VALLEY-WIDE RECREATION AND PARK DISTRICT

ANNUAL FINANCIAL REPORT

WITH REPORT ON AUDIT BY
INDEPENDENT CERTIFIED PUBLIC ACCOUNTANTS

JUNE 30, 2016

FOR THE YEAR ENDED JUNE 30, 2016

INDEPENDENT AUDITORS' REPORT

Board of Directors
Valley-Wide Recreation and Park District
Hemet, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Valley-Wide Recreation and Park District, as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Valley-Wide Recreation and Park District as of June 30, 2016, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

2965 Roosevelt Street, Carlsbad, CA 92008-2389 • Tel: 760.729.2343 • Fax: 760.729.2234

Offices located in Orange and San Diego Counties

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison schedules, schedule of funding progress for OPEB, schedule of proportionate share of the net pension liability, and the schedule of contributions – defined benefit pension plans, identified as Required Supplementary Information (RSI) in the accompanying table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the RSI in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

White Nelson Diehl Evans LLP

Carlsbad, CA
March 10, 2017

VALLEY-WIDE RECREATION AND PARK DISTRICT
Required Supplementary Information
Management's Discussion and Analysis

June 30, 2016

This section of the Valley-Wide Recreation and Park District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2016. This information is presented in conjunction with the audited basic financial statements, which follows this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2016

- The assets of the District exceeded liabilities at the close of the 2015-2016 the fiscal year by $72,056,640 (net position). Of this amount, $3,229,892 (unrestricted net position) may be used to meet ongoing obligations to citizens and creditors, and $55,340,024 is invested in capital assets – net of related debt.

- As of June 30, 2016 the District's governmental funds reported combined fund balances of $20,080,811, of which $3,978,358 is available to meet the District's General Fund current and future needs (unassigned fund balance).

- At the end of the fiscal year, nonspendable and unassigned fund balance for the general fund was $3,995,290 or 74.5% of total general fund expenditures.

- The District has one lease financing agreement for long-term debt with a remaining balance of $721,789 at June 30, 2016.

- The District has a loan from the Eastern Municipal Water District with a remaining balance of $123,635 at June 30, 2016.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

REQUIRED FINANCIAL STATEMENTS

Government – Wide Financial Statements are designed to provide readers with a broad overview of District finances, in a manner similar to a private-sector business.

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

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

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

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

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

Proprietary Funds are used to account for when the District charges fees to cover the costs of certain services it provides. Proprietary funds are reported in the same way that all activities are reported in the Statement of Net Position and the Statement of Activities. The District uses a proprietary fund to report its golf course activities.

Notes to the Financial Statements

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

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information and other supplementary information which can be found on pages 53-67 of this report.

General Fund Budgetary Highlights-See page 56

The final expenditures at year-end were $375,396 less than the final budget. This budget to actual variance was primarily due to the increased cost control efforts, implemented by the District primarily due to the District's utility cost management. Actual revenues compared to the final budget were up only $10,480. Despite the economic downturn, the District showed a small increase in revenues and a substantial decrease in expenditures compared to budget. This is realized through the District's efficient operations, utility cost management, consolidating job duties and personnel realignment.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A summary of the District's Statement of Net Position in comparison to the prior year is presented below.

Condensed Statement of Net Position
Fiscal Years
June 30, 2015 and 2016

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Assets:						
Current and other Assets	$ 19,531,664	$ 21,188,780	$ (1,069,440)	$ (1,134,544)	$ 18,462,224	$ 20,054,236
Capital Assets	57,740,552	56,272,260	1,029,773	998,188	58,770,325	57,270,448
Total Assets	77,272,216	77,461,040	(39,667)	(136,356)	77,232,549	77,324,684
Deferred Outflows of Resources:						
Deferred amounts from pension	316,452	783,638	12,743	31,547	329,195	815,185
Total Deferred Outflows	316,452	783,638	12,743	31,547	329,195	815,185
Liabilities:						
Current Liabilities	1,016,002	1,009,801	8,601	10,822	1,024,603	1,020,623
Noncurrent	4,026,319	4,653,214	85,785	109,459	4,112,104	4,762,673
Total Liabilities	5,042,321	5,663,015	94,386	120,281	5,136,707	5,783,296
Deferred Inflows of Resources:						
Deferred amounts from pension	595,143	288,326	23,959	11,607	619,102	299,933
Total Deferred Inflows	595,143	288,326	23,959	11,607	619,102	299,933
Net Position:						
Net investment in capital assets	56,737,188	55,426,836	(55,227)	(86,812)	56,681,961	55,340,024
Restricted	11,286,140	13,486,724	-	-	11,286,140	13,486,724
Unrestricted	3,927,966	3,379,777	(90,042)	(149,885)	3,837,924	3,229,892
Total Net Position	$ 71,951,294	$ 72,293,337	$ (145,269)	$ (236,697)	$ 71,806,025	$ 72,056,640

The following is a brief explanation for the balance changes of the Condensed Statement of Net Position for the year ending June 30, 2016.

- The decrease in the net investment in capital assets is due to depreciation expense exceeding the purchases during the year.
- The increase in total liabilities was largely due to the implementation of GASB 68. In turn, the decrease in unrestricted net position is also largely due to the implementation of GASB 68.

VALLEY-WIDE RECREATION AND PARK DISTRICT
Required Supplementary Information
Management's Discussion and Analysis (Continued)

June 30, 2016

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

Condensed Statement of Activities
Fiscal Years
June 30, 2015 and 2016

	Governmental Activities		Business-type Activities		Total	
	2015	2016	2015	2016	2015	2016
Program Revenues:						
Charges for services	$ 10,491,640	$ 10,812,372	$ 281,570	$ 261,822	$ 10,773,210	$ 11,074,194
Operating grants and contributions	778,471	1,011,535	-	-	778,471	1,011,535
Capital contributions and grants	6,329,690	-	-	-	6,329,690	-
	17,599,801	11,823,907	281,570	261,822	17,881,371	12,085,729
General Revenues:						
Taxes and special assessments	1,345,181	1,429,309	-	-	1,345,181	1,429,309
Investment earnings	471,954	474,817	-	-	471,954	474,817
Miscellaneous	2,388,059	1,907,924	-	-	2,388,059	1,907,924
	4,205,194	3,812,050	-	-	4,205,194	3,812,050
Total Revenue	21,804,995	15,635,957	281,570	261,822	22,086,565	15,897,779
Expenses:						
Recreation and park activities	15,749,335	15,254,866	397,935	353,250	16,147,270	15,608,116
Interest on long-term debt	43,495	39,048	-	-	43,495	39,048
Total Expenses	15,792,830	15,293,914	397,935	353,250	16,190,765	15,647,164
Changes in Net Position	6,012,165	342,043	(116,365)	(91,428)	5,895,800	250,615
Beginning Net Position	65,939,129	71,951,294	(28,904)	(145,269)	65,910,225	71,806,025
Ending Net Position	$ 71,951,294	$ 72,293,337	$ (145,269)	$ (236,697)	$ 71,806,025	$ 72,056,640

The following is a brief explanation for the balance changes of the Condensed Statement of Activities for the year ending June 30, 2016.

- Charges for services showed a modest increase primarily due to the popularity of the programs offered by the District even with the sluggish economy.
- The decrease in capital contributions and grants is due to the decrease in park land accepted by the District from developers during the year.
- Miscellaneous revenues decrease mainly due to the prior year's revenue associated with the recycle water retrofit loan with the EMWD.

VALLEY-WIDE RECREATION AND PARK DISTRICT
Required Supplementary Information
Management's Discussion and Analysis (Continued)

June 30, 2016

CAPITAL ASSETS

Capital Assets at Year-End

	Balance at June 30, 2015 Net of Accumulated Depreciation	Increases	Decreases	Current Year Depreciation	Balance at June 30, 2016 Net of Accumulated Depreciation
Governmental Activities:					
Land	$ 12,917,575	$ -	$ -	$ -	$ 12,917,575
Historical automobile	22,900	-	-	-	22,900
Construction in progress	-	65,815		-	65,815
Building and improvements	44,714,602	193,340	-	(1,705,768)	43,202,174
Equipment	25,989	-	-	(5,711)	20,278
Vehicles	59,486	-	-	(15,968)	43,518
	$ 57,740,552	$ 259,155	$ -	$ (1,727,447)	$ 56,272,260
Business-type Activities:					
Land	$ 269,364	$ -	$ -	$ -	$ 269,364
Building and improvements	723,105	-	-	(26,510)	696,595
Equipment	37,304	-	-	(5,075)	32,229
	$ 1,029,773	$ -	$ -	$ (31,585)	$ 998,188

As of June 30, 2016 the District's investment in capital assets net of accumulated depreciation was $56,272,260 and $998,188 for Governmental and Business-type Activities, respectively. The investment in capital assets includes land, site improvements, buildings and improvements, vehicles and equipment. The capital assets are presented in the government – wide statement of net position. The District made improvements to several parks in the 2015-2016 fiscal year utilizing Quimby Funds, Park Development Funds and donations.

The planning process for new parks to be improved and dedicated to the District in fiscal year 2016-2017 include the completion of Exchange Park, Discovery Park, Mahogany Meadows, Honey Pine, Lago Vista, Tucalota Park and the continued installation of streetscapes throughout the District. These parks add over 45 acres of additional parkland.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

At year end, the District's governmental funds reported combined fund balance of $20.1 million, which is an increase of $1.5 million from the $18.6 million at June 30, 2015.

- The general fund had a positive fund balance change of $520,512 primarily due to the collection of funds from the dissolution of the local Redevelopment Agencies and the District's ongoing effort to maximize efficient operations and the Districts utility cost management along with not having the costs associated with the District's biannual election of $187,855.
- The capital projects fund had a positive fund balance change of $178,239 primarily due to Quimby Fees collected during the year exceeding Capital Outlay.
- The Menifee Landscape Maintenance District fund had a positive fund balance change of $258,301. This is primarily due to the District's accumulation of assessments for capital maintenance expenditure reserves, along with the District's ongoing effort to maximize efficient operations and its utility cost management.
- The Menifee South Landscape Maintenance District fund had a positive fund balance change of $105,007. This is primarily due to the District's accumulation of assessments for capital maintenance expenditures reserves, along with the District's ongoing effort to maximize efficient operations and its utility cost management.
- The French Valley Landscape Maintenance District fund had a positive fund balance change of $73,691. This is primarily due to the District's accumulation of assessments for capital maintenance expenditures reserves, along with the District's ongoing effort to maximize efficient operations and its utility cost management combined with long term maintenance efforts.

LONG – TERM DEBT

As of June 30, 2016 the District had $4,713,989 in noncurrent liabilities, which is net of the $220,228 current portion as reported in the statement of net position. The outstanding debt consists of one lease financing agreement with a bank, a loan with the Eastern Municipal Water District, the District's obligation to its employees for compensated absences, the District's net OPEB obligation (note 7) and the District's net pension liability (note 6). For more detailed information about the District's long term-debt see note 3.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The 2016-2017 fiscal year will continue to prove to be a challenge. The District anticipates a minimal increase in tax revenues as housing values start to increase along with the continuing payments from the dissolution of the local Redevelopment Agencies. The uncertainties dealing the detachment application submitted by the City of Menifee prove to be a major challenge in the budget process for the upcoming years.

ADDITIONAL FINANCIAL INFORMATION

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the Valley-Wide Recreation and Park District General Manager at 901 W. Esplanade Avenue, San Jacinto, CA 92383.

BASIC FINANCIAL STATEMENTS

STATEMENT OF NET POSITION
June 30, 2016

	Primary Government		
	Governmental Activities	Business-Type Activities	Total
ASSETS:			
Current Assets:			
Cash and investments (Notes 1 and 2)	$ 15,192,919	$ 4,581	$ 15,197,500
Accounts receivable	242,107	8,426	250,533
Taxes receivable	246,919	-	246,919
Intergovernmental receivable	161,126	-	161,126
Internal balances	1,155,000	(1,155,000)	-
Interest receivable	2,472	-	2,472
Inventories	-	7,449	7,449
Prepaid items	16,932	-	16,932
Restricted assets:			
Cash and investments (Notes 1 and 2)	4,171,221	-	4,171,221
Interest receivable	84	-	84
Total Current Assets	21,188,780	(1,134,544)	20,054,236
Noncurrent Assets:			
Capital Assets (Notes 1 and 4):			
Not being depreciated	13,006,290	269,364	13,275,654
Capital assets, net of depreciation	43,265,970	728,824	43,994,794
Total Capital Assets	56,272,260	998,188	57,270,448
Total Noncurrent Assets	56,272,260	998,188	57,270,448
TOTAL ASSETS	77,461,040	(136,356)	77,324,684
DEFERRED OUTFLOWS OF RESOURCES:			
Deferred amounts from Pension	783,638	31,547	815,185
TOTAL DEFERRED OUTFLOWS OF RESOURCES	783,638	31,547	815,185
LIABILITIES:			
Current Liabilities:			
Accounts payable and accrued liabilities	836,857	10,822	847,679
Long-term debt, due within one year (Note 3)	167,813	-	167,813
Current portion of compensated absences	52,415	-	52,415
Restricted current liabilities payable from restricted assets:			
Deposits	1,400	-	1,400
Total Current Liabilities	1,058,485	10,822	1,069,307
Noncurrent Liabilities:			
Long-term debt due in more than one year (Note 3)	677,611	-	677,611
Net OPEB obligation (Note 7)	1,132,942	-	1,132,942
Compensated absences (Note 3)	75,014	-	75,014
Net Pension Liability	2,718,963	109,459	2,828,422
Total Noncurrent Liabilities	4,604,530	109,459	4,713,989
TOTAL LIABILITIES	5,663,015	120,281	5,783,296
DEFERRED INFLOWS OF RESOURCES:			
Deferred amounts from Pension	288,326	11,607	299,933
TOTAL DEFERRED INFLOWS OF RESOURCES	288,326	11,607	299,933
NET POSITION:			
Net investment in capital assets	55,426,836	(86,812)	55,340,024
Restricted for:			
Parks and recreation	13,486,724	-	13,486,724
Unrestricted	3,379,777	(149,885)	3,229,892
TOTAL NET POSITION	$ 72,293,337	$ (236,697)	$ 72,056,640

See accompanying notes to the financial statements.

STATEMENT OF ACTIVITIES
For the year ended June 30, 2016

		Program Revenues		
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions
Primary Government				
Governmental Activities:				
General government	$ 918,478	$ -	$ 833,584	$ -
Community services	15,607	-	15,607	-
Parks and recreation	4,822,525	931,081	162,344	-
Public works - landscape maintenance	9,498,256	9,881,291	-	-
Interest on long-term debt	39,048	-	-	-
Total governmental activities	15,293,914	10,812,372	1,011,535	-
Business-Type Activities:				
Golf	353,250	261,822	-	-
Total business-type activities	353,250	261,822	-	-
Total primary government	$ 15,647,164	$ 11,074,194	$ 1,011,535	$ -

(Continued)

GENERAL REVENUES:
Taxes
Investment earnings
In lieu fees
Other revenues

Total General Revenues

CHANGES IN NET POSITION

NET POSITION - BEGINNING OF YEAR

NET POSITION - END OF YEAR

(Continued)

Net (Expense)/Revenue and Changes in Net Position		
Primary Government		
Governmental Activities	Business-Type Activities	Total
$ (84,894)	$ -	$ (84,894)
-	-	-
(3,729,100)	-	(3,729,100)
383,035	-	383,035
(39,048)	-	(39,048)
(3,470,007)	-	(3,470,007)
-	(91,428)	(91,428)
-	(91,428)	(91,428)
(3,470,007)	(91,428)	(3,561,435)
1,429,309	-	1,429,309
474,817	-	474,817
397,188	-	397,188
1,510,736	-	1,510,736
3,812,050	-	3,812,050
342,043	(91,428)	250,615
71,951,294	(145,269)	71,806,025
$ 72,293,337	$ (236,697)	$ 72,056,640

BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2016

		Special Revenue Funds		
	General Fund	Menifee Landscape Maintenance District	Menifee South Landscape Maintenance District	French Valley Landscape Maintenance District
ASSETS				
Cash and investments (Notes 1 and 2)	$ 4,419,852	$ 1,887,100	$ 2,375,791	$ 4,794,727
Restricted cash (Notes 1 and 2)	-	-	-	10,000
Accounts receivable	55,418	14,203	-	10,142
Taxes receivable	64,746	21,722	8,991	30,398
Intergovernmental receivable	142,900	1,926	-	9,807
Due from other funds (Note 9)	129,534	-	-	-
Interest receivable	1,565	340	140	388
Prepaid items	16,932	-	-	-
Advance to golf fund (Note 9)	-	-	-	-
Total Assets	$ 4,830,947	$ 1,925,291	$ 2,384,922	$ 4,855,462
LIABILITIES AND FUND BALANCES				
LIABILITIES				
Accounts payable and accrued liabilities	$ 835,657	$ 1,200	$ -	$ -
Restricted deposits	-	-	-	1,400
Due to other funds (Note 9)	-	-	-	-
Total Liabilities	835,657	1,200	-	1,400
DEFERRED INFLOWS OF RESOURCES:				
Unavailable revenues	-	-	-	-
Total Deferred Inflows of Resources	-	-	-	-
FUND BALANCES:				
Nonspendable:				
Prepaid items	16,932	-	-	-
Advances	-	-	-	-
Restricted for:				
Parks and recreation	-	1,924,091	2,384,922	4,854,062
Assigned to:				
Landscape maintenance	-	-	-	-
Unassigned	3,978,358	-	-	-
Total Fund Balances	3,995,290	1,924,091	2,384,922	4,854,062
TOTAL LIABILITIES AND FUND BALANCES	$ 4,830,947	$ 1,925,291	$ 2,384,922	$ 4,855,462

(Continued)

See accompanying notes to the financial statements.

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ 1,715,449	$ 15,192,919
4,161,221	-	4,171,221
162,344	-	242,107
-	13,694	139,551
-	6,493	161,126
-	-	129,534
84	39	2,556
-	-	16,932
1,085,000	-	1,085,000
$ 5,408,649	$ 1,735,675	$ 21,140,946
$ -	$ -	$ 836,857
-	-	1,400
-	59,534	59,534
-	59,534	897,791
162,344	-	162,344
162,344	-	162,344
-	-	16,932
1,085,000	-	1,085,000
4,161,305	-	13,324,380
-	1,735,675	1,735,675
-	(59,534)	3,918,824
5,246,305	1,676,141	20,080,811
$ 5,408,649	$ 1,735,675	$ 21,140,946

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
June 30, 2016

		Amount
Fund balances for governmental funds		$ 20,080,811
Amounts reported for governmental activities in the statement of net position are different because:		
Accrued assets in the statement of net position differ from the amounts reported in governmental funds due to accrued property taxes received after the availability period.		107,368
Capital assets used in governmental funds are not financial resources and, therefore, are not reported in governmental funds (net of accumulated depreciation).		56,272,260
Long-term liabilities applicable to the governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position:		
2012 Lease Financing Agreement payable	(721,789)	
EMWD Retrofit Loan	(123,635)	
Compensated absences	(127,429)	(972,853)
The Net OPEB Obligation is not due and payable in the current period, and therefore is not reported in the governmental fund balance sheet.		(1,132,942)
Certain receivables recorded as unavailable revenue in governmental funds are recognized as revenue on the full-accrual basis, and therefore, are not reported as unavailable revenues in the statement of net position.		162,344
Pension related debt applicable to the District's governmental activates are not due and payable in the current period and accordingly are not reported as fund liabilities. Deferred outflows of resources and deferred inflows of resources related to pensions are only reported in the Statement of Net Position as the changes in these amounts effect only the government-wide statements for governmental activities.		
Deferred outflows of resources	783,638	
Deferred inflows of resources	(288,326)	
Net pension liability	(2,718,963)	(2,223,651)
Net position of governmental activities		$ 72,293,337

THIS PAGE INTENTIONALLY LEFT BLANK

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
For the year ended June 30, 2016

		Special Revenue Funds		
	General Fund	Menifee Landscape Maintenance District	Menifee South Landscape Maintenance District	French Valley Landscape Maintenance District
REVENUES:				
Taxes	$ 1,447,525	$ -	$ -	$ -
Revenues from use of money and property	343,578	29,746	3,480	86,543
Intergovernmental revenues	833,584	-	-	-
Charges for services	1,813,406	2,144,542	879,726	4,136,184
In lieu fees	-	-	-	-
Other revenues	1,442,587	26,989	-	13,858
Total Revenues	5,880,680	2,201,277	883,206	4,236,585
EXPENDITURES:				
General government	679,058	-	-	-
Community services	-	-	-	-
Parks and recreation	2,546,576	303,526	-	283,637
Public works - landscape maintenance	1,985,981	1,591,016	778,199	3,707,620
Capital outlay	-	-	-	-
Debt Service:				
Principal	114,223	43,716	-	-
Interest and fiscal charges	34,330	4,718	-	-
Total Expenditures	5,360,168	1,942,976	778,199	3,991,257
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	520,512	258,301	105,007	245,328
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	(171,637)
Total Other Financing Sources (Uses)	-	-	-	(171,637)
NET CHANGES IN FUND BALANCES	520,512	258,301	105,007	73,691
FUND BALANCES, July 1,	3,474,778	1,665,790	2,279,915	4,780,371
FUND BALANCES, June 30,	$ 3,995,290	$ 1,924,091	$ 2,384,922	$ 4,854,062

(Continued)

(Continued)

Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
$ -	$ -	$ 1,447,525
9,693	1,777	474,817
-	15,607	849,191
25,000	1,813,514	10,812,372
397,188	-	397,188
-	27,302	1,510,736
431,881	1,858,200	15,491,829
-	-	679,058
-	15,607	15,607
-	-	3,133,739
-	1,619,182	9,681,998
253,642	-	253,642
-	-	157,939
-	-	39,048
253,642	1,634,789	13,961,031
178,239	223,411	1,530,798
-	171,637	171,637
-	-	(171,637)
-	171,637	-
178,239	395,048	1,530,798
5,068,066	1,281,093	18,550,013
$ 5,246,305	$ 1,676,141	$ 20,080,811

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016

		Amount
Net changes in fund balances - total governmental funds		$ 1,530,798
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital assets acquisitions as expenditures. However, in the statement of activities, the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital assets acquired:		
Purchased directly by the District	259,155	
Depreciation expense	(1,727,447)	(1,468,292)
Taxes and special assessment revenues in the statement of activities differ from the amounts reported in governmental funds due to accrued property taxes received after the sixty days recording criteria for governmental funds.		(18,216)
The issuance of long-term liabilities provides current financial resources to governmental funds, while the repayment of the principal of long-term liabilities consumes current financial resources of governmental funds. However, these transactions have no effect on net position:		
Principal payments	157,939	
Net decrease in compensated absences payable	(21,060)	136,879
Pension expense reported in the governmental funds includes the annual required contributions. In the Statement of Activities, pension expense includes the change in the net pension liability, and related change in pension amounts for deferred outflows of resources and deferred inflows of resources.		185,849
Certain receivables recorded as unavailable revenue in governmental funds are recognized as revenue on the full-accrual basis, and therefore, are reported as revenues in the statement of activities.		162,344
OPEB expense is recognized when paid in the statement of revenues, expenditures, and changes in fund balances, and recognized when incurred in the statement of activities.		(187,319)
Changes in net position of governmental activities		$ 342,043

STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2016

	Golf Fund
ASSETS	
Current Assets:	
Cash and cash equivalents (Notes 1 and 2)	$ 4,581
Accounts receivable	8,426
Inventories	7,449
Total Current Assets	20,456
Noncurrent Assets:	
Capital Assets (Notes 1 and 4)	
Not being depreciated	269,364
Capital assets, net of depreciation	728,824
Total Noncurrent Assets	998,188
TOTAL ASSETS	1,018,644
DEFERRED OUTFLOWS OF RESOURCES	
Deferred amounts from pension	31,547
TOTAL DEFERRED OUTFLOWS OF RESOURCES	31,547
LIABILITIES	
Current Liabilities:	
Accounts payable and accrued liabilities	10,822
Due to other funds (Note 9a)	70,000
Total Current Liabilities	80,822
Noncurrent Liabilities:	
Loan payable (Note 9b)	1,085,000
Net pension liability	109,459
Total Noncurrent Liabilities	1,194,459
TOTAL LIABILITIES	1,275,281
DEFERRED INFLOWS OF RESOURCES	
Deferred amounts on pension	11,607
TOTAL DEFERRED INFLOWS OF RESOURCES	11,607
NET POSITION	
Net investment in capital assets	(86,812)
Unrestricted	(149,885)
TOTAL NET POSITION	$ (236,697)

STATEMENT OF REVENUES, EXPENSES AND
CHANGE IN NET POSITION
PROPRIETARY FUNDS
For the year ended June 30, 2016

	Golf Fund
OPERATING REVENUES:	
Golf revenue	$ 261,822
Total Operating Revenues	261,822
OPERATING EXPENSES:	
Parks and recreation	165,499
Public works-landscape maintenance	152,383
Depreciation	31,585
Total Operating Expenses	349,467
OPERATING LOSS	(87,645)
NONOPERATING REVENUES (EXPENSES):	
Interest expense	(3,783)
Total Nonoperating Revenues (Expenses), Net	(3,783)
Change In Net Position	(91,428)
Net position at beginning of year	(145,269)
Net position at end of year	$ (236,697)

STATEMENT OF CASH FLOWS
For the year ended June 30, 2016

	Golf Fund
CASH FLOWS FROM OPERATING ACTIVITIES:	
Cash receipts from customers	$ 262,718
Cash payments for services and supplies	(255,523)
Net cash provided by operating activities	7,195
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES:	
Interest payments	(3,782)
Net cash and cash equivalents provided (used) by capital and related financing activities	(3,782)
Net increase (decrease) in cash and cash equivalents	3,413
Cash and Cash Equivalents, Beginning of Year	1,168
Cash and Cash Equivalents, End of Year	$ 4,581
Reconciliation of Operating Income to Net Cash Flows Provided by Operating Activities:	
Operating loss	$ (87,645)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by Operating Activities:	
Depreciation	31,585
Changes in operating assets, deferred outflows, liabilities, and deferred inflows:	
(Increase) decrease in assets:	
Receivables	896
Inventory	(2,379)
(Increase) decrease in deferred outflows:	
Deferred amounts from pension	(18,805)
Increase (decrease) in liabilites:	
Accounts payable	2,221
Due to other funds	70,000
Net pension liability	23,674
Increase (decrease) in deferred inflows:	
Deferred amounts from pension	(12,352)
Total Adjustments	94,840
Net Cash Provided by Operating Activities	$ 7,195

See accompanying notes to the financial statements.

THIS PAGE INTENTIONALLY LEFT BLANK

June 30, 2016

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES:

   a. Reporting Entity:

The reporting entity "Valley-Wide Recreation and Park District" includes the accounts of the District, the Menifee Landscape Maintenance District (MLMD), the Menifee North Landscape Maintenance District (MNLMD), the French Valley Landscape Maintenance District (FVLMD), the Menifee South Landscape Maintenance District (MSLMD), the Rivercrest Landscape Maintenance District (RLMD), the Winchester/Hunter Road Landscape Maintenance District (W/HRLMD), the Wheatfield Landscape Maintenance District (WLMD), the Valley-Wide Recreation Foundation (Foundation), and the Golf Course (GC).

The Valley-Wide Recreation and Park District was incorporated on July 27, 1972 under the statutory authority of the State of California Public Resources Code Section 5780 as a recreation and park district in eastern Riverside County, California.

The MLMD, MNLMD, FVLMD, MSLMD, RLMD, W/HRLMD and WLMD were formed under the State of California Streets and Highway Code Sections 22500 through 22509 to provide landscape maintenance and park development in special assessment districts in eastern Riverside County, California. Separate financial statements are not issued for these entities.

The Foundation was incorporated on September 29, 1980 as a nonprofit public benefit corporation under the State of California Nonprofit Public Benefit Corporation Law. The Foundation was organized for the purposes of rendering assistance to Valley-Wide Recreation and Park District by acquiring, constructing, and financing recreation and park improvements, buildings, and the acquisition of land and related facilities for the use, benefit and enjoyment of the public. Separate financial statements are not issued for this entity.

The Echo Hills Golf Course was purchased by Valley-Wide Recreation and Park District during fiscal year 2012 and is accounted for as a Proprietary Fund using the full accrual basis of accounting.

As required by generally accepted accounting principles, these financial statements present the Valley-Wide Recreation and Park District and its component units, entities for which the District is considered to be financially accountable. The District is considered to be financially accountable for an organization if the District appoints a voting majority of that organization’s governing body and the District is able to impose its will on that organization or there is a potential for that organization to provide specific financial benefits to or impose specific financial burdens on the District. The District is also considered to be financially accountable for an organization if that organization is fiscally dependent upon the District (i.e., it is unable to adopt its budget, levy taxes, set rates or charges, or issue bonded debt without approval from the District). In certain cases, other organizations are included as component units if the nature and significance of their relationship with the District are such that their exclusion would cause the District’s financial statements to be misleading or incomplete. Based on these criteria, the component units of the District are the MLMD, MNLMD, FVLMD, MSLMD, RLMD, W/HRLMD, WLMD, GC, and the Foundation.

Since the District’s Board of Directors serves as the governing board for these component units, all of the District’s component units are considered to be blended component units. Blended component units although legally separate entities, are in substance, part of the District’s operations and so data from these units are reported with the interfund data of the primary government.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

a. Reporting Entity (Continued):

Separate financial statements are provided for governmental and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

b. Government-Wide and Fund Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the District. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

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

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

Net investment in capital assets– This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.

Restricted – This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.

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

The District receives funding from Quimby Fees which are accounted for in the capital projects fund. Quimby Fee expenditures are restricted in use by the Quimby Act of 1975. Revenues guaranteed through the Quimby Act cannot be used for the operation and maintenance of park facilities.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

b. Government-Wide and Fund Financial Statements (Continued):

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

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

Restricted – This classification includes amounts that can be spent only for specific purposes stipulated by constitutional, external resource providers or through enabling legislation.

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

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

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

In the government-wide statements, the District considers restricted funds to be spent first then unrestricted funds when expenditures are incurred for purposes for which both restricted and unrestricted net position is available. In the governmental funds, when both restricted and unrestricted resources are available for use, expenses are considered to be paid first from restricted resources, and then from unrestricted resources. When committed, assigned, or unassigned amounts are available for use, expenses are considered to be paid first from committed, then from assigned, and then unassigned.

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

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

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation:

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

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

In the government-wide Statement of Net Position and the Statement of Activities, activities are presented using the economic resources measurement focus and the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used, regardless of the timing of related cash flows. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Proprietary fund equity is classified as net position.

All governmental funds are accounted for using the current financial resources measurement focus and the modified-accrual basis of accounting. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources at the end of the period. Their revenues are recognized when they become measurable and available. 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 (within 60 days) to be available to finance the expenditures accrued for the reporting period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However debt service payments (principal and interest) unpaid vacation, compensatory time and claims and judgments are recorded only when payment is due.

Revenue recognition is subject to the measurable and availability criteria for the governmental funds in the fund financial statements. Exchange transactions are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). Locally imposed derived tax revenues are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. Imposed non-exchange transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. Government-mandated and voluntary non-exchange transactions are recognized as revenues when all applicable eligibility requirements have been met.

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

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

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

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

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

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

c. Measurement Focus, Basis of Accounting and Financial Statement Presentation (continued):

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

The District reports the following major proprietary fund:

The **Golf Fund** accounts for operation and maintenance of the District's golf course which is funded by user charges.

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

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

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenue and expenses generally result from providing services in connection with the fund's principal ongoing operations. The principal operating revenues of the District's proprietary fund are charges to customers for golf services. Operating expenses for proprietary funds include the cost of sales and services, general and administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

d. New Accounting Pronouncements:

GASB Current Year Standards:

In fiscal year 2015-2016, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *"Fair Value Measurement and Application"*. GASB Statement No. 72 requires the District to use valuation techniques which are appropriate under the circumstances and are either a market approach, a cost approach, or income approach. GASB Statement No. 72 establishes a hierarchy of inputs used to measure fair value consisting of three levels. Level 1 inputs are quoted prices in active markets for identical assets or liabilities. Level 2 inputs are inputs, other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Level 3 inputs are unobservable inputs, and typically reflect management's estimates of assumptions that market participants would use in pricing the asset or liability. GASB Statement No. 72 also contains note disclosure requirements regarding the hierarchy of valuation inputs and valuation techniques that were used for the fair value measurements. There was no material impact on the District's financial statements as a result of the implementation of GASB Statement No. 72.

GASB Statement No. 73 - *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"*, was required to be implemented in the current fiscal year, except for those provisions that address employers and governmental nonemployer contributing entities for pension that are not within the scope of Statement No. 68, which are effective for periods beginning after June 15, 2016, and did not impact the District.

GASB Statement No. 76 – *"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"*, was required to be implemented in the current fiscal year and did not impact the District.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

d. New Accounting Pronouncements (Continued):

GASB Statement No. 79 – *"Certain External Investment Pools and Pool Participants",* was required to be implemented in the current fiscal year, except for certain provisions on portfolio quality, custodial credit risk, and shadow pricing, which are effective for periods beginning after December 15, 2015, and did not impact the District.

GASB Statement No. 82 – "*Pension Issues an Amendment of GASB Statement No. 67, No. 68, AND No. 73,"* changed the measurement of covered payroll reported in required supplementary and has been early implemented.

GASB Pending Accounting Standards:

GASB has issued the following statements which may impact the District's financial reporting requirements in the future:

GASB Statement No. 73 - *"Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68"*, the provision that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of Statement 68, effective for periods beginning after June 15, 2016.

GASB Statement No. 74 - *"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"*, effective for periods beginning after June 15, 2016.

GASB Statement No. 75 - *"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"*, effective for periods beginning after June 15, 2017.

GASB Statement No. 77 - *"Tax Abatement Disclosure"*, effective for periods beginning after December 15, 2015.

GASB Statement No. 78 - *"Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans"*, effective for periods beginning after December 15, 2015.

GASB Statement No. 79 - *"Certain External Investment Pools and Pool Participants"*, the certain provisions on portfolio quality, custodial credit risk, and shadow pricing, is effective for periods beginning after December 15, 2015.

GASB Statement No. 80 - *"Blending Requirements for Certain Component Units"*, effective for periods beginning after June 15, 2016.

GASB Statement No. 81 - *"Irrevocable Split-Interest Agreements"*, effective for periods beginning after December 15, 2016.

GASB Statement No. 82 – "*Pension Issues,"* effective for periods beginning after June 15, 2016, except for certain provisions on selection of assumptions, which is effective in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

e. Cash and Cash Equivalents:

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

f. Investments:

Investments are reported in the accompanying balance sheet at fair value. Changes in fair value that occur during a fiscal year are recognized as revenues from use of money and property. Revenues from use of money and property include interest earnings, any gains or losses realized upon liquidation, maturity, or sale of investments. There are no significant differences between fair value and cost at June 30, 2016.

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

g. Receivables and Payables:

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

Management estimates all receivables at June 30, 2016 to be collectable, as any receivables deemed uncollectable have been written off.

h. Compensated Absences:

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

i. Claims and Judgments:

When it is probable that a claim liability has been incurred at year end, and the amount of the loss can be reasonably estimated, the District records the estimated loss, net of any insurance coverage under its self-insurance program. At June 30, 2016, in the opinion of the District's Counsel, the District had no material claims which would require loss provision in the financial statements, including losses for claims which are Incurred But Not Reported (IBNR). Small dollar claims and judgments are recorded as expenditures when paid, if any.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

j. Property Taxes:

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

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

k. Capital Assets:

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

Buildings	$ 50,000
Improvements other than buildings	$ 25,000
Equipment (except vehicles)	$ 10,000
Equipment and vehicles	$ 5,000

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

Buildings	50 years
Improvements other than buildings	25 years
Equipment and vehicles	5-20 years

l. COBRA Benefits:

Under the Consolidated Omnibus Budget Reconciliation Act (COBRA), the District provides healthcare benefits to eligible former employees and eligible dependents. Certain requirements are outlined by the federal government for this coverage. The premium plus a 2% administration fee is paid in full by the insured on or before the tenth (10th) day of the month for the actual month covered. This program is offered for a duration of 18 months after the termination date. There is no associated cost to the District under this program, and there were no participants in the program as of June 30, 2016.

m. Restricted Assets:

Certain current liabilities have been classified as current liabilities payable from restricted assets as they will be funded from restricted assets.

1. REPORTING ENTITY AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued):

n. Deferred Outflows/Inflows of Resources:

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to future periods and so will not be recognized as an outflow of resources (expense) until that time. The District has the following items that qualify for reporting in this category:

- Deferred outflow related to pensions for employer contributions made after the measurement date of the net pension liability.
- Deferred outflow related to pensions for differences between expected and actual experiences. This amount is amortized over a closed period equal to the average of the expected remaining service lives of all employee that are provided with pensions through the Plans, which is 3.8 years.
- Deferred outflow related to pensions for changes in proportion and differences between employer contributions and proportionate share of contributions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans, which is 3.8 years.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time. The District has the following that qualify for reporting in this category:

- Deferred inflows from pensions resulting from the difference in projected and actual earnings on investments of the pension plan fiduciary net position. This amount is amortized over five years.
- Deferred inflows from pensions resulting from changes in assumptions. This amount is amortized over a closed period equal to the average of the expected remaining services lives of all employees that are provided with pensions through the Plans, which is 3.8 years.

o. Pensions:

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

p. Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

2. CASH AND INVESTMENTS:

Cash and investments at June 30, 2016, are reported in the accompanying basic financial statements as follows:

	Total
Statement of Net Position:	
Current Assets:	
Cash and investments	$ 15,197,500
Restricted cash and cash equivalents	4,171,221
Total Cash and Investments	$ 19,368,721

Cash and investments at June 30, 2016 consisted of the following:

Deposits with financial institutions	$ 18,617,310
Cash on hand	770
Investments	750,641
Total Cash and Investments	$ 19,368,721

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

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

Authorized Investment Type	Maximum Maturity	Maximum Amount or Percentage Allowed	Maximum Investment in One Issuer
U.S. Treasury Bills, Bonds and Notes	5 years	None	None
U.S. Government Sponsored Entities	5 years	None	None
Banker's Acceptances Notes	180 days	40%	None
State of California Notes or Bonds	5 years	None	None
Repurchase Agreements	1 year	None	None
Riverside County Investment Pool	N/A	None	None
Medium-Term Corporate Notes	5 years	30%	30%
Commercial Paper	270 days	25%	20%
Local Agency Investment Fund (LAIF)	N/A	$50,000,000	None
Money Market Mutual Funds	N/A	20%	20%

N/A = Not Applicable

2. CASH AND INVESTMENTS (Continued):

Investments Authorized by Debt Agreements:

Investment of debt proceeds held by bond trustee are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. Investments authorized for funds held by bond trustee include, U.S. Treasury Obligations, U.S. Government Sponsored Entities, Certificates of Deposits, Commercial Paper, Local Agency Bonds, Banker's Acceptance, Money Market Mutual Funds, Investment Contracts and Repurchase Agreements. There were no limitations on the maximum amount that can be invested in one issuer, maximum percentage allowed or the maximum maturity of an investment.

Disclosures Relating to Interest Rate Risk:

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

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

		Remaining Maturity (in Months)		
Investment Type		12 Months or Less	13 to 24 Months	25 to 60 Months
Local Agency Investment Fund	$ 479,837	$ 479,837	$ -	$ -
Riverside County Investment Pool	270,804	270,804	-	-
Total	$ 750,641	$ 750,641	$ -	$ -

2. CASH AND INVESTMENTS (Continued):

Disclosures Relating to Credit Risk:

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating as of year end for each investment type:

Investment Type		Minimum Legal Rating	Not Required To Be Rated	AAA	Not Rated
Local Agency Investment Fund	$ 479,837	N/A	$ -	$ -	$ 479,837
Riverside County Investment Pool	270,804	N/A	-	270,804	-
Total	$ 750,641		$ -	$ 270,804	$ 479,837

N/A = Not Applicable

Concentration of Credit Risk:

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of and during the year ended June 30, 2016, the District had no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represented 5% or more of total District investments.

Custodial Credit Risk:

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2016, $18,381,171 of the District's deposits with financial institutions in excess of federally depository insurance limits were held in collateralized accounts.

2. CASH AND INVESTMENTS (Continued):

Fair Value Measurements:

The District categorizes its fair value measurement within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the relative inputs used to measure the fair value of the investments. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements).

The District's investments in Riverside County Investment Pool and Local Agency Investment Fund are not subject to the fair value hierarchy.

3. LONG-TERM DEBT:

A summary of changes in the long-term debt of the District for the year ended June 30, 2016 is as follows:

	Balance June 30, 2015	Additions	Deletions	Balance June 30, 2016	Due Within One Year
Governmental Activities:					
EMWD Retrofit Loan	$ 167,352	$ -	$ 43,717	$ 123,635	$ 48,684
2012 Financing Agreement	836,012	-	114,223	721,789	119,129
Compensated Absences	106,369	75,775	54,715	127,429	52,415
Totals	$ 1,109,733	$ 75,775	$ 212,655	$ 972,853	$ 220,228

As of June 30, 2016 there was no long-term debt outstanding for the business-type activities other than the loan from the General Fund (see note 9b). The annual requirements to amortize the District's 2012 Lease Financing agreement at June 30, 2016, are as follows:

Year Ending June 30,	Principal	Interest	Total
2017	$ 119,129	$ 29,424	$ 148,553
2018	124,246	24,307	148,553
2019	129,583	18,970	148,553
2020	135,148	13,405	148,553
2021	140,953	7,600	148,553
2022	72,730	1,545	74,274
Total	$ 721,789	$ 95,251	$ 817,040

There is no amortization schedule for the Retrofit Loan as loan repayments are not consistent.

3. LONG-TERM DEBT (Continued):

Compensated Absences:

Unpaid vacation leave	$ 127,429

2012 Lease Financing Agreement:

On October 27, 2012 the District entered into a lease financing agreement with Citizens Business Bank (as assignee from the Municipal Finance Corporation as assignor) for financing purposes for the construction of a restroom/concession building. The lease financing agreement requires semi-annual payments of $74,276 on June 27 and December 27 of each year starting June 27, 2012, through December 27, 2021 at an annual fixed interest rate of 4.25%. Capital assets acquired through the lease consisted of a concession/restroom with a value of $1,538,652 less accumulated depreciation of $46,160.	721,789

Eastern Municipal Water District Retrofit Loan

On September 26, 2013, the District entered into an agreement with Eastern Municipal Water District to aid in financing the reconstruction of the Wheatfield Park from using potable water to recycled water. The principal amount not to exceed $192,500, will be paid off over a ten year period with an interest rate at the greater of 3% or the Prime Rate.	123,635
Total Long-Term Debt	$ 972,853

4. CAPITAL ASSETS:

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June, 30, 2015	Additions	Deletions & Completed Construction	Balance June 30, 2016
Governmental activities:				
Capital Assets, Not Depreciated:				
Land	$ 12,917,575	$ -	$ -	$ 12,917,575
Historical automobile	22,900	-	-	22,900
Construction in progress	-	65,815	-	65,815
Total Capital Assets, Not Depreciated	12,940,475	65,815	-	13,006,290
Capital Assets, Being Depreciated:				
Building and improvements	59,634,085	193,340	-	59,827,425
Equipment	208,017	-	-	208,017
Vehicles	345,897	-	-	345,897
Subtotal	60,187,999	193,340	-	60,381,339
Less Accumulated Depreciation For:				
Building and improvements	(14,919,483)	(1,705,768)	-	(16,625,251)
Equipment	(182,028)	(5,711)	-	(187,739)
Vehicles	(286,411)	(15,968)	-	(302,379)
Total Accumulated Depreciation	(15,387,922)	(1,727,447)	-	(17,115,369)
Net Capital Assets, Being Depreciated	44,800,077	(1,534,107)	-	43,265,970
Net Capital Assets	$ 57,740,552	$ (1,468,292)	$ -	$ 56,272,260

4. CAPITAL ASSETS (Continued):

Capital asset activity for the year ended June 30, 2016 was as follows:

	Balance June, 30, 2015	Additions	Deletions & Completed Construction	Balance June 30, 2016
Business-type activities:				
Capital Assets, Not Depreciated:				
Land	$ 269,364	$ -	$ -	$ 269,364
Total Capital Assets, Not Depreciated	269,364	-	-	269,364
Capital Assets, Being Depreciated:				
Building and improvements	795,299	-	-	795,299
Equipment	50,743	-	-	50,743
Subtotal	846,042	-	-	846,042
Less Accumulated Depreciation For:				
Building and improvements	(72,194)	(26,510)	-	(98,704)
Equipment	(13,439)	(5,075)	-	(18,514)
Total Accumulated Depreciation	(85,633)	(31,585)	-	(117,218)
Net Capital Assets, Being Depreciated	760,409	(31,585)	-	728,824
Net Capital Assets	$ 1,029,773	$ (31,585)	$ -	$ 998,188

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

Governmental Activities:	
General government	$ 31,041
Parks and recreation	1,694,299
Public works – landscape maintenance	2,107
Total Depreciation Expense – governmental activities	$ 1,727,447
Business-type Activities:	
Golf	$ 31,585
Total Depreciation Expense – business-type activities	$ 31,585

5. INSURANCE JOINT POWERS AGENCY:

The District is a member of the California Association for Park and Recreation Indemnity (CAPRI), a joint powers agency comprised of California Special Districts. Each member District pays for its proportionate share of its individually contracted insurance coverage. The District is insured against claims and judgments for public liability and workers' compensation with insurance coverage as follows:

	Insurance Per Occurrence	Excess Coverage Per Occurrence Over Insurance Retention
General liability (including Automobile)	$ 1,000,000	$ 24,000,000
Public Officials & Employee	$ 1,000,000	$ 24,000,000
Workers' Compensation	$ 350,000	State Statutory Limits

Under the terms of the District's agreement, CAPRI acts as servicing agent in administering the workers' compensation claims program. Settled claims have not exceeded any of the District’s coverage amounts in any of the last three fiscal years and there were no reductions in the District’s insurance coverage during the year ended June 30, 2016. The District's insurance coverage with CAPRI also includes general liability (casualty), automotive, property and excess umbrella liability. There is no deductible on the General and Automobile liability insurance or workers compensation. There is a $5,000 deductible for employment liability claims.

The District has an all-risk property loss coverage including Boiler and Machinery coverage, which has a limit of $1,000,000,000 per occurrence shared by the membership with an excess limit of $100,000,000. There is a $2,000 deductible per occurrence payable by the District.

In addition, the District has flood and earthquake insurance coverage with an annual aggregate limit of $10,000,000 and $5,000,000, respectively. The deductible for all loss or damage arising from the risks of flood is $20,000. The deductible for all loss or damage arising from the risk of earthquake is $50,000 per occurrence or 5% of the value of the building, contents and/or structure damaged, whichever is greater.

6. PENSION PLANS

a. General Information about the Pension Plans:

Plan Description

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

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age fifty (50) with statutorily reduced benefits. All members are eligible for non-industrial disability benefits after five (5) years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plans' provisions and benefits in effect at June 30, 2016, are summarized as follows:

		Miscellaneous	
	Tier 1 Plan	Tier 2 Plan	PEPRA Plan
Benefit formula	2.5%@55	2%@60	2%@62
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50-55	50-63	52-67
Monthly benefits, as a % of eligible compensation	2.000% to 2.500%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	8.00%	7.00%	6.25%
Required employer contribution rates	17.235%	8.005%	6.250%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

6. PENSION PLANS (Continued):

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

As of June 30, 2016, the District reported net pension liabilities for its proportionate share of the net pension liability of all Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	$ 2,828,422

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2015, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2014 rolled forward to June 30, 2015 using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The District's proportionate share of the net pension liability for all Plans as of June 30, 2014 and 2015 was as follows:

	Miscellaneous
Proportion - June 30, 2014	0.08969%
Proportion - June 30, 2015	0.10310%
Change - Increase (Decrease)	0.01341%

6. PENSION PLANS (Continued)

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

For the year ended June 30, 2016, the District recognized pension expense of $193,330. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 369,674	$ -
Differences between actual and expected experience	21,116	-
Change in assumptions	-	(199,781)
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	424,395	-
Net differences between projected and actual earnings on plan investments	-	(100,152)
Total	$ 815,185	$ (299,933)

$369,674 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2017	$ 12,147
2018	11,900
2019	(6,486)
2020	128,017
2021	-
Thereafter	-
	$ 145,578

6. PENSION PLANS (Continued)

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

Actuarial Assumptions

The total pension liabilities in the June 30, 2014 actuarial valuations were determined using the following actuarial assumptions:

	Miscellaneous
Valuation Date	June 30, 2014
Measurement Date	June 30, 2015
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	(1)
Investment Rate of Return	7.5% (2)
Mortality	(3)

(1) Depending on age, service and type of employment
(2) Net of pension plan investment expenses, including inflation
(3) The probabilities of mortality are derived using CalPERS' membership data for all funds. The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

All other actuarial assumptions used in the June 30, 2014 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained at the CalPERS website under Forms and Publications.

GASB 69, paragraph 68 states that the long-term expected rate of return should be determined net pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.5% used for the June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

Change of Assumptions:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.5% used for June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

6. PENSION PLANS (Continued)

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

Discount Rate

The discount rate used to measure the total pension liability was 7.65% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65% will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website under GASB 68 section.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10 (a)	Real Return Years 11+ (b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period
(b) An expected inflation of 3.0% used for this period

6. PENSION PLANS (Continued)

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

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

The following presents the District's proportionate share of the net pension liability for all Plans, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	Miscellaneous Plan
1% Decrease	6.65%
Net Pension Liability	$ 4,386,248
Current Discount Rate	7.65%
Net Pension Liability	$ 2,828,422
1% Increase	8.65%
Net Pension Liability	$ 1,542,255

Pension Plan Fiduciary Net Position

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

c. Payable to the Pension Plan:

At June 30, 2016, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2016.

7. OTHER POST EMPLOYMENT BENEFITS:

Plan Description

The District's defined benefit postemployment healthcare plan, (DPHP), provides medical benefits to eligible retired District employees and some beneficiaries. The District DPHP has two classifications of employees for purposes of determining benefits. Specifically, for employees classified as administrative staff, the District provides health insurance for its retired employees and their dependent spouses (if married and covered on the District's plan at time of retirement), or survivors in accordance with Board resolutions. For employees classified as Miscellaneous/Clerical, the District provides health insurance for its retired employees. Medical coverage is provided for retired employees who are age 50 or over and who have a minimum of 5 years service with CalPERS system as long as such individuals retire from the District within 120 days of separation from the employment with the District and receive a monthly retirement allowance.

The District pays 100% of all premiums of the plan members under the health benefit plan administered by CalPERS in which the individual is able to select, on an annual basis, an insurance carrier from a number of insurance carriers. Medical coverage is provided for the surviving spouse of retires employees and the surviving spouse of active employees who upon death had attained age 50 and who had a minimum of 5 years service with the CalPERS system in addition to satisfying the requirement to retire within 120 days of separation. The District will pay 100% of the premiums charged until the surviving spouse remarries, becomes enrolled under another group health plan, or cancels coverage. When the plan member is eligible for Medicare the District pays 100% of the Medicare supplemental. The plan does not provide a publicly available financial report.

Funding Policy

The contribution requirements of plan members and the District are established and may be amended by the Board of Directors. DPHP members receiving benefits contribute based on their selected plan options. The District makes all contributions of the plan members. The plan is financed on a pay-as-you-go basis.

The District's annual Other Post-Employment Benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 30 years. The current ARC rate is 8.88% off the annual covered payroll.

7. OTHER POST EMPLOYMENT BENEFITS (Continued):

Annual OPEB Cost and Net OPEB Obligation

The following table shows the components of the District's annual OPEB cost for the year ending June 30, 2016, the amount actually contributed to the plan, and changes in the District's net OPEB obligation:

Annual Required Contribution	$ 275,367
Interest on net OPEB obligation	37,825
Adjustment to Annual Required Contribution	(54,685)
Annual OPEB Cost	258,507
Contributions Made	(71,188)
Increase in net OPEB obligation	187,319
Net OPEB obligation – beginning of year	945,623
Net OPEB obligation – end of year	$ 1,132,942

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years 2016, 2015 and 2014 were as follows:

THREE-YEAR TREND INFORMATION FOR CERBT

Fiscal Year	Annual OPEB Cost (AOC)	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/14	$ 236,675	20.13%	$ 759,101
6/30/15	$ 233,304	20.05%	$ 945,623
6/30/16	$ 258,507	21.15%	$ 1,132,942

Funded Status and Funding Progress

The funded status of the plan as of the July 1, 2015, the most recent actuarial valuation was as follows:

Actuarial Accrued Liability (AAL)	$ 2,397,645
Actuarial Value of Plan Assets	$ -
Unfunded Actuarial Accrued Liability (UAAL)	$ 2,397,645
Funded Ratio (Actuarial Value of Plan Assets/AAL)	0.0%
Covered Payroll (Active Plan Members)	$ 3,100,038
UAAL as a Percentage of Covered Payroll	77.34%

7. OTHER POST EMPLOYMENT BENEFITS (Continued):

Actuarial Methods and Assumptions

The required contribution was determined as part of the July 1, 2015 actuarial valuation using the projected unit credit actuarial cost method. The actuarial assumptions included a 4.00% investment rate of return, net of administrative expenses. The District's projected healthcare cost trend rate is 5.00% per annum graded down in approximately one percent increments at an ultimate rate of 5.00%. The District's unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll over an open 30-year period. The District's projected salary increase was 0%. Inflation was projected at 2.75%. The average remaining amortization period at July 1, 2015 was 30 years. The asset valuation method is using a 15 year smoothed market value basis.

Projection of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and on the historical pattern of sharing benefit costs between employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short term volatility in actuarial accrued liabilities and actuarial assets, consistent with the long-term perspective of the calculations. Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for the benefits.

8. COMMITMENTS AND CONTINGENT LIABILITIES:

Grant Audit Contingencies:

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

Litigation:

At June 30, 2016 the District is a defendant in certain legal actions in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the District's financial position.

9. INTERFUND TRANSACTIONS:

a. Individual interfund receivables and payables at June 30, 2016 were as follows:

	Due From Other Funds	Due To Other Funds
General Fund from Echo Hills Fund	$ 70,000	$ -
General Fund from other governmental funds – Wheatfield Landscape Maintenance District Special Revenue Fund	59,534	-
Total General Fund	129,534	-
Echo Hills Fund from General Fund	-	70,000
Other governmental funds – Wheatfield Landscape Maintenance District Special Revenue Fund from General Fund	-	59,534
Total All Funds	$ 129,534	$ 129,534

The above interfund transfers were for short-term borrowings for operations.

b. Advance to Golf Fund:

The Golf Fund was issued a 5-year loan by the Capital Projects fund in June 2013 of up to $1,000,000 for the funding of various capital projects to the Echo Hills Golf Course. On June 15, 2015, the Board of Directors approved the issuance of an additional $85,000 loan from the General Fund to the Echo Hills Enterprise Fund. The loan will be financed by user charges at Echo Hills and repayments are scheduled to start by June 30, 2017. This is reflected on the Statement of Net Position as an internal balance. The balance as of June 30, 2016 is $1,085,000. There is currently no repayment schedule for this loan.

10. INDIVIDUAL FUND DISCLOSURES

At June 30, 2016, Wheatfield Landscape Maintenance District Special Revenue Fund had a negative fund balance of $59,534. Wheatfield Landscape Maintenance District Special Revenue Fund's deficit fund balance resulted from operating expenditures in the past five years exceeding revenues that are not expected to continue in future years. In the future, the District expects a surplus that will eliminate the deficit fund balance.

11. INTEREST EXPENSE:

Interest expense during the fiscal year ended June 30, 2016 was $42,831.

12. COMMUNITY CENTER:

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

13. ELLER PARK:

On April 6, 2010, the Park District entered into an agreement with the County of Riverside for the maintenance and operation of Eller Park 25926 Antelope Road in Menifee. All operations at the park will be managed by the District and any and all fees collected for the services and programs shall be retained by the District. This 5-acre park has a wide variety of amenities including a lighted ball field, outdoor basketball courts, running/jogging track, playground equipment and restroom facilities. Eller Park will service the residents in the Romoland, Homeland and Menifee area. In the event the park is abandoned or no longer used in accordance with the agreement, the park will revert back to the County unless alternate use is approved by the County. The agreement states that if and when a notice of completion is approved by the County of Riverside Board of Supervisors for a CALTrans connection, the County will convey its ownership interest in the property to the District. This property has not been conveyed to the District as of June 30, 2016.

14. SUBSEQUENT EVENTS

Events occurring after June 30, 2016 have been evaluated for possible adjustments to the financial statements or disclosures as of March 10, 2017 which is the date these financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2016	June 30, 2015
Measurement date	June 30, 2015	June 30, 2014
Plan's proportion of the net pension liability	0.10310%	0.08889%
Plan's proportionate share of the net pension liability	$ 2,828,422	$ 2,196,948
Plan's covered - employee payroll	$ 2,080,642	$ 2,254,756
Plan's proportionate share of the net pension liability as a percentage of its covered - employee payroll	135.94%	97.44%
Plan's proportionate share of the fiduciary net position as a percentage of the Plan's total pension liability	75.27%	80.13%
Plan's proportionate share of aggregate employer contributions	$ 329,468	$ 241,879

Notes to Schedule:

Benefit Changes:
There were no changes in benefits.

Changes in Assumptions:
GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense.
The discount rate of 7.5% used for June 30, 2014 measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015 measurement date is without reduction of pension plan administrative expense.

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

SCHEDULE OF CONTRIBUTIONS - DEFINED BENEFIT PENSION PLANS

Last Ten Fiscal Years*

Fiscal Year Ended	June 30, 2016	June 30, 2015
Contractually required contribution (actuarially determined)	$ 329,674	$ 292,330
Contributions in relation to the actuarially determined contributions	$ 329,674	292,330
Contribution deficiency (excess)	$ -	$ -
Covered - employee payroll	$ 2,202,481	$ 2,080,642
Contributions as a percentage of covered - employee payroll	14.97%	14.05%

Notes to Schedule:

Valuation Date 6/30/2012

Methods and Assumptions Used to Determine Contribution Rates:

Cost-sharing employers	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	30 year fixed with 5 year ramp up at beginning and 5 year ramp down at the end of the amortization period. Changes in liability for plan amendments, changes in actuarial methodology and assumptions are amortized over a 20 year period.
Asset valuation method	Market
Inflation	2.75%
Salary increases	3.30% to 14.20% depending on age, service, and type of employment
Investment rate of return	7.50%, net of pension plan investment expense, including inflation
Retirement age	50 years (2.5%@55 and 2%@60), 52 years (2%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board, first used in the June 30, 2009 valuation. For purposes of the post-retirement mortality rates, those revised rates include 5 years of projected on-going mortality improvement using Scale AA published by the Society of Actuaries until June 30, 2010. There is no margin for future mortality improvement beyond the valuation date.

* - Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

BUDGETARY COMPARISON SCHEDULE, GENERAL FUND
For the year ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
FUND BALANCE, JULY 1	$ 3,474,778	$ 3,474,778	$ 3,474,778	$ -
RESOURCES (INFLOWS):				
Taxes	1,432,500	1,432,500	1,447,525	15,025
Revenues from use of money and property	385,000	385,000	343,578	(41,422)
Intergovernmental revenues	560,000	560,000	833,584	273,584
Charges for services	2,142,500	2,142,500	1,813,406	(329,094)
Other revenues	1,350,200	1,350,200	1,442,587	92,387
Amount Available For Appropriations	5,870,200	5,870,200	5,880,680	10,480
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
General government	783,209	783,209	679,058	104,151
Parks and recreation	2,745,437	2,745,437	2,546,576	198,861
Public works - landscape maintenance	2,058,365	2,058,365	1,985,981	72,384
Debt service - principal	114,223	114,223	114,223	-
Debt service - interest	34,330	34,330	34,330	-
Total Charges to Appropriations	5,735,564	5,735,564	5,360,168	375,396
NET CHANGE IN FUND BALANCE	134,636	134,636	520,512	385,876
FUND BALANCE, JUNE 30	$ 3,609,414	$ 3,609,414	$ 3,995,290	$ 385,876

BUDGETARY COMPARISON SCHEDULE, MENIFEE LANDSCAPE MAINTENANCE DISTRICT
SPECIAL REVENUE FUND
For the year ended June 30, 2016

	Budgeted Amounts			
	Original	Final	Actual	Variance with Final Budget
FUND BALANCE, JULY 1	$ 1,665,790	$ 1,665,790	$ 1,665,790	$ -
RESOURCES (INFLOWS):				
Revenues from use of money and property	19,000	19,000	29,746	10,746
Charges for services	2,230,000	2,230,000	2,144,542	(85,458)
Other revenues	1,000	1,000	26,989	25,989
Amount Available For Appropriations	2,250,000	2,250,000	2,201,277	(48,723)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Parks and recreation	421,770	421,770	303,526	118,244
Public works - landscape maintenance	1,723,146	1,723,146	1,591,016	132,130
Debt service - principal	-	-	43,716	-
Debt service - interest	-	-	4,718	-
Total Charges to Appropriations	2,144,916	2,144,916	1,942,976	250,374
NET CHANGE IN FUND BALANCE	105,084	105,084	258,301	201,651
FUND BALANCE, JUNE 30	$ 1,770,874	$ 1,770,874	$ 1,924,091	$ 201,651

BUDGETARY COMPARISON SCHEDULE, MENIFEE SOUTH LANDSCAPE
MAINTENANCE DISTRICT SPECIAL REVENUE FUND
For the year ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
FUND BALANCE, JULY 1	$ 2,279,915	$ 2,279,915	$ 2,279,915	$ -
RESOURCES (INFLOWS):				
Revenues from use of money and property	10,000	10,000	3,480	(6,520)
Charges for services	875,000	875,000	879,726	4,726
Amount Available For Appropriations	885,000	885,000	883,206	(1,794)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Public works - landscape maintenance	885,000	885,000	778,199	106,801
Total Charges to Appropriations	885,000	885,000	778,199	106,801
NET CHANGE IN FUND BALANCE	-	-	105,007	105,007
FUND BALANCE, JUNE 30	$ 2,279,915	$ 2,279,915	$ 2,384,922	$ 105,007

BUDGETARY COMPARISON SCHEDULE, FRENCH VALLEY LANDSCAPE
MAINTENANCE DISTRICT SPECIAL REVENUE FUND
For the year ended June 30, 2016

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
FUND BALANCE, JULY 1	$ 4,780,371	$ 4,780,371	$ 4,780,371	$ -
RESOURCES (INFLOWS):				
Revenues from use of money and property	85,500	85,500	86,543	1,043
Charges for services	4,210,500	4,210,500	4,136,184	(74,316)
Other revenues	4,000	4,000	13,858	9,858
Amount Available For Appropriations	4,300,000	4,300,000	4,236,585	(63,415)
CHARGES TO APPROPRIATIONS (OUTFLOWS):				
Parks and recreation	902,123	902,123	283,637	618,486
Public works - landscape maintenance	3,333,500	3,333,500	3,707,620	(374,120)
Transfers to other funds	-	-	171,637	-
Total Charges to Appropriations	4,235,623	4,235,623	4,162,894	244,366
NET CHANGE IN FUND BALANCE	64,377	64,377	73,691	180,951
FUND BALANCE, JUNE 30	$ 4,844,748	$ 4,844,748	$ 4,854,062	$ 180,951

1. BUDGETS AND BUDGETARY ACCOUNTING:

The District follows these procedures in establishing the budgetary data reflected in the Budgetary Comparison Schedule:

1) The annual budget adopted by the Board of Directors provides for the general operation of the District. It includes proposed expenditures and the means of financing them.

2) The Board of Directors approves total budgeted appropriations and any amendments to appropriations throughout the year. This "appropriated budget" covers substantially all District expenditures, with the exception of debt service on bond issues and capital improvement projects, which expenditures constitute legally-authorized "non-appropriated budget". There were no significant non-budgeted financial activities. Actual expenditures may exceed budgeted appropriations at the fund level. However, the District's general manager is authorized to transfer budgeted amounts between individual departments. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the year.

3) Formal budgetary integration is employed as a management control device. Appropriations which are encumbered at year end lapse, and then are added to the following year's budgeted appropriations. However, encumbrances at year end are reported as reservations of fund balance. There were no encumbrances at June 30, 2016.

4) Budget information is adopted for general, special revenue, debt service and capital project funds and presented only for the general fund and major special revenue funds as required supplemental information. The presentation represents original appropriations adjusted for supplemental appropriations, if any, made during the year. Budgets for the general and special revenue funds are adopted on a basis substantially consistent with generally accepted accounting principles (GAAP).

Schedule of Funding Progress for OPEB

Actuarial Valuation Date	Actuarial Value of Plan Assets (a)	Actuarial Accrued Liability (b)	Unfunded Actuarial Accrued Liability (UAAL) (b-a)	Funded Ratio (a/b)	Annual Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
7/1/2015	$ -	$ 2,397,645	$ 2,397,645	0.00%	$ 3,100,038	77.34%
7/1/2012	-	1,777,079	1,777,079	0.00%	3,357,458	52.93%

* GASB 45 was implemented prospectively in fiscal year ending June 30, 2010.

OTHER SUPPLEMENTARY INFORMATION

THIS PAGE INTENTIONALLY LEFT BLANK

COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
June 30, 2016

		Special Revenue Funds		
	Valley-Wide Outreach Services	Menifee North Landscape Maintenance District	Wheatfield Landscape Maintenance District	Rivercrest Landscape Maintenance District
ASSETS:				
Cash and investments (Notes 1 and 2)	$ -	$ 1,160,681	$ -	$ 48,626
Accounts receivable	-	6,493	-	-
Taxes receivable	-	12,500	-	381
Interest receivable	-	39	-	-
TOTAL ASSETS	$ -	$ 1,179,713	$ -	$ 49,007
LIABILITIES:				
Due to other funds (Note 10)	$ -	$ -	$ 59,534	$ -
Total Liabilities	-	-	59,534	-
FUND BALANCE:				
Assigned to:				
Landscape maintenance	-	1,179,713	-	49,007
Unassigned	-	-	(59,534)	-
Total Fund Balance	-	1,179,713	(59,534)	49,007
TOTAL LIABILITIES AND FUND BALANCE	$ -	$ 1,179,713	$ -	$ 49,007

(Continued)

Winchester/Hunter Landscape Maintenance District	Winchster CFD	French Valley CFD	Total Other Governmental Funds
$ 126,067	$ 1,404	$ 378,671	$ 1,715,449
-	-	-	6,493
-	-	813	13,694
-	-	-	39
$ 126,067	$ 1,404	$ 379,484	$ 1,735,675
$ -	$ -	$ -	$ 59,534
-	-	-	59,534
126,067	1,404	379,484	1,735,675
-	-	-	(59,534)
126,067	1,404	379,484	1,676,141
$ 126,067	$ 1,404	$ 379,484	$ 1,735,675

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
For the year ended June 30, 2016

	Valley-Wide Outreach Services	Menifee North Landscape Maintenance District	Wheatfield Landscape Maintenance District	Rivercrest Landscape Maintenance District
REVENUES:				
Revenues from use of money and property	$ -	$ 1,503	$ -	$ -
Intergovernmental revenues	15,607	-	-	-
Charges for services	-	1,316,074	-	36,043
Other revenues	-	27,302	-	-
Total Revenues	15,607	1,344,879	-	36,043
EXPENDITURES:				
Community services	15,607	-	-	-
Parks and recreation	-	-	-	-
Public works - landscape maintenance	-	1,330,782	5,676	17,582
Total Expenditures	15,607	1,330,782	5,676	17,582
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	-	14,097	(5,676)	18,461
OTHER FINANCING SOURCES (USES):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total Other Financing Sources (Uses)	-	-	-	-
NET CHANGES IN FUND BALANCES	-	14,097	(5,676)	18,461
FUND BALANCES, July 1,	-	1,165,616	(53,858)	30,546
FUND BALANCES, June 30,	$ -	$ 1,179,713	$ (59,534)	$ 49,007

(Continued)

Winchester/Hunter Landscape Maintenance District	Winchster CFD	French Valley CFD	Total Other Governmental Funds
$ 154	$ -	$ 120	$ 1,777
-	-	-	15,607
23,305	106,961	331,131	1,813,514
-	-	-	27,302
23,459	106,961	331,251	1,858,200
-	-	-	15,607
-	-	-	-
36,181	105,557	123,404	1,619,182
36,181	105,557	123,404	1,634,789
(12,722)	1,404	207,847	223,411
-	-	171,637	171,637
-	-	-	-
-	-	171,637	171,637
(12,722)	1,404	379,484	395,048
138,789	-	-	1,281,093
		-	
$ 126,067	$ 1,404	$ 379,484	$ 1,676,141