

**SAN DIEGUITO RIVER VALLEY REGIONAL
OPEN SPACE PARK JOINT POWERS
AUTHORITY**

Audited Financial Statements
And
Independent Auditor's Report

June 30, 2021



SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
San Dieguito River Valley Regional Open Space Park Joint Powers Authority
Escondido, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the "JPA"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the JPA's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the JPA'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 JPA'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 opinion.

Opinions

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 JPA, 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.

Emphasis of Matters

We have previously audited the JPA's 2020 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated December 17, 2020. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2021, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on 3 - 8, and Schedule of the Plan's Proportionate Share of the Net Pension Liability and Related Ratios, Schedule of Plan Contributions, Schedule of the Plan's Proportionate Share of the Net OPEB Liability and Related Ratios, Schedule of OPEB Contributions and Budgetary Comparison Schedule - General Fund on pages 43 - 48 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 11, 2022, on our consideration of the JPA'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 JPA'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 JPA's internal control over financial reporting and compliance.

Harshmal & Company LLP

San Diego, California
January 11, 2022

MANAGEMENT'S DISCUSSION AND ANALYSIS

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

As management of the San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the "JPA"), we offer readers of the JPA's financial statements this narrative overview and analysis of the financial activities of the JPA for the fiscal year ended June 30, 2021. We encourage readers to consider the information presented here in conjunction with the JPA's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Other Required Supplementary Information.

These financial statements consist of a series of financial statements prepared in accordance with the GASBS 34, *Basic Financial Statements-Management Discussion and Analysis for State and Local Governments*.

FINANCIAL HIGHLIGHTS

- The JPA's ending net position for the fiscal year 2020-2021 was \$54,105,755.
- The change in net position for the year was an increase of \$63,920.
- The JPA had revenues in excess (deficiency) of expenditures in the general fund (before Other Financing Sources) in the amount of \$(9,686) in the current year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the JPA's basic financial statements. The JPA's basic financial statements are comprised of three components: (1) Government-wide financial statements, (2) Fund financial statements, and (3) Notes to the financial statements. The two sets of statements are tied together by reconciliation's showing the reasons and items that differ.

The JPA as a whole is reported in the government-wide statements and uses accounting methods similar to those used by companies in the private sector.

More detailed information about the JPA's most significant funds - not the JPA as a whole is provided in the fund financial statements. Funds are accounting devices the JPA uses to keep track of specific sources of funding and spending on particular programs.

Government-wide Financial Statements

The *Statement of Net Position*, a government-wide statement, presents information on all of the JPA's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the JPA is improving or deteriorating.

The *Statement of Activities*, a government-wide statement, presents showing how the JPA's 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 only result in cash flows in future fiscal periods.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

OVERVIEW OF FINANCIAL STATEMENTS (CONT'D)

Fund Financial Statements

The *Balance Sheet* for governmental funds presents financial information by fund types showing money left at yearend available for spending.

The *Statement of Revenues, Expenditures, and Changes in Fund Balances* for all governmental fund types focuses on how money flows into and out of the various funds.

Notes to the Financial Statements

The *Notes to the Basic Financial Statements* and this Discussion and Analysis supports in full understanding of these financial statements.

Required Supplementary Information

In addition to the basic financial statement and notes this report also presents required supplementary information.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The largest portion of the JPA's Net Position reflects its net investment in capital assets (e.g., land, buildings and improvements, vehicles, furniture and equipment and construction in progress); less any related debt used to acquire those assets that are still outstanding. The JPA uses these capital assets to provide services to its constituents; consequently, these assets are not available for future spending.

Statement of Net Position

To begin our analysis, a summary of the JPA's comparative statement of net position is presented in Table 1 of this section for the current year and the prior year.

Net position may serve over time, as a useful indicator of a government's financial position. In the case of the JPA, assets and deferred outflow of resources exceeded liabilities and deferred inflows of resources by \$54,105,755 as of June 30, 2021.

The JPA's financial position is the product of several financial transactions including the net results of activities, the acquisition, and the depreciation of capital assets.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)

The following table presents a summary of the Statement of Net Position for the fiscal year ended June 30, 2021:

**Table 1
Comparative Statement of Net Position
as of June 30, 2021 and 2020**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
ASSETS			
Current and other assets	\$ 4,499,022	\$ 3,662,538	\$ 836,484
Noncurrent and other assets	<u>52,398,996</u>	<u>53,242,726</u>	<u>(843,730)</u>
Total assets	<u>56,898,018</u>	<u>56,905,264</u>	<u>(7,246)</u>
DEFERRED OUTFLOW OF RESOURCES			
Total assets and deferred outflows of resources	<u>722,986</u>	<u>607,399</u>	<u>115,587</u>
	<u>57,621,004</u>	<u>57,512,663</u>	<u>108,341</u>
LIABILITIES			
Current liabilities	514,855	533,489	(18,634)
Noncurrent liabilities	<u>2,866,904</u>	<u>2,784,698</u>	<u>82,206</u>
Total liabilities	<u>3,381,759</u>	<u>3,318,187</u>	<u>63,572</u>
DEFERRED INFLOW OF RESOURCES			
Total liabilities and deferred inflows of resources	<u>133,490</u>	<u>152,641</u>	<u>(19,151)</u>
	<u>3,515,249</u>	<u>3,470,828</u>	<u>44,421</u>
NET POSITION:			
Net Investment in Capital Assets	51,963,398	52,632,409	(669,011)
Restricted for			
Endowments	2,086,956	1,982,268	104,688
Future management and maintenance	1,805,422	991,801	813,621
Unrestricted	<u>(1,750,021)</u>	<u>(1,564,643)</u>	<u>(185,378)</u>
Total net position	<u>54,105,755</u>	<u>54,041,835</u>	<u>63,920</u>
Total liabilities, net position, and deferred inflows of resources	<u>\$ 57,621,004</u>	<u>\$ 57,512,663</u>	<u>\$ 108,341</u>

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)

Statement of Activities

The JPA's total revenues increased for the fiscal year ended June 30, 2021, excluding inter-fund transfers, by \$982,351.

The JPA's total expenses increased by \$164,994.

The change in net position for 2021 was an increase of \$63,920 compared to 2020.

The following table presents a summary of the Statement of Activities for the fiscal year ended June 30, 2021:

**Table 2
Condensed Statement of Activities
For the years ended June 30, 2021 and 2020**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
PROGRAM REVENUES			
Operating grants and contributions	\$ 688,679	\$ 545,682	\$ 142,997
GENERAL REVENUES			
Assessments	1,078,038	1,079,997	(1,959)
Investment income	966,838	93,975	872,863
Donations	22,309	62,536	(40,227)
Miscellaneous	15,269	6,592	8,677
Total revenues	<u>2,771,133</u>	<u>1,788,782</u>	<u>982,351</u>
EXPENSES			
Operations	2,651,342	2,460,190	191,152
General administration	205,340	231,498	(26,158)
Total expenses	<u>2,856,682</u>	<u>2,691,688</u>	<u>164,994</u>
Change in net position	<u>(85,549)</u>	<u>(902,906)</u>	<u>817,357</u>
Net position, beginning of year	54,041,835	54,944,741	(902,906)
<i>Restatement</i>	149,469	-	149,469
Net position, beginning of year, restated	<u>54,191,304</u>	<u>54,944,741</u>	<u>(753,437)</u>
Net position, end of year	<u>\$ 54,105,755</u>	<u>\$ 54,041,835</u>	<u>\$ 63,920</u>

General Fund Budgetary Highlights

The General fund revenues exceeded budgeted amounts by \$304,510. This was due to state and federal grant monies received for projects in progress or not started yet and for loan proceeds for the Ranger Station project.

The JPA expenditures were \$314,196 over budgeted amounts mainly due to capital outlay to purchase property and several projects not budgeted for.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)

Capital assets

The following table presents a summary of changes in capital assets for the fiscal year ended June 30, 2021:

**Table 3
Changes in Capital Assets
as of June 30, 2021 and 2020**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Land & construction in progress	\$ 44,390,999	\$ 45,320,107	\$ (929,108)
Improvement of sites	17,699,779	16,770,671	929,108
Furniture and equipment	443,257	443,257	-
Less: accumulated depreciation	<u>(10,135,039)</u>	<u>(9,291,309)</u>	<u>(843,730)</u>
Total capital assets, net of depreciation	<u>\$ 52,398,996</u>	<u>\$ 53,242,726</u>	<u>(843,730)</u>

The JPA had \$929,108 of CIP transfer to improvements of sites during the fiscal year ended June 30, 2021. Construction completed in December 2020 on the Ranger Station three (3) mile section of the Coast to Crest Trail.

Long-Term Liabilities

The following table presents a summary of changes in long-term liabilities for the fiscal year ended June 30, 2021:

**Table 4
Changes in Long-term liabilities
as of June 30, 2021 and 2020**

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Pension obligation bonds	\$ 191,737	\$ 218,531	\$ (26,794)
Loan payable	435,598	462,191	(26,593)
Compensated absences	<u>47,517</u>	<u>45,888</u>	<u>1,629</u>
Total long-term liabilities	<u>\$ 674,852</u>	<u>\$ 726,610</u>	<u>\$ (51,758)</u>

The JPA has long-term liabilities for its governmental activities amounted to \$674,852. Pension obligation bonds are obtained for meeting Pension liabilities. Decrease in long term liabilities is due to repayment, no new addition was there in current year.

The Net Pension liabilities amounted to \$2,211,676 and Net OPEB liabilities amounted to \$47,904 as of June 30, 2021, Detailed note to the financial statements and required supplementary information for both the liabilities is given in notes to the financial statements.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

FACTORS BEARING ON THE JPA'S FUTURE

The JPA's Board of Directors and management considered many factors when setting the fiscal year 2021 budget. The Board appointed a Budget Committee which met to assess the available working capital, the operating and capital needs of the JPA, and the impact of the State's fiscal condition on the JPA's member agencies and on the JPA's budget.

CONTACTING THE JPA

This financial report is designed to provide our citizens, member agencies, affiliated entities and creditors with a general overview of the JPA's finances and to demonstrate the JPA's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the San Dieguito River Valley Regional Open Space Park Joint Powers Authority:

Address: 18372 Sycamore Creek Road, Escondido, CA 92025
Telephone: 858-674-2270
Website: www.sdrp.org

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2021
(With summarized comparative information as of June 30, 2020)**

	2021	2020
ASSETS:		
CURRENT ASSETS:		
Cash & cash equivalents	\$ 565,270	\$ 560,044
Restricted cash and cash equivalents	68,259	54,865
Investments	3,824,119	2,974,069
Accounts receivable	41,374	61,390
Interest receivable	-	8,465
Prepaid items	-	3,705
	4,499,022	3,662,538
Total current assets		
NONCURRENT ASSETS:		
Capital assets, net	52,398,996	53,242,726
	52,398,996	53,242,726
Total noncurrent assets		
	56,898,018	56,905,264
Total assets		
DEFERRED OUTFLOWS OF RESOURCES:		
Deferred outflows of resources related to pension	712,490	596,758
Deferred outflows of resources related to OPEB	10,496	10,641
	722,986	607,399
Total deferred outflows of resources		
	57,621,004	57,512,663
Total assets and deferred outflows of resources		
LIABILITIES:		
CURRENT LIABILITIES:		
Accounts payable	72,642	81,839
Accrued liabilities	41,771	37,766
Interest payable	3,424	2,878
Unearned revenue	329,490	329,490
Long-term obligations, due within one year	67,528	81,516
	514,855	533,489
Total current liabilities		
NONCURRENT LIABILITIES:		
Long-term obligations, due in more than one year	607,324	793,220
Net pension liabilities	2,211,676	1,932,897
Net OPEB liabilities	47,904	58,581
	2,866,904	2,784,698
Total noncurrent liabilities		
	\$ 3,381,759	\$ 3,318,187
Total liabilities		

The accompanying notes are an integral part of this financial statement.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2021
(With summarized comparative information as of June 30, 2020)**

DEFERRED INFLOWS OF RESOURCES:

Deferred inflows of resources related to pension	\$ 133,452	\$ 152,581
Deferred inflows of resources related to OPEB	<u>38</u>	<u>60</u>
Total deferred inflows of resources	<u>133,490</u>	<u>152,641</u>
Total liabilities and deferred inflows of resources	<u>3,515,249</u>	<u>3,470,828</u>

NET POSITION:

Net investment in capital assets	51,963,398	52,632,409
Restricted for:		
Endowments	2,086,956	1,982,268
Future management and maintenance	1,805,422	991,801
Unrestricted (deficit)	<u>(1,750,021)</u>	<u>(1,564,643)</u>
Total net position	<u>54,105,755</u>	<u>54,041,835</u>
Total liabilities, and deferred inflows of resources and net position	<u>\$ 57,621,004</u>	<u>\$ 57,512,663</u>

The accompanying notes are an integral part of this financial statement.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021
(With summarized comparative information for the year ended June 30, 2020)**

Functions/Programs	2021			2020	
	Expenses	Program Revenues		Net (Expenses) Revenues and Changes in Net Position	Net (Expenses) Revenues and Changes in Net Position
		Charges for Services	Operating Grants and Contributions		
Governmental Activities:					
Operation	\$ 2,651,342	\$ -	\$ 688,679	\$ (1,962,663)	\$ (1,914,508)
General government	205,340	-		(205,340)	(231,498)
Total governmental activities	<u>\$ 2,856,682</u>	<u>\$</u>	<u>\$ 688,679</u>	<u>(2,168,003)</u>	<u>(2,146,006)</u>
General revenues:					
Assessments				1,078,038	1,079,997
Investment income				966,838	93,975
Donations				22,309	62,536
Miscellaneous				15,269	6,592
Total general revenues				<u>2,082,454</u>	<u>1,243,100</u>
Change in net position				(85,549)	(902,906)
Net position at beginning of year				<u>54,041,835</u>	<u>54,944,741</u>
<i>Restatement</i>				<u>149,469</u>	<u>-</u>
<i>Net position at beginning of year, restated</i>				<u>54,191,304</u>	<u>54,944,741</u>
Net position at end of year				<u>\$ 54,105,755</u>	<u>\$ 54,041,835</u>

The accompanying notes are an integral part of this financial statement.

FUND FINANCIAL STATEMENTS

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY**

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2021

(With summarized comparative information as of June 30, 2020)

			Total	
	General Fund	Permanent Fund	2021	2020
ASSETS:				
Cash & cash equivalents	\$ 565,270	\$ -	\$ 565,270	\$ 560,044
Restricted cash and cash equivalents	-	68,259	68,259	54,865
Investments	-	3,824,119	3,824,119	2,974,069
Accounts receivable	41,374	-	41,374	61,390
Interest receivable	-	-	-	8,465
Prepaid items	-	-	-	3,705
Total assets	606,644	3,892,378	4,499,022	3,662,538
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE:				
Liabilities:				
Accounts payable	72,642	-	72,642	81,839
Accrued liabilities	41,771	-	41,771	37,766
Unearned revenue	329,490	-	329,490	329,490
Total liabilities	443,903	-	443,903	449,095
Deferred inflows of resources:				
Unavailable revenue	-	-	-	13,425
Total deferred inflows of resources	-	-	-	13,425
Fund balance:				
Nonspendable:				
Endowments	-	2,086,956	2,086,956	1,982,268
Restricted for:				
Future management and maintenance	-	1,805,422	1,805,422	991,801
Unassigned (deficit)	162,741	-	162,741	225,949
Total fund balance	162,741	3,892,378	4,055,119	3,200,018
Total liabilities, deferred inflows of resources and fund balance	\$ 606,644	\$ 3,892,378	\$ 4,499,022	\$ 3,662,538

The accompanying notes are an integral part of this financial statement.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2021**

Total fund balances - governmental funds \$ 4,055,119

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

Capital related items

When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of San Dieguito River Valley as a whole.

Capital assets	62,534,035
Accumulated depreciation	(10,135,039)

Long-term liability transactions

Long-term liabilities applicable to San Dieguito River Valley's 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.

Due within one year - long-term liabilities	(67,528)
Due in more than one year - long-term liabilities	(607,324)
Interest payable	(3,424)
Net pension liability	(2,211,676)
Net OPEB liability	(47,904)

Deferred outflows and inflows of resources

Certain deferred outflows and inflows of resources are not due and payable in the current period and are not current assets or financial resources, therefore these items are not reported in the governmental funds.

Deferred outflows - pension related items	712,490
Deferred outflows - OPEB related items	10,496
Deferred inflows - pension related items	(133,452)
Deferred inflows - OPEB related items	(38)

Total net position, governmental activities \$ 54,105,755

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE
PARK JOINT POWERS AUTHORITY**
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2021
(With summarized comparative information for the year ended June 30, 2020)

	General Fund	Permanent Fund	Total	
			2021	2020
REVENUES:				
Assessments	\$ 1,078,038	\$ -	\$ 1,078,038	\$ 1,079,997
Contracts and grants	688,679	-	688,679	545,682
Investment income	7,908	958,930	966,838	93,975
Donations	22,309	-	22,309	62,536
Miscellaneous	15,269	-	15,269	6,592
Total revenues	<u>1,812,203</u>	<u>958,930</u>	<u>2,771,133</u>	<u>1,788,782</u>
EXPENDITURES:				
Current:				
General government:				
Salaries and benefits	1,243,834	-	1,243,834	1,199,758
Auto and travel	12,929	-	12,929	9,442
Professional and contractual services	47,256	-	47,256	39,258
Miscellaneous	14,277	95,486	109,763	139,269
Operating	422,228	-	422,228	261,861
Capital outlay	-	-	-	608,577
Debt services:				
Principal	53,387	-	53,387	67,023
Interest	27,978	-	27,978	36,074
Total expenditures	<u>1,821,889</u>	<u>95,486</u>	<u>1,917,375</u>	<u>2,361,262</u>
Excess (deficiency) of revenues over expenditures	<u>(9,686)</u>	<u>863,444</u>	<u>853,758</u>	<u>(572,480)</u>
Net change in fund balance	<u>(9,686)</u>	<u>863,444</u>	<u>853,758</u>	<u>(572,480)</u>
Fund balance at beginning of year	171,084	3,028,934	3,200,018	3,772,498
<i>Restatement</i>	<u>1,343</u>	-	<u>1,343</u>	-
<i>Fund balance at beginning of year, restated</i>	<u>172,427</u>	<u>3,028,934</u>	<u>3,201,361</u>	<u>3,772,498</u>
Fund balance at end of year	<u>\$ 162,741</u>	<u>\$ 3,892,378</u>	<u>\$ 4,055,119</u>	<u>\$ 3,200,018</u>

The accompanying notes are an integral part of this financial statement.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT
POWERS AUTHORITY
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2021**

Net changes in fund balances - governmental funds \$ 853,758

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

Capital related items

When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Depreciation expense (843,730)

Long-term liability transactions

Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in governmental funds. Repayment of debt service is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balances because current financial resources have been used. For the JPA as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.

Change in interest payable	(546)
Net change in unavailable revenue	(13,425)
Net change in net pension liability and related accounts	(143,918)
Net change in net OPEB liability and related accounts	10,554
Principal paid on long-term liabilities	53,387
Net change in compensated absences	<u>(1,629)</u>

Change in net position, governmental activities **\$ (85,549)**

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The financial statements of San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the "JPA") have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's accounting policies are described below.

A. Reporting Entity

The County of San Diego and the cities of Del Mar, Escondido, Poway, San Diego and Solana Beach formed the San Dieguito River Valley Regional Open Space Park Joint Powers Authority on June 12, 1989. The JPA was created to provide a coordinated program to create, preserve and enhance the San Dieguito River Valley Regional Open Space Park Joint Powers Authority for the benefit of the public. As mandated by the Joint Powers Agreement, the JPA's goal is to:

- Preserve land within the focused planning area of the San Dieguito River Valley as a regional open space greenbelt and park system that protects the natural waterways and the natural and cultural resources and sensitive lands and provides compatible recreational opportunities that do not damage sensitive lands.
- Provide a continuous and coordinated system of preserved lands with a connecting corridor of walking, equestrian, and bicycle trails, encompassing the San Dieguito River Valley from the ocean to the River's source.

The focused planning area of the San Dieguito River Park extends from the ocean at Del Mar to Volcan Mountain located north of Julian.

The Board of Directors consists of the following:

- Two elected members of the governing bodies of the County of San Diego and the City of San Diego appointed by their respective councils.
- One elected member of the City Council of the cities of Del Mar, Escondido, Poway and Solana Beach appointed by their respective councils.
- Chairperson of the San Dieguito River Park Citizens Advisory Committee.

B. Basis of Accounting and Measurement Focus

The basic financial statements of the JPA are composed of the following:

- a. Government-wide financial statements
- b. Fund financial statements
- c. Notes to the basic financial statements

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Accounting and Measurement Focus (Cont'd)

Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all the activities of the JPA.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a function or segment. Program revenues include charges for services that are restricted to meeting the operational or capital requirements of a particular function or segment. Assessments, investment income, and other items not properly included among program revenues are reported instead as general revenues.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the *accrual basis of accounting*, revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from nonexchange transactions are recognized in accordance with the requirements of GASBS No. 33.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as expenditures. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as other financing sources. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as expenditures.

Fund Financial Statements

In the fund financial statements, governmental funds are presented using the *modified accrual basis of accounting*. Revenues are recognized when they become *measurable and available* as net current assets. *Measurable* means that the amounts can be estimated or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. The JPA uses an availability period of 60 days for all revenues.

Charges for services and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period to the extent normally collected within the availability period. Other revenue items are considered to be measurable and available where cash is received from the government.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) 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 net current assets.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Accounting and Measurement Focus (Cont'd)

Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Due to the nature of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current position, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Governmental Net Position

The financial statements utilize a net position presentation. Net position is categorized as follows:

- *Net investment in capital assets* - component of net position consists of capital assets, net of accumulated depreciation and reduced by any debt outstanding against the acquisition, construction, or improvement of those assets.
- *Restricted net position* - component of net position consists of constraints placed on assets reduced by liabilities used through external constraints imposed by creditors, grantors, contributors, or laws or regulations of other governments, or constraints imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted net position* - component of net position is the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of restricted or net investment in capital assets.

Governmental Fund Balances

Fund balances are reported in the fund statements in the following classifications:

Nonspendable Fund Balance:

- **Nonspendable Fund Balance** - this includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).

Spendable Fund Balance:

- **Restricted Fund Balance** - this includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Board action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

B. Basis of Accounting and Measurement Focus (Cont'd)

- Committed Fund Balance - this includes amounts that can be used only for the specific purposes determined by a formal action of the Board. It includes legislation (Board action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Board action limiting the use of the funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. The JPA considers a resolution, to constitute a formal action of the Board of Directors for the purposes of establishing committed fund balance.
- Assigned Fund Balance - this includes amounts that are designated or expressed by the Board but does not require a formal action like a resolution or ordinance. The Board may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. Such a delegation by the Board has not yet been granted.
- Unassigned Fund Balance - this includes the remaining spendable amounts which are not included in one of the other classifications.
- Net Position Flow Assumption - sometimes the government 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 government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.
- Fund Balance Flow Assumption - Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements flow assumption must be made about the order in which the resources are considered to be applied. It is the government'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.

Separate financial statements are provided for governmental funds. Major individual governmental funds are reported as a separate column in the fund financial statements. The JPA reports the following major governmental funds:

- The General Fund is used to account for resources traditionally associated with the organization, which are not required legally or by sound financial management to be accounted for in another fund.
- The Permanent Fund is used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the organization.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

C. Cash and Investments

Cash and cash equivalents include amounts in demand deposits as well as short-term investments with a maturity date within three months of the date acquired by the government.

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable, and they have terms that are not affected by changes in market interest rates. Changes in fair value that occur during a fiscal year are recognized as investment income reported for that fiscal year. Investment income includes interest earnings, changes in fair value, and any gains or losses realized upon the liquidation, maturity, or sale of investments.

D. Fair Value Measurement

Certain assets and liabilities are required to be reported at fair value. The fair value framework provides a hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The three levels of fair value hierarchy are described as follows:

Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets.

Level 2 - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly and fair value is determined through the use of models or other valuation methodologies including:

- Quoted prices for similar assets or liabilities in active markets.
- Quoted prices for identical or similar assets or liabilities in markets that are inactive.
- Inputs other than quoted prices that are observable for the asset or liability.
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement. These unobservable inputs reflect the JPA's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). These unobservable inputs are developed based on the best information available in the circumstances and may include the JPA's own data.

E. Capital Assets

Capital assets are recorded at cost for purchases in excess of \$5,000 that have an expected useful life of five years or more. Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective balance sheet. Donated capital assets are recorded at acquisition value at the date of donation.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

E. Capital Assets (Cont'd)

The useful life used for depreciation purposes is as follows:

Assets class	Useful life
Buildings	25 - 30 years
Structures and improvements	7 - 25 years
Equipment	5 - 20 years

F. Compensated Absences

Permanent JPA employees earn from 20 to 25 vacation days a year, depending upon their length of employment, and 13 sick days a year. Employees can carry forward up to 1.5 their annual allotment in earned but unused vacation days. Upon termination or retirement, permanent employees are entitled to receive compensation at their current base salary for all unused vacation leave.

G. Pensions

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 and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the San Diego County Employees Retirement Association (SDCERA).

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. SDCERA audited financial statements are publicly available reports that can be obtained at SDCERA's website under Forms and Publications.

GASB 68 requires that the reported results must pertain to liability and asset information within certain defined timeframes. For this report, the following timeframes are used:

Valuation Date (VD)	June 30, 2019
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	June 30, 2020 to June 30, 2021

H. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported of the San Diego County Employees Retirement Association (SDCERA). 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. SDCERA audited financial statements are publicly available reports that can be obtained at SDCERA's website.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)

H. Other Postemployment Benefits (OPEB) (Cont'd)

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

Valuation Date (VD)	June 30, 2020
Measurement Date (MD)	June 30, 2020
Measurement Period (MP)	July 01, 2020 to June 30, 2021

I. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The JPA has pension and OPEB related items for reporting in this category. These are reported on the Statement of Net Position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The JPA has two types of items that qualify for reporting in this category. The first item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from grants. This amount is deferred and recognized as an inflow of resources in the period that the amounts becomes available. The second item, deferred inflows of resources, is reported on the Statement of Net Position. The JPA has pension and OPEB related item for reporting in this category.

J. Estimates

The presentation of basic 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 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 revenue and expenditures during the reporting period. Actual results could differ from those estimates.

K. Comparative Data

Prior year data has been included where practical for comparison purposes only. The prior year data does not represent a complete presentation in accordance with generally accepted accounting principles. Certain amounts presented in the prior year have been reclassified in order to be consistent with current year presentation and to enhance the comparability with current year figures.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 2 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2021, were classified in the accompanying financial statements as follows:

Cash & cash equivalents	\$ 565,270
Restricted cash & cash equivalents	68,259
Investments	<u>3,824,119</u>
Total cash and investments	<u>\$ 4,457,648</u>

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

Cash on hand	\$ 300
Deposits held with financial institutions	68,259
Deposits held with County	564,970
Investments	<u>3,824,119</u>
Total cash and cash equivalents	<u>\$ 4,457,648</u>

Investments Authorized by the California Government Code and the JPA's Investment Policy

The JPA's Board of Directors has established an investment policy in accordance with the California Government Code for internally managed investments. In instances where endowment funds have been invested in a public foundation, the JPA is prudent to ensure the assets are properly diversified to preserve the principal balance.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates are. The JPA does not have any long-term investments that reduce interest rate risk. All investments have maturities of 12 months or less.

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. None of the JPA's investments are rated or have a minimum legal rating.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an organization 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, an organization will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS (CONT'D)

Custodial Credit Risk

The California Government Code and the JPA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government 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 JPA deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial risk does not apply to an organization's indirect investment in securities through the use of mutual funds or government investment pools.

Investment in San Diego Foundation Investment Pool:

The JPA is a voluntary participant in the San Diego Foundation Investment Pool. The funds are invested in a diversified portfolio, which is structured for long-term total return. The Foundation's distribution allocation policy is to disburse 5% annually, based upon endowment principal market value over the last 36 months. These calculations are made monthly. If the market value of the endowment principal of any fund, at the end of each month, is less than the initial value of all the contributions made to endowment principal, then distributions will be limited to interest and dividends received.

Investment in Rancho Santa Fe Foundation Investment Pool:

The JPA is a voluntary participant in the Rancho Santa Fe Foundation Investment Pool. The Foundation provides stewardship for permanent endowment funds, funds held for other non-profit organizations and donor advised funds that provide resources for the charitable mission of the Foundation. The primary goals of the Foundation for the investment of the Portfolio are the preservation of capital with appropriate liquidity and sufficient growth of capital to offset the effects of inflation.

Concentration of Credit Risk

The investment policy of the JPA is in accordance with limitations on the amount that can be invested in any one issuer as stipulated by the California Government Code.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
 JOINT POWERS AUTHORITY
 NOTES TO FINANCIAL STATEMENTS
 JUNE 30, 2021

NOTE 2 - CASH AND INVESTMENTS (CONT'D)

Fair Value Measurements

The JPA categorizes its fair value investments within the fair value hierarchy established by generally accepted accounting principles.

The JPA has the following recurring fair value measurements as of June 30, 2021:

<u>Investment Type</u>	<u>Total</u>	<u>Fair Value Hierarchy</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
<u>Investments measured at fair value</u>				
Equity Traded Mutual Funds (ETFs)	\$ 1,161,694	\$ 1,161,694	\$ -	\$ -
Total investments measured at fair value	<u>1,161,694</u>	<u>1,161,694</u>	<u>-</u>	<u>-</u>
<u>Investments not measured at fair value</u>				
Bank Sweep	4,108	-	-	-
San Diego Foundation Investment Pool	743,830	-	-	-
Rancho Santa Fe Foundation Investment Pool	<u>1,914,487</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total investments not measured at fair value	<u>2,662,425</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Investments	<u>\$ 3,824,119</u>	<u>\$ 1,161,694</u>	<u>\$ -</u>	<u>\$ -</u>

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 3 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2021:

	Beginning Balance	Additions	Transfer	Ending Balance
<u>Capital assets, not being depreciated:</u>				
Land	\$ 43,937,783	\$ -	\$ -	\$ 43,937,783
Constructions in progress	1,382,324	-	(929,108)	453,216
Total capital assets, not being depreciated	<u>45,320,107</u>	<u>-</u>	<u>(929,108)</u>	<u>44,390,999</u>
<u>Capital assets, being depreciated:</u>				
Improvement of sites	16,770,671	-	929,108	17,699,779
Furniture and equipment	443,257	-	-	443,257
Total capital assets, being depreciated	<u>17,213,928</u>	<u>-</u>	<u>929,108</u>	<u>18,143,036</u>
<u>Less accumulated depreciation for:</u>				
Improvement of sites	(8,950,026)	(800,625)	-	(9,750,651)
Furniture and equipment	(341,283)	(43,105)	-	(384,388)
Total accumulated depreciation	<u>(9,291,309)</u>	<u>(843,730)</u>	<u>-</u>	<u>(10,135,039)</u>
Total capital assets being depreciated, net	<u>7,922,619</u>	<u>(843,730)</u>	<u>929,108</u>	<u>8,007,997</u>
Capital assets, net of depreciation	<u>\$ 53,242,726</u>	<u>\$ (843,730)</u>	<u>\$ -</u>	<u>\$ 52,398,996</u>

Depreciation expense of \$843,730 and \$846,775 has been recorded in Operations on the Statement of Activities for the year ended June 30, 2021 and 2020 respectively.

NOTE 4 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2021:

	Beginning Balance	Additions	Deletion	Ending Balance	Due within one year
Pension obligation bonds	\$ 218,531	\$ -	\$ (26,794)	\$ 191,737	\$ 28,416
Loan payable	462,191	-	(26,593)	435,598	27,640
Compensated absences	45,888	40,647	(39,018)	47,517	11,472
Total	<u>\$ 726,610</u>	<u>\$ 40,647</u>	<u>\$ (92,405)</u>	<u>\$ 674,852</u>	<u>\$ 67,528</u>

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - LONG-TERM LIABILITIES (CONT'D)

Pension Obligation Bonds

The JPA participates in the County of San Diego County Employee Retirement Association's (SDCERA) pension plan as discussed further in Note 6. As such they are liable for a share of the County's Taxable Pension Obligation Bonds (POB).

POBs are issued by the County to reduce its pension unfunded actuarial liability and to achieve interest rate savings by issuing bonds at interest rates which are less than the assumed rate of return earned on proceeds placed in the SDCERA pension plan. POBs also have been issued to refund previously issued POB debt. Because current federal tax law restricts the investment of the proceeds of tax-exempt bonds in higher-yielding taxable securities, POBs are issued on a taxable basis.

The County of San Diego has issued a total of six series of Pension Obligation Bonds in 2002, 2004 and 2008, with maturities ranging from August 15, 2015 to August 15, 2026. All bonds were issued at variable interest rates ranging from 3.28-6.03%. Additional information on the bonds can be found in the County of San Diego's Comprehensive Annual Financial Report.

The following is a summary of debt service requirements to maturity for JPA's Share of the County's Pension Obligation Bonds:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 28,416	\$ 10,594	\$ 39,010
2023	30,110	8,863	38,973
2024	31,993	7,020	39,013
2025	34,800	5,176	39,976
2026	37,607	3,332	40,939
2027	<u>28,811</u>	<u>1,059</u>	<u>29,870</u>
Total	<u>\$ 191,737</u>	<u>\$ 36,044</u>	<u>\$ 227,781</u>

Loan Payable

On December 1, 2018, the JPA entered into an agreement to lease certain property in the amount of \$500,000. The effective interest rate on the lease is 3.90%. The Lease agreement has semi-annual installments of \$22,180 beginning on June 1, 2019, until December 1, 2033.

The outstanding debt is subject to provisions regarding the prepayment of the amount outstanding. On any dates between December 1, 2023 through June 1, 2026, the prepayment price is 102% of unpaid principal components of the rental payments.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
NOTES TO FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 4 - LONG-TERM LIABILITIES (CONT'D)

Loan Payable (Cont'd)

The following is a summary of debt service requirements to maturity for the loan payable as of June 30, 2021:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 27,640	\$ 16,721	\$ 44,361
2023	28,729	15,633	44,362
2024	29,860	14,502	44,362
2025	31,036	13,326	44,362
2026	32,258	12,104	44,362
2027-2031	181,375	40,432	221,807
2032-2033	104,700	6,204	110,904
Total	<u>\$ 435,598</u>	<u>\$ 118,922</u>	<u>\$ 554,520</u>

Compensated Absences

The JPA's policies relating to compensated absences are described in Note 1. This liability, to be paid in future years from the general fund, as of June 30, 2021 is \$47,517.

NOTE 5 - INSURANCE

The JPA is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The JPA is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority currently operating as a common risk management and loss prevention program for 660 public agency members.

The JPA has the following coverage's:

<u>Type of Coverage</u>	<u>Limit</u>
General Liability	\$5,000,000 per occurrence
Public Officials and Employees Errors & Omissions	\$5,000,000 per occurrence
Elected Officials Personal Liability	\$500,000 per occurrence
Employment Practices Liability	\$5,000,000 per occurrence
Employee Benefits Liability	\$5,000,000 per occurrence
Employee and Public Officials Dishonesty	\$1,000,000 per occurrence
Auto Liability	\$5,000,000 per occurrence
Uninsured/Underinsured Motorists	\$1,000,000 per occurrence
Property	\$1,000,000,000 per occurrence
Boiler and Machinery	\$100,000,000 per occurrence
Workers' Compensation-Employer Liability	\$5,000,000 per occurrence

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
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NOTE 6 - RETIREMENT PLAN

Plan Description

The JPA's employees who work in a permanent position for at least 20 hours each week are eligible to participate in the San Diego County Employees Retirement Association (SDCERA) cost-sharing multiple employer defined benefit pension plan. All eligible JPA employees are considered General Members. The plan was established under the County Employees Retirement Law of 1937. A nine-member Board of retirement oversees the plan for five employers. SDCERA issues a publicly available report that includes financial statements and required supplementary information. The SDCERA financial report may be obtained by writing to SDCERA: 2275 Rio Bonito Way, Suite 200, San Diego, California 92108.

Benefits Provided

SDCERA 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. The Plans' provisions and benefits in effect at June 30, 2021, are summarized as follows:

	General Members				
	Prior to March 8, 2002 (Tier I)	March 8, 2002 to August 2009 (Tier A)	August 28, 2009 to January 1, 2013 (Tier B)	January 1, 2013 to June 30, 2018(Tier C)	On or after January 1, 2018 (Tier D)
Hire date					
Benefit formula	2.62% @ 62	3.00% @ 60	2.62% @ 62	2.50% @ 67	1.62% @ 65
Benefit vesting schedule	5 years' service	5 years' service	5 years' service	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-65	50-65	50-65	55-67	55-67
Monthly benefits, as a % of eligible compensation	1.34% to 2.62%	2.00% to 3.00%	1.34% to 2.62%	1.30% to 2.50%	1.30% to 1.62%

Contributions Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through SDCERA 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. All members are required to make contributions to SDCERA regardless of the retirement plan in which they are included.

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NOTE 6 - RETIREMENT PLAN (CONT'D)

Actuarial Methods and Assumptions used to determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was remeasured by revaluing the total pension liability as of June 30, 2019 (before the roll forward) to include the following actuarial assumptions that the Retirement Board has adopted for use in the pension funding valuation as of June 30, 2020 and using this revalued total pension liability in rolling forward the results from June 30, 2019 to June 30, 2020:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Market Value of assets less unrecognized returns in each of the last five years.
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Payroll Growth	4.15% to 10.50%
Investment Rate of Return	7.00%, net of pension plan investment expense, including inflation

Discount Rate

The discount rate used to measure the TPL was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2020.

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 inflation) are developed for each major asset class.

These returns are combined to produce the long-term expected rate of return by weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and deducting expected investment expenses. The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses, used in the derivation of the long-term expected investment rate of return assumptions are summarized in the following table:

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NOTE 6 - RETIREMENT PLAN (CONT'D)

Discount Rate (Cont'd)

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Large Cap U.S Equity	18.00 %	5.44 %
Small Cap U.S Equity	2.00 %	6.18 %
Developed International Equity	15.00 %	6.54 %
Global Equity	5.80 %	6.45 %
Emerging Markets Equity	7.00 %	8.73 %
High Yield Bonds	6.00 %	3.64 %
Intermediate Bonds	19.20 %	1.25 %
Private Real Estate (Core)	7.20 %	4.51 %
Private Real Estate (Non-Core)	1.80 %	5.82 %
Private Equity	7.00 %	9.00 %
Infrastructure	4.50 %	5.83 %
Hedge Fund	4.00 %	4.90 %
Private Debt	1.00 %	6.50 %
Timber	0.75 %	4.34 %
Farmland	0.75 %	5.63 %
Total	<u><u>100.000 %</u></u>	

Net Pension Liability

The Net Pension Liability (NPL) for each membership class is the Total Pension Liability (TPL) minus the Plan's Fiduciary Net Position. The Total Pension Liability for each membership class is obtained from internal valuation results. The Plan's Fiduciary Net Position for each membership class was estimated by adjusting the valuation value of assets (VVA) for each membership class by the ratio of the total SDCERA Plan's Fiduciary Net Position to total SDCERA valuation value of assets.

The NPL is allocated based on the actual employer contributions with the membership class.

1. First calculate the ratio of employer's contributions to the total contributions for the membership class. This ratio is multiplied by the NPL for the membership class to determine the employer's proportionate share of the NPL for the membership class.
2. The liability for Section 415(m) Replacement Benefit Program for each employer is added to the respective employers. The JPA does not have a liability in this category.
3. NPL is equal to NPL in (1) and NPL in (2) above.

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NOTE 6 - RETIREMENT PLAN (CONT'D)

Net Pension Liability (Cont'd)

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

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2019	\$ 8,082,327	\$ 6,149,430	\$ 1,932,897
Balance at: 6/30/2020	8,141,307	5,929,631	2,211,676
Change - Increase (Decrease)	<u>\$ 58,980</u>	<u>\$ (219,799)</u>	<u>\$ 278,779</u>

The JPA's proportionate share of the net pension liability as of June 30, 2019 and June 30, 2020 was as follows:

Proportion - June 30, 2019	0.048 %
Proportion - June 30, 2020	<u>0.046 %</u>
Change - Increase (Decrease)	<u>(0.002)%</u>

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

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 7.00 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.00 percent) or 1 percentage-point higher (8.00 percent) than the current rate:

	Discount Rate Less 1% (6.00%)	Current Discount (7.00%)	Discount Rate plus 1% (8.00%)
Plan's Net Pension Liability	<u>\$ 3,346,641</u>	<u>\$ 2,211,676</u>	<u>\$ 1,283,430</u>

Recognition of Gains and Losses

Under GASB 68, deferred inflows and deferred outflows of resources related to pensions 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 inflows and deferred outflows to be recognized in future pension expense.

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JUNE 30, 2021

NOTE 6 - RETIREMENT PLAN (CONT'D)

Recognition of Gains and Losses (Cont'd)

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

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

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired).

The EARSL for the Plan was 4.83 years, which was calculating each active employee's expected remaining service life as the present value of \$1 per year of future service at zero percent interest, setting the remaining service life to zero for each nonactive or retired member, and then dividing the sum of the amounts by the total number of active employees, nonactive and retired members.

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

For the measurement period ending June 30, 2020 (the measurement date), JPA recognized a pension expense of \$408,095 for the Plan.

As of the June 30, 2020 measurement date, JPA reports other amounts for the Plan as deferred outflow and deferred inflow of resources related to pensions as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources
	<u> </u>	<u> </u>
Contributions subsequent to measurement date	\$ 255,377	\$ -
Change in assumptions	138,522	-
Difference between expected and actual experience	34,126	40,276
Net differences between projected and actual earnings on pension plan investments	279,049	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions*	<u>5,416</u>	<u>93,176</u>
Total	<u>\$ 712,490</u>	<u>\$ 133,452</u>

* - Each employer is required to recognize an employer-specific type of deferred inflows and deferred outflows. This is derived from the difference between actual contributions made by the employer and the employer's proportionate share of the risk pool's total contributions. This deferral and the corresponding amortization amount are calculated separately by each employer. The employer's pension expense is adjusted for the amortization of this additional deferral. This item is required to be amortized over the plan's EARSL.

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NOTE 6 - RETIREMENT PLAN (CONT'D)

Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)

Amounts reported as deferred outflows of resources and deferred inflows of resources in the previous chart, including the employer-specific item, related to pensions will be recognized as pension expense as follows:

Measurement Date June 30	Deferred Outflows/ (Inflows) of Resources
2022	\$ 29,895
2023	100,154
2024	131,399
2025	62,213
Total	<u>\$ 323,661</u>

In addition to the above amounts, \$255,377 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, 2022.

NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Effective July 1, 2007, the San Diego JPA commenced contributing to the SDCERA Retiree Health Plan, (SDCERA-RHP) a cost-sharing multiple-employer defined benefit health plan administered by SDCERA. The Retirement Act assigns the JPA to establish and amend health allowance benefits to the SDCERA Board of Retirement. The retiree Health Plan provides a nontaxable health insurance allowance to Tier I and Tier II retirees. Health insurance allowances range from \$200 per month to \$400 per month based on members' service credits. SDCERA issues a publicly available report that includes financial statements and required supplementary information. The SDCERA financial report may be obtained by writing to SDCERA: 2275 Rio Bonito Way, Suite 200, San Diego, California 92108.

Benefits provided

SDCERA provides Health Insurance Allowance (HIA) benefits to eligible employees after retirement. All General and Safety Tier I and Tier II members are in the membership classifications eligible for the HIA. The HIA Plan is closed to members in the other Tiers.

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NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Employees Covered

As of the June 30, 2020 measurement date, the following current and former employees were covered by the benefit terms under the HIA:

Active employees	12	
Inactive employees or beneficiaries currently receiving benefits	0	
Total	12	

Contributions

The SDCERA RHP and its contribution requirements are established by Memorandum of Understanding with the applicable employee bargaining units and may be amended by agreements between the JPA and the bargaining units.

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2021, the JPA's cash contributions were \$9,773.

Net OPEB Liabilities

At June 30, 2021, the JPA reported a liability of \$47,904 for its proportionate share of the collective Net OPEB liability. The following table shows the Plan's proportionate share of the Net OPEB liability over the measurement period:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: 6/30/2019	\$ 68,701	\$ 10,120	\$ 58,581
Balance at: 6/30/2020	59,654	11,750	47,904
Change - Increase (Decrease)	\$ (9,047)	\$ 1,630	\$ (10,677)

The collective Net OPEB liability was measured as of June 30, 2020, and the Total OPEB liability used to calculate the collective Net OPEB liability was determined by an actuarial valuation as of June 30, 2020. The JPA's proportion of the collective Net OPEB liability was based on a projection of the JPA's share of contributions to the OPEB plan relative to the project contributions of all participating employers, actuarially determined. The JPA's proportionate share of the Net OPEB liability as of June 30, 2019 and June 30, 2020 was as follows:

Proportion - June 30, 2019	0.052 %	
Proportion - June 30, 2020	0.048 %	
Change - Increase (Decrease)	(0.004)%	

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NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Actuarial Methods and Assumptions:

The Total OPEB Liability as of June 30, 2020 was determined by an actuarial valuation as of June 30, 2020.

The actuarial assumptions used in the valuation were based on the results of an experience study for the period from July 1, 2015 through June 30, 2018. They are the same as the assumptions used in the June 30, 2019 funding actuarial valuations for SDCERA HIA. In particular, the following actuarial assumptions were applied to all periods included in the measurement:

Actuarial Cost Method:	Entry Age Level Percent of Pay Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	7.00%
Inflation	2.75%
Salary Increases	General: 4.15% to 10.50%, including inflation
Healthcare Trend Rate	
Non-Medicare	6.75% graded to ultimate 4.50% over 9 years
Medicare	6.25% graded to ultimate 4.50% over 7 years
HIA subsidy increase	0.00%

Discount Rate

The discount rate used to measure the Total OPEB Liability was 7.00% as of June 30, 2020. The projection of cash flows used to determine the discount rate assumed that JPA contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB Plan's Fiduciary Net Position was projected to be available to make all projected future OPEB benefits payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB Plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability as of June 30, 2020.

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB Plan inflation) are developed for each major asset class. These returns 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 and subtracting expected investment expenses and a risk margin.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2020 were summarized in the following table:

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NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Discount Rate (Cont'd)

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap U.S Equity	18.00 %	5.44 %
Small Cap U.S Equity	2.00 %	6.18 %
Developed International Equity	15.00 %	6.54 %
Global Equity	5.80 %	6.45 %
Emerging Markets Equity	7.00 %	8.73 %
High Yield Bonds	6.00 %	3.64 %
Intermediate Bonds	19.20 %	1.25 %
Private Real Asset (Core)	7.20 %	4.51 %
Private Real Asset (Non-Core)	1.80 %	5.82 %
Private Equity	7.00 %	9.00 %
Infrastructure	4.50 %	5.83 %
Hedge Fund	4.00 %	4.90 %
Private Debt	1.00 %	6.50 %
Timber	0.75 %	4.34 %
Farmland	0.75 %	5.63 %
Total	100.000 %	

OPEB Plan Fiduciary Net Position

Detailed information about the OPEB Plan's fiduciary net position is available in the separately issued SDCERA financial report.

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

The following presents the Net OPEB Liability of the JPA if it were calculated using a discount rate (7.00%) that is 1-percentage point lower (6.00%) or 1+percentage point higher (8.00%) than the current rate, for measurement period ended June 30, 2020:

	Discount Rate - 1% (6.00%)	Current Discount Rate (7.00%)	Discount Rate + 1% (8.00%)
Plan's Net OPEB Liability	\$ 52,181	\$ 47,904	\$ 44,152

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rate

The following presents the Net OPEB Liability of JPA if it were calculated using a healthcare trend rate that is 1-percentage point lower or 1+percentage point higher than the current rate, for measurement period ended June 30, 2020:

	Healthcare Rate - 1%	Current Healthcare Rate	Healthcare Rate + 1%
Plan's Net OPEB Liability	\$ 48,078	\$ 47,904	\$ 48,078

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
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NOTE 7 - OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

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

For the fiscal year ended June 30, 2021, JPA recognized OPEB revenue of \$10,554.

As of fiscal year ended June 30, 2021, JPA reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflow of Resources	Deferred Inflow of Resources
OPEB Contributions subsequent to measurement date	\$ 10,011	\$ -
Differences between projected and actual earnings on investments	485	38
Total	\$ 10,496	\$ 38

In addition to the above amounts, \$10,011 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2021.

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

Year ended June 30	Deferred Outflow/ (Inflows) of Resources
2022	\$ 138
2023	96
2024	115
Thereafter	98
Total	\$ 447

NOTE 8 - RELATED PARTY TRANSACTIONS

The JPA reimburses the County for annual cost of participating in County administered workers' compensation, employee benefit programs, and payroll and information technology support services. The total amount paid by the JPA to the County for the year ended June 30, 2021, was \$1,243,834.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
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NOTE 9 - ENDOWMENT FUNDS

The following is a summary of the endowments recorded in the permanent fund at June 30, 2021:

<u>Custodian</u>	<u>Purpose</u>	<u>Agreement Date</u>	<u>Original Principal</u>	<u>Balance at 06/30/21</u>
Rancho Santa Fe Foundation	Coast to Crest Trail repair or replacement.	09/23/03	\$ -	\$ 44,615
Rancho Santa Fe Foundation	Bernardo Mountain maintenance and preservation.	07/27/04	176,920	247,930
Del Mar Foundation	San Dieguito Lagoon maintenance and management.	04/08/04	500,000	1,165,802
San Diego Foundation	San Dieguito River Park operations and programs.	05/07/97	569,848	743,830
San Diego Foundation	San Dieguito River Park operations and programs	05/07/97	-	23,644
Rancho Santa Fe Foundation	Fenton Ranch Conservation Bank maintenance and management.	10/17/08	318,230	318,230
Rancho Santa Fe Foundation	Sycamore Westridge maintenance and management.	09/18/09	52,955	52,955
Rancho Santa Fe Foundation	Fenton Property (Escondido) maintenance and management.	01/19/10	53,628	53,628
Rancho Santa Fe Foundation	Fenton Property (Lowes) maintenance and management.	03/25/09	53,628	53,628
Rancho Santa Fe Foundation	Dean Property long-term management.	05/16/16	257,059	257,059
Rancho Santa Fe Foundation	Dept. of Navy Conservation Easement Blum Property	08/06/20	11,850	13,839
Rancho Santa Fe Foundation	Dept. of Navy Conservation Easement Blum Property	08/06/20	92,838	103,642
Rancho Santa Fe Foundation	Other endowments/restricted funds.	various	-	813,576
Total			<u>\$ 2,086,956</u>	<u>\$ 3,892,378</u>

NOTE 10 - RESTATEMENT

In October 2017, the JPA closed the escrow account on the Blum Property. As a result of the acquisition, the JPA issued an installment note to Marc L. and Orsula Blum for \$180,000 in the prior year. The interest on the note is 3.0%. The JPA sold the property in September 2019 and settled the loan. However, the JPA did not adjust the note payable balance in books. As a result, a prior period adjustment of \$148,126.

The JPA never set up a Ranger Station loan (fund 44654) account in books. The JPA kept on a spreadsheet this account is active at the County and is accruing interest. As a result, a prior period adjustment of \$1,343.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
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NOTE 10 - RESTATEMENT (CONT'D)

The following table summarized the cumulative restatements to net position:

Beginning net position as previously reported at June 30, 2020	\$ 54,041,835
Prior period adjustment:	
Blum note payable	148,126
Cash account	1,343
	149,469
Total prior period adjustment	149,469
Net position as restated, July 1, 2020	\$ 54,191,304

NOTE 11 - SUBSEQUENT EVENTS

In February 2020, the World Health Organization declared the outbreak of the novel coronavirus (COVID-19) as a “Public Health Emergency of International Concern,” which continues to spread throughout the world and has adversely impacted global commercial activity and contributed to significant declines and volatility in financial markets.

The COVID-19 pandemic is complex and rapidly evolving. At this point, we cannot reasonably estimate the duration and severity of this pandemic, which could have a material adverse impact on our business, results of operations, and financial position.

REQUIRED SUPPLEMENTARY INFORMATION

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY
SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

Measurement Period	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/29/2016</u>	<u>6/30/2015</u>	<u>6/30/2014</u>
Proportion of the Collective Net Pension Liability	0.046 %	0.048 %	0.046 %	0.050 %	0.051 %	0.046 %	0.055 %
Proportionate Share of the Collective Net Pension Liability	\$ 2,211,676	\$ 1,932,897	\$ 1,559,911	\$ 1,841,454	\$ 2,186,365	\$ 1,298,694	\$ 1,179,860
Covered Payroll	\$ 644,403	\$ 635,760	\$ 637,013	\$ 663,354	\$ 610,823	\$ 530,657	\$ 589,697
Proportionate Share of the Collective Net Pension Liability as percentage of covered payroll	343.21 %	304.029 %	244.879 %	277.597 %	357.938 %	244.733 %	200.079 %
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	72.770 %	75.990 %	78.890 %	76.090 %	70.910 %	78.320 %	82.646 %

NOTES TO SCHEDULE:

Changes of Assumptions:

For the measurement period ending June 30, 2019 the discount and investment rates were 7.00 percent, both were same as prior year.

* - The fiscal year ended June 30, 2015 was the first year of implementation of GASB 68. As such, only six years have been presented above.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY
SCHEDULE OF PLAN CONTRIBUTIONS
LAST TEN YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>	<u>6/30/2016</u>	<u>6/30/2015</u>
Actuarially Determined Contributions	\$ 249,296	\$ 240,496	\$ 244,408	\$ 240,406	\$ 221,855	\$ 193,542	\$ 171,857
Actual Contributions During the Measurement Period	<u>(249,296)</u>	<u>(240,496)</u>	<u>(244,408)</u>	<u>(240,406)</u>	<u>(221,855)</u>	<u>(193,542)</u>	<u>(171,857)</u>
Contribution Deficiency (Excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-Employee Payroll	\$ 644,403	\$ 635,760	\$ 637,013	\$ 663,354	\$ 610,823	\$ 530,657	\$ 589,697
Contributions as a Percentage of Covered Employee Payroll	38.69 %	37.83 %	38.37 %	36.24 %	36.32 %	36.47 %	29.14 %

NOTES TO SCHEDULE:

Fiscal Year End: 6/30/2021
Valuation Date: 6/30/2019

Methods and assumptions used to determine contribution rates

Actuarial Cost Method	Entry Age
Amortization Method	Level Percent of Payroll
Asset Valuation Method	5-year smooth market
Discount Rate	7.00%, net of administrative expenses
Projected Salary Increase	4.15% to 10.50%, vary by service
Inflation	2.75%
Payroll Growth	Inflation of 2.75% per year plus "across the board" real salary increases of 0.50% per year.

* - The fiscal year ended June 30, 2015 was the first year of implementation of GASB 68. As such, only six years have been presented above.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS
AUTHORITY**
**SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND
RELATED RATIOS**
LAST TEN FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

Measurement Period	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>	<u>6/30/2017</u>
Plan's Proportion of the Net OPEB Liability (Asset)	0.048 %	0.052 %	0.053 %	0.056 %
Plan's Proportionate Share of the Net OPEB Liability (Asset)	\$ 47,904	\$ 58,581	\$ 68,514	\$ 79,631
Plan's Covered Employee Payroll	\$ 644,403	\$ 635,760	\$ 635,759	\$ 638,204
Plan's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Employee Payroll	7.430 %	9.210 %	10.777 %	12.480 %
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total OPEB Liability	19.700 %	14.730 %	10.120 %	6.920 %

NOTES TO SCHEDULE:

Changes in assumptions:

1. Net investment return same 7.00%
2. Mortality, disability, withdrawal, retirement, and salary scale rates were updated.
3. Inflation same 2.75%.

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

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS
AUTHORITY**
SCHEDULE OF OPEB CONTRIBUTIONS LAST TEN FISCAL YEARS*
FOR THE YEAR ENDED JUNE 30, 2021

Fiscal Year	<u>6/30/2021</u>	<u>6/30/2020</u>	<u>6/30/2019</u>	<u>6/30/2018</u>
Actuarially Determined Contribution (ADC)	\$ 9,773	\$ 10,480	\$ 10,510	\$ 10,510
Contributions in relation to the ADC	<u>(9,773)</u>	<u>(10,480)</u>	<u>(10,510)</u>	<u>(10,510)</u>
Contribution deficiency (excess)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Covered-employee payroll	\$ 644,403	\$ 635,760	\$ 636,949	\$ 637,013
Contributions as a percentage of covered employee payroll	1.52 %	1.65 %	1.65 %	1.65 %

NOTES TO SCHEDULE

Actuarial methods and assumptions used to set the actuarially determined contributions methods and assumptions used to determine contributions:

Actuarial Cost Method	Entry Age Level % of Pay Actuarial Cost Method
Amortization Method	Separate declining 20-year bases starting June 30, 2007, amortized as level dollar amounts
Remaining Amortization Period	Various
Asset Valuation Method	Market value
Investment Rate of Return	7.00%, net investment expense
Inflation Rate	2.75%
Real Across-The-Board Salary Increases	0.50%
Projected Salary Increases	General: 4.15% to 10.50%
HIA Subsidy Increase	0.00%

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

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS
AUTHORITY**

**BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2021**

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Assessments	\$ 1,078,037	\$ 1,078,038	\$ 1
Contracts and grants	412,136	688,679	276,543
Investment income	-	7,908	7,908
Donations	15,600	22,309	6,709
Miscellaneous	1,920	15,269	13,349
	<u>1,507,693</u>	<u>1,812,203</u>	<u>304,510</u>
EXPENDITURES:			
Current:			
General government:			
Salaries and benefits	1,208,226	1,243,834	(35,608)
Auto and travel	12,000	12,929	(929)
Professional and contracted services	41,500	47,256	(5,756)
Miscellaneous	-	14,277	(14,277)
Operating	245,967	422,228	(176,261)
Debt service:			
Principal	-	53,387	(53,387)
Interest	-	27,978	(27,978)
	<u>1,507,693</u>	<u>1,821,889</u>	<u>(314,196)</u>
Excess (deficiency) of revenues over (under) expenditures	<u>-</u>	<u>(9,686)</u>	<u>\$ (9,686)</u>
Net change in fund balances		<u>(9,686)</u>	
Fund balances at beginning of year		171,084	
<i>Restatement</i>		<u>1,343</u>	
<i>Fund balances at beginning of year, restated</i>		<u>172,427</u>	
Fund balances at end of year		<u>\$ 162,741</u>	

See accompanying notes to required supplementary information.

**SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS
AUTHORITY**
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2021

NOTE 1 - BUDGETARY REPORTING

The JPA adopted an annual budget prepared on the modified accrual basis for the General Fund, which is consistent with generally accepted accounting principles (GAAP). The adopted budget can be amended by the JPA to change both appropriations and estimated revenues as unforeseen circumstances come to management's attention. Increases and decreases in revenue and appropriations and transfers between funds require the JPA's approval. However, the Executive Director may authorize changes within funds. Expenditures may not exceed total appropriations at the individual fund level. It is the practice of the management to review the budget with the Board on a quarterly basis and, if necessary, recommend changes.

For the year ended June June 30, 2021, expenditures exceeded appropriations in the General Fund by \$314,196 due to capital outlay to purchase property and several projects not budgeted for.