

**BEAR RIVER RECREATION AND PARK DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**FISCAL YEAR ENDED JUNE 30, 2023**

**BEAR RIVER RECREATION AND PARK DISTRICT**

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# LARRY BAIN, CPA

## AN ACCOUNTING CORPORATION

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### **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, 2023, 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, 2023, 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**

### *Required Supplementary Information*

The Bear River and Park District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

## **Other Information**

The required supplementary information other than MD&A, as listed in the table of contents as the budgetary comparison schedule for the General fund on page 16, is 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 (GASB), who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

*Larry Bain, CPA,  
An Accounting Corporation  
August 28, 2024*

**BEAR RIVER RECREATION AND PARK DISTRICT**

**STATEMENT OF NET POSITION  
JUNE 30, 2023**

	<u>Governmental Activities</u>
Assets	
Current	
Cash and investments	\$ 562,272
Accounts receivable	202,952
Restricted cash and investments	314,226
Loan receivable	226,771
Total current assets	<u>1,306,221</u>
Non-current	
Capital assets:	
Land improvements	927,151
Equipment	10,502
Less: accumulated depreciation	<u>(307,568)</u>
Total non-current assets-capital assets-net	<u>630,085</u>
Total assets	<u>1,936,306</u>
Liabilities	
Current	
Accounts payable	<u>599,600</u>
Total liabilities	<u>599,600</u>
Net Position	
Net investment in capital assets	630,085
Restricted for developer fees	314,226
Unrestricted	<u>392,395</u>
Total net position	<u>\$ 1,336,706</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, 2023**

Functions/programs	Expenses	Program Revenue		Total
		Charges for Services	Capital Grants and Contributions	
<b>Governmental Activities</b>				
Community services/recreation	\$ 207,423	\$ 265,751	\$ 277,952	\$ 336,280
Total governmental activities	<u>\$ 207,423</u>	<u>\$ 265,751</u>	<u>\$ 277,952</u>	<u>336,280</u>
<b>General Revenues:</b>				
Taxes and Assessment:				
Property tax, levied for general purposes				35,952
Investment and rental income				26,209
Total general revenues				<u>62,161</u>
Change in net position				<u>398,441</u>
Net position - beginning				<u>938,265</u>
Net position - ending				<u>\$ 1,336,706</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, 2023**

	General Fund	Major Special Revenue Funds		Total Governmental Funds
		Cascade Crossings Landscape & Lighting	Quimby Act Fund	
<b>Assets</b>				
Cash and investments	\$ 192,803	\$ 369,469	\$ -	\$ 562,272
Grants receivable	202,952			202,952
Loan receivable	226,771			226,771
Due from other funds	97,744			97,744
Restricted cash and investments			314,226	314,226
<b>Total assets</b>	<b>\$ 720,270</b>	<b>\$ 369,469</b>	<b>\$ 314,226</b>	<b>\$ 1,403,965</b>
<b>Liabilities</b>				
Accounts payable	\$ 599,600	\$ -	\$ -	\$ 599,600
Due to other funds		97,744		97,744
<b>Total liabilities</b>	<b>599,600</b>	<b>97,744</b>		<b>697,344</b>
<b>Fund Balances</b>				
Restricted			314,226	314,226
Assigned		271,725		271,725
Unassigned	120,670			120,670
<b>Total fund balances</b>	<b>120,670</b>	<b>271,725</b>	<b>314,226</b>	<b>706,621</b>
<b>Total liabilities and fund balances</b>	<b>\$ 720,270</b>	<b>\$ 369,469</b>	<b>\$ 314,226</b>	<b>\$ 1,403,965</b>

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, 2023**

Fund balances of governmental funds	\$ 706,621
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	<u>630,085</u>
Net position of governmental activities	<u><u>\$ 1,336,706</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, 2023**

	General Fund	Major Special Revenue Funds		Total Governmental Funds
		Cascade Crossings Landscape & Lighting	Quimby Act Fund	
<b>Revenues</b>				
Property taxes	\$ 35,713	\$ -	\$ -	\$ 35,713
Special Assessment		56,790		56,790
Intergovernmental revenues	278,191			278,191
Charges for current services	111,045			111,045
Use of money and property	13,705	6,849	5,655	26,209
Other revenues and reimbursements			97,916	97,916
<b>Total revenues</b>	<b>438,654</b>	<b>63,639</b>	<b>103,571</b>	<b>605,864</b>
<b>Expenditures</b>				
Salaries and benefits	75,191	-		75,191
Services and supplies	97,442	30,043		127,485
Capital outlay	599,600			599,600
<b>Total expenditures</b>	<b>772,233</b>	<b>30,043</b>		<b>802,276</b>
Total revenues over (under) expenditures before other financing sources (uses)	(333,579)	33,596	103,571	(196,412)
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets	229,317			229,317
<b>Total other financing sources (uses)</b>	<b>229,317</b>			<b>229,317</b>
<b>Net change in fund balances</b>	<b>(104,262)</b>	<b>33,596</b>	<b>103,571</b>	<b>32,905</b>
Fund balances, beginning of fiscal year	224,932	238,129	210,655	673,716
<b>Fund balances, end of fiscal year</b>	<b>\$ 120,670</b>	<b>\$ 271,725</b>	<b>\$ 314,226</b>	<b>\$ 706,621</b>

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, 2023**

Net change in fund balances - total governmental funds	\$ 32,905
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:	
Capital additions	599,600
Depreciation expense	(4,747)
Certain revenues received after ninety days from the end of the fiscal year are recorded as deferred revenue in the funds and as revenues in the government wide statement.	<u>(229,317)</u>
Change in net position of governmental activities	<u><u>\$ 398,441</u></u>

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

## BEAR RIVER RECREATION AND PARK DISTRICT

### NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023

#### 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 unit:

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**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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 major 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 assessment district that is legally restricted to expenditures for specific purposes.

The District does not operate enterprise funds.

**BEAR RIVER RECREATION AND PARK DISTRICT**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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 Nevada County, 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**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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, 2023, consisted of the following:

Checking account	\$ 37,585
Cash and investments with County Treasurer	<u>838,913</u>
Total cash and investments	<u><u>\$ 876,498</u></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**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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*	\$ 838,913	\$ 838,913	\$ -
Totals	\$ 838,913	\$ 838,913	\$ -

\*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, 2023, the District’s deposits balance was \$38,543 and the carrying amount was \$37,585. 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**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

Note 3: Property Plant and Equipment

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

	Balance June 30, 2022	Additions	Retirements/ Adjustments	Balance June 30, 2023
Governmental Activities				
Capital assets, being depreciated:				
Land improvements	\$ 759,653	\$ 599,600	\$ (432,102)	\$ 927,151
Equipment	10,502			10,502
Total capital assets, being depreciated	770,155	599,600	(432,102)	937,653
Less accumulated depreciation:	(734,923)	(4,747)	432,102	(307,568)
Total capital assets, being depreciated, net	35,232	594,853		630,085
Governmental activities capital assets, net	\$ 35,232	\$ 594,853	\$ -	\$ 630,085

Note 4: Loan Receivable

In August 2019 the District closed escrow and sold the Kimler Ranch property for \$475,000. As part of the sale the District provided financing to the buyer in the amount of \$237,500 for a 2 year term at 6% interest rate. The 24 monthly principal and interest payments are \$1,424 from October 21, 2019 to September 21, 2021, and then a \$231,487 balloon payment was due on September 21, 2021. The September 21, 2021 due date was extended to September 21, 2022 based on approval by the Board of Directors on August 31, 2021, and extended again for an additional two years to September 21, 2024 based on approval by the Board of Directors on June 24, 2022.

The loan receivable was recognized in the fund financial statements and the amount due more than 90 days after fiscal year end is recorded as deferred revenue-unavailable in the fund financial statements. In the government-wide financial statements the loan was recognized under the full accrual basis of accounting.

Note 5: Quimby Act 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 Nevada County 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 6: 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, 2023. Settlements have not exceeded insurance coverage in any of the last three years.

## BEAR RIVER RECREATION AND PARK DISTRICT

### NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION JUNE 30, 2023

#### 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: Stewardship, Compliance and Accountability

##### A. Over Expended Budget

The District over expended the capital outlay budget by \$99,600.

#### Note 10: 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.

#### Note 11: Subsequent Event

In August 2019 the District closed escrow and sold their Kimler Ranch property for \$475,000. As part of the sale the District provided financing to the buyer in the amount of \$237,500 for a 2 year term at 6% interest rate. The 24 monthly principal and interest payments are \$1,424 from October 21, 2019 to September 21, 2021, and then a \$231,487 balloon payment was due on September 21, 2021. The September 21, 2021 due date was extended another year based on approval by the Board of Directors on August 31, 2021. At the June 24, 2022 special board of directors meeting the Board approved extending the loan an additional 2 years. On September 5, 2023 the loan was paid in full with the remaining principal and interest payment of \$225,896.

**BEAR RIVER RECREATION AND PARK DISTRICT**

**REQUIRED SUPPLEMENTARY INFORMATION  
BUDGETARY COMPARISON SCHEDULE  
GENERAL FUND  
JUNE 30, 2023**

	Original Budget	Final Budget	Actual	Variance Favorable (Unfavorable)
<b>Revenues</b>				
Property taxes	\$ 6,002	\$ 6,002	\$ 35,713	\$ 29,711
Intergovernmental revenues	425,000	425,000	278,191	(146,809)
Charges for current services	72,000	72,000	111,045	39,045
Use of money and property	33,876	33,876	13,705	(20,171)
Other revenues	6,000	6,000		(6,000)
Total revenues	<u>542,878</u>	<u>542,878</u>	<u>438,654</u>	<u>(104,224)</u>
<b>Expenditures</b>				
Salaries and benefits	95,000	95,000	75,191	19,809
Services and supplies	126,500	126,500	97,442	29,058
Capital outlay	500,000	500,000	599,600	(99,600)
Total expenditures	<u>721,500</u>	<u>721,500</u>	<u>772,233</u>	<u>(50,733)</u>
Total revenues over (under) expenditures before other financing sources (uses)	<u>(178,622)</u>	<u>(178,622)</u>	<u>(333,579)</u>	<u>(53,491)</u>
<b>Other Financing Sources (Uses)</b>				
Proceeds from sale of assets			229,317	229,317
Total other financing sources (uses)			<u>229,317</u>	<u>229,317</u>
Net change in fund balances	<u>\$ (178,622)</u>	<u>\$ (178,622)</u>	<u>(104,262)</u>	<u>\$ 74,360</u>
Fund balance, beginning of fiscal year			224,932	
Fund balance, end of fiscal year			<u>\$ 120,670</u>	

**BEAR RIVER RECREATION AND PARK DISTRICT**

**NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION  
JUNE 30, 2023**

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 source of financing.

The budget for the general fund is adopted on the modified accrual basis of accounting. The budget for the general fund is the only legally adopted budget. Budgets for the debt service fund are used for management and control purposes only.

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 final budgeted amount in the accompanying financial statements includes all revisions approved by the Board of Director