

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**FINANCIAL STATEMENTS**  
**WITH**  
**INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEARS ENDING**  
**SEPTEMBER 30, 2024 AND 2023**

**JAMES MARTA & COMPANY LLP**  
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**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**SEPTEMBER 30, 2024 AND 2023**

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**BOARD OF DIRECTORS**

<u>Name</u>	<u>Office</u>	<u>Term Expires November</u>
Lori Marquette	Chairman	2026
Eric Smith	Vice Chairman	2026
Jason Hansford	Secretary	2028
Mark Tanner	Director	2028
Mark Wasley	Director	2026

\* \* \* \*

General Manager  
Sven Leff

Accounting Manager  
Teresa McNamara

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**SEPTEMBER 30, 2024 AND 2023**

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**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**SEPTEMBER 30, 2024 AND 2023**

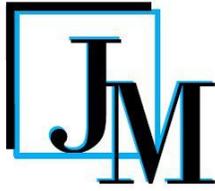
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**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Truckee-Donner Recreation and Park District  
Truckee, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities and each major fund of the Truckee-Donner Recreation and Park District (the District), as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund and the aggregate remaining fund information of the District as of September 30, 2024 and 2023, and the respective changes in financial position and, where applicable, cash flows thereof for the years 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the 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.

#### ***Responsibilities of Management for the Financial Statements***

Truckee-Donner Recreation and Park District's 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 the District's ability to continue as a going concern for one year after the date that the financial statements are issued.

### ***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 GAAS 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 GAAS 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 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 the District's ability to continue as a going concern for a reasonable period of time.

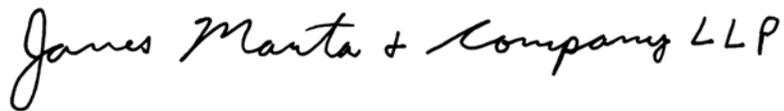
We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control–related matters that we identified during the audit.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 4-12 and Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget (Non-GAAP) and Actual – General Fund, Mitigation Fund, and Quimby Fees Fund on pages 42-44 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated March 18, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
March 18, 2025

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

# TRUCKEE-DONNER RECREATION AND PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024 AND 2023

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The management of the Truckee Donner Recreation and Park District (District) presents this discussion in compliance with the requirements of Governmental Accounting Standards Board Statement 34 (GASB 34). The intent of this document is to provide an easy read summary of the District's finances to supplement the information presented in the District's financial statements for the fiscal year ending September 30, 2024 (FY 2023-24). Please direct questions regarding this document or the accompanying financial statements to Sven Leff, General Manager, at

Mail: 10981 Truckee Way, Truckee, CA 96161

Phone: 530-582-7720

Email: [sven@tdrpd.org](mailto:sven@tdrpd.org)

### ORGANIZATION AND BUSINESS

The District was formed in April 1962 for the purpose of providing for the public park and recreation needs of all people in the Truckee area with equitable opportunities to active with discrimination or bias. The District provides park facilities, recreational facilities, programs, and classes that are principally supported by taxes and intergovernmental revenues along with nominal participant and reservation fees. The District has no business-type activities, activities that are intended to recover all or a significant portion of their costs through user fees and charges.

The District's facilities include a Community Recreation Center, Community Arts Center, Community Swimming Pool, Veteran's Building, 37 Public Piers, Donner Lake Boat Launch, West End Beach, Shoreline Park, Regional Park, Riverview Sports Park, Meadow Park, Floriston Park Ballfield, Glenshire Park Ballfield, and Ponderosa Golf Course.

The District's boundaries encompass an area of approximately 200 square miles. The District service area is predominantly encompassing the Town of Truckee, Nevada County from the Soda Springs/Kingvale area in the west, to the Nevada State boarder in the east, and partially in Placer County covering the Martis Camp and Lahontan communities. The District currently serves a population of about 17,900 residents.

The District is governed by a five-member Board of Directors elected at-large for staggered four-year terms. The Board of Directors set policy and procedures, which are then administered by the General Manager. The District had 36 full-time employees, 18 part-time employees, and 149 part-time seasonal employees on September 30, 2024.

The Board of Directors set all financial policies for the District. This includes establishing the annual budget for revenues and expenditures, setting program and rental fees, reviewing and approving all payables, and directing the investment of District funds. Staff provides the Board with budget to actual and cash status reports monthly.

# TRUCKEE-DONNER RECREATION AND PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024 AND 2023

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### FINANCIAL HIGHLIGHTS

District Operating Revenue is comprised primarily of property tax and program revenues (activity registration fees and facility rental fees). Property Tax Revenue increased by 6% (\$0.44 million) when compared to FY 2022-2023. Program Revenues increased by 20% (\$0.94 million) when compared to FY 2022-2023.

District Non-Operating Revenue, comprised primarily of Mitigation and Quimby Fees, decreased by 51% (\$0.24 million) when compared to FY 2022-2023.

District Operating Expenses increased by 6% (\$0.74 million) when compared to FY 2022-2023.

The District's Total Net Position increased by 5% (\$1.3 million) from the prior fiscal year.

### OVERVIEW OF FINANCIAL STATEMENTS

The District's annual report includes the Independent Auditor's Report, this Management's Discussion and Analysis (MD&A) section, the Audited Financial Statements (statements), and Notes to those statements. The statements are organized to present the as a financial whole, an entire operating entity. The statements then proceed to provide an increasingly detailed look at specific financial activities of the District and are followed by notes that explain many of the District's accounting policies and other disclosures to enhance the understanding of the District's financial performance. The independent auditor assisted the District with preparation of the statements and footnotes.

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner like that of a private sector business. The District maintains three individual governmental funds, the General Fund, Mitigation Fees Fund, and Quimby Fees Fund. Information is presented separately for these funds in the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, the basic financial statements of the District.

The remaining pages of this MD&A summarize the District's government-wide Statement of Net Position, and Statement of Activities for FY 2023-2024. The last section of the MD&A discusses economic factors that provide context for the reader's consideration in evaluating the District's financial condition.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2024 AND 2023**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

The following Condensed Statement of Net Position (Table 1) shows the District's current financial position and compares resources and obligations as of September 30, 2024 and 2023.

The District's Total Net Position is the sum of: 1) Net Investment in Capital Assets, 2) Restricted Assets, and 3) Unrestricted Assets. The total Net Position as of September 30, 2024 is \$30.9 million. This represents a 5% increase (\$1.3 million) from the close of the previous fiscal year. The majority of this net increase is attributed to increases in property tax revenue and user fees.

**TABLE 1**  
**Condensed Statement of Net Position as of September 30, 2024 and 2023**  
**Governmental Activities**

	2024	2023	\$ Change	% Change
Assets				
Current and Other Assets	\$ 8,445,151	\$ 7,767,921	\$ 677,230	8.72%
Capital Assets, Net of Depreciation	39,141,034	39,388,740	(247,706)	-0.63%
Total Assets	<u>47,586,185</u>	<u>47,156,661</u>	<u>429,524</u>	<u>0.91%</u>
Deferred outflows of resources				
Deferred loss on refunding	<u>1,125,990</u>	<u>1,220,479</u>	<u>(94,489)</u>	<u>-7.74%</u>
Liabilities				
Current Liabilities	2,268,395	2,213,247	55,148	2.49%
Non-Current Liabilities	14,577,154	15,564,757	(987,603)	-6.35%
Total Liabilities	<u>16,845,549</u>	<u>17,778,004</u>	<u>(932,455)</u>	<u>-5.24%</u>
Deferred inflows of resources				
Deferred premium revenue	<u>938,844</u>	<u>1,017,629</u>	<u>(78,785)</u>	<u>-7.74%</u>
Net Position				
Net Investment in Capital Assets	23,876,583	23,148,156	728,427	3.15%
Restricted	243,464	232,797	10,667	4.58%
Unrestricted	6,807,735	6,200,554	607,181	9.79%
Total Net Position	<u>\$ 30,927,782</u>	<u>\$ 29,581,507</u>	<u>\$ 1,346,275</u>	<u>4.55%</u>

The District's Capital Assets include land, buildings, furniture, and equipment. Net Capital Assets of \$39.1 million represents the net book value (cost less accumulated depreciation). The District's Net Investment in Capital Assets is \$23.8 million.

The portion of Net Position subject to legal restrictions is presented as Restricted Assets. Restricted Assets include funds designated for the development of parkland, recreational, and community use facilities to meet the needs of the new service populations within the District. The total Restricted Net Position at fiscal year-end 2023-2024 is \$0.2 million

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2024 AND 2023**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)**

Unrestricted Assets are not legally restricted for specific purposes. Unrestricted Assets include reserve funds for debt service, capital improvements, special projects, and operating reserves for emergencies. The total Unrestricted Net Position at fiscal year-end 2023-2024 is \$6.8 million.

The Condensed Statement of Activities (Table 2) shows the Revenues, Expenses, and Change in Net Position for the General Fund between FY 2022-2023 and FY 2023-2024.

**TABLE 2**  
**Condensed Statement of Activities as of September 30, 2024 and 2023**  
**Governmental Activities**

	2024	2023	\$ Change	% Change
Revenues				
Program Revenues				
Charges for Services	\$ 5,694,229	\$ 4,750,574	\$ 943,655	19.86%
Grants, Contributions, Mitigation & Quimby Fees	743,548	652,092	91,456	14.03%
General Revenues				
Property Taxes	7,858,807	7,419,078	439,729	5.93%
Investment Income	448,094	242,186	205,908	85.02%
Contributed equity contribution	-	2,557,759	(2,557,759)	-100.00%
Increase (Decrease) in FMV of Cash and Cash Equivalents	87,353	347,731	(260,378)	-74.88%
Total Revenues	<u>14,832,031</u>	<u>15,969,420</u>	<u>(1,137,389)</u>	<u>-7.12%</u>
Expenses				
General Government	12,928,628	12,195,319	733,309	6.01%
Interest on Long-Term Debt	541,424	535,242	6,182	1.15%
Amortization Expense	15,704	15,704	-	0.00%
Total Expenses	<u>13,485,756</u>	<u>12,746,265</u>	<u>739,491</u>	<u>5.80%</u>
Change in Net Position	1,346,275	3,223,155	(1,876,880)	-58.23%
Net Position, Beginning of Year	<u>29,581,507</u>	<u>26,358,352</u>	<u>3,223,155</u>	<u>12.23%</u>
Net Position, End of Year	<u>\$ 30,927,782</u>	<u>\$ 29,581,507</u>	<u>\$ 1,346,275</u>	<u>4.55%</u>

District revenues are broken down into two categories, Program Revenues and General Revenues. Program Revenues are made up of charges for program and activity registrations and facility rentals that are unrestricted, and restricted revenues of grants, contributions, Mitigation Fees and Quimby fees. General Revenues include property taxes, investment income, and increase or decrease in fair market value of cash and cash equivalents. Total Revenues were \$14.8 million, a decrease of 7% when compared to FY 2022-2023.

# TRUCKEE-DONNER RECREATION AND PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024 AND 2023

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### GOVERNMENT-WIDE FINANCIAL STATEMENTS (Continued)

Charges for Services account for 38.4% of the Total Revenues. In FY 2023-2024, the District received \$5.7 million in charges for services, up 19.9% from FY 2022-23. The increase in charges for services is attributed to a 5% increase in most fees as well as increased usage.

The District's restricted portion of Program Revenue, specifically Mitigation Fees and Quimby Fees, decreased by 51% (\$0.24 million) when compared to FY 2022-2023. The decrease in these fees is due to the decrease in building and development starts during the fiscal year.

The District's General Revenues of Property Taxes increased by 5.9% (\$0.44 million) when compared to FY 2022-2023. The increased property tax revenue is primarily attributed to a continuing healthy real estate market including sales of existing homes and the value of new construction.

Total Expenses in FY 2023-2024 were \$13.5 million, increasing 5.8% from the prior year. Approximately 10.3% (\$1.4 million) of the expenses are due to depreciation of capital assets (a non-cash expense), and 8.4% (\$1.1 million) of the expenses are due to acquisition of capital assets.

### FUND FINANCIAL STATEMENTS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The District's governmental funds are comprised of the General Fund, Mitigation Fund, and Quimby Fees Fund, all three major funds. On September 30, 2024, the District governmental funds had a combined fund balance of \$7.2 million, an increase of \$0.66 million from September 30, 2023.

General Fund - this fund is the main operating fund of the District and represents the largest accounting entity of District governmental funds. The primary funding source for the General Fund is property tax revenues, which totaled \$7.9 million and was 53% of total General Fund revenue of \$14.8 million. The other large revenue source for the year was district services, totaling \$5.7 million which accounted for 38% of the General Fund revenue.

The primary expenditure categories supported by these revenues in fiscal year 2023-2024 were general government, capital outlay, and debt service expenses, which totaled \$14.1 million. General government expenses were \$12.0 million (85% of total general fund expenses), capital outlay was \$0.67 million (5% of total general fund expenses), and debt service was \$1.5 million (10% of total general fund expenses).

On September 30, 2024, the General Fund balance was \$7.0 million, an increase of \$0.65 million from the beginning of the year fund balance of \$6.3 million.

Mitigation Fund – this fund accounts for the collection of AB1600 mitigation fees. These fees cannot be used for daily operations and must be used only to develop parkland and provide recreational, community use facilities to meet the needs of the new service populations within the District. During the year, \$0.25 million of the accumulated fees were expended on development of recreational facilities. On September 30, 2024, the Mitigation Fund balance was \$0.191 million, an increase of \$0.06 million from the beginning of the year fund balance of \$0.185 million.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**MANAGEMENT’S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2024 AND 2023**

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**FUND FINANCIAL STATEMENTS (Continued)**

Quimby Fees Fund – this fund accounts for the collection of Quimby fees. These fees cannot be used for daily operations and must be used only to develop parkland and provide recreational, community use facilities to meet the needs of the new service populations within the District. During the year, none of the accumulated fees were expended on recreational facilities. On September 30, 2024, the Quimby Fees Fund balance was \$0.052 million an increase of \$0.004 million from the beginning of the year fund balance of \$0.048 million.

**CAPITAL ASSETS**

Table 3 shows fixed assets, net of depreciation on a historic cost basis for the year ending September 30, 2024, total \$39.1 million compared to \$39.4 million at September 30, 2023, a decrease of \$0.3 million.

**TABLE 3  
Governmental Activities**

	2024	2023
Land	\$ 5,483,696	\$ 5,483,696
Construction in Progress	1,009,073	3,531,883
Structures, Improvements and Equipment	50,688,774	47,030,583
Less Depreciation	(18,040,509)	(16,657,422)
Totals	<u>\$ 39,141,034</u>	<u>\$ 39,388,740</u>

Additions of capital assets of \$4.1 million included \$2.7 million in completed projects for the CAC Downtown Park, Regional Park Ballfield, and Ponderosa Golf Course Club House Remodel; \$0.5 million in capital projects for West End Beach (WEB) Fencing, WEB Tennis Courts, Shoreline Park Handicap Pier, Rodeo Arena Sidewalks and Retaining Wall, Regional Park (RP) Tennis Courts, RP Sand Volleyball Court, Ice Rink (IR) Zamboni Shed, IR Pad, IR Skirt, IR Dasher Boards, Community Recreation Center (CRC) Roof Gutters, CRC Parking Lot, CRC Gym Divider, CRC A/C Boiler Replacement, and Park Office Remodel projects; \$0.07 million in equipment purchases of an IR Zamboni, WEB EZ-Doc, CRC Fitness Equipment, Bike Park Honda 4 Wheeler, and WEB Sailboat; and \$0.8 million for leased vehicles.

Deletions to capital assets included \$0.39 million for leased vehicles.

Depreciation for fiscal year ending September 30, 2024 totaled \$1.6 million compared to \$1.5 million in fiscal year 2022-23.

Further information regarding capital assets can be found in Note 4 of the financial statements.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**MANAGEMENT'S DISCUSSION AND ANALYSIS**

**SEPTEMBER 30, 2024 AND 2023**

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**DEBT ADMINISTRATION**

Information regarding the District's debt can be found in detail in Note 5, beginning on page 26 of the financial statements. On September 30, 2023, and September 30, 2024, the District had balances of \$16.5 million and \$15.6 million respectively, in long term debt outstanding as summarized below in table 4.

**TABLE 4  
Governmental Activities**

	2024	2023
2016 Refunding Certificates of Participation	\$ 13,930,000	\$ 14,840,000
2020 Lease Financing	1,334,451	1,400,584
Compensated Absences	325,607	300,306
Total	<u>\$ 15,590,058</u>	<u>\$ 16,540,890</u>

**BUDGET ANALYSIS**

The District prepares an annual budget for operating, debt service, and capital activities each year. The final budget for FY 2023-2024 was approved by the Board of Directors on September 28, 2023.

Table 5 summarizes the budget and actual revenues and expenses for FY 2023-2024.

**TABLE 5  
Governmental Activities**

	FY23/24 Budget	FY23/24 Actual	Budget to Actual	
			\$	%
Revenues	\$13,668,782	\$14,832,031	\$1,163,249	8.51%
Expenses	\$13,971,340	\$14,176,211	\$(204,871)	(1.47%)
Revenue over Expense	<u>\$(302,558)</u>	<u>\$ 655,820</u>	<u>\$ 958,378</u>	

District revenues exceeded budgeted revenues by \$1.1 million (158.51%) for FY 2023-24. The primary sources of additional revenue came from slightly higher than anticipated property tax revenues received from Nevada and Placer Counties, slightly higher than anticipated users of programs and facilities, and greater than budgeted interest income.

District expenses were \$0.02 million (1.47%) over budgeted expenses for FY 2023-24. The primary source of increased expenses over budgeted amounts were in maintenance, office supplies, professional and special services and costs associated with capital expenditures. Note 12 identifies the budget line items with excess expenditures.

A comparison of the final budget to actual revenues and expenditures for each fund is presented in the Required Supplementary Information section of this report. For the General Fund, the actual revenues were \$1.2 million favorably over budget, the actual expenditures were \$0.02 million unfavorably over budget resulting in a positive net change in fund balance of \$1.0 million.

# TRUCKEE-DONNER RECREATION AND PARK DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

SEPTEMBER 30, 2024 AND 2023

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### **BUDGET ANALYSIS (Continued)**

For the Mitigation Fees Fund the revenues were \$0.10 million unfavorably under budget by 717%, and with the budgeted transfers of \$0.25 million to the General Fund resulted in a decrease in fund balance of \$0.35 million.

For the Quimby Fees Fund the revenues were \$0.04 million unfavorably under budget by 89%, there were no budgeted transfers to the General Fund for the fiscal year. Fiscal year activity resulted in a decrease in the fund balance of \$0.04 million.

### **ECONOMIC FACTORS AND FUTURE BUDGET CONSIDERATIONS**

The District's overall financial outlook continues to be positive. The District services an area that continues to be an attractive place for primary and secondary home construction and purchases, providing both increased property taxes and users of programs and facilities, the two main sources of District revenue. In fact, 52% of the District's operating revenues budgeted for FY 2024-2025 are to be collected as part of the property tax assessments. Consistent with County and Town planning, and barring a real-estate downturn, staff expects continued residential growth with the District into the near future.

Another source of District revenue includes program fees for activities and facility rental fees. Increases in number of users is anticipated as the unemployment rates for the Truckee area are expected to continue to decrease. Also, the Board annually approves minimal increases in the user fees to help recoup the additional cost of services not covered by the increased property taxes collected. For FY 2024-2025 budget, 38% of the District's operating revenues will be from program and facility rental fees.

The District's operating expenses are primarily labor, labor-related costs, debt service, and capital expenditures. The expenses are anticipated to rise in the future and the District has budgeted \$12.8 million in general government expenditures for the next fiscal year. Labor cost increases are expected to be commensurate with that of the cost of living experienced in the area, and the Debt Service payments will continue to be made from the District's General Fund and are budgeted at \$1.5 million for the next fiscal year. Other expenses anticipated are those associated with the Boat Ramp Grant Project of \$1.0 million and other capital expenditures for projects and equipment of \$0.7 million.

## **BASIC FINANCIAL STATEMENTS**

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**STATEMENT OF NET POSITION**

**AS OF SEPTEMBER 30, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
	<b>Governmental</b>	<b>Governmental</b>
	<b>Activities</b>	<b>Activities</b>
<b>ASSETS</b>		
<b>Current Assets</b>		
Cash and cash equivalents	\$ 7,724,905	\$ 7,364,154
Restricted cash and cash equivalents	252,899	252,601
FMV adjustment of cash and cash equivalents	23,762	(60,783)
Receivables - net of allowances of \$1,750	131,663	39,009
Prepaid expenses	267,060	150,225
Inventory	44,862	22,715
Total Current Assets	<u>8,445,151</u>	<u>7,767,921</u>
<b>Non-Current Assets</b>		
Capital Assets:		
Land	5,483,696	5,483,696
Construction in progress	1,009,073	3,531,883
Depreciable capital assets	50,688,774	47,030,583
Accumulated depreciation	<u>(18,040,509)</u>	<u>(16,657,422)</u>
Capital assets - net	<u>39,141,034</u>	<u>39,388,740</u>
Total Assets	<u>47,586,185</u>	<u>47,156,661</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred loss on refunding of COP	1,125,990	1,220,479
Total Deferred Outflows	<u>1,125,990</u>	<u>1,220,479</u>
<b>LIABILITIES</b>		
<b>Current Liabilities</b>		
Accounts payable	225,924	387,070
Accrued expenses	681,329	515,248
Pension liability	10,067	10,066
Other liabilities	60,785	49,381
Unearned revenue	232,285	227,215
Interest payable	45,101	48,134
Current portion of long-term obligations	1,012,904	976,133
Total Current Liabilities	<u>2,268,395</u>	<u>2,213,247</u>
<b>Long-Term Liabilities</b>		
Compensated absences	325,607	300,306
Other long-term obligations - net of current portion	14,251,547	15,264,451
Total Long-Term Liabilities	<u>14,577,154</u>	<u>15,564,757</u>
Total Liabilities	<u>16,845,549</u>	<u>17,778,004</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred COP premium revenue	938,844	1,017,629
<b>NET POSITION</b>		
Net investment in capital assets	23,876,583	23,148,156
Restricted		
Mitigation	191,274	185,241
Quimby Fees	52,190	47,556
Unrestricted	<u>6,807,735</u>	<u>6,200,554</u>
Total Net Position	<u>\$ 30,927,782</u>	<u>\$ 29,581,507</u>

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

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net Revenue</u>
		<u>Charges For Services</u>	<u>Grants and Contributions</u>	<u>Governmental Activities</u>
<b>Governmental Activities:</b>				
General government	\$ 12,928,628	\$ 5,694,229	\$ 516,301	\$ (6,718,098)
Interest on long-term debt	541,424	-	-	(541,424)
Amortization of deferred loss on debt refunding	94,489	-	-	(94,489)
Amortization of deferred debt premium	(78,785)	-	-	78,785
Total Governmental Activities	<u>\$ 13,485,756</u>	<u>\$ 5,694,229</u>	<u>\$ 516,301</u>	<u>\$ (7,275,226)</u>
<b>General Revenues:</b>				
Property taxes and assessments				7,858,807
Investment income (loss)				535,447
Mitigation & Quimby fees				<u>227,247</u>
Total General Revenues and Transfers				<u>8,621,501</u>
Change in Net Position				1,346,275
Net Position - October 1, 2023				<u>29,581,507</u>
Net Position - September 30, 2024				<u>\$ 30,927,782</u>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**STATEMENT OF ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

		<b>Program Revenues</b>		<b>Net Revenue</b>
<b>Expenses</b>	<b>Charges For</b>	<b>Grants and</b>	<b>Governmental</b>	
	<b>Services</b>	<b>Contributions</b>	<b>Activities</b>	
<b>Governmental Activities:</b>				
General government	\$ 12,195,319	\$ 4,750,574	\$ 188,438	\$ (7,256,307)
Interest on long-term debt	535,242	-	-	(535,242)
Amortization of deferred loss on debt refunding	94,488	-	-	(94,488)
Amortization of deferred debt premium	(78,784)	-	-	78,784
Total Governmental Activities	\$ 12,746,265	\$ 4,750,574	\$ 188,438	\$ (7,807,253)
 <b>General Revenues:</b>				
Property taxes and assessments				7,419,078
Investment income (loss)				589,917
Mitigation & Quimby fees				463,654
Contributed equity contribution				2,557,759
Total General Revenues and Transfers				11,030,408
Change in Net Position				3,223,155
Net Position - October 1, 2022				26,358,352
Net Position - September 30, 2023				\$ 29,581,507

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**AS OF SEPTEMBER 30, 2024**

	<b>General Fund</b>	<b>Mitigation Fund</b>	<b>Quimby Fees Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,724,905	\$ -	\$ -	\$ 7,724,905
Restricted cash and cash equivalents	10,067	190,741	52,091	252,899
FMV adjustment of cash and cash equivalents	23,130	533	99	23,762
Accounts receivable - net of allowance of \$1,750	131,663	-	-	131,663
Prepaid expenditures	267,060	-	-	267,060
Inventory	44,862	-	-	44,862
Due from other funds	-	-	-	-
Total Assets	<u>\$ 8,201,687</u>	<u>\$ 191,274</u>	<u>\$ 52,190</u>	<u>\$ 8,445,151</u>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 225,924	\$ -	\$ -	\$ 225,924
Accrued payroll and related liabilities	681,329	-	-	681,329
Pension liability	10,067	-	-	10,067
Other liabilities	60,785	-	-	60,785
Unearned revenue	232,285	-	-	232,285
Due to other funds	-	-	-	-
Total Liabilities	<u>1,210,390</u>	<u>-</u>	<u>-</u>	<u>1,210,390</u>
<b>Fund Balances</b>				
Nonspendable	311,922	-	-	311,922
Restricted	-	191,274	52,190	243,464
Committed	5,599,956	-	-	5,599,956
Unassigned	1,079,419	-	-	1,079,419
Total Fund Balances	<u>6,991,297</u>	<u>191,274</u>	<u>52,190</u>	<u>7,234,761</u>
Total Liabilities and Fund Balances	<u>\$ 8,201,687</u>	<u>\$ 191,274</u>	<u>\$ 52,190</u>	<u>\$ 8,445,151</u>

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

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**BALANCE SHEET - GOVERNMENTAL FUNDS**

**AS OF SEPTEMBER 30, 2023**

	<b>General Fund</b>	<b>Mitigation Fund</b>	<b>Quimby Fees Fund</b>	<b>Total Governmental Funds</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 7,364,154	\$ -	\$ -	\$ 7,364,154
Restricted cash and cash equivalents	10,066	192,574	49,961	252,601
FMV adjustment of cash and cash equivalents	(51,045)	(7,333)	(2,405)	(60,783)
Accounts receivable - net of allowance of \$1,750	39,009	-	-	39,009
Prepaid expenditures	150,225	-	-	150,225
Inventory	22,715	-	-	22,715
Due from other funds	-	-	-	-
<b>Total Assets</b>	<b>\$ 7,535,124</b>	<b>\$ 185,241</b>	<b>\$ 47,556</b>	<b>\$ 7,767,921</b>
<b>LIABILITIES AND FUND BALANCES</b>				
<b>Liabilities</b>				
Accounts payable	\$ 387,070	\$ -	\$ -	\$ 387,070
Accrued payroll and related liabilities	515,248	-	-	515,248
Pension liability	10,066	-	-	10,066
Other liabilities	49,381	-	-	49,381
Unearned revenue	227,215	-	-	227,215
Due to other funds	-	-	-	-
<b>Total Liabilities</b>	<b>1,188,980</b>	<b>-</b>	<b>-</b>	<b>1,188,980</b>
<b>Fund Balances</b>				
Nonspendable	172,940	-	-	172,940
Restricted	-	185,241	47,556	232,797
Committed	5,140,420	-	-	5,140,420
Unassigned	1,032,784	-	-	1,032,784
<b>Total Fund Balances</b>	<b>6,346,144</b>	<b>185,241</b>	<b>47,556</b>	<b>6,578,941</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 7,535,124</b>	<b>\$ 185,241</b>	<b>\$ 47,556</b>	<b>\$ 7,767,921</b>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2024**

Total Fund Balances - Governmental Funds		\$ 7,234,761
<p>In governmental funds only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p>		
Capital assets at historical cost	\$ 57,181,543	
Accumulated depreciation	<u>(18,040,509)</u>	39,141,034
<p>Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:</p>		
2016 Refunding Certificates of Participation	(13,930,000)	
2020 Lease Financing	(1,334,451)	
Compensated Absences	<u>(325,607)</u>	(15,590,058)
<p>Unamortized costs: In governmental funds, debt issue costs and premiums are recognized in the period they are incurred. In the government-wide statements, debt issue costs and premiums are amortized over the life of the debt. Unamortized debt issue costs and premiums included in deferred inflows and outflows on the statement of net position are:</p>		
Unamortized portion of refunding COP premium	(938,844)	
Unamortized portion of loss on refunding of 2007 COP	<u>1,125,990</u>	187,146
Unmatured interest on long-term liabilities is recognized in the period incurred.		<u>(45,101)</u>
Total Net Position - Governmental Activities		<u><u>\$ 30,927,782</u></u>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**

**SEPTEMBER 30, 2023**

Total Fund Balances - Governmental Funds	\$	6,578,941
<p>In governmental funds only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.</p>		
Capital assets at historical cost	\$	56,046,162
Accumulated depreciation	<u>(16,657,422)</u>	39,388,740
<p>Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:</p>		
2016 Refunding Certificates of Participation	(14,840,000)	
2020 Lease Financing	(1,400,584)	
Compensated Absences	<u>(300,306)</u>	(16,540,890)
<p>Unamortized costs: In governmental funds, debt issue costs and premiums are recognized in the period they are incurred. In the government-wide statements, debt issue costs and premiums are amortized over the life of the debt. Unamortized debt issue costs and premiums included in deferred inflows and outflows on the statement of net position are:</p>		
Unamortized portion of refunding COP premium	(1,017,629)	
Unamortized portion of loss on refunding of 2007 COP	<u>1,220,479</u>	202,850
Unmatured interest on long-term liabilities is recognized in the period incurred.		<u>(48,134)</u>
Total Net Position - Governmental Activities	\$	<u><u>29,581,507</u></u>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

	<b>General Fund</b>	<b>Mitigation Fund</b>	<b>Quimby Fees Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Tax and Assessments	\$ 7,858,807	\$ -	\$ -	\$ 7,858,807
Mitigation and Quimby Fees	-	227,247	-	227,247
District Services	5,694,229	-	-	5,694,229
Donations	423,003	-	-	423,003
Grants	93,298	-	-	93,298
Interest	434,711	11,253	2,130	448,094
Increase (Decrease) in FMV of Cash and Equivalents	76,984	7,865	2,504	87,353
<b>Total Revenues</b>	<b>14,581,032</b>	<b>246,365</b>	<b>4,634</b>	<b>14,832,031</b>
<b>EXPENDITURES</b>				
General Government	11,984,664	-	-	11,984,664
Capital Outlay	670,957	-	-	670,957
Debt service:				
Principal	976,133	-	-	976,133
Interest	544,457	-	-	544,457
<b>Total Expenditures</b>	<b>14,176,211</b>	<b>-</b>	<b>-</b>	<b>14,176,211</b>
Excess (deficiency) of revenues over (under) expenditures	404,821	246,365	4,634	655,820
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250,000	9,668	-	259,668
Transfers out	(9,668)	(250,000)	-	(259,668)
<b>Total other financing sources (uses)</b>	<b>240,332</b>	<b>(240,332)</b>	<b>-</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>645,153</b>	<b>6,033</b>	<b>4,634</b>	<b>655,820</b>
Fund Balance - October 1, 2023	6,346,144	185,241	47,556	6,578,941
<b>Fund Balance - September 30, 2024</b>	<b>\$ 6,991,297</b>	<b>\$ 191,274</b>	<b>\$ 52,190</b>	<b>\$ 7,234,761</b>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES – GOVERNMENTAL FUNDS**  
**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

	<b>General Fund</b>	<b>Mitigation Fund</b>	<b>Quimby Fees Fund</b>	<b>Total Governmental Funds</b>
<b>REVENUES</b>				
Tax and Assessments	\$ 7,419,078	\$ -	\$ -	\$ 7,419,078
Mitigation and Quimby Fees	-	292,199	171,455	463,654
District Services	4,750,574	-	-	4,750,574
Donations	2,746,197	-	-	2,746,197
Grants	-	-	-	-
Interest	196,908	36,119	9,159	242,186
Increase (Decrease) in FMV of Cash and Equivalents	242,343	77,856	27,532	347,731
<b>Total Revenues</b>	<b>15,355,100</b>	<b>406,174</b>	<b>208,146</b>	<b>15,969,420</b>
<b>EXPENDITURES</b>				
General Government	11,204,323	-	-	11,204,323
Capital Outlay	3,650,650	-	-	3,650,650
Debt service:				
Principal	939,408	-	-	939,408
Interest	538,457	-	-	538,457
<b>Total Expenditures</b>	<b>16,332,838</b>	<b>-</b>	<b>-</b>	<b>16,332,838</b>
Excess (deficiency) of revenues over (under) expenditures	(977,738)	406,174	208,146	(363,418)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	1,050,642	-	-	1,050,642
Transfers out	-	(644,000)	(406,642)	(1,050,642)
<b>Total other financing sources (uses)</b>	<b>1,050,642</b>	<b>(644,000)</b>	<b>(406,642)</b>	<b>-</b>
<b>Net Change in Fund Balance</b>	<b>72,904</b>	<b>(237,826)</b>	<b>(198,496)</b>	<b>(363,418)</b>
Fund Balance - October 1, 2022	6,273,240	423,067	246,052	6,942,359
<b>Fund Balance - September 30, 2023</b>	<b>\$ 6,346,144</b>	<b>\$ 185,241</b>	<b>\$ 47,556</b>	<b>\$ 6,578,941</b>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF  
ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2024**

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Net Change in Fund Balances	\$ 655,820
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Acquisitions of capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	1,135,381
Depreciation of capital assets is an expense that is not recorded in the governmental funds.	(1,383,087)
Repayment of principal on long-term debt is reported as an expenditure in governmental funds. However, the repayment reduces long-term liabilities in the statement of net position.	976,133
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:	
Deferred outflows relating to loss from debt refunding upon issuance	(94,489)
Deferred inflows relating to debt issue premium upon issuance	78,785
Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is paid.	3,033
In the Statement of Activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used.	(25,301)
Change in Net Position of Governmental Activities	<u>\$ 1,346,275</u>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,  
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF  
ACTIVITIES**

**FOR THE FISCAL YEAR ENDED SEPTEMBER 30, 2023**

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Net Change in Fund Balances	\$ (363,418)
Amounts reported for governmental activities in the Statement of Activities are different because of the following:	
Acquisitions of capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.	3,840,437
Depreciation of capital assets is an expense that is not recorded in the governmental funds.	(1,487,510)
Repayment of principal on long-term debt is reported as an expenditure in governmental funds. However, the repayment reduces long-term liabilities in the statement of net position.	939,408
Amortization of debt issue premium or discount or deferred gain or loss from debt refunding: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt refunding, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt refunding, for the period is:	
Deferred outflows relating to loss from debt refunding upon issuance	(94,488)
Deferred inflows relating to debt issue premium upon issuance	78,784
Interest on long-term liabilities is recognized in the period it is incurred, in governmental funds it is only recognized when it is paid.	3,215
In the Statement of Activities, expenses related to compensated absences are measured by the amounts earned during the year. In the governmental funds, expenditures are measured by the amount of financial resources used.	<u>306,727</u>
Change in Net Position of Governmental Activities	<u>\$ 3,223,155</u>

# TRUCKEE-DONNER RECREATION AND PARK DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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### 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

#### A. ORGANIZATION

The Truckee-Donner Recreation and Park District of Nevada County, California is a special district funded predominately by property taxes, charges for services, and development fees. The District's purpose is to provide recreation and park services within the district. The primary method used to monitor the performance of the District's financial management is the financial budget which is adopted annually by the Board of Directors.

The District is funded prominently by property taxes, charges for services, AB1600 Mitigation, Quimby and development fees, and other financial assistance.

#### B. BASIS OF PRESENTATION

##### Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities displays information about the reporting government as a whole. In the government-wide Statement of Net Position, the governmental activities are reported on a full accrual, economic resource basis, which recognizes all long-term assets and receivables as well as long-term debt and obligations. The District's net position is reported in three parts - invested in capital assets net of related debt; restricted net position; and unrestricted net position. The District first utilizes restricted resources to finance qualifying activities.

*Program revenues:* Program revenues included in the Statement of Activities derive directly from the program itself or from parties outside the District's taxpayers or citizenry, as a whole; program revenues reduce the cost of the function to be financed from the District's general revenues.

*Allocation of indirect expenses:* The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is allocated to General Government function and reported in total in the Statement of Activities. Interest on general long-term liabilities is considered an indirect expense and is reported separately on the Statement of Activities.

##### Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column.

##### Basic Financial Statements

The basic financial statements include financial statements prepared using full accrual accounting for all of the District's activities, including infrastructure, and a change in the fund financial statements to focus on the major funds.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**B. BASIS OF PRESENTATION (CONTINUED)**

Reporting Entity

The reporting entity for the Truckee-Donner Recreation and Park District includes all the funds and operations under the jurisdiction of the District. Although they are separate legal entities, blended component units are in substance part of the District's operations and are reported as an integral part of the District's basic financial statements. The Board of Directors in concurrent sessions serve as the governing board of each of the blended component units, and all accounting and administrative functions are performed by the District.

**C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Government-Wide Financial Statements

The Statement of Net Position and the Statement of Activities are prepared using the economic resources measurement focus and the accrual basis of accounting. Revenues, expenses, gains, losses, assets and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Codification Section (GASB Cod. Sec.) N50.118-.121.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e. balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 60 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

TRUCKEE-DONNER RECREATION AND PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (CONTINUED)

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Budgets and Budgetary Accounting: The Board of Directors annually adopts a District-wide budget resolution. Department heads submit budget requests to the District General Manager. District employees prepare estimates of revenue and recommendations for the next year's budget. The preliminary budget may be amended by the Board of Directors and is adopted by resolution by the Board of Directors. The final budget is then adopted by the Board of Directors on or before September 30. Budget appropriations lapse at the end of the year. The budget is prepared on a cash basis, which does not vary significantly from the basis of accounting used in the financial statements. Management can transfer budgeted amounts between expenditure accounts within an object level without the approval of the Board of Directors.

D. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. 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. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District funds are as follows:

Major Funds:

**General Fund** – The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenditures and the capital improvement costs that are not paid through other funds are paid from the General Fund.

**Mitigation Fund** – The Mitigation Fund is used to account for the collection of mitigation fees. These fees cannot be used for daily operations, but must be used only to develop parkland and provide recreational, community use facilities to meet the needs of the new service populations within the District.

**Quimby Fees Fund** – The Quimby Fees Fund is used to account for the collection of Quimby fees. These fees cannot be used for daily operations, but must be used only to develop parkland and provide recreational, community use facilities to meet the needs of the new service populations within the District.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**E. INVENTORY**

Inventory consists of equipment, supplies, and concessions sold at Ponderosa Golf Course and Truckee Community Pool. All inventory is carried at cost using the first-in, first-out method.

**F. CAPITAL ASSETS**

Capital assets purchased or acquired, with an original cost of \$5,000 or more, are recorded 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 outlay that significantly extend the useful life of an asset are capitalized. Other costs incurred for repairs and maintenance are expensed as incurred. Capital assets are depreciated using the straight-line method over 3 - 40 years depending on asset type.

**G. INTERFUND ACTIVITY**

Interfund activity is reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables as appropriate and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements are when one fund incurs a cost, charges the appropriate benefiting fund and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers between governmental funds are netted as part of the reconciliation to the government-wide financial statements.

**H. COMPENSATED ABSENCES**

The District accrues the cost for compensated absences (sick, vacation and comp time) when such time is earned. Employees have a vested interest in accrued sick and vacation time. All vacation hours will eventually either be used or paid by the District. It is the District's policy to pay 50% of an employee's hourly rate of pay for each hour of accumulated sick leave over 240 hours when they leave the District. For those employees who do not use their accrued balances during the current fiscal year, their balances carry over to the next fiscal year. As this occurs, the District incurs an obligation to pay for these unused hours. All compensated absences for governmental activities are paid out of the general fund.

**I. DEFERRED INFLOWS AND OUTFLOWS OF RESOURCES**

In addition to assets, the statement of net position includes separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. Deferred inflows of resources represent an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an inflow of resources (revenue) until that time.

TRUCKEE-DONNER RECREATION AND PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**J. GOVERNMENT-WIDE AND PROPRIETARY FUND NET POSITION**

*Net investment in capital assets* consists of the historical cost of capital assets less accumulated depreciation and less any debt that remains outstanding that was used to finance those assets.

*Restricted net position* consists of amounts that are restricted by the Districts creditors (for example, through debt covenants), by the state enabling legislation (through restrictions on shared revenues), by grantors (both federal and state), and by other contributors.

*Unrestricted net position* consists of remaining net position not identified as invested in capital assets or restricted.

**K. FUND BALANCE**

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned, and/or Unassigned.

*Nonspendable Fund Balance* reflects assets not in spendable form, either because they will never convert to cash (prepaid expense) or must remain intact pursuant to legal or contractual requirements.

*Restricted Fund Balance* reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

*Committed Fund Balance* reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Directors. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

*Assigned Fund Balance* reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Directors is authorized to assign amounts for specific purposes.

*Unassigned Fund Balance* represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned, and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively.

The District has an expenditure policy relating to fund balances. For purposes of fund balance classifications, expenditures are to be spent from restricted fund balances first, followed in order by committed fund balances (if any), assigned fund balances, and lastly unassigned fund balances.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**L. PROPERTY TAXES**

Secured property taxes are attached as an enforceable lien on property as of January 1. Taxes are due in two installments on or before November 1 and February 1 and become delinquent on December 10 and April 10, respectively. Unsecured property taxes are due in one installment on or before July 1 and become delinquent on August 31. The County of Nevada bills and collects taxes for the District. Tax revenues are recognized by the District when received.

**M. CASH AND CASH EQUIVALENTS**

For presentation in the financial statements, all cash and investments with an original maturity of three months or less at the time they are purchased by the District are considered to be cash equivalents.

**N. RESTRICTED CASH**

Restricted cash mainly consists of special assessment proceeds restricted for mitigation of the impact on the District by construction of new homes and businesses within the District. Also, a restricted cash balance is held in relation to the liability disclosed under Note 11, Contingencies.

**O. 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 at September 30.

**P. USE OF ESTIMATES**

The preparation of basic financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions. These estimates and assumptions 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 or expenses during the reporting period. Accordingly, actual results may differ from those estimates.

**Q. FINANCING LEASES**

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, \$750,000. Amortization of related assets using the straight-line method over the life of the contract. As of September 30, 2024, the District did not have any financial leases that met the threshold.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**R. LEASE REVENUE**

A lease is defined as a contract that conveys control of the right to use the District's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term asset and corresponding liability for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, \$500,000. Amortization of related assets using the straight-line method over the life of the contract. As of September 30, 2024, the District did not have any financial leases that met the threshold.

**S. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENTS (SBITA)**

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the District's capitalization threshold is met, \$750,000. Amortization of related assets using the straight-line method over the life of the contract. As of September 30, 2024, the District did not have any subscription based information technology agreements that met the threshold.

**2. CASH AND CASH EQUIVALENTS**

The District maintains commercial bank accounts and accounts with the Nevada County Treasurer.

Cash and investments at September 30, 2024 and 2023 consisted of the following:

	<u>2024</u>	<u>2023</u>
Cash and Cash Equivalents:		
Cash on Hand	5,300	\$ 4,900
BMO Bank	250,653	313,730
Cash in Nevada County Treasury	1,529	370,982
Five Star Bank	829,616	-
CACCLASS	6,637,807	6,674,542.00
Cash and Cash Equivalents Subtotal	<u>7,724,905</u>	<u>7,364,154</u>
Restricted - Cash and Cash Equivalents		
Restricted - Cash in Nevada County Treasury	43	186,902
Restricted - CACCLASS	166,375	55,633
Restricted - Five Star Bank	76,414	-
Restricted - Cash in Pension Fund	10,067	10,066
Restricted - Cash and Cash Equivalents Subtotal	<u>252,899</u>	<u>252,601</u>
Increase (Decrease) in FMV of Cash and Cash Equivalents	<u>23,762</u>	<u>(60,783)</u>
Total Cash and Cash Equivalents	<u>\$ 8,001,566</u>	<u>\$ 7,555,972</u>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**2. CASH AND CASH EQUIVALENTS (CONTINUED)**

Cash in CalCLASS Joint Powers Authority, BMO Bank, Five Star bank, and Nevada County Treasury

The District maintains its cash in the CalCLASS Joint Powers Authority, BMO Bank, Five Star Bank, and the Nevada County Treasury. Both the CalCLASS Joint Powers Authority and the Nevada County Treasury pool and invest the cash on behalf of the pool members. These pooled funds are carried at cost, which approximates fair value. For the CalCLASS Joint Powers Authority, Five Star Bank, and the BMO Bank accounts, interest is earned and deposited monthly into the respective accounts.

For Nevada County Treasury interest is apportioned into participating funds on a quarterly basis. Any investment losses are proportionately shared by all funds in the pool. The balance available for withdrawal is based on the accounting records maintained by the Nevada County Treasurer, which is recorded on the amortized cost basis. Because the deposits are maintained in a recognized pooled investment fund under the care of a third party and the share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

In accordance with applicable State laws, the Nevada County Treasurer may invest in derivative securities. However, at September 30, 2024, the Nevada County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

The District is authorized under California Government Code to make direct investments in local agency bonds, notes, or warrants within the State; U.S. Treasury instruments; registered State warrants or treasury notes; securities of the U.S. Government, or its agencies; bankers acceptances; commercial paper; certificates of deposit placed with commercial banks and/or savings and loan companies; repurchase or reverse repurchase agreements; medium term corporate notes; shares of beneficial interest issued by diversified management companies; certificates of participation; obligations with first priority security; and collateralized mortgage obligations. The District's investments were in compliance with the above provisions as of and during the year ended September 30, 2024.

The table on the following page identifies the investment types that are authorized for Districts by the California Government Code. Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are indicated:

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**2. CASH AND CASH EQUIVALENTS (CONTINUED)**

Authorized Investment Type	Maximum Remaining Maturity	Maximum Percentage of Portfolio	Maximum Investment In One Issuer
Local Agency Bonds	5 years	None	None
Registered State Bonds, Notes, Warrants	5 years	None	None
U.S. Treasury Obligations	5 years	None	None
U.S. Agency Securities	5 years	None	None
Banker's Acceptance	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	None
Repurchase Agreements	1 year	None	None
Reverse Repurchase Agreements	92 days	20% of base	None
Medium-Term Corporate Notes	5 years	30%	5%
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	N/A	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund-LAIF	N/A	None	None
Public Bank Obligations	5 years	None	None
Joint Powers Authority Pools	N/A	None	None

Deposits - Custodial Credit Risk

The District limits custodial credit risk by ensuring uninsured balances are collateralized by the respective financial institution. Cash balances held in banks are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC) and are collateralized by the respective financial institution. Per Government Code section 16521 – banks are required to deposit securities as collateral with the State Treasurer valued at least 110 percent of the uninsured portion of the collected funds deposited with the banks, Five Star Bank, BMO Bank adhere to this requirement for government funds.

At September 30, 2024, the reconciled and bank statement balances of the District’s accounts were \$7,974,132 and \$8,008,455 respectively. At September 30, 2023, the reconciled and bank statement balances of the District’s accounts were \$7,057,171 and \$7,114,509 respectively.

Interest Rate Risk

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

TRUCKEE-DONNER RECREATION AND PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

2. CASH AND CASH EQUIVALENTS (CONTINUED)

Concentration of Credit Risk

The District's investment policy limits the amount it may invest with certain issuers. At September 30, 2024, the District had no concentration of credit risk and complied with the requirements of the District's investment policy.

3. INTERFUND TRANSACTIONS

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers.

Interfund Receivables/Payables

As of September 30, 2024, there were no interfund receivable and payable balances.

As of September 30, 2023, there were no interfund receivable and payable balances.

Interfund Transfers

For the fiscal years ended September 30, 2024 and 2023, the interfund transfers were as follows:

	<u>2024</u>
Transfer from Mitigation Fund to the General Fund per FY 2023-24 budget	\$ 250,000
Transfer from General Fund to the Mitigation Fund to correct previous deposit made in the General Fund.	<u>9,668</u>
Total Transfers	<u><u>\$ 259,668</u></u>
	<u>2023</u>
Transfer from Mitigation Fund to the General Fund per FY 2022-23 budget	\$ 644,000
Transfer from Quimby Fees Fund to the General Fund per FY 2022-23 budget	<u>406,642</u>
Total Transfers	<u><u>\$ 1,050,642</u></u>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**4. CAPITAL ASSETS**

A schedule of changes in Governmental Activities capital assets for the year ended September 30, 2024 is as follows:

	Balance October 1, 2023	Additions	Deletions	Balance September 30, 2024
Non-depreciable assets:				
Land	\$ 5,483,696		\$ -	\$ 5,483,696
Construction in Progress	3,531,883	154,787	2,677,597	1,009,073
	<u>9,015,579</u>	<u>154,787</u>	<u>2,677,597</u>	<u>6,492,769</u>
Depreciable assets:				
Structures, improvements, and equipment	47,030,583	4,052,145	393,954	50,688,774
Totals, at cost	<u>56,046,162</u>	<u>4,206,932</u>	<u>3,071,551</u>	<u>57,181,543</u>
Accumulated depreciation:				
Structures, improvements, and equipment	(16,657,422)	(1,619,459)	(236,372)	(18,040,509)
Depreciable assets, net	<u>30,373,161</u>	<u>2,432,686</u>	<u>157,582</u>	<u>32,648,265</u>
Capital assets, net	<u>\$ 39,388,740</u>	<u>\$ 2,587,473</u>	<u>\$ 2,835,179</u>	<u>\$ 39,141,034</u>

A schedule of changes in Governmental Activities capital assets for the year ended September 30, 2023 is as follows:

	Balance October 1, 2022	Additions	Deletions	Balance September 30, 2023
Non-depreciable assets:				
Land	\$ 3,997,736	\$ 1,485,960	\$ -	\$ 5,483,696
Construction in Progress	1,709,795	2,210,626	388,538	3,531,883
	<u>5,707,531</u>	<u>3,696,586</u>	<u>388,538</u>	<u>9,015,579</u>
Depreciable assets:				
Structures, improvements, and equipment	46,499,194	532,389	1,000	47,030,583
Totals, at cost	<u>52,206,725</u>	<u>4,228,975</u>	<u>389,538</u>	<u>56,046,162</u>
Accumulated depreciation:				
Structures, improvements, and equipment	(15,170,912)	(1,487,510)	(1,000)	(16,657,422)
Depreciable assets, net	<u>31,328,282</u>	<u>(955,121)</u>	<u>-</u>	<u>30,373,161</u>
Capital assets, net	<u>\$ 37,035,813</u>	<u>\$ 2,741,465</u>	<u>\$ 388,538</u>	<u>\$ 39,388,740</u>

All depreciation is allocated to general government in the statement of activities.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**5. LONG-TERM LIABILITIES**

A schedule of changes in long-term liabilities for the fiscal year ended September 30, 2024 is as follows:

	Balance October 1, 2023	Additions	Deductions	Balance September 30, 2024	Amounts Due Within One Year
2016 Refunding Certificates of Participation	\$ 14,840,000	\$ -	\$ 910,000	\$ 13,930,000	\$ 945,000
2020 Lease Financing	1,400,584	-	66,133	1,334,451	67,904
Compensated Absences	300,306	25,301		325,607	-
<b>Total</b>	<b>\$ 16,540,890</b>	<b>\$ 25,301</b>	<b>\$ 976,133</b>	<b>\$ 15,590,058</b>	<b>\$ 1,012,904</b>

A schedule of changes in long-term liabilities for the fiscal year ended September 30, 2023 is as follows:

	Balance October 1, 2022	Additions	Deductions	Balance September 30, 2023	Amounts Due Within One Year
2016 Refunding Certificates of Participation	\$ 15,715,000	\$ -	\$ 875,000	\$ 14,840,000	\$ 910,000
2020 Lease Financing	1,464,992	-	64,408	1,400,584	66,133
Compensated Absences	607,033	-	306,727	300,306	-
<b>Total</b>	<b>\$ 17,787,025</b>	<b>\$ -</b>	<b>\$ 1,246,135</b>	<b>\$ 16,540,890</b>	<b>\$ 976,133</b>

Payments for the 2016 Refunding Certificates of Participation and the 2020 Lease Financing are made out of the General Fund. Payments on the compensated absences are made from the fund for which the related employee worked.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**5. LONG-TERM LIABILITIES (CONTINUED)**

2016 Refunding Certificates of Participation

In April 2016, the District offered and sold 2016 Refunding Certificates of Participation (the “Refunding Certificates”) totaling \$20,140,000. The Refunding Certificates were delivered pursuant to a Trust Agreement dated as of April 1, 2016, among the Truckee-Donner Recreation and Park District Financing Corporation (the "Financing Corporation"), the District, and the Trustee. The Refunding Certificates were issued to refund the District’s outstanding 2007 Certificates of Participation and California Infrastructure and Economic Development Bank Loan. The Refunding Certificates bear interest rates from 3% to 4% and are scheduled to mature through 2036.

The annual payments required to amortize the 2016 Refunding Certificates of Participation outstanding as of September 30, 2024 are as follows:

Fiscal Year Ended September 30,	Principal	Interest	Total Debt Service
2025	\$ 945,000	\$ 469,050	\$ 1,414,050
2026	985,000	431,250	1,416,250
2027	1,020,000	391,850	1,411,850
2028	1,060,000	351,050	1,411,050
2029	1,105,000	308,650	1,413,650
2030-2034	6,110,000	966,600	7,076,600
2035-2036	2,705,000	122,250	2,827,250
Total	<u>\$ 13,930,000</u>	<u>\$ 3,040,700</u>	<u>\$ 16,970,700</u>

2020 Lease Financing

In April 2020, the District entered into a lease finance agreement with the Truckee-Donner Recreation and Park District Financing Corporation (the “Corporation”) to finance an irrigation project at the Ponderosa Golf Course. The agreement consists of a Site and Facilities Lease Agreement between the District, as lessor, and the Corporation, as lessee, under which it will lease certain real property to the Corporation, and to simultaneously enter into a Lease Agreement between the Corporation, as lessor, and the District, as lessee, under which the District will lease the Site and Facilities from the Corporation in return for semiannual lease payments. The lease payments are due every December 1 and June 1, commencing on December 1, 2020, and maturing on June 1, 2040. The agreement bears a tax-exempt interest rate of 2.66%.

The annual requirements to pay off the debt are shown on the following page:

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**5. LONG-TERM LIABILITIES (CONTINUED)**

Fiscal Year Ended September 30,	Principal	Interest	Total Debt Service
2025	\$ 67,904	\$ 35,048	\$ 102,952
2026	69,722	33,230	102,952
2027	71,589	31,363	102,952
2028	73,506	29,446	102,952
2029	75,474	27,477	102,952
2030-2034	408,790	105,968	514,759
2035-2039	466,531	48,227	514,759
2040	100,934	2,018	102,952
<b>Total</b>	<b>\$ 1,334,451</b>	<b>\$ 312,777</b>	<b>\$ 1,647,228</b>

**6. FUND BALANCES**

The District follows GASB Statement No. 54, which redefined how fund balances of the governmental funds are presented in the financial statements. The following schedule is a summary of the components of the ending fund balance by fund type at September 30, 2024:

	General Fund	Mitigation Fund	Quimby Fees Fund	Total
Nonspendable:				
Prepaid Expenditures	\$ 267,060	\$ -	\$ -	\$ 267,060
Inventory	44,862	-	-	44,862
Total Nonspendable	311,922	-	-	311,922
Restricted For:				
Grants for Designated Programs/Projects	-	-	-	-
Capital Projects	-	191,274	52,190	243,464
Total Restricted	-	191,274	52,190	243,464
Committed For:				
Operating Reserve	2,958,190	-	-	2,958,190
Operating Reserve-				
Debt Service Portion	1,520,602	-	-	1,520,602
Equipment Replacement Reserve	300,000	-	-	300,000
Board Special Project Reserve	100,000	-	-	100,000
Facility Maintenance Reserve	500,000	-	-	500,000
Pickleball Project Restricted Donations	221,164	-	-	221,164
Rocker Skate Park Project	-	-	-	-
Total Committed	5,599,956	-	-	5,599,956
Unassigned:				
Unassigned/Unappropriated	1,079,419	-	-	1,079,419
Total Unassigned	1,079,419	-	-	1,079,419
<b>Total Fund Balances</b>	<b>\$ 6,991,297</b>	<b>\$ 191,274</b>	<b>\$ 52,190</b>	<b>\$ 7,234,761</b>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

**6. FUND BALANCES (CONTINUED)**

The following schedule is a summary of the components of the ending fund balance by fund type at September 30, 2023:

	<b>General Fund</b>	<b>Mitigation Fund</b>	<b>Quimby Fees Fund</b>	<b>Total</b>
Nonspendable:				
Prepaid Expenditures	\$ 150,225	\$ -	\$ -	\$ 150,225
Inventory	22,715	-	-	22,715
Total Nonspendable	<u>172,940</u>	<u>-</u>	<u>-</u>	<u>172,940</u>
Restricted For:				
Grants for Designated Programs/Projects	-	-	-	-
Capital Projects	-	185,241	47,556	232,797
Total Restricted	<u>-</u>	<u>185,241</u>	<u>47,556</u>	<u>232,797</u>
Committed For:				
Operating Reserve	2,679,062	-	-	2,679,062
Operating Reserve-				
Debt Service Portion	1,520,364	-	-	1,520,364
Equipment Replacement Reserve	300,000	-	-	300,000
Board Special Project Reserve	100,000	-	-	100,000
Facility Maintenance Reserve	500,000	-	-	500,000
Pickleball Complex Project	25,444	-	-	25,444
Rocker Skate Park Project	15,550	-	-	15,550
Total Committed	<u>5,140,420</u>	<u>-</u>	<u>-</u>	<u>5,140,420</u>
Unassigned:				
Unassigned/Unappropriated	1,032,784	-	-	1,032,784
Total Unassigned	<u>1,032,784</u>	<u>-</u>	<u>-</u>	<u>1,032,784</u>
Total Fund Balances	<u>\$ 6,346,144</u>	<u>\$ 185,241</u>	<u>\$ 47,556</u>	<u>\$ 6,578,941</u>

# TRUCKEE-DONNER RECREATION AND PARK DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS

SEPTEMBER 30, 2024

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### 7. OPERATING LEASES

Beginning in June of 2008, the District entered into an agreement with the Truckee Tahoe Airport District (Airport District) to lease real property. Under the lease agreement, the District has committed to maintain and operate the golf course on the property. The District has agreed to pay the Airport District \$166,000 per year to lease this property; however, if the District uses the land for non-motorized recreational purposes only, the annual rent will be waived and the District will not have to pay any amount for use of the land. The District intends to maintain the property as the lease agreement specifies; therefore, the District does not calculate future minimum payments associated with the lease. The current lease expires June 30, 2028 with an option to extend the lease at that time for an additional ten years.

### 8. PENSION PLAN

The Truckee-Donner Recreation and Park District Money Purchase Plan (the Plan) is a single-employer defined contribution pension plan administered by the District for the benefit of the District's employees. The Plan offers retirement, disability, and death benefits to plan members and their beneficiaries. The District, by action of the board of directors, has the right to establish and amend the Plan at any time, subject to certain requirements of the Plan and the Internal Revenue Code.

The Plan is available to all classes of employees, provided certain age and service requirements are met. The District is required to make an annual contribution to the Plan equal to 8% of each participant's compensation. Participants are not required to make contributions. The District, by action of the board of directors, has the authority to establish and amend the Plan's contribution requirements. Contributions made to the Plan by the District in the 2024 and 2023 fiscal years were \$323,228 and \$215,921 respectively.

The Plan issues a separate annual audited financial statement report. Copies of the report are available at the District's administrative office.

### 9. DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan created in accordance with Internal Revenue Code section 403(b). The plan, available to all permanent employees, permits them to defer 20% of their salary up to a maximum allowed by Internal Revenue Code section 401(a).

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**10. RISK MANAGEMENT**

The District is a member with other special districts of a Joint Powers Authority, California Association for Park & Recreation Indemnity (CAPRI), which provides coverage for workers' compensation, property, liability, and employee dishonesty. The Authority is governed by an Executive Board consisting of representatives from member districts. The Executive Board controls operation of the Authority, including selection of management and approval of operating budgets. The following is a summary of financial information of CAPRI as of June 30, 2024:

<b>A. Entity</b>	CAPRI
<b>B. Purpose</b>	Provide insurance coverages, risk management programs, safety and loss prevention services through a financially sound risk-sharing pool.
<b>C. Participants</b>	Recreation and park districts in California
<b>D. Governing Board</b>	Consists of a representative of each member by region
<b>E. Payments for the Current Year</b>	<u>\$ 218,041</u>
<b>F. Condensed Financial Information</b>	
	June 30, 2024 (Audited)
Total Assets	<u>\$ 37,931,463</u>
Deferred Outflows of Resources	<u>352,168</u>
Total Assets and Deferred Outflows	<u>\$ 38,283,631</u>
Total Liabilities	\$ 19,341,803
Deferred Inflows of Resources	53,296
Net Position	<u>18,888,532</u>
Total Liabilities, Deferred Inflows and Net Position	<u>\$ 38,283,631</u>
Total Revenues	\$ 20,470,592
Total Expenses	<u>15,110,444</u>
Change in Net Position	<u>\$ 5,360,148</u>

The relationship between Truckee-Donner Recreation and Park District and the Joint Powers Authority are such that they are not component units of the District for financial reporting purposes. A copy of the audit report can be obtained from CAPRI at 1075 Creekside Ridge Drive, Suite 240, Roseville, CA 95678.

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**11. CONTINGENCIES**

The District is subject to legal proceedings and claims which arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to these actions will not materially affect the financial position or results of operations of the District.

The District participated in a multi-employer pension covering the part time employees in lieu of social security. In 2005, it was discovered that the plan administrator misappropriated some of the funds that belong to employees of the District. The District was able to recover \$44,739 from the pension plan. The total loss that has not been recovered is approximately \$47,000 plus the amount of interest to the plan participants that is yet to be calculated. At September 30, 2024, the District estimates its liability regarding these funds is \$10,067.

**12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS**

The District incurred unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised. However, these expenditures were approved by the District’s Board of Directors.

Excess of expenditures over appropriations for the year ended September 30, 2024 were as follows:

	<b><u>Excess Expenditures</u></b>
General Fund:	
Food and beverage	36,325
Household/janitorial	10,405
Maintenance	103,038
Memberships	6,044
Office expenses	63,100
Professional and special services	162,484
Rents and leases	65,597
Small tools and supplies	13,366
Special district services	63,330
Salary Survey Implementation	10,000
Scholarship	7,466
Structures and improvements	53,286

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO THE FINANCIAL STATEMENTS**

**SEPTEMBER 30, 2024**

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**12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS (CONTINUED)**

Excess of expenditures over appropriations for the year ended September 30, 2023 were as follows:

	<b><u>Excess Expenditures</u></b>
General Fund:	
Employee services	\$ 281,945
Food and beverage	78,463
Household/janitorial	85
Insurance	15,881
Maintenance	45,034
Professional and special services	98,537
Publications	5,044
Rents and leases	180,817
Small tools and supplies	86,533
Special district services	6,212
Transportation and education	7,844
Utilities	66,413
Taxes and assessments	8,783
Land	1,485,960
Structures and improvements	134,329
Equipment	324,062
Miscellaneous expense	50,644

**13. SUBSEQUENT EVENTS**

The District's management evaluated its September 30, 2024 financial statements for subsequent events through March 18, 2025, the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY  
INFORMATION**

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

**GENERAL FUND**

**SEPTEMBER 30, 2024**

	Budgeted Amounts		Actual	Variance with
	Original	Final		Final Budget
				Favorable
				(Unfavorable)
<b>REVENUES</b>				
Tax and assessments	\$ 7,669,360	\$ 7,669,360	\$ 7,858,807	\$ 189,447
District services	5,240,555	5,240,555	5,694,229	453,674
Donations	144,867	144,867	423,003	278,136
Grants	-	-	93,298	93,298
Interest	280,000	280,000	434,711	154,711
Increase (Decrease) in FMV of cash and cash equivalents	-	-	76,984	76,984
Total revenues	13,334,782	13,334,782	14,581,032	1,246,250
<b>EXPENDITURES</b>				
Employee services	8,227,981	8,227,981	8,007,212	220,769
Communications	42,700	42,700	41,562	1,138
Food and beverage	117,850	117,850	154,175	(36,325)
Household/janitorial	46,000	46,000	56,405	(10,405)
Insurance	367,316	367,316	329,997	37,319
Maintenance	226,970	226,970	330,008	(103,038)
Memberships	25,769	25,769	31,813	(6,044)
Office expenses	180,290	180,290	243,316	(63,026)
Professional and special services	654,158	654,158	816,642	(162,484)
Publications	54,599	54,599	44,569	10,030
Rents and leases	217,230	217,230	282,827	(65,597)
Small tools and supplies	382,029	382,029	395,395	(13,366)
Special district services	233,580	233,580	296,910	(63,330)
Transportation and education	147,737	147,737	138,339	9,398
Utilities	637,050	637,050	635,001	2,049
Taxes and assessments	138,500	138,500	138,027	473
Scholarship	25,000	25,000	32,466	(7,466)
Debt service	1,520,602	1,520,602	1,520,590	12
Structures and improvements	-	-	53,286	(53,286)
Equipment	725,980	725,980	617,671	108,309
Salary Survey Implementation	-	-	10,000	(10,000)
Total expenditures	13,971,341	13,971,341	14,176,211	(204,870)
Excess (deficiency) of revenues over (under) expenditures	(636,559)	(636,559)	404,821	1,041,380
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	250,000	250,000	250,000	-
Transfers out	-	-	(9,668)	(9,668)
Total other financing sources (uses)	250,000	250,000	240,332	(9,668)
Net change in fund balance	(386,559)	(386,559)	645,153	1,031,712
Fund Balance - October 1, 2023	6,346,144	6,346,144	6,346,144	-
Fund balance - September 30, 2024	\$ 5,959,585	\$ 5,959,585	\$ 6,991,297	\$ 1,031,712

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

**MITIGATION FUND**

**SEPTEMBER 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Mitigation fees	\$ 346,000	\$ 346,000	\$ 227,247	\$ (118,753)
Interest	3,000	3,000	11,253	8,253
Increase (Decrease) in FMV of cash and cash equivalents	-	-	7,865	7,865
Total revenues	<u>349,000</u>	<u>349,000</u>	<u>246,365</u>	<u>(102,635)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	9,668	9,668
Transfers out	-	-	(250,000)	(250,000)
Net change in fund balance	<u>349,000</u>	<u>349,000</u>	<u>6,033</u>	<u>(352,635)</u>
Fund balance - October 1, 2023	<u>185,241</u>	<u>185,241</u>	<u>185,241</u>	<u>-</u>
Fund balance - September 30, 2024	<u>\$ 534,241</u>	<u>\$ 534,241</u>	<u>\$ 191,274</u>	<u>\$ (352,635)</u>

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**SCHEDULE OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCE – BUDGET (NON-GAAP) AND ACTUAL**

**QUIMBY FEES FUND**

**SEPTEMBER 30, 2024**

	<b>Budgeted Amounts</b>		<b>Actual</b>	<b>Variance with Final Budget Favorable (Unfavorable)</b>
	<b>Original</b>	<b>Final</b>		
<b>REVENUES</b>				
Quimby fees	\$ 40,000	\$ 40,000	\$ -	\$ (40,000)
Interest	1,000	1,000	2,130	1,130
Increase (Decrease) in FMV of cash and cash equivalents	-	-	2,504	2,504
Total revenues	41,000	41,000	4,634	(36,366)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	-	-	-
Net change in fund balance	41,000	41,000	4,634	(36,366)
Fund balance - October 1, 2022	47,556	47,556	47,556	-
Fund balance - September 30, 2023	\$ 88,556	\$ 88,556	\$ 52,190	\$ (36,366)

**TRUCKEE-DONNER RECREATION AND PARK DISTRICT**

**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**SEPTEMBER 30, 2024**

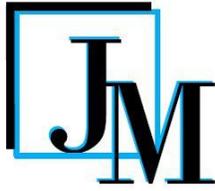
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**1. PURPOSE OF SCHEDULES**

A. Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget (Non-GAAP) and Actual

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Directors to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund, Mitigation Fund and Quimby Fees Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

## **OTHER INDEPENDENT AUDITOR'S REPORT**



**James Marta & Company LLP**

*Certified Public Accountants*

*Accounting, Auditing, Consulting, and Tax*

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**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**

**INDEPENDENT AUDITOR’S REPORT**

Board of Directors  
Truckee-Donner Recreation and Park District  
Truckee, 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 the *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities and each major fund of Truckee-Donner Recreation and Park District (the “District”), as of and for the years ended September 30, 2024 and 2023, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated March 18, 2025.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered 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 District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the 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.

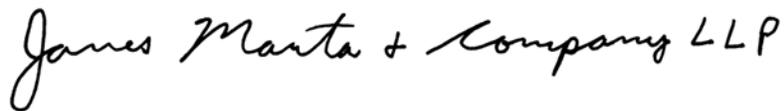
Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not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

## **Compliance and Other Matters**

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

A handwritten signature in black ink that reads "James Marta & Company LLP". The signature is written in a cursive, flowing style.

James Marta & Company LLP  
Certified Public Accountants  
Sacramento, California  
March 18, 2025