

BEAR RIVER RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2018

BEAR RIVER RECREATION AND PARK DISTRICT

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LARRY BAIN, CPA

An Accounting Corporation

2148 Frascati Drive, El Dorado Hills, CA 95762 / 916.601-8894

lpbain@sbcglobal.net

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Bear River Recreation and Park District
Grass Valley, CA

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Bear River Recreation and Park District as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively make up the basic financial statements, as listed in the table of contents..

Management's Responsibility for the Financial Statements

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

Auditors' Responsibility

Our Responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

Opinion

In our opinion the financial statements referred to above present fairly, in all material respects, the financial position of the fund information and governmental activities of the Bear River Recreation and Park District, as of June 30, 2018, and the changes in financial position thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

The Bear River Recreation and Park District has not presented the Management Discussion and Analysis or the budgetary comparison schedule, that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

{Signature on File}

*Larry Bain, CPA,
An Accounting Corporation
January 11, 2019*

BEAR RIVER RECREATION AND PARK DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2018**

	<u>Governmental Activities</u>
Assets	
Cash and investments	\$ 96,517
Deposit with others	-
Accounts receivable	26,103
Restricted cash and investments	239,973
Land held for resale	416,515
Capital assets:	
Land improvements	719,679
Buildings and improvements	-
Equipment	10,502
Less: accumulated depreciation	<u>(691,289)</u>
Capital assets-net	<u>38,892</u>
Total Assets	<u><u>\$ 818,000</u></u>
Liabilities	
Accounts payable	<u>\$ 2,500</u>
Total Liabilities	<u>2,500</u>
Net Position	
Net Investment in capital assets	38,892
Unrestricted	<u>776,608</u>
Total Net Position	<u><u>\$ 815,500</u></u>

The notes to the financial statements are an integral part of this statement

BEAR RIVER RECREATION AND PARK DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Functions/programs	Expenses	Program Revenues		Net (Expense)
		Charges for Services	Capital Grants and Contributions	Revenue and Changes in Net Position Governmental Activities
Governmental Activities				
Community services/recreation	\$ 277,375	\$ 171,820	\$ -	\$ (105,555)
Total Governmental Activities	<u>\$ 277,375</u>	<u>\$ 171,820</u>	<u>\$ -</u>	<u>(105,555)</u>

General Revenues:

Taxes and Assessment:

Property tax, levied for general purposes	26,984
Sale of property	60,397
Investment and rental income	5,038
Total general revenues	<u>92,419</u>
Change in net position	<u>(13,136)</u>
Net position - beginning-restated	<u>828,636</u>
Net position - ending	<u>\$ 815,500</u>

The notes to the financial statements are an integral part of this statement

BEAR RIVER RECREATION AND PARK DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2018**

	General Fund	Major Special Revenue Fund Cascade Crossings Landscape & Lighting	Non-major Special Revenue Fund Quimby Act Funds	Total Governmental Funds
Assets				
Cash and investments	\$ 96,517	\$ -	\$ -	\$ 96,517
Deposit with others			-	-
Accounts Receivable	26,103			26,103
Restricted cash and investments		205,551	34,422	239,973
Total Assets	\$ 122,620	\$ 205,551	\$ 34,422	\$ 362,593
Liabilities and Fund Balances				
Liabilities				
Account Payable	\$ 2,500	\$ -	\$ -	\$ 2,500
Total Liabilities	2,500	-	-	2,500
Fund Balances				
Restricted	-		34,422	34,422
Assigned	460,658	205,551		666,209
Unassigned	(340,538)			(340,538)
Total Fund Balances	120,120	205,551	34,422	360,093
Total Liabilities and Fund Balances	\$ 122,620	\$ 205,551	\$ 34,422	\$ 362,593

The notes to the financial statements are an integral part of this statement

BEAR RIVER RECREATION AND PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2018

Fund Balances of Governmental Funds	\$ 360,093
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Land held for resale is not a current financial resource and is not included in the governmental funds	416,515
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	<u>38,892</u>
Net position of governmental activities	<u><u>\$ 815,500</u></u>

The notes to the financial statements are an integral part of this statement

BEAR RIVER RECREATION AND PARK DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUE, EXPENDITURES, AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	General Fund	Major Special Revenue Fund Cascade Crossings Landscape & Lighting	Non-major Special Revenue Fund Quimby Act Funds	Total Governmental Funds
Revenues				
Property taxes	\$ 26,747	\$ -	\$ -	\$ 26,747
Special Assessment	-	56,186		56,186
Intergovernmental revenues	239			239
Charges for current services	109,170			109,170
Use of money and property	1,822	2,635	576	5,033
Other revenues and reimbursements	1,107		5,357	6,464
Total Revenues	139,085	58,821	5,933	203,839
Expenditures				
Salaries and benefits	54,361			54,361
Services and supplies	135,426	849	2,052	138,327
Capital outlay	-		-	-
Total Expenditures	189,787	849	2,052	192,688
Total Revenues over (Under Expenditures Before Other Financing Sources (Uses)	(50,702)	57,972	3,881	11,151
Other Financing Sources and Uses				
Operating transfers in	24,135			24,135
Operating transfers out		(10,250)	(13,885)	(24,135)
Sale of land-net	60,397			60,397
Total other Financing Sources (Uses)	84,532	(10,250)	(13,885)	60,397
Net Change in Fund Balances	33,830	47,722	(10,004)	71,548
Fund Balances, July 1, 2017	86,290	157,829	44,426	288,545
Fund Balances, June 30, 2018	\$ 120,120	\$ 205,551	\$ 34,422	\$ 360,093

The notes to the financial statements are an integral part of this statement

BEAR RIVER RECREATION AND PARK DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUE,
EXPENDITURES, AND CHANGES IN FUND BALANCE
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

Net Change in Fund Balances - Total Governmental Funds \$ 71,548

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:

Depreciation expense (84,684)

Change in net position of governmental activities \$ (13,136)

BEAR RIVER RECREATION AND PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

Note 1: Summary of Significant Accounting Policies

The District was organized in 1994 under section 5780 of the California Public Resource Code. It is operated under the direction of a five-member board duly elected and empowered by the electorate with sole authority over the District operations. Although the District is independent from the Nevada County Board of Supervisors, its financial activities are processed through the County Auditor-Controller's Office. The District provides a wide variety of year-round recreation programs, maintains the facilities and park areas and handles all the administrative duties of coordinating and planning the programs. The District serves over 22,000 people within a 109 square mile area in Nevada County.

In addition to providing recreational programs and services to the community, the District maintains park sites. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the more significant accounting policies:

A. Reporting Entity

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Based upon the aforementioned oversight criteria, the following is a component units:

The Cascade Crossing Landscape and Lighting Assessment District is included as a special revenue fund of the District.

B. Basis of Accounting

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end. Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

BEAR RIVER RECREATION AND PARK DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1: Summary of Significant Accounting Policies (Continued)

C. Non-Current Governmental Assets/Liabilities

GASB Statement 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net position.

D. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government. Governmental activities are supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) 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 instead as general revenues.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental funds, each displayed in separate columns. All remaining governmental funds are separately aggregated and reported as non-major funds.

Governmental Fund Types

Governmental funds are used to account for the District's expendable financial resources and related liabilities (except those accounted for in proprietary funds). The measurement focus is based upon determination of changes in financial position. The following are the District's governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.

Special Revenue Funds - These funds account for the activity of the developer impact fees as well as the one landscape and lighting maintenance district that is legally restricted to expenditures for specific purposes.

The District does not operate enterprise funds.

BEAR RIVER RECREATION AND PARK DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1: Summary of Significant Accounting Policies (Continued)

E. 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 expenditures/expenses during the reporting period. Actual results could differ from those estimates.

F. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These amounts are restricted, as their use is limited by applicable bond covenants or other external requirements.

G. Property Taxes

The District receives property taxes from the County of Nevada, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible. The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

H. Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in the governmental activities and business-type activities columns of the government-wide financial statements. Capital assets include land, buildings and site improvements and equipment and machinery. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

<u>Assets</u>	<u>Useful Life</u>
Buildings	50 years
Building improvements	10-20 years
Site improvements	10-20 years
Equipment and machinery	5 to 20 years

BEAR RIVER RECREATION AND PARK DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 1: Summary of Significant Accounting Policies (Continued)

I. Interfund Transactions

Balances representing lending/borrowing transactions between funds outstanding at the fiscal year end are reported as either “due from/due to other funds” (amounts due within one year), “advances to/from other funds” (non-current portions of interfund lending/borrowing transactions), or “loans to/from other funds” (long-term lending/borrowing transactions evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable governmental funds to indicate they are not available for appropriation and are not expendable available financial resources.

Note 2: Cash and Investments

Cash and investments at June 30, 2018, consisted of the following:

Checking account	\$ 994
Imprest cash	-
Cash and investments with County Treasurer	<u>335,496</u>
Total cash and investments	<u>\$ 336,490</u>

A. Investments Authorized by the California Government Code and the Entity’s Investment Policy

The table below identifies the **investment types** that are authorized for the Bear River Recreation and Park District by the California Government Code (or the District’s investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District’s investment policy, where more restrictive) that address **interest rate risk, credit risk and concentration of credit risk**. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
Investment pools authorized under CA			
Statutes governed by Government Code	N/A	None	\$40 million
U.S. Treasury Obligations	5 years	None	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-Purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None

BEAR RIVER RECREATION AND PARK DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 2: Cash and Investments (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates that will adversely affect the fair value of and investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment maturity:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13-48 Months
Nevada County*	\$ 335,496	\$ 335,496	\$ -
Totals	\$ 335,496	\$ 335,496	\$ -

*Not subject to categorization

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. Custodial Credit Risk

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

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

At June 30, 2018, the District's deposits balance was \$1,094 and the carrying amount was \$994. The difference between the bank balance and the carrying amount (if any) was due to normal outstanding checks and deposits in transit. Of the bank balance all was covered by the Federal Depository Insurance or by collateral held in the pledging bank's trust department in the District's name.

E. Investment in Government Pool

Investments are accounted for in accordance with the provisions of GASB Statement No. 31, which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in fair value of investments in the year in which the change occurred. The District reports its investment in the Nevada County investment pool at fair value based on quoted market information obtained from fiscal agents or other sources if the change is material to the financial statements.

BEAR RIVER RECREATION AND PARK DISTRICT

**NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2018**

Note 3: Property Plant and Equipment

Activity for general fixed assets capitalized by the District is summarized below:

	Balance June 30, 2017	Additions	Retirements/ Adjustments	Balance June 30, 2018
Governmental Activities				
Capital assets, not being depreciated:				
Land	\$ 380,000	\$ -	\$ (380,000)	\$ -
Capital assets, being depreciated:				
Land improvements	804,109	-	(84,430)	719,679
Buildings and improvements	66,605	-	(66,605)	-
Equipment	16,263		(5,761)	10,502
Total capital assets, being depreciated	886,977	-	(156,796)	730,181
Less accumulated depreciation:	(726,883)	(84,687)	120,281	(691,289)
Total capital assets, being depreciated, net	160,094	(84,687)	(36,515)	38,892
Governmental activities capital assets, net	\$ 540,094	\$ (84,687)	\$ (416,515)	\$ 38,892

Note 4: Park Dedication Fund

The County maintains an account for the benefit of the Bear River Recreation and Park District. The corpus of the fund consists of in lieu fees paid by developers of subdivisions within the boundaries of the District. The use of these funds by the District is restricted for the purpose of providing park and recreation facilities to serve the population. The funds are collected by the County of Nevada building department as part of the developer building fees and then transferred to a District fund established for developer fees. The Board of Directors is required by resolution to authorize transfer of the funds into the general fund of the District, to be spent on restricted projects benefiting the community. The activity of this fund is recorded in a special revenue fund of the District.

Note 5: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District together with other districts in the State carry California Association For Park And Recreation Insurance (CAPRI), a public entity risk pool currently operating as a common risk management and insurance program for member districts. The District pays an annual premium to CAPRI for its general insurance coverage. Furthermore the District carries workers compensation coverage with other districts in the State through CAPRI. Membership in the California Association of Recreation and Park Districts is required when applying for CAPRI.

The Agreement for Formation provides that CAPRI will be self-sustaining through member premiums. CAPRI reinsures through commercial companies for general and automobile liability excess claims and all risk property insurance, including boiler and machinery coverage, is subject to a \$2,000 deductible occurrence payable by the District. Financial statements for CAPRI are available at the District's office for fiscal year ending June 30, 2018. Settlements have not exceeded insurance coverage in any of the last three years.

BEAR RIVER RECREATION AND PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2018

Note 6: Lease Income

The District derives a portion of its revenue from the rental of real property based on a fixed lease amount. All leases of the District are treated as operating leases for accounting purposes. Lease terms are month to month or for one year periods and can be terminated by the tenant at any time and without cause by giving the District thirty days written notice of termination. Because these are cancelable leases we do not present the operating revenue over the term of the lease.

Note 7: Gann Limit

Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), California governmental agencies are restricted as to the amount of annual appropriation from proceeds of taxes. Under Section 10.5 of Article XIII B the appropriations limit is required to be calculated based on the limit for the fiscal year 1986-87, adjusted for inflation and population factors as supplied by the State Department of Finance.

Because the District's proceeds of subject taxes in the 1978/79 fiscal year was less than 12.5 cents per \$100 assessed value the District is not subject to the Gann Limit.

Note 8: Revenue Limitations Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, regulates the District's ability to impose, increase, and extend taxes and assessments. Any new increase or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative and may be rescinded in the future years by the voters.

Note 9: Commitments and Contingent Liabilities

Grants are subject to audit to determine compliance with their requirements. District officials believe that if any refunds are required, they would not have a significant effect on the financial condition or liquidity of the District.

The District entered into a Memorandum of Understanding with the Bear Yuba Land Trust (BYLT), whereby BYLT will maintain and monitor compliance of preserved land within the Cascade Crossing Assessment District. As part of this agreement a portion of the assessment revenue designated for preserving land within the Cascade Crossing Assessment District will be used to pay BYLT based on actual costs incurred by BYLT. The amount assigned to BYLT is part of the assigned fund balance in the Cascade Crossing Special Revenue Fund.

In the normal course of business, the District is a defendant in various lawsuits. Defence of lawsuits are typically handled by the District's insurance carrier and losses, if any, are expected to be covered by insurance. The District is unaware of any pending litigation or other contingencies which would have a material effect on the financial condition or liquidity of the District.

Note 10: Subsequent Events

On July 10, 2017 the District closed escrow and sold their Kimler Ranch property for \$599,000. As part of the sale the District provided financing in the amount of \$499,000 to the buyer for a 3 year term at a 5% interest rate. On January 30, 2018 the buyer of the property defaulted on the scheduled \$100,000 principal payment. Subsequent to fiscal year end on October 17, 2018 the Bear River Recreation and Park District took back possession of the property at a trustee sale after the Notice of Default and Election to Sell was recorded in the County Recorder's office and the default still existed at the time of sale.

BEAR RIVER RECREATION AND PARK DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2018**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
Revenues				
Property taxes	\$ 24,000	\$ 24,000	\$ 26,747	\$ 2,747
Intergovernmental revenues			239	239
Charges for current services	117,000	117,000	109,170	(7,830)
Use of money and property	850	850	1,822	972
Other revenues	-	-	1,107	1,107
Total Revenues	141,850	141,850	139,085	(2,765)
Expenditures				
Salaries and benefits	50,000	50,000	54,361	(4,361)
Services and supplies	81,990	81,990	135,426	(53,436)
Capital outlay			-	-
Total Expenditures	131,990	131,990	189,787	(57,797)
Total Revenues over (Under Expenditures Before Other Financing Sources (Uses))	9,860	9,860	(50,702)	(60,562)
Other Financing Sources				
Operating transfers in			24,135	\$ 24,135
Sale of land-net			60,397	60,397
Total other Financing Sources	-	-	84,532	84,532
Net Change in Fund Balances	\$ 9,860	\$ 9,860	33,830	\$ 23,970
Fund Balances, July 1, 2017			86,290	
Fund Balances, June 30, 2018			\$ 120,120	

The note to the required supplementary information is an integral part of this statement

BEAR RIVER RECREATION AND PARK DISTRICT

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2018**

Note 1: Budgets and Budgetary Accounting:

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing.

The budgets for the general fund is adopted on the modified accrual basis of accounting. The District did not adopt budgets for its special revenue funds as is required by generally accepted accounting principles.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Director.