000 per occurrence. For flood damage the deductible is $50,000 per occurrence.
>
> Employment Practices, Bodily Injury, and Personal Injury – These items are subject to a $20,000 deductible. The deductible is reduced to $5,000 if the Entity follows guidelines set by CAPRI, such as consulting with the Entity's general counsel.
>
> Crime – The deductible for forgery, theft of money, robbery, computer fraud, funds transfer fraud, and counterfeit money is $5,000 per occurrence.
>
> Public Officials Errors and Omissions and Employee Theft – There are no deductibles for claims of these types.

The Entity has a worker's compensation policy with employer liability coverage per occurrence that meets the statutory requirements and covers all employees.