SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

AUDITED FINANCIAL STATEMENTS
JUNE 30, 2023

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

TABLE OF CONTENTS

JUNE 30, 2023

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and each major fund of San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the "JPA"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the JPA's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the JPA, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management 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, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4 - 9, and required supplementary information on pages 42 - 51 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 17, 2024, on our consideration of the JPA's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the JPA's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the JPA's internal control over financial reporting and compliance.

San Diego, California
April 17, 2024

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE YEAR ENDED JUNE 30, 2023

As management of San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the "JPA"), we offer readers of the JPA's financial statements this narrative overview and analysis of the financial activities of the JPA for the fiscal year ended June 30, 2023. We encourage readers to consider the information presented here in conjunction with the JPA's basic financial statements, which begin immediately following this analysis. This annual financial report consists of three main parts; (1) Management's Discussion and Analysis, (2) Basic Financial Statements, and (3) Other Required Supplementary Information.

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

FINANCIAL HIGHLIGHTS

- The JPA's ending net position for the fiscal year 2022-2023 was $52,744,795.
- The change in net position for the year was a decrease of $415,163.
- The JPA had revenues in excess of expenditures in the general fund in the amount of $201,718 in the current year.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

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

Government-Wide Financial Statements

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

The Statement of Activities, a government-wide financial statement, presents how the JPA's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

OVERVIEW OF FINANCIAL STATEMENTS (CONT'D)

Fund Financial Statements

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

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

Notes to Basic Financial Statements

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

Required Supplementary Information

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS

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

Statement of Net Position

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

Net position may serve over time, as a useful indicator of a government's financial position. In the case of the JPA, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $52,744,795 as of June 30, 2023.

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

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)

The following table presents a summary of the Statement of Net Position for the fiscal year ended June 30, 2023 and 2022:

Table 1
Condensed Statement of Net Position
as of June 30, 2023 and 2022

	June 30, 2023	June 30, 2022	Increase (Decrease)
ASSETS			
Current and other assets	$ 4,428,962	$ 4,099,391	$ 329,571
Noncurrent and other assets	50,780,647	51,595,210	(814,563)
Total assets	55,209,609	55,694,601	(484,992)
DEFERRED OUTFLOWS OF RESOURCES	1,132,073	383,946	748,127
Total assets and deferred outflows of resources	56,341,682	56,078,547	263,135
LIABILITIES			
Current liabilities	509,241	570,747	(61,506)
Noncurrent liabilities	2,905,488	1,576,902	1,328,586
Total liabilities	3,414,729	2,147,649	1,267,080
DEFERRED INFLOWS OF RESOURCES	182,158	770,940	(588,782)
Total liabilities and deferred inflows of resources	3,596,887	2,918,589	678,298
NET POSITION			
Net investment in capital assets	50,401,418	51,187,252	(785,834)
Restricted for			
Endowments	2,086,956	2,086,956	-
Future management and maintenance	1,491,629	1,295,953	195,676
Unrestricted	(1,235,208)	(1,410,203)	174,995
Total net position	52,744,795	53,159,958	(415,163)
Total liabilities, net position, and deferred inflows of resources	$ 56,341,682	$ 56,078,547	$ 263,135

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)

Statement of Activities

The JPA's total revenues increased for the fiscal year ended June 30, 2023, excluding inter-fund transfers, by $1,100,518.

The JPA's total expenses increased by $449,875.

The change in net position for 2023 was a decrease of $(415,163) compared to 2022.

The following table presents a summary of the Statement of Activities for the fiscal year ended June 30, 2023 and 2022:

Table 2
Condensed Statement of Activities
For the years ended June 30, 2023 and 2022

	June 30, 2023	June 30, 2022	Increase (Decrease)
PROGRAM REVENUES			
Operating grants and contributions	$ 698,893	$ 669,130	$ 29,763
GENERAL REVENUES			
Assessments	1,174,802	1,119,612	55,190
Investment income	270,890	(555,583)	826,473
Donations	141,020	46,831	94,189
Miscellaneous	164,284	69,381	94,903
Total revenues	2,449,889	1,349,371	1,100,518
EXPENSES			
Operations	2,770,323	2,623,898	146,425
General administration	94,729	(208,721)	303,450
Total expenses	2,865,052	2,415,177	449,875
Change in net position	(415,163)	(1,065,806)	650,643
Net position, beginning of year	53,159,958	54,105,755	(945,797)
Restatement	-	120,009	(120,009)
Net position, beginning of year, restated	53,159,958	54,225,764	(1,065,806)
Net position, end of year	$ 52,744,795	$ 53,159,958	$ (415,163)

General Fund Budgetary Highlights

The General fund revenues exceeded budgeted amounts by $518,784. This was due to increase in contracts and grants, donations and miscellaneous revenue.

The JPA expenditures were $317,066 over budgeted amounts mainly due to an increase in professional and contracted services expenses.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)

Capital Assets

The following table presents a summary of changes in capital assets for the fiscal year ended June 30, 2023 and 2022:

Table 3
Capital Assets
as of June 30, 2023 and 2022

	June 30, 2023	June 30, 2022	Change
Land & construction in progress	$ 44,390,999	$ 44,390,999	$ -
Improvement of sites	17,699,779	17,699,779	-
Furniture and equipment	469,709	469,709	-
Less: accumulated depreciation	(11,779,840)	(10,965,277)	(814,563)
Total capital assets, net of depreciation	$ 50,780,647	$ 51,595,210	$ (814,563)

Long-Term Liabilities

The following table presents a summary of changes in long-term liabilities for the fiscal year ended June 30, 2023 and 2022:

Table 4
Long-term liabilities
as of June 30, 2023 and 2022

	June 30, 2023	June 30, 2022	Change
Pension obligation bonds	$ 133,211	$ 163,321	$ (30,110)
Loan payable	379,229	407,958	(28,729)
Compensated absences	50,905	52,675	(1,770)
Total long-term liabilities	$ 563,345	$ 623,954	$ (60,609)

The JPA, long-term liabilities for its governmental activities amounted to $563,345. Pension obligation bonds are obtained to meeting Pension liabilities. The decrease in long term liabilities is due to repayment of principal payment.

The Net Pension liabilities amounted to $2,380,827 and Net OPEB liabilities amounted to $35,895 as of June 30, 2023.

Detailed notes to the financial statements and required supplementary information for Net Pension liabilities and net OPEB liabilities are given in notes to basic financial statements.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONT'D)

FACTORS BEARING ON THE JPA'S FUTURE

The JPA's Board of Directors and management considered many factors when setting the fiscal year 2023 budget. The Board appointed a Budget Committee which met to assess the available working capital, the operating and capital needs of the JPA, and the impact of the State's fiscal condition on the JPA's member agencies and on the JPA's budget.

CONTACTING THE JPA

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

San Dieguito River Valley Regional Open Space Park Joint Powers Authority
18372 Sycamore Creek Road, Escondido, CA 92025
Telephone: 858-674-2270
Website: www.sdrp.org

BASIC FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

STATEMENT OF NET POSITION
JUNE 30, 2023

ASSETS AND DEFERRED OUTFLOW OF RESOURCES	
ASSETS	
Current assets:	
Cash and cash equivalents	$ 795,035
Restricted cash and cash equivalents	64,272
Investments	3,514,313
Accounts receivable	55,342
Total current assets	4,428,962
Noncurrent assets:	
Capital assets, net	50,780,647
Total noncurrent assets	50,780,647
Total assets	55,209,609
DEFERRED OUTFLOWS OF RESOURCES	
Pension related	1,128,393
OPEB related	3,680
Total deferred outflows of resources	1,132,073
Total assets and deferred outflows of resources	56,341,682
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND NET POSITION	
LIABILITIES	
Current liabilities:	
Accounts payable	55,806
Accrued liabilities	42,728
Interest payable	6,638
Unearned revenue	329,490
Long-term obligations	74,579
Total current liabilities	509,241
Noncurrent liabilities:	
Long-term obligations, net of current portion	488,766
Net pension liabilities	2,380,827
Net OPEB liabilities	35,895
Total noncurrent liabilities	2,905,488
Total liabilities	3,414,729

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

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
STATEMENT OF NET POSITION
JUNE 30, 2023

DEFERRED INFLOWS OF RESOURCES	
Pension related	$ 182,158
Total deferred inflows of resources	182,158
Total liabilities and deferred inflows of resources	3,596,887
NET POSITION	
Net investment in capital assets	50,401,418
Restricted for:	
Endowments	2,086,956
Future management and maintenance	1,491,629
Unrestricted (deficit)	(1,235,208)
Total net position	52,744,795
Total liabilities, and deferred inflows of resources, and net position	$ 56,341,682

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

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY

STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2023

Functions/Programs	Expenses	Program Revenues: Operating Grants and Contributions	Net (Expenses) Revenues and Changes in Net Position
Governmental Activities:			
Operations	$ 2,770,323	$ 698,893	$ (2,071,430)
General government	94,729	-	(94,729)
Total governmental activities	$ 2,865,052	$ 698,893	(2,166,159)
General revenues:			
Assessments			1,174,802
Investment income			270,890
Donations			141,020
Miscellaneous			164,284
Total general revenues			1,750,996
Change in net position			(415,163)
Net position at beginning of year			53,159,958
Net position at end of year			$ 52,744,795

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

FUND FINANCIAL STATEMENTS

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK
JOINT POWERS AUTHORITY
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2023

	General Fund	Permanent Fund	Total
ASSETS			
Cash and cash equivalents	$ 795,035	$ -	$ 795,035
Restricted cash and cash equivalents	-	64,272	64,272
Investments	-	3,514,313	3,514,313
Accounts receivable	55,342	-	55,342
Total assets	850,377	3,578,585	4,428,962
LIABILITIES AND FUND BALANCE			
LIABILITIES			
Accounts payable	55,806	-	55,806
Accrued liabilities	42,728	-	42,728
Unearned revenue	329,490	-	329,490
Total liabilities	428,024	-	428,024
FUND BALANCE			
Nonspendable:			
Endowments	-	2,086,956	2,086,956
Restricted for:			
Future management and maintenance	-	1,491,629	1,491,629
Unassigned	422,353	-	422,353
Total fund balance	422,353	3,578,585	4,000,938
Total liabilities and fund balance	$ 850,377	$ 3,578,585	$ 4,428,962

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

RECONCILIATION OF THE BALANCE SHEET - GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION
JUNE 30, 2023

Total fund balances - governmental funds		$ 4,000,938
Amounts reported for governmental activities in the statement of net position are different because:		
When capital assets (property, plant, equipment) that are to be used in governmental activities are purchased or constructed, the cost of those assets are reported as expenditures in governmental funds. However, the statement of net position includes those capital assets among the assets of JPA as a whole.		
Governmental capital assets	62,560,487	
Less: accumulated depreciation	(11,779,840)	50,780,647
Long-term liabilities applicable to JPA's governmental activities are not due and payable in the current period and, accordingly, are not reported as fund liabilities. All liabilities (both current and long-term) are reported in the statement of net position.		
Due within one year - long-term liabilities		(74,579)
Due in more than one year - long-term liabilities		(488,766)
Interest payable		(6,638)
Net pension liability		(2,380,827)
Net OPEB liability		(35,895)
Certain deferred outflows and inflows of resources are not due and payable in the current period and are not current assets or financial resources, therefore these items are not reported in the governmental funds.		
Deferred outflows - pension related items		1,128,393
Deferred outflows - OPEB related items		3,680
Deferred inflows - pension related items		(182,158)
Total net position - governmental activities		$ 52,744,795

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

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

FOR THE YEAR ENDED JUNE 30, 2023

	General Fund	Permanent Fund	Total
REVENUES:			
Assessments	$ 1,174,802	$ -	$ 1,174,802
Contracts and grants	698,893	-	698,893
Investment income	16,849	254,041	270,890
Donations	141,020	-	141,020
Miscellaneous	140,359	23,925	164,284
Total revenues	2,171,923	277,966	2,449,889
EXPENDITURES:			
Current general government:			
Salaries and benefits	1,309,270	-	1,309,270
Auto and travel	19,475	-	19,475
Professional and contractual services	242,813	-	242,813
Miscellaneous	14,445	82,290	96,735
Operating	307,228	-	307,228
Debt services:			
Principal	58,839	-	58,839
Interest	18,135	-	18,135
Total expenditures	1,970,205	82,290	2,052,495
Net change in fund balance	201,718	195,676	397,394
Fund balance at beginning of year	220,635	3,382,909	3,603,544
Fund balance at end of year	$ 422,353	$ 3,578,585	$ 4,000,938

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES FOR THE YEAR ENDED JUNE 30, 2023

Net changes in fund balances - governmental funds	$ 397,394
Amounts reported for governmental activities in the statement of activities are different because:	
When capital assets that are to be used in governmental activities are purchased or constructed, the resources expended for those assets are reported as expenditures in governmental funds. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Depreciation expense	(814,563)
Some expenses reported in the statement of activities do not require the use of current financial resources. Therefore, these expenses are not reported as expenditures in governmental funds. Repayment of debt service is reported as an expenditure in governmental funds and, thus, has the effect of reducing fund balances because current financial resources have been used. For the JPA as a whole, however, the principal payments reduce the liabilities in the statement of net position and do not result in an expense in the statement of activities.	
Change in interest payable	(3,746)
Net change in net pension liability and related accounts	(50,721)
Net change in net OPEB liability and related accounts	(4,136)
Principal paid on long-term liabilities	58,839
Net change in compensated absences	1,770
Change in net position - governmental activities	$ (415,163)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting Entity

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

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

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

The Board of Directors consists of the following:

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

B. Basis of Accounting and Measurement Focus

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

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

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

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

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

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

In the fund financial statements, governmental funds are presented using the current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

<u>NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONT'D)</u>

<u>B. Basis of Accounting and Measurement Focus (Cont'd)</u>

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

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

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

<u>Governmental Net Position</u>

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

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

<u>Governmental Fund Balances</u>

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

- *Nonspendable Fund Balance* – This includes amounts that cannot be spent because they are either not spendable in form (such as inventory) or legally or contractually required to be maintained intact (such as endowments).
- *Restricted Fund Balance* – This includes amounts that can be spent only for specific purposes stipulated by constitution, external resource providers, or through enabling legislation. If the Board action limiting the use of funds is included in the same action (legislation) that created (enables) the funding source, then it is restricted.

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

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

- *Committed Fund Balance* – This includes amounts that can be used only for the specific purposes determined by a formal action of the Board. It includes legislation (Board action) that can only be overturned by new legislation requiring the same type of voting consensus that created the original action. Therefore, if the Board action limiting the use of the funds is separate from the action (legislation) that created (enables) the funding source, then it is committed, not restricted. The JPA considers a resolution, to constitute a formal action of the Board of Directors for the purposes of establishing committed fund balance.
- *Assigned Fund Balance* – This includes amounts that are designated or expressed by the Board but does not require a formal action like a resolution or ordinance. The Board may delegate the ability of an employee or committee to assign uses of specific funds, for specific purposes. Such a delegation by the Board has not yet been granted.
- *Unassigned Fund Balance* – This includes the remaining spendable amounts which are not included in one of the other classifications.

Net Position Flow Assumption – Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

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

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

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

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

C. Cash and Investments

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

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

D. Fair Value Measurement

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

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

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

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

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

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

E. Capital Assets

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

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

E. Capital Assets (Cont'd)

The useful life used for depreciation purposes is as follows:

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

F. Compensated Absences

Vacation leave accrues each pay period at a rate that varies upon the employee's length of service. Each employee's pay stub shows the amount of vacation hours which are available. Only permanent employees working over 20 hours a week receive paid vacation leave. Generally, each employee receives two weeks of paid vacation each year following one full year of employment. Although vacation accrual occurs during the first year of employment it is not recorded on pay stubs for the first year of employment because vacation leave cannot be used until the first anniversary date of employment. Accrual of vacation hours is limited to a maximum of 270 hours. Once an employee reaches the maximum, further accrual of vacation time is suspended until the employee has reduced their vacation time below the limit. Vacation requests must be submitted to the employee's supervisor. Every effort will be made to accommodate an employee's plans, but if another key employee requested time off in the same period, or if a deadline is approaching on a major project for which the employee is responsible, or other business related need requires the employee's presence, the supervisor may not be able to approve the employee's request.

G. Pensions

For purposes of measuring the net pension liability, deferred outflows of resources and inflows of resources related to pension, and pension expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported by the San Diego County Employees Retirement Association (SDCERA).

For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. SDCERA audited financial statements are publicly available reports that can be obtained at SDCERA's website under Forms and Publications.

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

Valuation Date (VD)	June 30, 2021
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 01, 2021 to June 30, 2022

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

H. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position and additions to/deductions from the fiduciary net position have been determined on the same basis as they are reported of the San Diego County Employees Retirement Association (SDCERA). For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value. SDCERA audited financial statements are publicly available reports that can be obtained at SDCERA's website.

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

Valuation Date (VD)	June 30, 2022
Measurement Date (MD)	June 30, 2022
Measurement Period (MP)	July 01, 2021 to June 30, 2022

I. Deferred Outflows/Inflows of Resources

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

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

J. Estimates

The presentation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenditures during the reporting period. Actual results could differ from those estimates.

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

K. Leases

Lessee

At the commencement of a lease, the JPA initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the leased asset is amortized on a straight-line basis over its useful life.

Key estimates and judgments related to leases include how the JPA determines: (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The JPA uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the JPA generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the JPA is reasonably certain to exercise.

The JPA monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lessor

At the commencement of a lease, the JPA initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the JPA determines: (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The JPA uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

The JPA did not report any effect of lease on financial statements.

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

L. Subscription-Based Information Technology Arrangements

A SBITA is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets, as specified in the contract for a period of time in an exchange or exchange-like transaction.

The subscription term includes the period during which the JPA has a noncancellable right to use the underlying IT assets. The subscription term also includes periods covered by an option to extend or to terminate.

The JPA initially recognizes a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability. The JPA recognizes the subscription liability at the commencement of the subscription term, which is when the subscription asset is placed into service. The subscription liability is measured at the present value of subscription payments expected to be made during the subscription term. Future subscription payments are discounted using the interest rate the SBITA vendor charges the JPA which may be implicit, or the JPA's incremental borrowing rate if the interest rate is not readily determinable. The JPA recognizes amortization of the discount on the subscription liability as an outflow of resources (for example, interest expense) in subsequent financial reporting periods.

The JPA examined the guidance for the current year and concluded that the adoption of GASB 87 and GASB 96, had no impact on the financial statements.

M. Accounting Pronouncements

The JPA adopted the following new accounting pronouncements issued by the GASB during the current fiscal year ended June 30, 2023:

GASB No.	Title	Required Implementation Date (Period Beginning Date)	JPA Fiscal Year
Statement No. 99	Omnibus 2022 (financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53)	June 15, 2023	2024
Statement No. 100	Accounting Changes and Error Corrections - an Amendment of GASBs No. 64	June 15, 2023	2024
Statement No. 101	Compensated Absences	December 15, 2023	2025

The JPA will implement the applicable new GASB pronouncements in the fiscal year no later than the required effective date. The JPA has not determined the financial impact from future implementation of these standards.

NOTE 2 - CASH AND CASH EQUIVALENTS

Cash and cash equivalents as of June 30, 2023, were classified in the accompanying financial statements as follows:

Cash in treasury:	
SDRVJPA-operating fund	$ 389,302
SDRVJPA-coast fund	70,197
SDRVJPA-capital project fund	300,475
SDRVJPA-reserve fund	33,339
SDRVJPA-ranger station	1,396
Total cash in treasury	794,709
Cash on hand	326
Total cash and cash equivalents	$ 795,035

Restricted cash and cash equivalent as of June 30, 2023, were classified in the accompanying financial statements as follows:

Deposits held with financial institutions:	
Rancho Santa Fe foundation-SFV trail repairs #0095	$ 41,927
San Diego Foundation-#9516	22,345
Total restricted cash and cash equivalent	$ 64,272

NOTE 3 - INVESTMENTS

Investments composition as of June 30, 2023, consisted of the following:

Deposits held with financial institutions:	
Del Mar foundation	$ 1,104,743
San Diego foundation- fund #1161	702,882
Rancho Santa Fe Foundation:	
Bernardo mountain mitigation fund 2 #0116	212,142
SDRVJPA reserve fund #382	324,412
SDRP general habitat management fund #0383	696,477
SDRP coast/ I-5 habitat management fund #0384	372,402
SDRP sycamore preserve inholding contingency fund #0461	13,079
SDRP sycamore preserve inholding HMP fund #0462	88,176
Total investments	$ 3,514,313

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

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

NOTE 3 - INVESTMENTS (CONT'D)

Interest Rate Risk

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

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. None of the JPA's investments are rated or have a minimum legal rating.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, an organization will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, an organization will not be able to recover the value of its investments or collateral securities that are in the possession of another party.

The California Government Code and the JPA's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits made by state or local government units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure JPA deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

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

Investment in San Diego Foundation Investment Pool:

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

NOTE 3 - INVESTMENTS (CONT'D)

Investment in Rancho Santa Fe Foundation Investment Pool:

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

Concentration of Credit Risk

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

Fair Value Measurements

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

The JPA has the following recurring fair value measurements as of June 30, 2023:

		Fair Value Hierarchy		
Investment Type	Total	Level 1	Level 2	Level 3
Investments measured at fair value				
Equity Traded Mutual Funds (ETFs)	$ 1,096,815	$ 1,096,815	$ -	$ -
Total investments measured at fair value	1,096,815	1,096,815	-	-
Investments not measured at fair value				
Bank Sweep	7,928	-	-	-
San Diego Foundation Investment Pool	702,882	-	-	-
Rancho Santa Fe Foundation Investment Pool	1,706,688	-	-	-
Total investments not measured at fair value	2,417,498	-	-	-
Total investments	$ 3,514,313	$ 1,096,815	$ -	$ -

NOTE 4 - CAPITAL ASSETS

The following is a summary of changes in capital assets for the year ended June 30, 2023:

	Beginning Balance	Additions	Ending Balance
Capital assets, not being depreciated:			
Land	$ 43,937,783	$ -	$ 43,937,783
Construction in progress	453,216	-	453,216
Total capital assets, not being depreciated	44,390,999	-	44,390,999
Capital assets, being depreciated:			
Improvement of sites	17,699,779	-	17,699,779
Furniture and equipment	469,709	-	469,709
Total capital assets, being depreciated	18,169,488	-	18,169,488
Less: accumulated depreciation:			
Improvement of sites	(10,551,277)	(800,626)	(11,351,903)
Furniture and equipment	(414,000)	(13,937)	(427,937)
Total accumulated depreciation	(10,965,277)	(814,563)	(11,779,840)
Total capital assets being depreciated, net	7,204,211	(814,563)	6,389,648
Capital assets, net of depreciation	$ 51,595,210	$ (814,563)	$ 50,780,647

Depreciation expense of $814,563 has been recorded in operations on the Statement of Activities for the year ended June 30, 2023.

NOTE 5 - LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for the year ended June 30, 2023:

	Beginning Balance	Additions	Deletion	Ending Balance	Due Within One Year
Pension obligation bonds	$ 163,321	$ -	$ (30,110)	$ 133,211	$ 31,993
Loan payable	407,958	-	(28,729)	379,229	29,860
Compensated absences	52,675	40,595	(42,365)	50,905	12,726
Total	$ 623,954	$ 40,595	$ (101,204)	$ 563,345	$ 74,579

Pension Obligation Bonds

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

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

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

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

Year Ending June 30	Principal	Interest	Total
2024	$ 31,993	$ 7,020	$ 39,013
2025	34,800	5,176	39,976
2026	37,607	3,332	40,939
2027	28,811	1,059	29,870
Total	$ 133,211	$ 16,587	$ 149,798

Loan Payable

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

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

NOTE 5 - LONG-TERM LIABILITIES (CONT'D)

Loan Payable (Cont'd)

The following is a summary of debt service requirements to maturity for the loan payable as of June 30, 2023:

Year Ending June 30	Principal	Interest	Total
2024	$ 29,860	$ 14,502	$ 44,362
2025	31,036	13,326	44,362
2026	32,258	12,104	44,362
2027	33,528	10,833	44,361
2028	34,849	9,513	44,362
2029-2033	195,941	25,866	221,807
2034	21,757	424	22,181
Total	$ 379,229	$ 86,568	$ 465,797

Compensated Absences

The JPA's policies relating to compensated absences are described in Note 1. This liability, to be paid in future years from the general fund, as of June 30, 2023 is $50,905.

NOTE 6 - INSURANCE

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

The JPA has the following coverages:

Type of Coverage	Limit
General liability	$26,500,000 per occurrence
Auto liability	$20,000,000 per occurrence
Property	$2,102,000,000 per occurrence
Mobile equipment	$1000,000,000 per occurrence
Workers' compensation employer liability	$5,000,000 per occurrence

NOTE 7 - RETIREMENT PLAN

Plan Description

The JPA's employees who work in a permanent position for at least 20 hours each week are eligible to participate in the San Diego County Employees Retirement Association (SDCERA) cost-sharing multiple employer defined benefit pension plan. All eligible JPA employees are considered General Members. The plan was established under the County Employees Retirement Law of 1937. A nine-member Board of retirement oversees the plan for five employers. SDCERA issues a publicly available report that includes financial statements and required supplementary information. The SDCERA financial report may be obtained by writing to SDCERA: 2275 Rio Bonito Way, Suite 100, San Diego, California 92108.

Benefits Provided

SDCERA provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	General Members				
Hire date	Prior to March 8, 2002 (Tier 1)	March 8, 2002 to August 27, 2009 (Tier A)	August 28, 2009 to December 31, 2012 (Tier B)	January 1, 2013 to June 30, 2018 (Tier C)	On or after July 1, 2018 (Tier D)
Benefit formula	2.62% @ 62	3.00% @ 60	2.62% @ 62	2.50% @ 67	1.62% @ 65
Benefit vesting schedule	5 years' service	5 years' service	5 years' service	5 years' service	5 years' service
Benefit payments	Monthly for life	Monthly for life	Monthly for life	Monthly for life	Monthly for life
Retirement age	50-65	50-65	50-65	55-67	55-67
Monthly benefits, as a % of eligible compensation	1.34% to 2.62%	2.00% to 3.00%	1.34% to 2.62%	1.30% to 2.50%	1.30% to 1.62%

Contributions

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through SDCERA annual actuarial valuation process. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. All members are required to make contributions to SDCERA regardless of the retirement plan in which they are included.

NOTE 7 - RETIREMENT PLAN (CONT'D)

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2022 (the measurement date), the total pension liability was remeasured by revaluing the total pension liability as of June 30, 2021 (before the roll forward) to include the following actuarial assumptions that the Retirement Board has adopted for use in the pension funding valuation as of June 30, 2022 and using this revalued total pension liability in rolling forward the results from June 30, 2021 to June 30, 2022:

Actuarial Cost Method	Entry Age Actuarial Cost Method
Asset Valuation Method	Market Value of assets less unrecognized returns in each of the last five years.
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation Rate	2.75%
Payroll Growth	4.15% to 10.50%, varying by service, including inflation
Investment Rate of Return	6.50%, net of pension plan investment and administrative expense, including inflation

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

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

Asset Class	Target Allocation	Long-term Expected Arithmetic Real Rate of Return
Large Cap U.S Equity	19.00 %	5.40 %
Small Cap U.S Equity	3.00 %	6.17 %
Developed International Equity	15.00 %	6.13 %
Global Equity	11.50 %	6.20 %
Emerging Market Equity	5.00 %	8.17 %
High Yield Bonds	6.40 %	2.76 %
Bank Loan	0.60 %	2.02 %
Real Estate	7.40 %	4.59 %
Private Equity	5.00 %	10.83 %
Private Credit	1.00 %	5.93 %
Timberland	0.80 %	4.44 %
Farmland - Row Crops	0.70 %	5.62 %
Infrastructure	1.50 %	6.02 %
Real Estate (Non-Core)	2.60 %	7.94 %
Intermediate Duration Bonds - Gov't	10.30 %	(0.24)%
Intermediate Duration Bonds - Credit	10.20 %	0.70 %
Total	100.00 %	

NOTE 7 - RETIREMENT PLAN (CONT'D)

Discount Rate

The discount rate used to measure the TPL was 6.50% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rates and that employer contributions will be made at rates equal to the actuarially determined contribution rates.

For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the Plan Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the TPL as of June 30, 2022.

Net Pension Liability

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

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

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

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at: June 30, 2021	$ 7,650,953	$ 6,661,540	$ 989,413
Balance at: June 30, 2022	8,461,882	6,081,055	2,380,827
Change - Increase (Decrease)	$ 810,929	$ (580,485)	$ 1,391,414

NOTE 7 - RETIREMENT PLAN (CONT'D)

Net Pension Liability (Cont'd)

The JPA's proportionate share of the net pension liability as of June 30, 2021 and June 30, 2022 was as follows:

Proportion - June 30, 2021	0.041 %
Proportion - June 30, 2022	0.042 %
Change - Increase (Decrease)	0.001 %

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

The following presents the net pension liability of the Plan as of the Measurement Date, calculated using the discount rate of 6.50% percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (5.50 percent) or 1 percentage-point higher (7.50 percent) than the current rate:

	Discount Rate Less 1% (5.50%)	Current Discount (6.50%)	Discount Rate plus 1% (7.50%)
Plan's Net Pension Liability	$ 3,585,724	$ 2,380,827	$ 1,398,494

Recognition of Gains and Losses

Under GASB 68, deferred inflows and deferred outflows of resources related to pensions are recognized in pension expense systematically over time.

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

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

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

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

The EARSL for the Plan was 4.79 years, which was calculating each active employee's expected remaining service life as the present value of $1 per year of future service at zero percent interest, setting the remaining service life to zero for each nonactive or retired member, and then dividing the sum of the amounts by the total number of active employees, nonactive and retired members.

NOTE 7 - RETIREMENT PLAN (CONT'D)

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

For the year ended June 30, 2022, JPA recognized a pension expense of $(50,721). At June 30, 2022, JPA 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
Contributions subsequent to measurement date	$ 267,744	$ -
Change in assumptions	386,723	-
Difference between expected and actual experience	10,628	(72,441)
Net differences between projected and actual earnings on pension plan investments	436,312	-
Changes in proportion and differences between employer's contributions and proportionate share of contributions*	26,986	(109,717)
Total	$ 1,128,393	$ (182,158)

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

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

Reporting Date June 30	Deferred Outflows/ (Inflows) of Resources
2024	$ 190,853
2025	126,069
2026	72,508
2027	289,061
Total	$ 678,491

In addition to the above amounts, $267,744 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2023.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS

Plan Description

Effective July 1, 2007, the San Diego JPA commenced contributing to the SDCERA Retiree Health Plan, (SDCERA-RHP) a cost-sharing multiple-employer defined benefit health plan administered by SDCERA. The Retirement Act assigns the JPA to establish and amend health allowance benefits to the SDCERA Board of Retirement. The retiree Health Plan provides a nontaxable health insurance allowance to Tier I and Tier II retirees. Health insurance allowances range from $200 per month to $400 per month based on members' service credits. SDCERA issues a publicly available report that includes financial statements and required supplementary information. The SDCERA financial report may be obtained by writing to SDCERA: 2275 Rio Bonito Way, Suite 100, San Diego, California 92108.

Benefits Provided

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

Contributions

The annual contribution is based on the actuarially determined contribution. For the fiscal year ended June 30, 2023, the JPA's cash contributions were $2,096.

Net OPEB Liabilities

At June 30, 2023, the JPA reported a liability of $35,895 for its proportionate share of the collective Net OPEB liability. The following table shows the Plan's proportionate share of the Net OPEB liability over the measurement period:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability
	(a)	(b)	(c) = (a) - (b)
Balance at: June 30, 2021	$ 51,938	$ 16,395	$ 35,543
Balance at: June 30, 2022	53,357	17,462	35,895
Change - Increase (Decrease)	$ 1,419	$ 1,067	$ 352

The collective Net OPEB liability was measured as of June 30, 2023, and the Total OPEB liability used to calculate the collective Net OPEB liability was determined by an actuarial valuation as of June 30, 2023. The JPA's proportion of the collective Net OPEB liability was based on a projection of the JPA's share of contributions to the OPEB plan relative to the project contributions of all participating employers, actuarially determined.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Net OPEB Liabilities (Cont'd)

The JPA's proportionate share of the Net OPEB liability as of June 30, 2021 and June 30, 2022 was as follows:

Proportion - June 30, 2021	0.047 %
Proportion - June 30, 2022	0.048 %
Change - Increase (Decrease)	0.001 %

Actuarial Methods and Assumptions:

The Total OPEB Liability as of June 30, 2023 was determined by an actuarial valuation as of June 30, 2022.

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

Actuarial Cost Method:	Entry Age Level Percent of Pay Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.50%
Inflation	2.50%
Salary Increases	General: 3.90% to 10.25%, including 2.50% inflation and 0.50% across the board salary increases
Healthcare Trend Rate	
Non-Medicare	7.25% graded to ultimate 4.50% over 11 years
Medicare	6.50% graded to ultimate 4.50% over 8 years
HIA subsidy increases	0.00%

The long-term expected rate of return on OPEB Plan investments was determined using a building-block method in which expected future real rates of return (expected returns, net of OPEB Plan inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation and projected arithmetic real rates of return for each measurement class, after deducting inflation, but before reduction for investment expenses are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption as of June 30, 2022 actuarial valuations.

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

Actuarial Methods and Assumptions (Cont'd)

Investment Asset Class	Target Allocation	Long-term Expected Real Rate of Return
Large Cap Equity	19.00 %	5.40 %
Small Cap Equity	3.00 %	6.17 %
Developed International Equity	15.00 %	6.13 %
Global Equity	11.50 %	6.20 %
Emerging Markets Equity	5.00 %	8.17 %
High Yield Bonds	6.40 %	2.76 %
Bank Loan	0.60 %	2.02 %
Real Estate	7.40 %	4.59 %
Private Equity	5.00 %	10.83 %
Private Credit	1.00 %	5.93 %
Timberland	0.80 %	4.44 %
Farmland - Row Crops	0.70 %	5.62 %
Infrastructure	1.50 %	6.02 %
Real Estate (Non-Core)	2.60 %	7.94 %
Intermediate Duration Bonds - Gov't	10.30 %	(0.24)%
Intermediate Duration Bonds - Credit	10.20 %	0.70 %
Total	100.00 %	

Discount Rate

The discount rate used to measure the TOL were 6.50% as of June 30, 2022. The projection of cash flows used to determine the discount rate assumed that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs (if any) for future plan members and their beneficiaries, as well as projected contributions (if any) from future plan members, are not included. Based on those assumptions, the Plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments (including the HIA) was applied to all periods of projected benefit payments to determine the TOL as of June 30, 2022.

OPEB Plan Fiduciary Net Position

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

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

The following presents the Net OPEB Liability of the JPA if it were calculated using a discount rate (6.50%) that is 1 percentage point lower (5.50%) or 1 percentage point higher (7.50%) than the current rate, for measurement period ended June 30, 2023:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Plan's Net OPEB Liability	$ 39,818	$ 35,895	$ 32,458

NOTE 8 - OTHER POSTEMPLOYMENT BENEFITS (CONT'D)

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

The following presents the Net OPEB Liability of JPA if it were calculated using a trend rate that is 1 percentage point lower or 1 percentage point higher than the current rate, for measurement period ended June 30, 2023:

	1% Decrease	Current Trend Rate	1% Increase
Plan's Net OPEB Liability	$ 35,583	$ 35,895	$ 36,182

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

For the fiscal year ended June 30, 2023, JPA recognized OPEB expenses of $4,136.

As of fiscal year ended June 30, 2023, JPA reported deferred outflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
OPEB Contributions subsequent to measurement date	$ 2,096	$ -
Differences between projected and actual earnings on investments	1,584	-
Total	$ 3,680	$ -

In addition to the above amounts, $2,096 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the fiscal year ended June 30, 2023.

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

Year ended June 30	Deferred Outflows/ (Inflows) of Resources
2024	$ 352
2025	335
2026	238
2027	659
Total	$ 1,584

NOTE 9 - RELATED PARTY TRANSACTIONS

The JPA reimburses the County for annual cost of participating in County administered workers' compensation, employee benefit programs, and payroll and information technology support services. The total amount paid by the JPA to the County for the year ended June 30, 2023, was $1,219,265.

NOTE 10 - ENDOWMENT FUNDS

The following is a summary of the endowments recorded in the permanent fund at June 30, 2023:

Custodian	Purpose	Agreement Date	Original Principal	Balance at 06/30/23
Rancho Santa Fe Foundation	Coast to Crest Trail repair or replacement.	09/23/03	$ -	$ 41,927
Rancho Santa Fe Foundation	Bernardo Mountain maintenance and preservation.	07/27/04	176,920	212,142
Del Mar Foundation	San Dieguito Lagoon maintenance and management.	04/08/04	500,000	1,104,743
San Diego Foundation	San Dieguito River Park operations and programs.	05/07/97	569,848	702,882
San Diego Foundation	San Dieguito River Park operations and programs	05/07/97	-	22,345
Rancho Santa Fe Foundation	Fenton Ranch Conservation Bank maintenance and management.	10/17/08	318,230	318,230
Rancho Santa Fe Foundation	Sycamore Westridge maintenance and management.	09/18/09	52,955	52,955
Rancho Santa Fe Foundation	Fenton Property (Escondido) maintenance and management.	01/19/10	53,628	53,628
Rancho Santa Fe Foundation	Fenton Property (Lowes) maintenance and management.	03/25/09	53,628	53,628
Rancho Santa Fe Foundation	Dean Property long-term management.	05/16/16	257,059	257,059
Rancho Santa Fe Foundation	Dept. of Navy Conservation Easement Blum Property	08/06/20	11,850	13,079
Rancho Santa Fe Foundation	Dept. of Navy Conservation Easement Blum Property	08/06/20	92,838	88,176
Rancho Santa Fe Foundation	Other endowments/restricted funds.	various	-	657,791
Total			$ 2,086,956	$ 3,578,585

NOTE 11 - SUBSEQUENT EVENTS

Management has evaluated subsequent events through April 17, 2024, the date at which the financial statements were available to be issued and have determined no adjustments are necessary to the amounts reported in the accompanying financial statements nor have any subsequent events occurred, the nature of which would require disclosure.

REQUIRED SUPPLEMENTARY INFORMATION

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

Fiscal Year Ended	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Measurement Period	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Proportion of the Collective Net Pension Liability	0.042 %	0.041 %	0.046 %	0.048 %
Proportionate Share of the Collective Net Pension Liability	$ 2,380,827	$ 989,413	$ 2,211,676	$ 1,932,897
Covered Payroll	$ 671,560	$ 626,727	$ 644,403	$ 635,760
Proportionate Share of the Collective Net Pension Liability as percentage of covered payroll	354.52 %	157.87 %	343.21 %	304.03 %
Plan's Fiduciary Net Position as a percentage of the Total Pension Liability	72.19 %	87.15 %	72.77 %	75.99 %

*Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

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

Fiscal Year Ended	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Measurement Period	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Proportion of the Collective Net Pension Liability	0.046 %	0.050 %	0.051 %	0.046 %	0.055 %
Proportionate Share of the Collective Net Pension Liability	$ 1,559,911	$ 1,841,454	$2,186,365	$,298,694	$1,179,860
Covered Payroll	$ 637,013	$ 663,354	$ 610,823	$ 530,657	$ 589,697
Proportionate Share of the Collective Net Pension Liability as percentage of covered payroll	244.88 %	277.60 %	357.94 %	244.73 %	200.08 %
Plan’s Fiduciary Net Position as a percentage of the Total Pension Liability	78.89 %	76.09 %	70.91 %	78.32 %	81.94 %

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

SCHEDULE OF THE PLAN CONTRIBUTIONS
LAST TEN YEARS*

Fiscal Year Ended	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Measurement Period	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Actuarially Determined Contributions	$ 269,722	$ 255,880	$ 249,296	$ 240,496
Actual Contributions During the Measurement Period	(267,744)	(268,695)	(249,296)	(240,496)
Contribution Deficiency (Excess)	$ 1,978	$ (12,815)	$ -	$ -
Covered-Employee Payroll	$ 671,560	$ 626,727	$ 644,403	$ 635,760
Contributions as a Percentage of Covered Employee Payroll	40.16 %	40.83 %	38.69 %	37.83 %

*Historical information is required only for measurement periods for which GASB 68 is applicable. Future years' information will be displayed up to 10 years as information becomes available.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

SCHEDULE OF THE PLAN CONTRIBUTIONS
LAST TEN YEARS*

Fiscal Year Ended	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015
Measurement Period	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014
Actuarially Determined Contributions	$ 244,408	$ 240,406	$ 221,855	$ 193,542	$ 171,857
Actual Contributions During the Measurement Period	(244,408)	(240,406)	(221,855)	(193,542)	(171,857)
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ -	$ -
Covered-Employee Payroll	$ 637,013	$ 663,354	$ 610,823	$ 530,657	$ 589,697
Contributions as a Percentage of Covered Employee Payroll	38.37 %	36.24 %	36.32 %	36.47 %	29.14 %

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year Ended	6/30/2023	6/30/2022	6/30/2021	6/30/2020
Measurement Period	6/30/2022	6/30/2021	6/30/2020	6/30/2019
Plan's Proportion of the Net OPEB Liability (Asset)	0.048 %	0.047 %	0.048 %	0.052 %
Plan's Proportionate Share of the Net OPEB Liability (Asset)	$ 35,895	$ 35,543	$ 47,904	$ 58,581
Plan's Covered Employee Payroll	$ 671,560	$ 626,727	$ 644,403	$ 635,760
Plan's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Employee Payroll	5.35 %	5.67 %	7.43 %	9.21 %
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total OPEB Liability	32.73 %	31.57 %	19.70 %	14.73 %

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

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

SCHEDULE OF THE PLAN'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND RELATED RATIOS
LAST TEN FISCAL YEARS*

Fiscal Year Ended	6/30/2019	6/30/2018
Measurement Period	6/30/2018	6/30/2017
Plan's Proportion of the Net OPEB Liability (Asset)	0.053 %	0.056 %
Plan's Proportionate Share of the Net OPEB Liability (Asset)	$ 68,514	$ 79,631
Plan's Covered Employee Payroll	$ 635,759	$ 638,204
Plan's Proportionate Share of the Net OPEB Liability (Asset) as a percentage of its Covered Employee Payroll	10.78 %	12.48 %
Plan's Proportionate Share of the Fiduciary Net Position as a percentage of the Plan's Total OPEB Liability	10.12 %	6.92 %

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

SCHEDULE OF THE OPEB CONTRIBUTIONS

LAST TEN FISCAL YEARS*

Fiscal Year Ended	6/30/2023	6/30/2022	6/30/2021
Measurement Period	6/30/2022	6/30/2021	6/30/2020
Actuarially Determined Contribution (ADC)	$ 8,831	$ 8,786	$ 9,773
Contributions in relation to the ADC	(2,096)	(8,798)	(9,773)
Contribution deficiency (excess)	$ 6,735	$ (12)	$ -
Covered-employee payroll	$ 671,560	$ 626,727	$ 644,403
Contributions as a percentage of covered employee payroll	1.31 %	1.40 %	1.52 %

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

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

SCHEDULE OF THE OPEB CONTRIBUTIONS

LAST TEN FISCAL YEARS*

Fiscal Year Ended	6/30/2020	6/30/2019	6/30/2018
Measurement Period	6/30/2019	6/30/2018	6/30/2017
Actuarially Determined Contribution (ADC)	$ 10,480	$ 10,510	$ 10,510
Contributions in relation to the ADC	(10,480)	(10,510)	(10,510)
Contribution deficiency (excess)	$ -	$ -	$ -
Covered-employee payroll	$ 635,760	$ 636,949	$ 637,013
Contributions as a percentage of covered employee payroll	1.65 %	1.65 %	1.65 %

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2023

	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES:			
Assessments	$ 1,174,802	$ 1,174,802	$ -
Contracts and grants	464,026	698,893	234,867
Investment income	-	16,849	16,849
Donations	14,250	141,020	126,770
Miscellaneous	61	140,359	140,298
Total revenues	1,653,139	2,171,923	518,784
EXPENDITURES:			
Current general government:			
Salaries and benefits	1,330,938	1,309,270	21,668
Auto and travel	13,000	19,475	(6,475)
Professional and contracted services	38,800	242,813	(204,013)
Miscellaneous	-	14,445	(14,445)
Operating	270,401	307,228	(36,827)
Debt service:			
Principal	-	58,839	(58,839)
Interest	-	18,135	(18,135)
Total expenditures	1,653,139	1,970,205	(317,066)
Excess (deficiency) of revenues over (under) expenditures	$ -	201,718	$ 201,718
Net change in fund balances		201,718	
Fund balances at beginning of year		220,635	
Fund balances at end of year		$ 422,353	

NOTE 1 - BUDGETARY REPORTING

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

For the year ended June 30, 2023, expenditures exceeded appropriations in the General Fund by $317,066 due to increase in professional and contracted services expenses and debt service cost.

COMPLIANCE SECTION

HARSHWAL® & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of San Dieguito River Valley Regional Open Space Park Joint Powers Authority (the "JPA"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the JPA's basic financial statements, and have issued our report thereon dated April 17, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the JPA's internal control over financial reporting (internal control) as a basis for designing the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the JPA's internal control. Accordingly, we do not express an opinion on the effectiveness of the JPA's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the JPA's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of This Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

San Diego, California
April 17, 2024

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2023

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness?	None reported
• Noncompliance material to financial statements noted?	No

SECTION II - FINANCIAL STATEMENTS FINDINGS

There are no findings in the current year to report.

SAN DIEGUITO RIVER VALLEY REGIONAL OPEN SPACE PARK JOINT POWERS AUTHORITY

SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS

FOR THE YEAR ENDED JUNE 30, 2023

No matters were reported in prior years.