

NORTH OF THE RIVER RECREATION AND PARK DISTRICT

BAKERSFIELD, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2022

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INTRODUCTORY SECTION

NORTH OF THE RIVER RECREATION AND PARK DISTRICT ORGANIZATIONAL CHART

Citizens of District

Board of Directors

General Manager

Administration

Business Services

Creative/Support Services

Recreational Activities

Parks & Facilities

Community Services

Planning/Construction

Sports & Aquatics

Park Maintenance

Senior Services

Facility Maintenance

Children's Services

Safety & Security

NORTH OF THE RIVER RECREATION AND PARK DISTRICT

June 30, 2022

Board of Directors

Steve Ruetters Chairperson
Crystal Madden Vice-Chairperson
Brooks Douglas Board Member
James Nabors Board Member
Vacant Board Member

Racheal Garcia Clerk of the Board

Administrative Staff

Monya Jameson General Manager
Wayne McArthur Finance Director
Esther Grijalva Human Resources Director
Steph Thisius-Sanders Planning and Construction Director
Michael Evans Superintendent of Parks and Facilities
Jasmin LoBasso Superintendent of Recreation and Community Services

FINANCIAL SECTION

INDEPENDENT AUDITORS' REPORT

Board of Directors
North of the River Recreation and Park District
Bakersfield, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information, of the North of the River Recreation and Park District, California as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise North of the River Recreation and Park District'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, business-type activities, each major fund, and the aggregate remaining fund information of North of the River Recreation and Park District, as of June 30, 2022, and the respective changes in financial position and where applicable, cash flows thereof, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

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 North of the River Recreation and Park District, 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.

Emphasis of a Matter

Implementation of New Accounting Standards

As discussed in Notes 3G and 7C to the financial statements, North of the River Recreation and Park District implemented Governmental Accounting Standards Board Statement No. 87, *Leases*, which became effective for the year ended June 30, 2022 and had material effects on the financial statements. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about North of the River Recreation and Park District'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 auditing standards generally accepted in the United States of America 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 auditing standards generally accepted in the United States of America 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 North of the River Recreation and Park District’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 North of the River Recreation and Park District’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, and other required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of the 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 Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise North of the River Recreation and Park District’s basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

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

The introductory section and statistical section on pages 47-53 have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated February 6, 2023, on our consideration of the North of the River Recreation and Park District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, 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 North of the River Recreation and Park District’s internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North of the River Recreation and Park District’s internal control over financial reporting and compliance.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
February 6, 2023

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED June 30, 2022**

***North of the River Recreation
and Park District***

North of the River Recreation and Park District (District) management offers readers of these financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022. Readers are encouraged to consider the information presented here in conjunction with the District's financial statements and the accompanying notes to the financial statements.

Financial Highlights

- At June 30, 2022, the District's net position was \$31,593,919. Of this total net position, \$22,161,366 is attributed to net investment in capital assets, and \$2,787,108 is restricted and may be used for the District's ongoing obligations with external restrictions. (For additional information on restricted net position, see Note 3.H). The remaining balance of the total net position is \$7,645,445 representing the unrestricted net position.
- District property valuations increased by 0.54% from the previous year. The increase in assessed valuation was attributed to a 2.43% increase in secured property values, a 27.38% decrease in mineral values, and an 8.48% increase in unsecured property values.
- General fund revenue exceeded expense by \$1,667,808. The unrestricted reserve (board contingency) increased by \$1,171,061, due to a net \$496,747 decrease after transfers to the capital projects fund and lease liabilities issued.
- Due to easing of State directives and policies regarding COVID 19, the District was able to slowly start providing programs and opening facilities for use.

Overview of the Basic Financial Statements

Management's discussion and analysis (MD&A) is intended to serve as an introduction to the District's basic financial statements. The District's basic financial report consists of three components: 1) Government-wide financial statements; 2) Fund financial statements; and 3) Notes to the financial statements.

Government-wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business.

The ***Statement of Net Position*** presents information on all District assets and deferred outflows of resources less liabilities and deferred inflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The ***Statement of Activities*** presents information illustrating how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event takes place regardless of when cash is received or paid. Thus, some revenues and expenses are reported in the Financial Statements for some items that will only result in cash inflows and outflows in future fiscal years (i.e. accounts receivable and earned but unused vacation leave).

Both the ***Statement of Net Position*** and the ***Statement of Activities*** distinguish between activities that are primarily financed with taxes and intergovernmental revenues (governmental activities) and those that are intended to recover all or a significant portion of their costs through user fees and charges for services (business-type activities).

Fund Financial Statements

Fund Financial Statements provide more detailed information about the District's most significant funds – not the District as a whole. A fund is a fiscal and accounting entity designated to report information about groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or attaining certain objectives in accordance with specific regulations, restrictions, or limitations. The District's funds can be divided into two broad categories: Governmental funds and Proprietary funds.

Governmental funds are used to account for activities that are similar in nature to the governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, the governmental fund financial statements focus on future inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be used in evaluating the District's future financing requirements and available resources.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. This will allow readers to get a better understanding of the long-term impact of the District's future financing decisions. Both the governmental funds' balance sheet and the governmental funds' statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District reports one major fund, four capital projects funds, and three non-major special revenue funds. Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures, and changes in fund balances for the General Fund. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major special revenue funds is provided in the form of combining statement located in the *Supplemental Information Section* of the report.

Proprietary Funds are reported as enterprise funds. Enterprise funds are reported as business-type activities in the government-wide financial statements. The District's enterprise fund provides transportation services funded with user fees and grant revenues.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide financial statements.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED June 30, 2022**

*North of the River Recreation
and Park District*

Government-wide Financial Analysis

As noted earlier, net position may serve as a useful indicator of the government's financial position over time. At June 30, 2022, the District's total net position was \$31,593,919.

67% of total net position is the net investment in capital assets of \$21,161,366. The investment in capital assets includes land, buildings and improvements, machinery and equipment, less accumulated depreciation and amortization and any related outstanding debt used to acquire those assets. The District uses these assets to provide services to citizens, and, as a result, these assets are not available for future spending. Because the investment in capital assets is reported net of related debt, and since the capital assets themselves cannot be used to liquidate the debt liabilities, it should be noted that the resources needed to repay this debt must be provided from other sources.

Of the District's total net position, \$2,787,108 is restricted, which represents external restrictions on how these resources may be used. The remaining \$7,645,445 balance of net position represents unrestricted resources. The condensed comparative statement below identifies total assets, total liabilities and the total net position of the District (Government Activities) and the Transportation program (Business-Type Activities) as of June 30, 2022 and 2021 respectively.

**CONDENSED COMPARATIVE STATEMENT OF NET POSITION
JUNE 30, 2022 AND 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Assets						
Current and other assets	\$ 17,764,405	\$ 14,862,171	\$ 89,433	\$ 117,193	\$ 17,853,838	\$ 14,979,364
Capital assets, net	22,549,594	23,943,260	9,159	11,703	22,558,753	23,954,963
Total assets	<u>40,313,999</u>	<u>38,805,431</u>	<u>98,592</u>	<u>128,896</u>	<u>40,412,591</u>	<u>38,934,327</u>
Deferred Outflows of Resources	568,449	714,830	-	-	568,449	714,830
Liabilities						
Current liabilities	6,519,794	5,993,292	11,859	9,969	6,531,653	6,003,261
Long-term liabilities	1,258,981	2,923,641	-	-	1,258,981	2,923,641
Total liabilities	<u>7,778,775</u>	<u>8,916,933</u>	<u>11,859</u>	<u>9,969</u>	<u>7,790,634</u>	<u>8,926,902</u>
Deferred Inflows of Resources	1,596,487	-	-	-	1,596,487	-
Net Position						
Invested in capital assets	21,152,207	22,660,116	9,159	11,703	21,161,366	22,671,819
Restricted	2,787,108	2,323,660	-	-	2,787,108	2,323,660
Unrestricted	7,567,871	5,619,552	77,574	107,224	7,645,445	5,726,776
Total Net Position	<u>\$ 31,507,186</u>	<u>\$ 30,603,328</u>	<u>\$ 86,733</u>	<u>\$ 118,927</u>	<u>\$ 31,593,919</u>	<u>\$ 30,722,255</u>

Changes in Net Position: District expenses exceeded revenues and capital contributions in fiscal year 2021-22 by \$903,860 with the District maintaining both recreational activity offerings, and facility expansion and maintenance. At fiscal year-end, governmental funds had a fund balance available of \$10,703,709. However, under the district-wide accounting model, this amount is reduced by long term debt related to compensated absences (\$413,495) and capital lease financing (\$705,369) as noted on page 15. The capital lease financing liability is currently funded within each annual budget appropriation.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED June 30, 2022**

***North of the River Recreation
and Park District***

**CONDENSED COMPARATIVE STATEMENT OF ACTIVITIES
JUNE 30, 2022 AND 2021**

	Governmental Activities		Business-Type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues						
Program Revenues:						
Charges for services	\$ 1,718,655	\$ 704,768	\$ 44,502	\$ 43,924	\$ 1,763,157	\$ 748,692
Operating grants and contributions	1,503,438	812,137	983,205	1,339,583	2,486,643	2,151,720
Capital grants and contributions	-	-	-	-	-	-
General Revenues:						
Property taxes and subventions	9,142,253	8,805,653	-	-	9,142,253	8,805,653
Other	310,926	740,859	74,588	6,488	385,514	747,347
Total Revenues	<u>12,675,272</u>	<u>11,063,417</u>	<u>1,102,295</u>	<u>1,389,995</u>	<u>13,777,567</u>	<u>12,453,412</u>
Expenses						
Recreational activities	4,307,793	4,051,981	-	-	4,307,793	4,051,981
Parks and facilities	7,463,619	7,535,989	-	-	7,463,619	7,535,989
Transportation	-	-	1,134,490	1,143,885	1,134,490	1,143,885
Total Expenses	<u>11,771,412</u>	<u>11,587,970</u>	<u>1,134,490</u>	<u>1,143,885</u>	<u>12,905,902</u>	<u>12,731,855</u>
Change in Net Position	903,860	(524,553)	(32,195)	246,110	871,665	(278,443)
Net Position Beginning of Year	<u>30,603,326</u>	<u>31,127,881</u>	<u>118,928</u>	<u>(127,183)</u>	<u>30,722,254</u>	<u>31,000,698</u>
Net Position End of Year	<u>\$ 31,507,186</u>	<u>\$ 30,603,328</u>	<u>\$ 86,733</u>	<u>\$ 118,927</u>	<u>\$ 31,593,919</u>	<u>\$ 30,722,255</u>

Governmental Activities

The general fund is the District's chief operating fund. Government funds also include capital projects, NOR park maintenance, North Meadows maintenance, maintenance and equipment contingency and NOR Recreation Foundation. The following reflects operational results of the Government Funds:

- At June 30, 2022, cash on hand and in banks was \$16,978,322.
- Total General Fund liabilities were \$147,889 or 1.8% of total assets at June 30, 2022.
- At June 30, 2022, deferred revenue from developer fees had increased by \$590,041 to a total of \$6,364,757 which will provide funding for future capital projects.

Property Tax Revenues

- Taxes that are generated locally provide the Board of Directors with most of its discretionary spending power. The taxable valuation of property within the District increased by 0.54% to \$20.06 billion in fiscal year 2021-22. This is due primarily to a 2.43% increase in secured, a 27.38% decrease in mineral, and an 8.48% increase in unsecured property values. Mineral valuation, chiefly from heavy crude in the Kern River Fields, provided 10.76% of the total property taxes and secured property taxes represented 84.61%.

**MANAGEMENT'S DISCUSSION AND ANALYSIS
YEAR ENDED June 30, 2022**

***North of the River Recreation
and Park District***

	2021-2022 VALUATION (millions of dollars)	2020-2021 VALUATION (millions of dollars)
Secured	\$ 16,972	\$ 16,139
Mobile Home	26	24
Mineral	2,157	2,971
Utility	4	4
Unsecured	1,037	956
Homeowner Exemption	(138)	(142)
Total	\$ 20,058	\$ 19,952
 Property Taxes	 \$ 7.89	 \$ 7.91

Other Major Sources of Revenues

Other major sources of revenues included charges for services, grants, and developer fees. Combined, these sources were greater than the prior year. This is due largely to an increase in charges for services due to the opening of programs and facilities use post-pandemic. Overall, governmental fund revenue increased by \$1,611,855 to \$12.7 million.

	2021-2022	2020-2021
Charges for Services	\$ 1,718,655	\$ 704,768
Grants	1,503,438	812,137
Developer Fees	-	-
	\$ 3,222,093	\$ 1,516,905

Expenditures

Overall, District governmental expenditures for fiscal year 2021-22 increased by \$850,030 from fiscal year ended 2020-21. Departmental services and activities increased by 9.2%; District insurance decreased by 22.7%; Capital Improvement and Maintenance Projects decreased by 3.8%; and recreation programs increased by 50.9%.

**MANAGEMENT’S DISCUSSION AND ANALYSIS
YEAR ENDED June 30, 2022**

***North of the River Recreation
and Park District***

EXPENDITURES	2021-2022	2020-2021
Administration Services	\$ 674,518	\$ 617,473
Business Services	600,993	597,674
District Insurance	519,674	672,535
Creative/Support Services	426,376	427,721
Planning Services	142,913	188,718
Capital Improvement Projects	362,619	376,918
Park and Facility Maintenance Services	5,439,258	5,417,030
Recreation Programs	2,728,036	1,808,381
Recreation Foundation	50	91,266
Total	\$ 10,894,437	\$ 10,197,716

Capital Improvement Projects

North of the River Recreation and Park District maintains an ongoing capital improvement program. This program is funded by revenue from Quimby Act fees paid by developers for land acquisition, park development fees, interest earnings from capital project reserves, and grants. Capital project fund expenditures for fiscal year 2021-22 and 2020-21 are listed below:

	2021-2022	2020-2021
Riverview Park	\$ 33,387	\$ 171,784
Greenacres Park	26,272	5,646
Riverlakes Ranch Park	24,786	0
CIP Contingency Expense	78,686	0
Total	\$ 163,131	\$ 177,430

General Fund Budgetary Highlights

Overall revenues were less than budgetary estimates by \$367,277. The loss of revenue for programs and facilities was offset by higher property tax and other revenues. Expenditures were less than budgetary appropriations by \$1,751,579, due primarily to decreases in services. Net fund transfers and debt proceeds of (\$496,747) resulted in a net fund variance of \$887,555.

Business-Type Funds

Proprietary Fund – The CTSA Transportation Fund is shown as a business-type activity and in detail as a major fund in the government-wide financial statements, and also in the Condensed Comparative Statements in the MD&A section. The net position of this fund are capital assets used to provide transportation services for seniors and disabled members of the community.

Capital Assets and Long-Term Debt

Capital Assets: Categorized by land, buildings, equipment, and site improvements. The District's accounting threshold for identifying capital assets is \$5,000. Purchases of capital assets in fiscal year 2021-22 totaled \$85,128 while removals totaled \$37,751. Depreciation expense in general fixed assets has been calculated at \$1,617,199 as compared to \$1,719,873 in the prior fiscal year, and accumulated depreciation at year-end is included in the schedule of capital assets below:

	2021-2022	2020-2021
Land	\$5,737,143	\$5,737,143
Construction in Progress	152,210	152,210
Buildings	15,379,487	15,379,487
Equipment	2,847,287	2,870,960
Site Improvements	33,089,022	33,017,972
Intangibles	207,307	-
	<u>57,412,456</u>	<u>57,157,772</u>
Less: Accumulated depreciation	<u>(34,862,862)</u>	<u>(33,214,513)</u>
Net Capital Assets	<u>\$22,549,594</u>	<u>\$23,943,259</u>

Long-Term Debt: In fiscal year 2010-11 the District finalized a \$2 million Capital Lease Financing Agreement to complete a new gymnasium and community center at Riverlakes Ranch Community Park. Payments began in fiscal year 2011-12 and the mandatory five-year (10 payments) lease period expired in June 2017. Consequently, the balance owed at the end of fiscal year 2021-2022 is \$705,369 which the District now has the option to pay off in a lump sum payment.

A calculation for compensated absences liability is also included as long-term debt under the district-wide accounting model to arrive at net position.

	2021-2022	2020-2021
Capital Lease Financing	\$705,369	\$858,485
Leases payable	140,117	-
Compensated Absences Liability	413,495	424,660
Total Long-Term Debt	<u>\$1,258,981</u>	<u>\$1,283,145</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

Residential property valuation is projected to increase by 10.8% and Mineral is expected to increase by 40.6%. Total assessed valuation is estimated at \$22.66 billion, and total property tax revenues to the District are projected to increase to \$8.36 million.

COVID-19 continues to impact the operations of the District but to a lesser degree. There are still difficulties hiring sufficient skilled staff to run programs and coordinate facility use. Other economic factors include a 5% COLA increase for all regular full-time and regular part-time employees and an increase in the minimum wage. The State of California continues to experience a great number of casualty losses due to floods, fires and other natural disasters that may result in an increase in insurance premiums. Due to the continuing fiscal volatility of the State budget process, and possible legislative action, the District continues to employ a very conservative fiscal strategy in future budget years.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. Anyone having questions about this report or if additional financial information is needed, contact: North of the River Recreation and Park District, 3825 Riverlakes Dr., Bakersfield, CA 93312; or wmcArthur@norrecreation.org.

BASIC FINANCIAL STATEMENTS

North of the River Recreation and Park District
STATEMENT OF NET POSITION
June 30, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash on hand and in banks	\$ 10,523,594	\$ 84,943	\$ 10,608,537
Accounts receivable	308,975	-	308,975
Inventory	14,420	-	14,420
Prepaid items	6,729	-	6,729
Deposit	-	4,490	4,490
Net pension asset	540,902	-	540,902
Right to use leased assets, net of accumulated amortization	138,406	-	138,406
Restricted cash and investments	6,369,785	-	6,369,785
Capital assets:			
Non-depreciable assets	5,889,353	-	5,889,353
Depreciable assets (net of depreciation)	16,521,835	9,159	16,530,994
Total assets	<u>40,313,999</u>	<u>98,592</u>	<u>40,412,591</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred outflows related to pensions	<u>568,449</u>	<u>-</u>	<u>568,449</u>
LIABILITIES			
Accounts payable	147,879	11,859	159,738
Payroll and benefits payable	7,158	-	7,158
Unearned revenue	6,364,757	-	6,364,757
Noncurrent liabilities:			
Due within one year	221,817	-	221,817
Due in more than one year	1,037,164	-	1,037,164
Total liabilities	<u>7,778,775</u>	<u>11,859</u>	<u>7,790,634</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred inflows related to pensions	<u>1,596,487</u>	<u>-</u>	<u>1,596,487</u>
NET POSITION			
Net invested in capital assets	21,152,207	9,159	21,161,366
Restricted for:			
Grants, contributions and fees for specific purposes	2,787,108	-	2,787,108
Unrestricted	<u>7,567,871</u>	<u>77,574</u>	<u>7,645,445</u>
Total net position	<u>\$ 31,507,186</u>	<u>\$ 86,733</u>	<u>\$ 31,593,919</u>

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

North of the River Recreation and Park District
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Functions/ Programs	Expenses	Program Revenues			Net (Expense) and Revenue and Changes in Net Position		Total
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	
PRIMARY GOVERNMENT:							
Governmental activities:							
Recreational activities	\$ 4,307,793	\$ 1,031,193	\$ 1,503,438	\$ -	\$ (1,773,162)	\$ -	\$ (1,773,162)
Parks and facilities	7,463,619	687,462	-	-	(6,776,157)	-	(6,776,157)
Total governmental activities	<u>11,771,412</u>	<u>1,718,655</u>	<u>1,503,438</u>	<u>-</u>	<u>(8,549,319)</u>	<u>-</u>	<u>(8,549,319)</u>
Business-type activities:							
Transportation	1,134,490	44,502	983,205	-	-	(106,783)	(106,783)
Total primary government	<u>\$ 12,905,902</u>	<u>\$ 1,763,157</u>	<u>\$ 2,486,643</u>	<u>\$ -</u>	<u>(8,549,319)</u>	<u>(106,783)</u>	<u>(8,656,102)</u>
General revenues:							
Taxes and subventions:							
Taxes levied for general purposes					9,142,253	-	9,142,253
Interest and investment earnings					83,828	-	83,828
Miscellaneous					227,098	74,588	301,686
Total general revenue and transfers					<u>9,453,179</u>	<u>74,588</u>	<u>9,527,767</u>
Change in net position					903,860	(32,195)	871,665
Net position beginning of year					<u>30,603,326</u>	<u>118,928</u>	<u>30,722,254</u>
Net position ending of year					<u>\$ 31,507,186</u>	<u>\$ 86,733</u>	<u>\$ 31,593,919</u>

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

North of the River Recreation and Park District

BALANCE SHEET

GOVERNMENTAL FUNDS

June 30, 2022

	General Fund	Capital Projects Funds	North of the River Park Maintenance	Other Governmental Funds	Total
<u>ASSETS</u>					
Cash and investments	\$ 7,631,091	\$ -	\$ 2,172,354	\$ 720,149	\$ 10,523,594
Accounts receivable	308,975	-	-	-	308,975
Inventory	14,420	-	-	-	14,420
Prepaid items	6,729	-	-	-	6,729
Due from other funds	104,973	-	-	-	104,973
Restricted cash and investments	-	6,369,785	-	-	6,369,785
TOTAL ASSETS	<u>\$ 8,066,188</u>	<u>\$ 6,369,785</u>	<u>\$ 2,172,354</u>	<u>\$ 720,149</u>	<u>\$ 17,328,476</u>
<u>LIABILITIES AND FUND BALANCES</u>					
Liabilities:					
Accounts payable	\$ 140,731	\$ 6,726	\$ -	\$ 422	\$ 147,879
Payroll and benefits payable	7,158	-	-	-	7,158
Due to other funds	-	-	-	104,973	104,973
Unearned revenue	-	6,364,757	-	-	6,364,757
TOTAL LIABILITIES	<u>147,889</u>	<u>6,371,483</u>	<u>-</u>	<u>105,395</u>	<u>6,624,767</u>
Fund Balances:					
Non-spendable	21,149	-	-	-	21,149
Restricted	-	-	2,172,354	614,754	2,787,108
Unassigned (deficit)	7,897,150	(1,698)	-	-	7,895,452
TOTAL FUND BALANCES	<u>7,918,299</u>	<u>(1,698)</u>	<u>2,172,354</u>	<u>614,754</u>	<u>10,703,709</u>
TOTAL LIABILITIES & FUND BALANCE	<u>\$ 8,066,188</u>	<u>\$ 6,369,785</u>	<u>\$ 2,172,354</u>	<u>\$ 720,149</u>	<u>\$ 17,328,476</u>

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

North of the River Recreation and Park District
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
with the Governmental Activities
STATEMENT OF NET POSITION
June 30, 2022

Total Fund Balances - governmental funds balance sheet	\$ 10,703,709
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not reported in the funds	22,411,188
Right to use assets used in governmental activities are not financial resources and, therefore, are not reported in the governmental funds.	
Right to use assets	207,307
Accumulated amortization	(68,901)
Payables for capital leases which are not due in the current period are not reported in the funds	(705,369)
Deferred resource outflows related to pension	568,449
Net pension liability not reported in funds	540,902
Payables for compensated absences which are not due in the current period are not reported in the funds	(413,495)
Lease liabilities which are not due in the current period are not reported in the funds	(140,117)
Deferred resource inflows related to pension	<u>(1,596,487)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 31,507,186</u>

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

North of the River Recreation and Park District
STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2022

	General Fund	Capital Projects Funds	North of the River Park Maintenance	Other Governmental Funds	Total
REVENUES					
Property taxes	\$ 8,361,219	\$ -	\$ -	\$ -	\$ 8,361,219
Grants	1,503,438	-	-	-	1,503,438
Charges for programs and services	1,718,655	-	-	-	1,718,655
Interest	60,875	-	18,283	4,670	83,828
Special assessment revenue	-	-	412,988	368,046	781,034
Other revenue	189,879	-	-	37,219	227,098
TOTAL REVENUES	11,834,066	-	431,271	409,935	12,675,272
EXPENDITURES					
Salaries and employee benefits	5,460,047	137,261	-	208,368	5,805,676
Services	2,816,507	3,853	-	150,098	2,970,458
Materials and supplies	1,525,304	-	-	19,291	1,544,595
Capital maintenance	-	163,131	-	-	163,131
Capital outlays	292,435	-	-	-	292,435
Debt service:					
Principal	67,190	153,116	-	-	220,306
Interest	4,775	46,372	-	-	51,147
TOTAL EXPENDITURES	10,166,258	503,733	-	377,757	11,047,748
Excess (deficiency) of revenues over expenditures	1,667,808	(503,733)	431,271	32,178	1,627,524
OTHER FINANCING SOURCES (USES)					
Lease liabilities issued	207,307	-	-	-	207,307
Transfers in	-	704,054	-	-	704,054
Transfers out	(704,054)	-	-	-	(704,054)
Total other financing sources (uses)	(496,747)	704,054	-	-	207,307
Net change in fund balance	1,171,061	200,321	431,271	32,178	1,834,831
Fund Balance at beginning of year	6,747,238	(202,019)	1,741,083	582,576	8,868,878
Fund Balance at end of year	<u>\$ 7,918,299</u>	<u>\$ (1,698)</u>	<u>\$ 2,172,354</u>	<u>\$ 614,754</u>	<u>\$ 10,703,709</u>

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

North of the River Recreation and Park District
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2022

Net change in fund balances - total governmental funds	\$	1,834,831
<p>Amounts reported for governmental activities in the Statement of Activities (SOA) are different because:</p>		
Capital outlays over \$5,000 are not reported as expenses in the SOA		85,128
The depreciation of capital assets used in governmental activities is not reported in the funds		(1,617,199)
Right to use leased asset capital outlay expenditures which were capitalized		207,307
Amortization expense for intangible assets		(68,901)
Receipt of the proceeds of long-term debt increases the current financial resources of governmental funds. These transactions do not have any affect on net assets.		(207,307)
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds		11,165
Principal paid for capital lease is not reported as expense in the SOA		153,116
Principal paid for leases is not reported as expense in the SOA		67,190
Pension Expense		438,530
Change in net position of governmental activities - Statement of Activities	\$	<u>903,860</u>

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

North of the River Recreation and Park District
STATEMENT OF NET POSITION
PROPRIETARY FUND
June 30, 2022

	Proprietary Fund CTSA <u>Transportation</u>
<u>ASSETS</u>	
Current assets:	
Cash	\$ 84,943
Prepaid items	<u>-</u>
Total current assets	<u>84,943</u>
Non-current assets:	
Fuel discount deposit	4,490
Capital assets:	
Transit vehicles & equipment	179,346
Less accumulated depreciation	<u>(170,187)</u>
Total non-current assets	<u>13,649</u>
Total assets	<u>98,592</u>
<u>LIABILITIES AND NET POSITION</u>	
Current liabilities:	
Accounts payable	<u>11,859</u>
Total liabilities	<u>11,859</u>
Net position:	
Invested in capital assets, net of related debt	9,159
Unrestricted	<u>77,574</u>
Total net position	<u>\$ 86,733</u>

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

North of the River Recreation and Park District
STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND NET POSITION - PROPRIETARY FUND
For the Year Ended June 30, 2022

	<u>Proprietary Fund</u>
OPERATING REVENUES	
Fares	<u>\$ 44,502</u>
OPERATING EXPENSES	
Operations	816,519
Depreciation	2,544
Vehicle maintenance	190,680
Administration	<u>124,747</u>
TOTAL OPERATING EXPENSES	<u>1,134,490</u>
OPERATING LOSS	<u>(1,089,988)</u>
NON-OPERATING REVENUES	
Local transportation funds	983,205
Sale of capital assets	73,500
Other	<u>1,088</u>
TOTAL NON-OPERATING REVENUES	<u>1,057,793</u>
Change in net position	(32,195)
Net position - beginning of year	<u>118,928</u>
Net position - end of year	<u><u>\$ 86,733</u></u>

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

North of the River Recreation and Park District
STATEMENT OF CASH FLOWS
PROPRIETARY FUND
For the Year Ended June 30, 2022

CASH FLOWS FROM OPERATING ACTIVITIES

Receipts from customers	\$	44,502
Payments to employees		(763,021)
Payments to suppliers		(354,950)
		(1,073,469)
Net cash flows used in operating activities		(1,073,469)

CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES

Received from local transportation funds		983,205
Received from other non-operating		1,088
		984,293
Net cash flows provided by operating activities		984,293

CASH FLOWS FROM INVESTING ACTIVITIES

Gain (loss) on sale of equipment		73,500
		73,500
Net cash flows provided (used) by investing activities		73,500
Net increase (decrease) in cash and cash equivalents		(15,676)
Cash and cash equivalents at beginning of year		100,619
Cash and cash equivalents at end of year	\$	84,943

RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES

Operating income (loss)	\$	(1,089,988)
Adjustments to reconcile operating income to net cash provided by		
Operating activities:		
Depreciation expense		2,544
Change in assets and liabilities:		
(Increase) decrease in prepaid items		12,085
Increase (decrease) in accounts payable		1,890
Increase (decrease) in due to other funds		-
		16,519
Total adjustments		16,519
Net cash flows used in operating activities	\$	(1,073,469)

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

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 1 - GENERAL

North of the River Recreation and Park District (the District) was established on December 19, 1955 (under the name North of the River Public Recreation District), in accordance with the Provisions of Section 5431 et seq. of the Public Resources Code of the State of California. The current name of the District was adopted on April 18, 2005, in accordance with Section 5780 et seq. of the Public Resources Code. The District operates under a Board of Directors whose members are appointed by the Kern County Board of Supervisors and the City of Bakersfield. The District covers, in general, the unincorporated and incorporated area within the Beardsley, Standard, Fruitvale, Rosedale, Norris, and Rio Bravo-Greeley School Districts.

The purpose of the District is to provide leisure time activities for the people residing in the District. This is accomplished by the acquisition and development of park and recreation areas, development of supervised programs, construction and maintenance of recreational facilities, and cooperative efforts with other agencies in the area which provide like services.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements of the District include the financial activities of the District and the North of the River Recreation Foundation (the Foundation). The financial operations of these entities are closely related and the Board of Directors exercises oversight responsibility over them.

Reporting Entity

The financial statements of the District include the financial activities of the District as well as the Foundation, which is controlled by and dependent on the District. The District's Board of Directors appoints the governing board of the Foundation.

The Foundation has no employees. The District's personnel function as agents of the Foundation. These individuals receive no additional compensation for work performed in this capacity. The District exercises significant influence over operations of the Foundation. Therefore, the financial activities of this Component Unit have been aggregated and merged (termed "blended") with those of the District in the accompanying financial statements.

Accountability for Fiscal Matters

All major financing arrangements, contracts, and other transactions of the Foundation must have the consent of the District.

Scope of Public Service

The Foundation was created for the sole purpose of financially assisting the District.

The Foundation is a non-profit public benefit corporation incorporated under the laws of the State of California. The Foundation was formed to provide financing assistance to the District.

Financial Presentation

The Foundation's financial activity has been blended, or combined, with the financial data of the District. The financial statements present the Foundation's financial activity as the North of the River Recreation Foundation Fund.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation

Government-wide Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities. Governmental activities generally are financed through property taxes, program fees, grants and developer fees.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees and charges paid by the recipients of goods or services offered by the programs, (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Separate financial statements are presented after the government-wide financial statements. These statements display information about major funds individually and non-major funds in the aggregate for governmental and enterprise funds.

The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Operating expenses for enterprise funds include salaries and employee benefits, maintenance and operation of systems and facilities, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Capital Projects Fund: This fund is used to account for the construction of major capital projects.

North of the River Park Maintenance Fund: This fund is used to account for the maintenance of the District's parks.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (concluded)

The District reports the following non-major governmental fund:

Special Revenue Fund: This fund is used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes.

The District reports the following Proprietary Fund:

CTSA Transportation Fund: This fund is used to account for operations that provide goods or services to the general public on a continuing basis and is financed primarily through user charges and CTSA funding.

B. Measurement Focus, Basis of Accounting

Government-wide and Proprietary Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are received. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Because of their spending measurement *focus*, expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, 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 source* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

C. Budgets and Budgetary Accounting

The procedures in adopting the budgetary data reflected in the financial statements are:

1. In June, the General Manager submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. In July, the budget is legally adopted through passage of a resolution.

The General Manager is authorized to transfer budgeted amounts between programs within any fund. Expenditures may not exceed appropriations at the program level. Unencumbered appropriations lapse at year-end. Encumbered amounts are appropriated in the ensuing fiscal year budget.

Formal budgetary control is integrated into the District's general ledger as a management control device during the year. Budgets are prepared on a basis consistent with the accounting for the fund.

D. Deficit Fund Equity

For the year ended June 30, 2022, the following fund had a deficit fund balance:

Capital Projects Fund

The Capital Projects fund normally has a deficit balance due to the requirement of having to spend funds prior to being reimbursed.

E. Encumbrances

Encumbrance accounting is used in all budgeted funds to reserve portions of applicable appropriations for which commitments have been made. Encumbrances are recorded for purchase orders, contracts and other commitments when they are written. Encumbrances are liquidated when the commitments are paid. All encumbrances are liquidated as of June 30.

NOTE 3 - ASSETS, LIABILITY AND EQUITY

A. Cash Deposits and Investments

The District maintains its operating cash account on deposit with the Kern County Treasurer. The District is responsible for disbursing these funds directly. Prior to disbursing these funds, the District requests a transfer from the County of Kern (the County) operating account to its operating account maintained at a financial institution. The District then disburses funds directly from this operating account. The County operating account maintained on behalf of the District is interest bearing with interest credited to the District account quarterly.

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - ASSETS, LIABILITY AND EQUITY (continued)

B. Inventory and Prepaid Expenditures

Inventory is valued at the lower of cost (first-in, first-out) or market. Inventory in the General Fund consists of expendable supplies held for consumption. Such funds are equally offset by a fund balance reserve which indicates that inventories do not constitute “available spendable resources” even though they are a component of net current position.

Payments to vendors for services that will benefit periods beyond June 30, 2022, are recorded as prepaid items. Such funds are equally offset by a fund balance reserve which indicates that prepaid items do not constitute “available spendable resources” even though they are a component of net current position.

C. Capital Assets

Capital assets purchased or acquired with an original cost of \$1,000 or more prior to the 2010-11 year and \$5,000 or more starting with the 2010-11 year are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Depreciation on all assets is provided on the straight-line basis over the following estimated useful lives:

Land	No Depreciation
Buildings	40 years
Buildings – Portable or Modular	25 years
Furniture and Equipment:	
Kitchen Equipment	5-10 years
Machinery and Tools	5 years
Office Equipment and Furnishings	5 years
Communications and Alarm Equipment	5-10 years
Vehicles	5-10 years
Recreation Equipment	5 years
Parks Equipment	5-15 years
Site Improvements	20 years

D. Receivable and Payable Balances

The District believes that sufficient detail of receivable and payable balances is provided in the financial statements to avoid the obscuring of significant components by aggregation. Therefore, no disclosure is provided which disaggregates those balances.

There are no significant receivables which are not scheduled for collection within one year of year end.

E. Compensated Absences

The District provides for the accrual of the vested portion of accumulated vacation. Accumulated unpaid employee vacation benefits are recognized as liabilities of the District. The current and non-current portion of the liabilities are not reported in the Governmental Funds.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - ASSETS, LIABILITY AND EQUITY (continued)

E. Compensated Absences (concluded)

Accumulated sick leave benefits are recognized as liabilities of the District under certain conditions. The District's policy is to record sick leave as an operating expense in the period taken since such benefits do not vest until an employee is eligible for retirement at age 60, or at age 50 with 5 years of service, at which time the employee vests in one half of accumulated sick time.

The entire compensated absences liability is reported on the government-wide financial statements.

F. Interfund Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements and expense reimbursement transactions, outstanding at the end of the fiscal year are referred to as due to/from other funds. These amounts are eliminated on the statement of net position except for any net residual amounts due between governmental activities and business-type activities, which are presented as internal balances.

G. Leases

At the commencement of a lease, the District 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 lease asset is amortized on a straight-line basis over its useful life.

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases. If the District does not have an incremental borrowing rate the District uses the risk free 52-week treasury bill rate.
- 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 District is reasonably certain to exercise.

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

Lease assets are reported as right to use along with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - ASSETS, LIABILITY AND EQUITY (continued)

H. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Directors. Committed amounts cannot be used for any other purpose unless the Board of Directors removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Directors. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Directors or by an official or body to which the Board of Directors delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

When an expenditure is incurred for a purpose for which both restricted and unrestricted fund balances are available, the District considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds.

I. Net Position

Net position represents the difference between assets, liabilities, and deferred inflows/outflows of resources. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any borrowing used for the acquisition, construction, or improvement of those assets.

Net position is reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. All other net position is unrestricted.

The District's policy is to first apply restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position is available.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 3 - ASSETS, LIABILITY AND EQUITY (concluded)

J. Deferred Inflows and Deferred Outflows of Revenue

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

K. Pensions

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

L. Use of Estimates

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

NOTE 4 - CASH AND INVESTMENTS

A. Cash on Hand and on Deposit

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 4 - CASH AND INVESTMENTS (continued)

A. Cash on Hand and on Deposit (concluded)

Cash on hand and on deposit as of June 30, 2022, consisted of the following:

Cash on Deposit Government Funds:

Cash on hand and in banks	\$ 818,709
Deposited with Kern County Treasurer	9,704,885
Total cash	<u>\$ 10,523,594</u>

Cash on Deposit Proprietary Fund:

Deposited with Kern County Treasurer	\$ 83,560
Cash on hand and in banks	1,383
Total cash	<u>\$ 84,943</u>

Restricted cash and investments – Governmental activities:

Deposited with City of Bakersfield	<u>\$ 6,369,785</u>
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Total cash and investments

\$ 16,978,322

Deposits are carried at cost plus accrued interest. For all cash on hand and on deposit at June 30, 2022, amortized cost approximates fair market value.

B. Investments Authorized by California Government Code and the District’s Investment Policy

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

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	None	None
U. S. Treasury Obligations	5 years	None	None
U. S. Agency Securities	5 years	None	None
Banker’s Acceptances	180 days	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposit	5 years	None	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	None	None
Medium-Term Notes	5 years	None	None
Mutual Funds	N/A	None	None
Money Market Mutual Funds	N/A	None	None
Mortgage Pass-Through Securities	5 years	None	None
Pooled Investment Funds	N/A	100%	None
Local Agency Investment Fund (LAIF)	N/A	None	None

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
June 30, 2022

NOTE 4 - CASH AND INVESTMENTS (concluded)

C. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The County is restricted by Government Code Section 53635 pursuant to Section 53601 to invest only in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer's investment pool, bankers' acceptances, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not exposed to credit risk.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name. Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At year end, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

Interest Rate Risk - This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

Foreign Currency Risk - This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Fair Value Reporting – Investments - The District categorizes the fair value measurements of its investments within the fair value hierarchy established by GAAP. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities; Level 2 inputs are significant other observable inputs; and Level 3 inputs are significant unobservable inputs. These levels are determined by the District's investment manager based on a review of the investment class, structure and what kind of securities are held in the portfolio. The District's holdings are classified in Level 1 of the fair value hierarchy. The District's holdings with the Kern County Investment Pool and City of Bakersfield Investment Pool were an uncategorized input and not defined as a Level 1-3 input

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 5 - CAPITAL ASSETS

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

	Balance 7/1/21	Additions	Deletions	Balance 6/30/22
Governmental-type Activities				
Capital assets not being depreciated:				
Land	\$ 5,737,143	\$ -	\$ -	\$ 5,737,143
Construction in progress	<u>152,210</u>	<u>-</u>	<u>-</u>	<u>152,210</u>
Total capital assets not being depreciated	<u>5,889,353</u>	<u>-</u>	<u>-</u>	<u>5,889,353</u>
Capital assets being depreciated:				
Buildings	15,379,487	-	-	15,379,487
Improvements	33,017,972	71,050	-	33,089,022
Equipment and vehicles	<u>2,870,960</u>	<u>14,078</u>	<u>37,751</u>	<u>2,847,287</u>
Total capital assets being depreciated	<u>51,268,419</u>	<u>85,128</u>	<u>37,751</u>	<u>51,315,796</u>
Less accumulated depreciation for:				
Buildings	(6,772,377)	(332,604)	-	(7,104,981)
Improvements	(24,470,585)	(1,122,258)	-	(25,592,843)
Equipment and vehicles	<u>(1,971,551)</u>	<u>(162,337)</u>	<u>37,751</u>	<u>(2,096,137)</u>
Total accumulated depreciation	<u>(33,214,513)</u>	<u>(1,617,199)</u>	<u>37,751</u>	<u>(34,793,961)</u>
Net capital assets being depreciated	<u>18,053,906</u>	<u>(1,532,071)</u>	<u>-</u>	<u>16,521,835</u>
Total net capital assets - Governmental-type activities	<u>\$ 23,943,259</u>	<u>\$ (1,532,071)</u>	<u>\$ -</u>	<u>\$ 22,411,188</u>

Depreciation was charged to functions/programs of the primary government as follows:

Government Activities

Recreation activities	\$ 549,848
Park and facilities	<u>1,067,351</u>
Total depreciation expense – government activities	<u>\$ 1,617,199</u>

	Balance 7/1/21	Additions	Deletions	Balance 6/30/22
Business-type Activities				
Capital assets being depreciated:				
Equipment and vehicles	\$ 318,025	\$ -	\$ 138,679	\$ 179,346
Total capital assets being depreciated	<u>318,025</u>	<u>-</u>	<u>138,679</u>	<u>179,346</u>
Less accumulated depreciation for:				
Equipment and vehicles	<u>(306,322)</u>	<u>(2,544)</u>	<u>138,679</u>	<u>(170,187)</u>
Total accumulated depreciation	<u>(306,322)</u>	<u>(2,544)</u>	<u>138,679</u>	<u>(170,187)</u>
Total net capital assets - Business-type activities	<u>\$ 11,703</u>	<u>\$ (2,544)</u>	<u>\$ -</u>	<u>\$ 9,159</u>

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 5 - CAPITAL ASSETS (concluded)

<u>Right To Use Asset</u>	<u>Balance 7/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance 6/30/22</u>
Right to use vehicles	\$ -	\$ 207,307	\$ -	\$ 207,307
Less accumulated amortization	-	(68,901)	-	(68,901)
Total net Right To Use Asset	<u>\$ -</u>	<u>\$ 138,406</u>	<u>\$ -</u>	<u>\$ 138,406</u>

NOTE 6 - INTERFUND BALANCES AND ACTIVITY

A. Due To and From Other Funds

Balances due to and due from other funds at June 30, 2022, consisted of the following:

	<u>Due To</u>	<u>Due From</u>
General Fund	\$ 104,973	\$ -
North Meadows Maintenance	-	104,973
Total	<u>\$ 104,973</u>	<u>\$ 103,973</u>

Temporary loan from the General Fund to be repaid shortly after year end.

B. Transfers To and From Other Funds

Transfers to and from other funds at June 30, 2022, consisted of the following

	<u>Transfer In</u>	<u>Transfer Out</u>
General Fund	\$ -	\$ 704,054
Capital Projects	704,054	-
Total	<u>\$ 704,054</u>	<u>\$ 704,054</u>

Transfer of funds received in the General Fund to fund capital projects.

NOTE 7 - LONG-TERM OBLIGATIONS

A. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended June 30, 2022, are as follows:

	<u>Beginning</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance</u>	<u>Due in one Year</u>
Governmental Activities					
Capital leases	\$ 858,485	\$ -	\$ 153,116	\$ 705,369	\$ 153,116
Leases payable	-	207,307	67,190	140,117	68,701
Compensated absences*	424,660	-	11,165	413,495	-
Total	<u>\$ 1,283,145</u>	<u>\$ 207,307</u>	<u>\$ 231,471</u>	<u>\$ 1,258,981</u>	<u>\$ 221,817</u>

* Other long-term liabilities

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 7 - LONG-TERM OBLIGATIONS (concluded)

A. Long-Term Obligation Activity (concluded)

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General, North Meadows Landscape Maintenance, Capital Projects
Compensated absences	Business-Type	CTSA Transportation Fund

B. Capital Leases

Commitments under a capitalized lease agreement to complete a new gymnasium and community center at Riverlakes Ranch Community Park provide for minimum future lease payments as of June 30, 2022, as follows:

<u>Year Ending June 30,</u>		
2023	\$	199,488
2024		199,488
2025		199,488
2026		<u>199,488</u>
Total minimum rentals		797,952
Less amount representing interest		<u>(92,583)</u>
Present value of net minimum lease payments	\$	<u>705,369</u>
 Rental Expenditures in 2022	 \$	 <u>199,488</u>

The effective interest rate on the capital lease is 5.65%.

C. Vehicle Leases

The District leases 12 vehicles with Enterprise Lease Management under five-year operating leases that expire between May 2024 through January 2025. The lease liability is measured at a discount rate of 3%. The rate was determined using the risk free 52-week treasury bill rate. The District has recorded a right to use asset with a net book value of \$138,406 at June 30, 2022. Future minimum rental payments required under the above lease are as follows:

<u>Year End June 30</u>	Principal	Interest	Total
2023	\$ 68,701	\$ 2,690	\$ 71,391
2024	70,643	866	71,509
2025	<u>773</u>	<u>2</u>	<u>775</u>
Totals	<u>\$ 140,117</u>	<u>\$ 3,558</u>	<u>\$ 143,675</u>

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets; errors and omissions; injuries to employees and program participants; and natural disasters. The District has obtained liability and property damage coverage through the California Association for Park and Recreation Insurance (CAPRI), a joint powers agency comprised of California special districts. Additionally, the District has obtained workers' compensation coverage through CAPRI. No settlement exceeded the District's coverage in any of the past three fiscal years.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 - PENSION PLAN

Plan Description

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by an agency of the State of California, the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and Local Government resolution.

CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on their website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 62 for normal benefits or at age 55 with statutorily reduced benefits. Employees hired prior to January 1, 2013 are eligible to retire at age 60 for normal benefits or at age 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. All members are eligible for death benefits after one year of total service.

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

	<u>District Miscellaneous</u>	
	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Hire date		
Benefit formula	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 62	52 - 67
Monthly benefits, as a % of eligible compensations	1.1% to 2.5%	1.0% to 2.5%
Required employee contribution rates	6.974%	6.974%
Required employer contribution rates	11.442%	11.442%

Contributions - CalPERS

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The CalPERS Board retains the authority to amend contribution rates. The total plan contributions are determined through CalPERS' 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.

Contributions Recognized

For the year ended June 30, 2022, the contributions recognized as part of pension expense were as follows:

Contributions - employer	\$ 484,118
Total contributions	<u>\$ 484,118</u>

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 - PENSION PLAN (continued)

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

As of June 30, 2022, the District reported a net pension liability for its proportionate share of the net pension liability of CalPERS as follows:

	Proportionate Share of Net Pension Liability/(Asset)
Miscellaneous Risk Pool	\$ (540,902)

The District's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB Statement No. 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The District's proportionate share of the net pension liability as of June 30, 2020, the valuation date, was calculated as follows:

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to the Miscellaneous risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2020. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The District's proportionate share of the net pension liability as of June 30, 2021, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2021, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2021, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2020, was calculated by applying the District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2020, to obtain the total pension liability and fiduciary net position as of June 30, 2020. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

Liquidating Net Pension Liability

Pension liabilities are liquidated principally by all the funds.

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 - PENSION PLAN (continued)

Changes in the Net Pension Liability

The following table shows the changes in net pension liability for the District's miscellaneous plan recognized over the measurement period.

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c)
Balance at June 30, 2020	\$ 14,508,847	\$ 12,868,351	\$ 1,640,496
Changes recognized for the measurement period	-	-	-
Service Cost	742,004	-	742,004
Interest on the total pension liability	1,027,299	-	1,027,299
Difference between expected & actual experience	(230,922)	-	(230,922)
Net investment income	-	2,943,784	(2,943,784)
Benefit payments, including refunds of employee contributions	(562,233)	(562,233)	-
Contributions from the employer	-	484,118	(484,118)
Contributions from the employees	-	304,732	(304,732)
Administrative expenses	-	(12,855)	12,855
Other miscellaneous Income/(Expense)	-	-	-
Net changes during the fiscal year ended June 30, 2021	<u>\$ 976,148</u>	<u>\$ 3,157,546</u>	<u>\$ (2,181,398)</u>
Balances at June 30, 2021 (Measurement Date)	<u>\$ 15,484,995</u>	<u>\$ 16,025,897</u>	<u>\$ (540,902)</u>

For the year ended June 30, 2022, the District recognized pension expense of \$79,842. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 518,372	\$ -
Differences between actual and expected experience	50,077	134,704
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	-
Net differences between projected and actual earnings on plan investments	-	1,461,783
Total	<u>\$ 568,449</u>	<u>\$ 1,596,487</u>

The \$518,372 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of net pension liability in the year ended June 30, 2023.

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

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 - PENSION PLAN (continued)

Year Ended June 30

2023	\$ (412,835)
2024	(380,083)
2025	(350,280)
2026	(403,212)
2027	-
Thereafter	-

Actuarial Assumptions - The total pension liabilities in the June 30, 2020 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.625%
Payroll Growth	2.875%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until purchasing power. Protection allowance floor on power applies, 2.5% thereafter.

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

Discount Rate

The discount rate used to measure the total pension liability was 7.15% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle. Any changes to the discount rate will require Board action and proper stakeholder outreach. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 9 - PENSION PLAN (concluded)

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the Plan's asset classes, expected compound (geometric) returns were calculated over the short-term (first 11 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for the Plan.

The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

<u>Asset Class (1)</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10 (2)</u>	<u>Real Return Years 11+ (3)</u>
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	<u>1.0%</u>	0.00%	(0.92)%
Total	<u>100%</u>		

- (1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- (2) An expected inflation of 2.0% used for this period.
- (3) An expected inflation of 2.92% used for this period.

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

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

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$1,479,937
Current Discount Rate	7.15%
Net Pension Liability	\$(540,902)
1% Increase	8.15%
Net Pension Liability	\$(2,217,933)

Pension Plan Fiduciary Net Position

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

North of the River Recreation and Park District
NOTES TO FINANCIAL STATEMENTS
 June 30, 2022

NOTE 10 - QUIMBY ACT AND PARK DEVELOPMENT FEES

Quimby Act fees are collected from developers under the Quimby Act as amended in 1982. These fees are deposited with the County in the District's name and are subject to certain restrictions on use. The District does not recognize these fees as revenue until expenditures for capital projects are made on a cost-reimbursement basis. The total amount of fees on deposit as of June 30, 2022 is accounted for as assets and deferred revenue. These fees revert to the lot owners if unused the later of five years from the date of deposit or the issue date of building permits for one-half of the lots within the subdivision.

The amount of such fees which would be returned, based on the date of receipt, if unused, is as follows:

<u>Year Ending June 30</u>	<u>City</u>	<u>County</u>	<u>Total</u>
2019	\$ 130,173	\$ 90,723	\$ 220,896
2020	60,498	90,274	150,772
2021	43,252	39,936	83,188
2022	16,761	939	17,700
2023	6,152	113,185	119,338
2024	28,860	-	28,860
2025	-	50,245	50,245
2026	-	49,172	49,172
Interest as of 06/2021	<u>26,265</u>	<u>17,882</u>	<u>44,147</u>
Totals	<u>\$ 311,960</u>	<u>\$ 452,356</u>	<u>\$ 764,317</u>

City of Bakersfield (the City) and County Park Development fees are collected under City and County ordinances. These fees are deposited with the City and the County and must be used for developing, improving, and enhancing public parks and recreation facilities serving new residential developments. The District does not recognize these fees as revenue until expenditures are made on a cost-reimbursement basis. The total amount of fees on deposit at June 30, 2022, is accounted for as assets and deferred revenue. These fees revert to the lot owners if unexpended or uncommitted within five years of the date of deposit. The amount of such fees which would be returned, based on the date of receipt, if unused, is as follows:

<u>Year Ending June 30</u>	<u>City</u>	<u>County</u>	<u>Total</u>
2016	\$ 28,218	\$ -	\$ 28,218
2017	654,462	-	654,462
2018	974,535	23,320	997,855
2019	473,945	65,160	539,105
2020	354,040	195,486	549,526
2021	182,955	307,554	490,509
2022	149,405	250,422	399,827
2023	122,675	220,954	343,629
2024	91,785	266,540	358,325
2025	162,295	252,042	414,337
2026	221,970	282,526	504,496
Interest as of 06/2021	<u>234,986</u>	<u>85,168</u>	<u>320,154</u>
Totals	<u>\$ 3,651,271</u>	<u>\$ 1,949,172</u>	<u>\$ 5,600,443</u>

NOTE 11 - COMMITMENTS AND CONTINGENCIES

A. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies, therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

B. Litigation

The District is involved in one pending litigation. In the opinion of management and legal counsel, the disposition of the litigation pending will not have a material effect on the financial statements.

The District has property tax appeals with an estimated tax liability, including accrued interest, of \$307,473 at June 30, 2022. The District does not have a contingent liability accrued; however management believes it has sufficient reserves in the event of an unfavorable outcome.

NOTE 12 - SUBSEQUENT EVENTS

There are no reportable subsequent events through the date the financial statements were issued.

REQUIRED SUPPLEMENTARY INFORMATION

Required supplementary information includes financial information and disclosures required by the Governmental Accounting Standards Board, but not considered a part of the basic financial statements.

North of the River Recreation and Park District

GENERAL FUND

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

Budget and Actual

For the Year Ended June 30, 2022

(Unaudited)

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget Positive (Negative)
REVENUES				
Property taxes	\$ 7,857,132	\$ 7,857,132	\$ 8,361,219	\$ 504,087
Grants	1,786,498	1,786,498	1,503,438	(283,060)
Charges for programs and facilities	677,454	677,454	1,718,655	1,041,201
Interest	52,000	52,000	60,875	8,875
Other revenue	1,828,259	1,828,259	189,879	(1,638,380)
Total revenues	<u>12,201,343</u>	<u>12,201,343</u>	<u>11,834,066</u>	<u>(367,277)</u>
EXPENDITURES				
Salaries and employee benefits	6,950,196	6,950,196	5,460,047	1,490,149
Services	4,500,391	4,500,391	2,816,507	1,683,884
Materials and supplies	467,250	467,250	1,525,304	(1,058,054)
Capital outlay	-	-	292,435	(292,435)
Debt service:				
Principal	-	-	67,190	(67,190)
Interest	-	-	4,775	(4,775)
Total expenditures	<u>11,917,837</u>	<u>11,917,837</u>	<u>10,166,258</u>	<u>1,751,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>283,506</u>	<u>283,506</u>	<u>1,667,808</u>	<u>1,384,302</u>
Other funding sources (uses):				
Lease liabilities issued			207,307	207,307
Transfers in	-	-	-	-
Transfers out	-	-	(704,054)	(704,054)
Total other funding sources (uses):	<u>-</u>	<u>-</u>	<u>(496,747)</u>	<u>(496,747)</u>
Net change in fund balances	<u>\$ 283,506</u>	<u>\$ 283,506</u>	1,171,061	<u>\$ 887,555</u>
Fund balance - beginning			<u>6,747,238</u>	
Fund balance - ending			<u>\$ 7,918,299</u>	

North of the River Recreation and Park District
NORTH OF THE RIVER PARK MAINTENANCE FUND
STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE

Budget and Actual
For the Year Ended June 30, 2022
(Unaudited)

	Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Special assessment revenue	\$ 417,719	\$ 417,719	\$ 412,988	\$ (4,731)
Interest	<u>12,000</u>	<u>12,000</u>	<u>18,283</u>	<u>6,283</u>
Total revenues	<u>429,719</u>	<u>429,719</u>	<u>431,271</u>	<u>1,552</u>
EXPENDITURES				
Capital maintenance	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>\$ 429,719</u>	<u>\$ 429,719</u>	431,271	<u>\$ 1,552</u>
Fund balance - beginning			<u>1,741,083</u>	
Fund balance - ending			<u>\$ 2,172,354</u>	

North of the River Recreation and Park District
SCHEDULE OF CONTRIBUTIONS
 Required Supplementary Information
 Last 8 Years

Measurement Period Ended June 30	2021	2020	2019	2018	2017	2016	2015	2014
<u>SCHEDULE OF CONTRIBUTIONS</u>								
Contractually required contribution (actuarially determined)	\$ 484,118	\$ 472,881	\$ 478,650	\$ 434,564	\$ 403,888	\$ 382,052	\$ 376,850	\$ 373,402
Contributions in relation to the actuarially determined contributions	<u>(484,118)</u>	<u>(472,881)</u>	<u>(478,650)</u>	<u>(434,564)</u>	<u>(403,888)</u>	<u>(382,052)</u>	<u>(376,850)</u>	<u>(373,402)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered-employee payroll during the fiscal year	\$ 4,513,408	\$ 4,961,622	\$ 4,566,897	\$ 4,905,301	\$ 4,964,293	\$ 4,528,826	\$ 4,855,327	\$ 4,070,716
Contributions as a percentage of covered-employee payroll	10.73%	9.53%	10.48%	8.86%	8.14%	8.44%	7.76%	9.17%

NOTES TO SCHEDULE:

*This schedule is presented to illustrate the requirement to show information for 10 years. However until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available. Additional years will be displayed as they become available.

North of the River Recreation and Park District
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE
NET PENSION LIABILITY/(ASSET) AND RELATED RATIOS
For the Year Ended June 30, 2022

Measurement Period Ended June 30	2021	2020	2019	2018	2017	2016	2015	2014
Total Pension Liability								
Service cost	\$ 742,004	\$ 834,049	\$ 806,971	\$ 854,651	\$ 883,346	\$ 743,407	\$ 780,445	\$ 684,002
Interest	1,027,299	955,426	850,979	755,622	674,068	593,646	521,687	449,716
Change of benefit terms	-	-	-	-	-	-	-	-
Difference between expected and actual experience	(230,922)	160,338	9,857	(141,272)	(131,840)	(206,237)	(107,756)	-
Net investment income	-	-	-	-	-	-	-	-
Change of assumptions	-	-	-	(51,104)	558,555	-	(125,925)	-
Benefit payments, included refunds of employee contributions	(562,233)	(452,421)	(289,640)	(235,584)	(184,586)	(148,000)	(125,440)	(124,654)
Net change in pension liability	976,148	1,497,392	1,378,167	1,182,313	1,799,543	982,816	943,011	1,009,064
Total pension liability - beginning of year	14,508,847	13,011,455	11,633,288	10,450,975	8,651,432	7,668,616	6,725,605	5,716,541
 Total pension liability - end of year	 \$15,484,995	 \$14,508,847	 \$13,011,455	 \$11,633,288	 \$10,450,975	 \$ 8,651,432	 \$ 7,668,616	 \$ 6,725,605
 Plan Fiduciary Net Position								
Net investment income	\$ 2,943,784	\$ 600,667	\$ 738,923	\$ 814,435	\$ 915,512	\$ 49,179	\$ 153,634	\$ 966,057
Contributions								
Employer	484,118	472,881	478,650	434,564	403,888	382,052	376,850	373,402
Employee	304,732	326,676	332,076	313,421	302,520	277,703	274,210	259,836
Benefit payments, included refunds of employee contributions	(562,233)	(452,421)	(289,640)	(235,584)	(184,586)	(148,000)	(125,440)	(124,654)
Administrative expense	(12,855)	(16,829)	(7,600)	(42,492)	(11,775)	(4,521)	(8,450)	-
Net change in plan fiduciary net position	3,157,546	930,974	1,252,409	1,284,344	1,425,559	556,413	670,804	1,474,641
 Plan fiduciary net position - beginning of year	 12,868,351	 11,937,377	 10,684,968	 9,400,624	 7,975,065	 7,418,652	 6,747,848	 5,273,207
 Plan fiduciary net position - end of year	 \$16,025,897	 \$12,868,351	 \$11,937,377	 \$10,684,968	 \$ 9,400,624	 \$ 7,975,065	 \$ 7,418,652	 \$ 6,747,848
 District's net pension liability/(Asset) - end of year	 \$ (540,902)	 \$ 1,640,496	 \$ 1,074,078	 \$ 948,320	 \$ 1,050,351	 \$ 676,367	 \$ 249,964	 \$ (22,243)
 Covered-employee payroll	 \$ 4,513,408	 \$ 4,961,622	 \$ 4,566,897	 \$ 4,905,301	 \$ 4,964,293	 \$ 4,528,826	 \$ 4,855,327	 \$ 4,070,716
 Net Pension liability/ (Asset) as a percentage of covered-employee payroll	 -11.98%	 33.06%	 23.52%	 19.33%	 21.16%	 14.93%	 5.15%	 -0.55%

Notes to Schedule:

The schedules present information to illustrate the changes in the District's net Pension liability/ (Asset) over a ten year period when the information is available.

SUPPLEMENTARY INFORMATION

North of the River Recreation and Park District
COMBINING BALANCE SHEET
NON-MAJOR SPECIAL REVENUE FUNDS
 June 30, 2022

	North Meadows Maintenance	North of the River Recreation Foundation	Total
<u>ASSETS</u>			
Cash and investments	\$ 502,223	\$ 217,926	\$ 720,149
Total assets	\$ 502,223	\$ 217,926	\$ 720,149
<u>LIABILITIES AND FUND BALANCES</u>			
Liabilities:			
Accounts payable	\$ 422	\$ -	\$ 422
Due to other funds	104,973	-	104,973
Total liabilities	105,395	-	105,395
Fund Balances:			
Fund balance			
Restricted	396,828	217,926	614,754
Total fund balances	396,828	217,926	614,754
Total liabilities and fund balances	\$ 502,223	\$ 217,926	\$ 720,149

North of the River Recreation and Park District
COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS
For the Year Ended June 30, 2022

	North Meadows Maintenance	North of the River Recreation Foundation	Total
REVENUES			
Interest	\$ 4,670	\$ -	\$ 4,670
Special assessment revenue	368,046	-	368,046
Other revenue	-	37,219	37,219
TOTAL REVENUES	<u>372,716</u>	<u>37,219</u>	<u>409,935</u>
EXPENDITURES			
Salaries and employee benefits	208,368	-	208,368
Services	150,048	50	150,098
Materials and supplies	19,291	-	19,291
TOTAL EXPENDITURES	<u>377,707</u>	<u>50</u>	<u>377,757</u>
Excess (deficiency) of revenues over expenditures	<u>(4,991)</u>	<u>37,169</u>	<u>32,178</u>
OTHER FINANCING SOURCES (USES)			
Transfers out	-	-	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	(4,991)	37,169	32,178
Fund balance at beginning of year	<u>401,819</u>	<u>180,757</u>	<u>582,576</u>
Fund balance at end of year	<u>\$ 396,828</u>	<u>\$ 217,926</u>	<u>\$ 614,754</u>

STATISTICAL SECTION

North of the River Recreation and Park District
SCHEDULE OF ASSESSED VALUATION
 For the Year Ended June 30, 2022

The assessed valuation of the District for the year ended June 30, 2022 was:

	Secured	Unsecured
Total Assessed Valuation	\$ 19,159,412,604	\$ 1,039,509,171
Tax Relief Exemptions:		
Homeowner and business inventory exemptions	137,603,790	-
Net Assessed Valuation	\$ 19,021,808,814	\$ 1,039,509,171

Assessments, collections, and balances for the year ended June 30, 2021:

	Assessment (1)	Collected	Balance
Secured	\$ 7,172,596	Unavailable	Unavailable
Unsecured	\$ 721,330	Unavailable	Unavailable

(1) Estimates based upon calculations prescribed under Revenue and Taxation Code Sections 95 et seq.

County of Kern
DISTRICT ASSESSED VALUES REPORT
 Auditor-Controller-County Clerk
 Agency# 42411 NORTH OF THE RIVER REC & PARK
 Fiscal Year: 2021-2022

"J" AV is basis for general levy 1% allocation factors

"B" AV is basis for billing property taxes

Structure Code: J	Current Assessed Value	Taxable Assessed Value	RDA Increment
Secured Roll 1	\$ 16,972,180,598	\$ 16,972,180,598	\$ -
Mineral Roll 1	2,157,297,640	2,157,297,640	-
Mobile home Roll 6	26,000,989	26,000,989	-
Loc Assess Gross AV	19,155,479,227	19,155,479,227	-
State Assess Utility Roll 3	3,933,377	3,933,377	-
Gross Secured	19,159,412,604	19,159,412,604	-
Secured Homeowner*	137,603,790	137,603,790	-
Net Secured	19,021,808,814	19,021,808,814	-
Unsecured Roll 4	1,036,509,171	1,036,509,171	-
Unsecured Homeowner*	-	-	-
Net Unsecured	\$ 1,036,509,171	\$ 1,036,509,171	\$ -
Total Gross AV	\$ 20,195,921,775	\$ 20,195,921,775	\$ -
Total Homeowner*	\$ 137,603,790	\$ 137,603,790	\$ -
Total Net AV	\$ 20,058,317,985	\$ 20,058,317,985	\$ -

Structure Code: B	Current Assessed Value	Taxable Assessed Value	RDA Increment
Secured Roll 1	\$ -	\$ -	\$ -
Mineral Roll 1	-	-	-
Mobile home Roll 6	-	-	-
Loc Assess Gross AV	-	-	-
State Assess Utility Roll 3	-	-	-
Gross Secured	-	-	-
Secured Homeowner*	-	-	-
Net Secured	-	-	-
Unsecured Roll 4	-	-	-
Unsecured Homeowner*	-	-	-
Net Unsecured	\$ -	\$ -	\$ -
Total Gross AV	\$ -	\$ -	\$ -
Total Homeowner*	\$ -	\$ -	\$ -
Total Net AV	\$ -	\$ -	\$ -

* State reimburses agencies for exemptions granted

North of the River Recreation and Park District
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
SENIOR GRANT PROGRAM
SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2022

	Congregate Meals III - C (1)	Home Delivered Meals III - C (2)	Total
<u>REVENUES</u>			
Program income	\$ 29,200	\$ 56,048	\$ 85,248
NSIP funds	14,122	24,173	38,295
Matching cash	-	-	-
Grant Funds-County	75,335	60,582	135,917
Grand Funds- State	30,867	92,993	123,860
Grant Funds- Federal	97,134	147,025	244,159
In-kind revenues	-	552	552
	<u>246,658</u>	<u>381,373</u>	<u>628,031</u>
<u>EXPENDITURES</u>			
Personnel	208,950	225,314	434,264
Travel	959	8,923	9,882
Equipment	-	-	-
Food costs	20,811	114,876	135,687
Consultants	6,235	-	6,235
Other costs	6,410	32,260	38,670
In-kind expenditures	3,293	-	3,293
	<u>246,658</u>	<u>381,373</u>	<u>628,031</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

North of the River Recreation and Park District
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
NUTRITION SERVICES - TITLE III-C(1)
SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
<u>REVENUES</u>				
Program income	\$ 53,939	\$ 53,939	\$ 29,200	\$ (24,739)
NSIP funds	18,642	18,642	14,122	(4,520)
Matching cash	-	-	-	-
Grant Funds-County	48,741	48,741	75,335	26,594
Grand Funds- State	46,893	46,893	30,867	(16,026)
Grant Funds- Federal	94,408	94,408	97,134	2,726
In-kind revenues	14,153	14,153	-	(14,153)
	<u>276,776</u>	<u>276,776</u>	<u>246,658</u>	<u>(30,118)</u>
<u>EXPENDITURES</u>				
Personnel	211,586	211,586	208,950	(2,636)
Travel	300	300	959	659
Equipment	-	-	-	-
Food costs	42,280	42,280	20,811	(21,469)
Consultants	6,200	6,200	6,235	35
Other costs	16,410	16,410	6,410	(10,000)
In-kind expenditures	-	-	3,293	3,293
	<u>276,776</u>	<u>276,776</u>	<u>246,658</u>	<u>(30,118)</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

North of the River Recreation and Park District
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES
NUTRITION SERVICES - TITLE III-C(2)
SCHEDULE OF REVENUES AND EXPENDITURES
For the Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
<u>REVENUES</u>				
Program income	\$ 78,491	\$ 78,491	\$ 56,048	\$ (22,443)
NSIP funds	20,859	20,859	24,173	3,314
Matching cash	-	-	-	-
Grant Funds-County	60,582	60,582	60,582	-
Grand Funds- State	50,408	50,408	92,993	42,585
Grant Funds- Federal	146,912	146,912	147,025	113
In-kind revenues	-	-	552	552
	<u>357,252</u>	<u>357,252</u>	<u>381,373</u>	<u>24,121</u>
Total Revenues				
<u>EXPENDITURES</u>				
Personnel	269,696	269,696	225,314	(44,382)
Travel	9,800	9,800	8,923	(877)
Equipment	-	-	-	-
Food costs	54,000	54,000	114,876	60,876
Consultants	-	-	-	-
Other costs	20,725	20,725	32,260	11,535
In-kind expenditures	3,031	3,031	-	(3,031)
	<u>357,252</u>	<u>357,252</u>	<u>381,373</u>	<u>24,121</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

North of the River Recreation and Park District
STATEMENT OF REVENUES AND EXPENDITURES
PROPOSITION 10 GRANT
PRE-SCHOOL READINESS AND PARENT EDUCATION PROGRAM
For the Fiscal Year Ended June 30, 2022

REVENUES		
State grant funds	\$	208,586
Other grants		25,000
Program fees		27,260
Other revenues		<u>-</u>
 Total revenues	 \$	 <u>260,846</u>
 EXPENDITURES		
Salaries		151,660
Benefits		45,000
Services and supplies		38,585
Indirect costs		8,023
Other program expenditures		<u>-</u>
 Total expenditures		 <u>243,268</u>
 Excess of expenditures over revenues	 \$	 <u><u>17,578</u></u>

North of the River Recreation and Park District
STATEMENT OF REVENUES AND EXPENDITURES
PROPOSITION 10 GRANT
BUDGET TO ACTUAL
For the Fiscal Year Ended June 30, 2022

	Original Budget	Final Budget	Actual	Variance
REVENUES				
School readiness grant	\$ 208,585	\$ 208,585	\$ 208,586	\$ 1
Other grants	25,000	25,000	25,000	-
Program fees	27,250	27,250	27,260	10
Other revenues	<u>2,000</u>	<u>2,000</u>	<u>-</u>	<u>(2,000)</u>
Total revenues	<u>262,835</u>	<u>262,835</u>	<u>260,846</u>	<u>(1,989)</u>
 EXPENDITURES				
Salaries	156,125	156,125	151,660	(4,465)
Benefits	44,139	44,139	45,000	861
Services & supplies	54,549	54,549	38,585	(15,964)
Indirect costs	8,022	8,022	8,023	1
Other program expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>262,835</u>	<u>262,835</u>	<u>243,268</u>	<u>(19,567)</u>
Excess of expenditures over revenues	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 17,578</u>	<u>\$ 17,578</u>

OTHER REPORT

INDEPENDENT AUDITORS' 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

Board of Directors
North of the River Recreation and Park District
Bakersfield, 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, the business-type activities, each major fund, and the aggregate remaining fund information of the North of the River Recreation and Park District, California, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise North of the River Recreation and Park District's basic financial statements, and have issued our report thereon dated February 6, 2023.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered North of the River Recreation and Park District's internal control over financial reporting (internal control) as a basis for designing 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 North of the River Recreation and Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of North of the River Recreation and Park District'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 have not been identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether North of the River Recreation and Park District'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 North of the River Recreation and Park District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering North of the River Recreation and Park District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

R.J. Ricciardi, Inc.

R.J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
February 6, 2023