

**AUBURN AREA RECREATION AND PARK DISTRICT  
MEETING OF THE STANDING FINANCE COMMITTEE AGENDA**

**MONDAY, AUGUST 18, 2025, 11:00 AM**

**CANYON VIEW COMMUNITY CENTER, BOARD ROOM  
471 MAIDU DRIVE  
AUBURN, CA**

Materials related to an item on this Agenda submitted to the District after distribution of the agenda packet are available for public inspection by contacting the District Administrator at [kmuscott@auburnrec.com](mailto:kmuscott@auburnrec.com) or by calling (530) 537-2186 (M-F).

The public may participate in the meeting in-person or through Zoom. The link for this meeting is <https://us06web.zoom.us/j/82450477693>. The public can use this link and/or call 1 669 900 6833 Webinar ID: 824 5047 7693 to participate.

People using the Zoom website will be able to see and hear the Committee, and the Committee will be able to hear the public. The Committee will not receive any visual/video from the public. This is done to avoid inappropriate visual content at the meeting.

Questions and comments can be sent via email to the District Administrator no later than one hour before the meeting. These emails will be read aloud at the meeting and responded to accordingly. Emails can be sent during the meeting, and staff will work to ensure that all are read, however the best way to have your comment heard is through the Zoom meeting or the associated phone number.

If you are a person with a disability and need an accommodation to participate in the District's programs, services, activities and meetings, contact Kahl Muscott at (530) 537-2186 or [kmuscott@auburnrec.com](mailto:kmuscott@auburnrec.com) at least 48 hours in advance to request an auxiliary aid or accommodation.

**1.0 CALL TO ORDER**

Lynch \_\_\_\_ Ingle \_\_\_\_

**2.0 AGENDA REVIEW, CHANGES, AND APPROVAL**

**3.0 PUBLIC COMMENT** – This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Committee Chairperson, please state your name and address for the record (optional). There is a time limitation of three minutes.

**4.0 BUSINESS**

**4.1 Approval of Minutes from July 21, 2025 Standing Finance Meeting  
(Pages 4-6)**

**Recommendation:** Review and approve minutes.

**4.2 Review of Cash Requirements for July, 2025 (Pages 7-10)**

**Recommendation:** Review and approve cash requirements for July, 2025, forward to the consent calendar for review and approval.

**4.3 Review of Financials – July (Pages 11-38)**

**Recommendation:** Review and approve Financials for July, 2025, forward to the consent calendar for review and approval.

**4.4 Appointment for New Auditor (Pages 39-257)**

Shall the Auburn Area Recreation and Park District's Board of Directors choose a new auditor for the Fiscal years ending 2026, 2027, and 2028?

**4.5 Resolution #2025-23 Moving Residual Funds to the Placer Co. Future Capital Construction Fund and the Placer Co. Equipment Reserve Fund (Pages 258-260)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors approve Resolution #2025-23 transferring FY 24-25 surplus/residual funds of \$400,000 to the Future Capital Construction Fund (\$300,000) and the Equipment Reserve Fund (\$100,000)?

**4.6 Placer County Auditor-Controller MOU (Pages 261-263)**

Shall the Auburn Area Recreation and Park District (ARD) continue a Memorandum of Understanding (MOU) with the Placer County Auditor-Controller for services provided?

**4.7 Contract Approval for Sierra Pool Chlorine Generator Electrode Stack Replacement (Pages 264-267)**

Shall the Auburn Recreation District Board of Directors approve a contract with Knorr Systems Inc. for the replacement of the electrode stacks for the NEXGEN chlorine generating system?

**Discussion Items:**

1. California CLASS (Pages 269-272)
2. County Mitigation Fund, \$518,320
3. City Mitigation Fund, current balance \$199,105, all funds allocated
4. Placer County Investment Report as of June 30, 2025 (Pages 273-286)

**5.0 ITEMS TO BE CONSIDERED AT FUTURE STANDING FINANCE MEETINGS**

None.

**6.0 PENDING ITEMS REQUIRING MORE DETAILED RESEARCH**

None.

## ADJOURNMENT

AUBURN AREA RECREATION AND PARK DISTRICT  
This agenda is hereby certified to have been posted as follows:

Aug. 14, 2025  
Date

10:00 AM  
Time

Cathy Warkent  
Secretary to the Board

**SECTION: 4.0**

**ITEM: 4.1 APPROVAL OF MINUTES FROM JULY,  
2025 STANDING FINANCE MEETING**

**DESCRIPTION: SEE ATTACHED MINUTES**

**INFORMATION:**

**STAFF  
RECOMMENDATION: REVIEW AND APPROVE**

**FISCAL IMPACT:**



**Auburn Area Recreation and Park District  
Meeting Minutes  
of the Standing Finance Committee  
Monday, July 21, 2025 at 11:00 AM  
Canyon View Community Center, Board Room  
471 Maidu Drive  
Auburn, California 95603**

**1.0 CALL TO ORDER**

The meeting of the Standing Finance Committee was called to order at 11:27 AM.

**ROLL CALL**

Chairperson Ingle and Vice-Chairperson Lynch were present.

**2.0 AGENDA REVIEW, CHANGES AND APPROVAL**

The agenda was approved by Chairperson Ingle and Vice-Chairperson Lynch as written.

**3.0 PUBLIC COMMENT- This is the time wherein any person may comment on an item not on the agenda within the subject matter jurisdiction of the Committee. After you are recognized by the Committee Chairperson, please state your name and address for the record (optional). There is a time limitation of three minutes.**

Chairperson Ingle would like to change the meeting date of the Standing Finance Committee to 10:30 AM on Wednesdays starting in September, 2025.

**4.0 BUSINESS**

**4.1 Approval of Minutes from June, 2025 Standing Finance Meeting**

Chairperson Ingle and Vice-Chairperson Lynch approved the minutes from the June 16, 2025 Standing Finance Meeting.

**4.2 Review of Cash Requirements for June, 2025**

Chairperson Ingle and Vice-Chairperson Lynch approved the Cash Requirements for June and forwarded this item to the consent calendar for review and approval.

**4.3 Review of Financials - June**

Chairperson Ingle and Vice-Chairperson Lynch approved the Review of Financials - June and forwarded this item to the consent calendar for review and approval.

**4.4 Annual Audit for Fiscal Year 2024-2025**

Chairperson Ingle and Vice-Chairperson Lynch forwarded this item to the Board of Directors for review.

**4.5 District Administrator contract amendment – Review Merit Increase**

Vice-Chairperson Lynch and Chairperson Ingle approved the District Administrator contract amendment – Review Merit Increase and forwarded this item to the Board of Directors for review and approval.

**4.6 Resolution #2025-19: Transfer of Future Capital Construction Reserves of \$20,400 to the General Fund**

Vice-Chairperson Lynch and Chairperson Ingle approved Resolution #2025-19: Transfer of Future Capital Construction Reserves of \$20,400 to the General Fund and forwarded this item to the consent calendar for review and approval.

**4.7 Resolution #2025-20: Transfer of \$80,000 from the Equipment Reserve Fund to the General Fund**

Chairperson Ingle and Vice-Chairperson Lynch approved Resolution #2025-20: Transfer of \$80,000 from the Equipment Reserve Fund to the General Fund and forwarded this item to the consent calendar for review and approval.

**Discussion Items:**

1. Recreation Park Bocce Court repair update: repairs on the court will commence after the planned closure and repairs of Beggs and James Field. The work will start by the end of August. This item was discussed.
2. Beggs Field Scoreboard. This item was discussed.
3. County Mitigation Fund, \$518,320. This item was discussed.
4. City Mitigation Fund, current balance \$198,469 (Available Funds - None). This item was not discussed.
5. Placer County Investment Report as of May 31, 2025. This item was not discussed.

**5.0 ITEMS TO BE CONSIDERED AT FUTURE STANDING FINANCE MEETINGS**

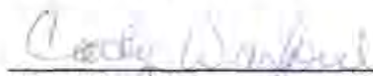
None.

**6.0 PENDING ITEMS REQUIRING MORE DETAILED RESEARCH**

None.

**ADJOURNED**

As there was no further business, the meeting was adjourned at 12:08 PM.

  
\_\_\_\_\_  
Board Secretary

  
\_\_\_\_\_  
Date

**SECTION: 4.0**

**ITEM: 4.2 REVIEW OF CASH REQUIREMENTS FOR  
JULY, 2025**

**DESCRIPTION: SEE ATTACHMENT**

**INFORMATION:**

**STAFF  
RECOMMENDATION: REVIEW AND APPROVE, FORWARD TO THE  
BOARD OF DIRECTORS FOR REVIEW AND  
APPROVAL**

**SEE ATTACHED LISTING  
OF EXPENSES: \$461,198.07**

Auburn Rec & Park  
VENDOR CHECK REGISTER REPORT  
Payables Management

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	7/1/2025
Vendor ID	First	Last	Checkbook ID	COMM 1ST
Vendor Name	First	Last		COMM 1ST

Sorted By: Check Number

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
27824	1099-271	Koelsch, Anthony dba Kelpro Se	7/3/2025	COMM 1ST	PMCHK00003196	\$3,981.00
27825	A0014	AT&T	7/3/2025	COMM 1ST	PMCHK00003196	\$91.65
27826	A0051	Anderson's Sierra Pipe Co.	7/3/2025	COMM 1ST	PMCHK00003196	\$153.35
27827	A0115	Auburn Hardware & Rental LLC	7/3/2025	COMM 1ST	PMCHK00003196	\$301.60
27828	A1010	Advantage Martketing and Print	7/3/2025	COMM 1ST	PMCHK00003196	\$75.08
27829	B0069	Bidwell Water	7/3/2025	COMM 1ST	PMCHK00003196	\$252.05
27830	C0058	City Of Auburn	7/3/2025	COMM 1ST	PMCHK00003196	\$21,460.68
27831	C0120	Capture Technologies	7/3/2025	COMM 1ST	PMCHK00003196	\$596.89
27832	D0010	Diamond Pacific	7/3/2025	COMM 1ST	PMCHK00003196	\$17.97
27833	D0016	Dancing Dog Productions	7/3/2025	COMM 1ST	PMCHK00003196	\$232.30
27834	D0025	Dawson Oil Company	7/3/2025	COMM 1ST	PMCHK00003196	\$4,345.31
27835	F0015.	Folsom Lock & Key	7/3/2025	COMM 1ST	PMCHK00003196	\$4,563.14
27836	F0038	Fastenal Company	7/3/2025	COMM 1ST	PMCHK00003196	\$597.74
27837	K0031	Keller Supply Company	7/3/2025	COMM 1ST	PMCHK00003196	\$4,380.87
27838	M0098	Meadow Vista County Water Dist	7/3/2025	COMM 1ST	PMCHK00003196	\$2,422.28
27839	N0003	Norris Electric, Inc.	7/3/2025	COMM 1ST	PMCHK00003196	\$1,592.36
27840	N0045	Near U CO2	7/3/2025	COMM 1ST	PMCHK00003196	\$615.81
27841	P0005	Placer County Water Agency	7/3/2025	COMM 1ST	PMCHK00003196	\$1,480.82
27842	P0007	Pacific Gas & Electric Company	7/3/2025	COMM 1ST	PMCHK00003196	\$844.12
27843	R0025	Rotary Club of Auburn	7/3/2025	COMM 1ST	PMCHK00003196	\$22.00
27844	R0065	River City Rentals	7/3/2025	COMM 1ST	PMCHK00003196	\$280.00
27845	R0072	Robinson Sand & Gravel	7/3/2025	COMM 1ST	PMCHK00003196	\$589.87
27846	S0067	Superfast Copy	7/3/2025	COMM 1ST	PMCHK00003196	\$17.01
27847	S0152	SiteOne Landscape Supply, LLC	7/3/2025	COMM 1ST	PMCHK00003196	\$238.90
27848	S0166	Sierra Snake Removal	7/3/2025	COMM 1ST	PMCHK00003196	\$450.00
27849	S1000	State Of California/DOJ	7/3/2025	COMM 1ST	PMCHK00003196	\$360.00
27850	S1007	Stationary Engineers, Local 39	7/3/2025	COMM 1ST	PMCHK00003196	\$459.24
27851	TEMPJ	Barbara Jetton	7/3/2025	COMM 1ST	PMCHK00003196	\$220.00
27852	TEMPM	Jackie Moriarty	7/3/2025	COMM 1ST	PMCHK00003196	\$450.00
27853	TEMPP	Julie Petersen	7/3/2025	COMM 1ST	PMCHK00003196	\$763.00
27854	TEMPS	Laurel Sanders	7/3/2025	COMM 1ST	PMCHK00003196	\$180.00
27855	U0035	U.S.Bank Equipment Finance	7/3/2025	COMM 1ST	PMCHK00003196	\$171.41
27856	W0001	Walker's Office Supplies, Inc.	7/3/2025	COMM 1ST	PMCHK00003196	\$1,059.31
27857	W0054	Wizix Technology Group	7/3/2025	COMM 1ST	PMCHK00003196	\$154.12
27858	1099-256	Healing Pastures, Inc.	7/11/2025	COMM 1ST	PMCHK00003198	\$1,710.00
27859	1099-269	Deborah Lynn	7/11/2025	COMM 1ST	PMCHK00003198	\$390.00
27860	1099-375	Jennifer Rogers	7/11/2025	COMM 1ST	PMCHK00003198	\$393.25
27861	1099-376	Joanna Britt	7/11/2025	COMM 1ST	PMCHK00003198	\$336.70
27862	W0042	Live Oak Waldorf School	7/11/2025	COMM 1ST	PMCHK00003198	\$12,243.00
27863	U0019	US Bank	7/18/2025	COMM 1ST	PMCHK00003199	\$17,451.42
27864	1099-271	Koelsch, Anthony dba Kelpro Se	7/18/2025	COMM 1ST	PMCHK00003200	\$1,348.00
27865	A0001	Recology Auburn Placer	7/18/2025	COMM 1ST	PMCHK00003200	\$2,158.56
27866	A0027	Recology Auburn Placer	7/18/2025	COMM 1ST	PMCHK00003200	\$1,548.95
27867	A0051	Anderson's Sierra Pipe Co.	7/18/2025	COMM 1ST	PMCHK00003200	\$277.46
27868	A0115	Auburn Hardware & Rental LLC	7/18/2025	COMM 1ST	PMCHK00003200	\$131.84
27869	A0172	ABT Plumbing, Electric, Heat &	7/18/2025	COMM 1ST	PMCHK00003200	\$1,500.00
27870	A1010	Advantage Martketing and Print	7/18/2025	COMM 1ST	PMCHK00003200	\$225.23
27871	B0078	Buckmaster Office Solutions	7/18/2025	COMM 1ST	PMCHK00003200	\$185.97
27872	C0002	CARPD	7/18/2025	COMM 1ST	PMCHK00003200	\$3,500.00
27873	C0004	CAPRI	7/18/2025	COMM 1ST	PMCHK00003200	\$120,064.50
27874	D0101	DuPratt Ford Auburn	7/18/2025	COMM 1ST	PMCHK00003200	\$105.50
27875	F0015.	Folsom Lock & Key	7/18/2025	COMM 1ST	PMCHK00003200	\$5,516.04
27876	H0056	Humana Dental Ins. Co	7/18/2025	COMM 1ST	PMCHK00003200	\$2,565.18
27877	K0010	Knorr Systems, Inc.	7/18/2025	COMM 1ST	PMCHK00003200	\$6,055.15
27878	K0031	Keller Supply Company	7/18/2025	COMM 1ST	PMCHK00003200	\$2,628.22
27879	L0043	L Ph Bolander	7/18/2025	COMM 1ST	PMCHK00003200	\$138.32



Auburn Rec & Park  
 VENDOR CHECK REGISTER REPORT  
 Payables Management

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
27880	M0035	Meadow Vista Community Center	7/18/2025	COMM 1ST	PMCHK00003200	\$3,165.60
27881	N0045	Near U CO2	7/18/2025	COMM 1ST	PMCHK00003200	\$540.41
27882	N0048	Normac, Inc.	7/18/2025	COMM 1ST	PMCHK00003200	\$552.25
27883	P0007	Pacific Gas & Electric Company	7/18/2025	COMM 1ST	PMCHK00003200	\$12,683.19
27884	R0072	Robinson Sand & Gravel	7/18/2025	COMM 1ST	PMCHK00003200	\$32.18
27885	R0073	NAPA Auto Parts	7/18/2025	COMM 1ST	PMCHK00003200	\$125.30
27886	S0063	Simpson & Simpson, Inc.	7/18/2025	COMM 1ST	PMCHK00003200	\$156,984.20
27887	S0094	Manouch Shirvanioun	7/18/2025	COMM 1ST	PMCHK00003200	\$56.00
27888	S0143	SMOA	7/18/2025	COMM 1ST	PMCHK00003200	\$1,810.00
27889	S1000	State Of California/DOJ	7/18/2025	COMM 1ST	PMCHK00003200	\$328.00
27890	T0031	Turf Star, Inc.	7/18/2025	COMM 1ST	PMCHK00003200	\$421.71
27891	TEMPA	Kira Adams	7/18/2025	COMM 1ST	PMCHK00003200	\$225.00
27892	TEMPD	Carrie Donovan	7/18/2025	COMM 1ST	PMCHK00003200	\$110.00
27893	TEMPF	Jeremy Ftitzinger	7/18/2025	COMM 1ST	PMCHK00003200	\$120.00
27894	TEMPL	Megan Lingo	7/18/2025	COMM 1ST	PMCHK00003200	\$120.00
27895	TEMPM	Jess Mermud	7/18/2025	COMM 1ST	PMCHK00003200	\$120.00
27896	TEMPN	Annie Nypl	7/18/2025	COMM 1ST	PMCHK00003200	\$235.00
27897	TEMPS	Adam Smitheram	7/18/2025	COMM 1ST	PMCHK00003200	\$60.00
27898	U0034	Greater Sacramento Softball As	7/18/2025	COMM 1ST	PMCHK00003200	\$1,645.00
27899	V0004	Pape Machinery	7/18/2025	COMM 1ST	PMCHK00003200	\$8,303.79
27900	W0001	Walker's Office Supplies, Inc.	7/18/2025	COMM 1ST	PMCHK00003200	\$1,547.30
27901	W0003	Warehouse Paint Incorporated	7/18/2025	COMM 1ST	PMCHK00003200	\$161.37
27902	W0044	Wave	7/18/2025	COMM 1ST	PMCHK00003200	\$1,266.58
27903	S1007	Stationary Engineers, Local 39	7/18/2025	COMM 1ST	PMCHK00003201	\$459.93
27904	TEMPM	Miranda Mraz	7/18/2025	COMM 1ST	PMCHK00003201	\$110.00
27905	TEMPS	Jenna Sotomayor	7/18/2025	COMM 1ST	PMCHK00003201	\$110.00
27906	M0079	Joe Mason Carlson	7/18/2025	COMM 1ST	PMCHK00003202	\$50.00
27907	TEMPM	Nichole Miller	7/18/2025	COMM 1ST	PMCHK00003202	\$235.00
27908	1099-328	Douglas Christensen	7/25/2025	COMM 1ST	PMCHK00003203	\$4,563.00
27909	1099-375	Jennifer Rogers	7/25/2025	COMM 1ST	PMCHK00003203	\$19.50
27910	1099-392	Benjamin Hanley	7/25/2025	COMM 1ST	PMCHK00003203	\$1,358.50
27911	A0013	AT&T	7/25/2025	COMM 1ST	PMCHK00003203	\$74.90
27912	A0051	Anderson's Sierra Pipe Co.	7/25/2025	COMM 1ST	PMCHK00003203	\$85.43
27913	A0115	Auburn Hardware & Rental LLC	7/25/2025	COMM 1ST	PMCHK00003203	\$191.84
27914	A1010	Advantage Martketing and Print	7/25/2025	COMM 1ST	PMCHK00003203	\$142.64
27915	C0111	Cal.net	7/25/2025	COMM 1ST	PMCHK00003203	\$66.94
27916	C0113	Cooks Portable Toilets & Septi	7/25/2025	COMM 1ST	PMCHK00003203	\$765.00
27917	C0133	California Smog	7/25/2025	COMM 1ST	PMCHK00003203	\$80.00
27918	D0096	DC Solar Electric, Inc.	7/25/2025	COMM 1ST	PMCHK00003203	\$550.00
27919	G0078	GameTime	7/25/2025	COMM 1ST	PMCHK00003203	\$537.30
27920	K0090	Kavanagh, James dba Vision Soc	7/25/2025	COMM 1ST	PMCHK00003203	\$2,788.50
27921	L0039	Leaf	7/25/2025	COMM 1ST	PMCHK00003203	\$159.80
27922	N0012	Nevada Irrigation District	7/25/2025	COMM 1ST	PMCHK00003203	\$872.55
27923	P0005	Placer County Water Agency	7/25/2025	COMM 1ST	PMCHK00003203	\$5,568.81
27924	P0021	Petty Cash	7/25/2025	COMM 1ST	PMCHK00003203	\$245.69
27925	R0025	Rotary Club of Auburn	7/25/2025	COMM 1ST	PMCHK00003203	\$22.00
27926	R0073	NAPA Auto Parts	7/25/2025	COMM 1ST	PMCHK00003203	\$181.94
27927	S0166	Sierra Snake Removal	7/25/2025	COMM 1ST	PMCHK00003203	\$350.00
27928	T0055	TimeClock Plus by Data Managem	7/25/2025	COMM 1ST	PMCHK00003203	\$72.00
27929	T1000	Transamerica Life Insurance	7/25/2025	COMM 1ST	PMCHK00003203	\$520.00
27930	TEMPS	Nolan Sundrud	7/25/2025	COMM 1ST	PMCHK00003203	\$135.00
27931	V0007	Verizon Wireless	7/25/2025	COMM 1ST	PMCHK00003203	\$825.38
27932	W0001	Walker's Office Supplies, Inc.	7/25/2025	COMM 1ST	PMCHK00003203	\$1,128.82
27933	W0042	Live Oak Waldorf School	7/25/2025	COMM 1ST	PMCHK00003203	\$4,095.00
ACH313	1099-103	Terry Masten	7/11/2025	COMM 1ST	PMCHK00003197	\$22.75
ACH314	1099-218	Auburn Gymnastics Center	7/11/2025	COMM 1ST	PMCHK00003197	\$796.25
ACH315	1099-221	Timothy Bowen	7/11/2025	COMM 1ST	PMCHK00003197	\$2,457.00
ACH316	1099-313	Alison Lloyd	7/11/2025	COMM 1ST	PMCHK00003197	\$1,794.00
ACH317	1099-342	Susie Bell	7/11/2025	COMM 1ST	PMCHK00003197	\$1,274.00
ACH318	1099-343	Faith Petersen	7/11/2025	COMM 1ST	PMCHK00003197	\$845.00
ACH319	1099-374	Sarah Violet	7/11/2025	COMM 1ST	PMCHK00003197	\$135.00
ACH320	A0175	Arcstrem dba Intellibricks	7/11/2025	COMM 1ST	PMCHK00003197	\$1,755.00
ACH321	B0071	Mark Brunner	7/11/2025	COMM 1ST	PMCHK00003197	\$64.40

System: 7/31/2025 1:10:52 PM  
User Date: 7/31/2025

Auburn Rec & Park  
VENDOR CHECK REGISTER REPORT  
Payables Management

Page: 3  
User ID: D Shaw

\* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
ACH322	S0154	Mike Scheele	7/11/2025	COMM 1ST	PMCHK00003197	\$264.60
ACH323	W1006	Audrey Warren	7/11/2025	COMM 1ST	PMCHK00003197	\$79.35
ACH324	1099-117	Juan Aceituno	7/25/2025	COMM 1ST	PMCHK00003204	\$162.50
ACH325	1099-342	Susie Bell	7/25/2025	COMM 1ST	PMCHK00003204	\$448.50
ACH326	C1011	Kasey Casl	7/25/2025	COMM 1ST	PMCHK00003204	\$32.90
ACH327	F0023	Jerry Fisher	7/25/2025	COMM 1ST	PMCHK00003204	\$77.00
ACH328	S0170	Diane Shaw	7/25/2025	COMM 1ST	PMCHK00003204	\$14.70
ACH329	W0045	Williams, Jesse	7/25/2025	COMM 1ST	PMCHK00003204	\$103.60
Total Checks: 127						
Total Amount of Checks:						\$461,198.07

**SECTION: 4.0**

**ITEM: 4.3 REVIEW OF FINANCIALS FOR JULY, 2025**

**DESCRIPTION: SEE ATTACHED**

**INFORMATION: REVIEW AND APPROVE, FORWARD TO THE  
CONSENT CALENDAR FOR REVIEW AND  
APPROVAL**

**FISCAL IMPACT: NONE**

**Prepared By:** Veona Galbraith  
**Title:** Administrative Services Manager  
**Date:** 8.12.25

## **April Financials Summary Report**

**Period Covered:** July 2025

### **Executive Summary**

For the year 2025-2026, the Financials reflect the Final budget for 2025-2026. This report outlines key areas where actual financials deviated by **\$10,000** or more from the budget, both over and under budget.

### **Revenue Overview**

- **Total Revenue:** \$3,007,795 YTD
- **Budgeted Revenue:** \$2,934,467 YTD
- **Variance:** +\$73,328

#### **Significant Variances:**

##### **1. Park & Recreation Program Revenue**

- **Actual:** \$815,068
- **Budgeted:** \$758,780
- **Variance:** +\$56,588
- **Explanation:** Youth Services' Rec Day Cam came in \$9,096 over the estimated budget and Preschool is \$6,727 over expected revenue. Recreations Services' Adult Softball program took in \$14,805 that was not budgeted for, and Youth Camps came in \$19,814 above budget.

##### **2. Grants and Donations Revenue**

- **Actual:** \$26,493
- **Budgeted:** \$6,601
- **Variance:** +\$19,892
- **Explanation:** Youth Services had unexpected grant funds of \$6,278, and Facilities and Grounds had In-kind donations from Sierra Little League for the ball field in Meadow Vista of \$9,579 for this year, which contributes to the overage in Capital Improvements as well



### 3. Tax Revenue

- **Actual:** \$1,987,633
- **Budgeted:** \$1,999,993
- **Variance:** **-\$12,360**
- **Explanation:** Current Supplemental Property Taxes are coming in lower than expected by \$12,066.

### Expense Overview

- **Total Expenses:** \$2,304,101 YTD
- **Budgeted Expenses:** \$2,313,043 YTD
- **Variance:** **-8,942**

#### Significant Variances:

#### 1. Operations & Supplies Expenses

- **Actual:** \$193,924
- **Budgeted:** \$214,742
- **Variance:** **-\$20,818**

2. **Explanation:** Liability Expense is lower than anticipated saving the District \$6,806 at this point. Small Tools and Gas expenses are currently below budget for Facilities and Grounds (\$11,182).

#### 3. Bldg. and Grounds Maintenance Expenses

- **Actual:** \$199,071
- **Budgeted:** \$185,062
- **Variance:** **+\$14,009**
- **Explanation:** Maintenance on Equipment is over by \$12,135, and the added maintenance at Meadow Vista Park has put us over by \$9,199.

#### 4. Benefits & Payroll Costs

- **Actual:** \$485,349
- **Budgeted:** \$502,319
- **Variance:** **-16,970**
- **Explanation:** Facilities & Grounds are down in Benefits by \$5,081 due to one short position. CalPERS Prefunding came in \$8,010 because of our contribution to the District's UFL. (Unfunded Liability)

## 5. Capital Improvement Projects

- **Actual:** \$211,057
- **Budgeted:** \$183,200
- **Variance:** +\$27,857
- **Explanation:** The Meadow Vista Ballfield was scheduled to have the electrical put in before the end of March (\$21,101+9,579 of in-kind expenses). This project was postponed until the next fiscal year, after the 2025-2026 budget was approved.

## Summary and Recommendations

### Recommendations:

- None at this time.

### *Veona's Appointments to Note for July:*

- 3 Oracle NetSuite (Accounting Program) meetings
- Zoom with California Special Districts, Glenn Lazof for new program advice
- Call with Grechen from the City on Trust Fund Balance
- 1 Sage Intacct (Accounting Program) meeting

**PROFIT & LOSS**  
**25/26 Approved Budget**

	Approved Budget 25-26	% Of Total	Mid-Yr Revision 25-26	% Of Total	2025 July ACTUALS	Last Yr July Actuals	2025-26 YTD ACTUALS	2025-26 YTD BUDGET	Last Yr YTD ACTUALS
<b>Operating Revenues</b>									
Program Revenue	1,662,083	21%			254,415	214,757	815,068	758,480	692,872
Facility Revenue	228,189	3%			18,462	19,243	113,470	115,171	107,369
Misc. Revenue	75,187	1%			6,139	9,993	20,456	18,080	24,325
Grants & Donations	25,932	0%			17,020	4,516	26,493	6,601	29,197
Interest/Investment Income	109,528	1%			15,704	24,874	44,675	36,142	51,776
Equipment Reserve Transfers	211,015	3%			80,000	-	80,000	80,000	-
Future Cap. COVID & ADA Transfers	780,000	10%			20,400	-	20,400	20,400	-
Tax Revenue	4,569,432	57%			217,611	218,647	1,974,029	1,986,207	1,910,866
Atwood	31,249	0%			1,512	1,473	13,604	13,786	13,256
City Mitigation Transfers/Rev	200,000	3%			-	-	-	-	-
County Mitigation Revenue	85,000	1%			-	-	-	-	-
<b>Total Operating Revenue</b>	<b>7,977,615</b>	<b>100%</b>	<b>-</b>	<b>100.0</b>	<b>631,262</b>	<b>493,503</b>	<b>3,108,195</b>	<b>3,034,867</b>	<b>2,829,661</b>
<b>Expenditures</b>									
Program Expense	345,494	4%			43,033	43,019	109,857	111,040	100,707
Operating & Supplies	635,938	8%			47,237	48,902	193,924	214,742	193,618
Utilities Expense	325,707	4%			47,244	26,466	61,990	65,286	41,305
Professional Services	100,618	1%			572	1,073	36,822	35,882	30,023
Building & Grounds Maintenance	568,103	7%			45,486	55,992	199,071	185,062	167,693
Property Tax Admin.	80,013	1%			-	-	-	-	-
Wages	2,929,264	38%			285,910	260,031	850,235	855,517	836,328
Benefits & Payroll Costs	1,294,158	17%			215,767	192,492	485,349	502,319	445,082
Fixed Asset Expense	241,515	3%			3,002	-	83,702	87,900	32,703
Capital Improvement Projects	1,055,000	14%			163,457	25,148	211,057	183,200	97,002
Debt Services	167,105	2%			-	-	72,095	72,095	72,757
<b>Total Expenditures</b>	<b>7,742,915</b>	<b>100%</b>	<b>-</b>	<b>100%</b>	<b>851,709</b>	<b>653,123</b>	<b>2,304,101</b>	<b>2,313,043</b>	<b>2,017,218</b>
<b>Net Revenue Over Expenditures</b>	<b>\$ 234,700</b>	<b>2.94</b>	<b>\$ -</b>		<b>\$ (220,446)</b>	<b>(159,620)</b>	<b>\$804,094</b>	<b>\$721,824</b>	<b>\$812,443</b>
Annual Contingency Reserve (1-2%)	\$ -		\$ -				Current Totals		Last yrs Totals
Annual Equip Replacement Reserve	\$ 120,000		\$ -				\$ 70,000		\$ 70,000
Future Capital Construction Reserve	\$ 50,000		\$ -				\$ 682,006		\$ 764,797
COVID Relief Funding	\$ -		\$ -				\$ 927,985		\$ 1,076,998
ADA Reserve	\$ 5,000		\$ -				\$ -		\$ 203,000
CEPPT/Prefunding	\$ 24,000		\$ -				\$ 23,009		\$ 13,009
<b>TOTALS</b>	<b>\$ 35,700</b>		<b>\$ -</b>				<b>\$ 623,437</b>		<b>\$ 569,564</b>
							<b>CEPPT</b>		<b>\$ 2,697,368</b>

## Balance Sheet

7/31/2025

	Current YTD
<b>ASSETS</b>	
<u><b>Current Assets</b></u>	
Imprest Fund (Petty Cash)	500.00
Cash Tills	330.00
First Foundation - Friends 501(c)(3)	21,005.73
First Foundation Bank	350,199.79
CLASS-Equipment Reserve	501,425.50
CLASS-Future Capital Construction	501,425.50
Placer County Treasure-General	1,485,147.68
Placer Co.- Equipment Repl Reserve	180,580.72
Placer Co.- Future Capital Construction	426,559.52
Placer Co - ADA Reserve	23,008.75
Less: Placer FMV offset	(14,904.09)
Placer Co. - Contingency Fund	70,000.00
Placer Co. - Arboretum Fund	15,613.73
Placer Co - Atwood Fund	524.42
Placer Co. - Atwood Equip Fund	1,496.08
Placer County Treasurer - City Trust	199,105.07
Accounts Receivable	62,362.55
Due From Other Governments	59,667.06
Due From Other Funds - Atwood	2,020.08
PCOE Receivables	23,157.00
ELOP Receivables	34,645.75
Lease Recievables - Current	35,293.00
Prepaid Expenses	266.75
Prepaid Liability Expense	100,053.75
Prepaid Workers Comp Insurance	102,687.54
<b>Total Current Assets</b>	<b>4,182,171.88</b>
<u><b>Non-Current Assets</b></u>	
CEPPT (CalPERS) Trust	623,436.98
Lease Receivables	36,823.00
<b>Total Non-Current Assets</b>	<b>660,259.98</b>
<u><b>Restricted Reserve Funds</b></u>	
<b>Total Restricted Funds</b>	<b>0.00</b>
<u><b>Fixed Assets</b></u>	
Fixed Assets: Land	1,970,546.12
Fixed Assets: Structures	11,192,210.76
Fixed Assets: Equipment	3,928,266.23
Fixed Assets: Computer Equipment & Software	70,252.13
Fixed Assets: Vehicles	438,473.65
Fixed Assets: Office Furniture & Rec Equipment	290,954.92
Construction In Progress	542,990.69
Less: Accumulated Depreciation	(9,162,326.65)
<b>Total Fixed Assets</b>	<b>9,271,367.85</b>
<u><b>Deferred Outflows of Resources</b></u>	
Pensions - Def Outflows of Resources	709,123.00
	709,123.00
<b>TOTAL ASSETS</b>	<b>14,822,922.71</b>



## LIABILITIES AND NET PROFIT

### Current Liabilities

Deferred Civic Rec Revenue	80,328.10
Prepaid Revenue	632.00
Unearned Civic Rec A/R Offset	49,534.95
User Credits Payable	16,064.28
State Checks Liability	860.96
Refundable Liability (Refunds)	43.80
PGE Tru-up payable	2,735.22
Due to Other Funds - General	2,020.08
Gift Certificates Unearned	69.90
Gift Certificates - Not Purchased (Prizes)	414.00
Prepaid Newcastle Discovery Club Revenue	10,989.00
Compensated Absences	210,349.69
Sales Tax Payable	87.00
Worker's Comp Payable	6,006.61
State Tax Withholding Payable	0.03
Lease Payable - Current	127,000.00

**Total Current Liabilities** **\$507,135.62**

### Long Term Liabilities

Lease Payable - Sterling Bank	1,589,000.00
Net OPEB Liability	241,537.00
Net Pension Liability	1,382,607.00

**Total Long Term Liabilities** **3,213,144.00**

**TOTAL LIABILITIES** **3,720,279.62**

### Deferred Inflows of Resources

Pensions - Def Inflows of Resources	70,662.00
OPEB - Def Inflows	212,287.00
Deferred Inflows - Leases	66,957.38

349,906.38

### Net Position

Investments in Fixed Assets	7,555,368.00
RFB: Reserved City Mitigation	195,952.00
GFB: Youth Assistance Fund	75,788.73
General Fund Balance	557,746.44
RFB: COVID Relief Funding	4,649.00
DFB: Annual Equip Replacement Reserv.	640,580.72
DFB: Annual Contingency Reserve	70,000.00
DFB: Designated for Future Capital Construction	892,310.52
RFB: Arboretum Grant Fund	15,613.73
RFB: Atwood Reserves	524.00
RFB: Atwood Equip Fund	1,495.00
RFB: 501(c)(3) Fund	21,005.73
GFB: General Fund (ADA Reserve)	18,008.75
Net Profit (Loss)	703,694.09

**Total Net Postion** **\$10,752,736.71**

**TOTAL LIABILITY AND NET POSITION** **\$14,822,922.71**

**Auburn Rec & Park**

Profit & Loss - Summary  
4/1/2025 To 7/31/2025

For All Segment1s

For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
OPERATING REVENUE					
Park & Recreation Services	254,415.04	815,068.41	758,480.00	56,588.41	107.46
Rents & Concessions	18,461.84	113,470.02	115,171.00	(1,700.98)	98.52
Miscellaneous Revenue	6,139.05	20,456.07	18,080.00	2,376.07	113.14
Grants & Donations	17,019.68	26,492.83	6,601.00	19,891.83	401.35
Interest Income	15,704.22	44,674.96	36,142.00	8,532.96	123.61
Taxes Revenue	219,122.91	1,987,633.06	1,999,993.00	(12,359.94)	99.38
TOTAL OPERATING REVENUE	\$530,862.74	\$3,007,795.35	\$2,934,467.00	\$73,328.35	102.50%
OTHER FINANCING SOURCES					
Transfer Funds from other sources	100,400.00	275,400.00	275,400.00	0.00	100.00
TOTAL OTHER FINANCING SOURCES	\$100,400.00	\$275,400.00	\$275,400.00	\$0.00	100.00%
TOTAL REVENUES	530,862.74	3,007,795.35	2,934,467.00	73,328.35	102.50
EXPENDITURES					
Program Expenses	43,032.76	109,856.53)	111,040.00	(1,183.47)	98.93
Operations & Supplies Expense	47,237.22	193,924.49	214,742.00	(20,817.51)	90.31
Utilities Expense	47,244.01	61,989.75	65,286.00	(3,296.25)	94.95
Legal Expenses	0.00	2,400.00	3,000.00	(600.00)	80.00
Professional Services	572.00	34,422.11	32,882.00	1,540.11	104.68
Bldg & Grounds Maintenance	45,486.20	199,070.62	185,062.00	14,008.62	107.57
Salaries Expense	285,910.01	850,235.20	855,517.00	(5,281.80)	99.38
Benefits & Payroll Costs	215,767.45	485,349.02	502,319.00	(16,969.98)	96.62
Fixed Asset Expense	3,001.93	83,701.93	87,900.00	(4,198.07)	95.22
Capital Improvement Projects	163,456.95	211,056.81	183,200.00	27,856.81	115.21
Debt Service	0.00	72,094.80	72,095.00	(0.20)	100.00

Auburn Rec & Park  
Profit & Loss - Summary  
4/1/2025 To 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
TOTAL EXPENDITURES	851,708.53	2,304,101.26	2,313,043.00	(8,941.74)	99.61
OTHER EXPENSING SOURCES					
Transfers Out	100,400.00	275,400.00	275,400.00	0.00	100.00
TOTAL OTHER EXPENSING SOURCES	100,400.00	275,400.00	275,400.00	0.00	100.00
TOTAL EXPENDITURES	\$851,708.53	\$2,304,101.26	\$2,313,043.00	(\$8,941.74)	99.61%
REVENUE OVER EXPENSES	(\$320,845.79)	\$703,694.09	\$621,424.00	\$82,270.09	113.24%
NET REVENUE OVER EXPENDITURES	(\$320,845.79)	\$703,694.09	\$621,424.00	\$82,270.09	113.24%

**Auburn Rec & Park**

Profit &amp; Loss - Detail

4/1/2025 to 7/31/2025

For All Segment1s

For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
OPERATING REVENUE					
Park & Recreation Services					
Aub Elem DSC Rev	18.48	32,286.50	26,937.00	5,349.50	119.86
Skyridge DSC Rev	6,719.00	57,364.19	60,557.00	(3,192.81)	94.73
Day Camp Skyridge Rev	22,628.00	39,656.00	48,480.00	(8,824.00)	81.80
Day Camp (REC) Rev	74,435.00	134,464.00	125,368.00	9,096.00	107.26
Day Camp Memberships	400.00	8,930.00	0.00	8,930.00	0.00
Day Camp (REG) Rev	34,387.00	57,647.25	62,709.00	(5,061.75)	91.93
Preschool Revenue	0.00	26,195.20	19,468.00	6,727.20	134.56
Newcastle DSC Revenue	36.00	59,990.00	58,425.00	1,565.00	102.68
Adult Softball	0.00	29,574.50	14,770.00	14,804.50	200.23
Adult Basketball	4,050.00	8,845.45	5,562.00	3,283.45	159.03
Adult Volleyball	0.00	2,680.50	2,257.00	423.50	118.76
Pickle Ball Revenue	20.00	212.50	0.00	212.50	0.00
Adult Classes	1,568.00	16,282.65	15,041.00	1,241.65	108.26
Adult Class Rev - Bureau	0.00	799.00	3,621.00	(2,822.00)	22.07
Bocce Ball Prog Revenue	66.00	1,232.00	943.00	289.00	130.65
Youth Basketball	0.00	(145.00)	0.00	(145.00)	0.00
Youth Classes	2,214.00	30,992.75	25,136.00	5,856.75	123.30
Youth Class Rev - Bureau	0.00	540.00	2,090.00	(1,550.00)	25.84
Youth Volleyball	0.00	8,520.00	10,128.00	(1,608.00)	84.12
Aquatic Activities - Sierra Pool	2,986.20	15,103.70	18,503.00	(3,399.30)	81.63
Master Swim Revenue	1,275.00	5,294.40	4,153.00	1,141.40	127.48
Public Swim - MS Sierra Pool	11,816.50	29,295.50	26,565.00	2,730.50	110.28
Public Swim - Placer Hills Pool	2,839.00	6,752.00	2,577.00	4,175.00	262.01
Swim Lessons	17,104.00	39,104.00	53,436.00	(14,332.00)	73.18
Swim Lessons - PH	3,980.00	12,212.00	4,224.00	7,988.00	289.11
Swim Team Revenue	0.00	30,207.75	31,246.00	(1,038.25)	96.68
Synchro Team	0.00	14,285.00	12,312.00	1,973.00	116.03



Auburn Rec & Park  
Profit & Loss - Detail  
4/1/2025 to 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Youth Camps Revenue	38,820.00	64,905.00	45,091.00	19,814.00	143.94
Youth Camp Rev - Bureau	22,545.00	34,800.00	35,498.00	(698.00)	98.03
Special Events Revenue	0.00	26,000.00	21,100.00	4,900.00	123.22
Special Events Rev - Preschool	0.00	2,560.00	0.00	2,560.00	0.00
Party In The Park Revenue	2,012.86	4,713.86	7,727.00	(3,013.14)	61.01
Food Truck Fiesta Revenue	445.00	1,960.00	0.00	1,960.00	0.00
Obstacle Race Revenue	2,000.00	2,000.00	2,000.00	0.00	100.00
Auburn Harvest Festival Rev	0.00	0.00	1,500.00	(1,500.00)	0.00
Egg Hunt Revenue	0.00	1,476.00	1,200.00	276.00	123.00
Parks N Big Trucks Event Revenue	200.00	200.00	700.00	(500.00)	28.57
Out of District Fees	1,850.00	7,930.71	8,835.00	(904.29)	89.77
Out of District Fees - Bureau	0.00	201.00	321.00	(120.00)	62.62
Total Parks and Recreation Services	254,415.04	815,068.41	758,480.00	56,588.41	107.46
Rents & Concessions					
Fee Waivers, Public	0.00	(3,602.18)	(4,945.00)	1,342.82	72.85
Fee Waivers, Public, Reclamation	(89.18)	(1,051.61)	(2,128.00)	1,076.39	49.42
Blue Bird Room-CVCC	199.60	798.40	800.00	(1.60)	99.80
Stella Irving Rental Revenue - Rec	0.00	2,249.10	760.00	1,489.10	295.93
Lakeside Rental Revenue - Reg	1,601.50	8,578.88	6,650.00	1,928.88	129.01
Sierra Room Rental - CVCC	1,862.60	7,463.95	2,259.00	5,204.95	330.41
Sunset Room Rental - CVCC	29.92	253.48	739.00	(485.52)	34.30
Canyon View Room Rental - CVCC	326.00	2,005.08	3,520.00	(1,514.92)	56.96
Foothills Room Rental - CVCC	755.30	3,244.71	3,539.00	(294.29)	91.68
Pool Rental Rev - Sierra/Splash	0.00	9,488.88	11,468.00	(1,979.12)	82.74
Pool Rental Rev - Placer Hills	675.00	1,800.00	2,245.00	(445.00)	80.18
American River Room - CVCC	0.00	382.20	688.00	(305.80)	55.55
Conference Rental Revenue - Rec	0.00	1,204.02	1,539.00	(334.98)	78.23
Overlook Modular Rent	666.20	2,664.80	2,664.00	0.80	100.03

Auburn Rec & Park  
Profit & Loss - Detail  
4/1/2025 to 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Gazebo Rentals	0.00	(4.85)	0.00	(4.85)	0.00
Gym Rental Revenue - Rec	0.00	(106.20)	2,020.00	(2,126.20)	(5.26)
Gym Rental Revenue - Reg	1,142.00	5,804.00	6,053.00	(249.00)	95.89
Tutor Totter Lease Agreement	664.20	2,618.12	2,511.00	107.12	104.27
Kitchen Rental Revenue - Rec	0.00	522.00	657.00	(135.00)	79.45
Kitchen Rental Revenue - CVCC	50.00	150.00	0.00	150.00	0.00
Picnic Area Rental Revenue - Rec	704.00	5,885.00	5,451.00	434.00	107.96
Picnic Area Rental Revenue - Reg	160.00	1,344.00	1,826.00	(482.00)	73.60
Picnic Area Rental Revenue - Ash	64.00	360.00	1,120.00	(760.00)	32.14
Picnic Area Rental Revenue - MV	189.00	3,005.00	2,811.00	194.00	106.90
Field "Recreation" Rental Revenue	0.00	3,506.50	3,797.00	(290.50)	92.35
Field "Bill Beane" Rental - Reg A	0.00	1,778.15	7,525.00	(5,746.85)	23.63
Field "Softball" Rental - MV	0.00	3,235.35	1,045.00	2,190.35	309.60
Field Rental - CV	51.20	1,785.60	2,368.00	(582.40)	75.41
Field Soccer/Baseball-Winchester	800.40	646.40	139.00	507.40	465.04
Field "Beggs" Rental - Rec	0.00	3,919.01	4,404.00	(484.99)	88.99
Field B (softball) Rev - Reg	324.80	5,560.00	5,764.00	(204.00)	96.46
Field "James" Rental - Rec	1,455.30	11,108.25	11,103.00	5.25	100.05
Field C (Baseball) Rental - Reg	1,560.60	3,616.00	2,054.00	1,562.00	176.05
Field "Soccer Regional" Rental	1,117.80	1,449.00	1,632.00	(183.00)	88.79
Field "Soccer A" Rental - Railhead	1,391.20	4,054.60	3,137.00	917.60	129.25
Field "Soccer B" Rental - Railhead	1,391.20	4,363.10	6,068.00	(1,704.90)	71.90
Misc Rents & Concessions	77.41	462.60	459.00	3.60	100.78
Misc Rents & Concessions - Bureau	345.79	1,964.36	1,607.00	357.36	122.24
Custodial Fees	848.00	8,712.32	8,697.00	15.32	100.18
Custodial Fees - Bureau	398.00	1,738.00	2,084.00	(346.00)	83.40
Set up/Take Down Fees	0.00	130.00	155.00	(25.00)	83.87
Set up/Take Down Fees - Bureau	(300.00)	384.00	886.00	(502.00)	43.34
	18,461.84	113,470.02	115,171.00	(1,700.98)	98.52

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
<b>Miscellaneous Revenue</b>					
Sales of an Asset - F & G	0.00	500.00	0.00	500.00	0.00
MV Comm Ctr Rentals	(1,745.60)	(228.80)	(1,848.00)	1,619.20	12.38
Alcohol Permit Fee	300.00	2,394.00	2,790.00	(396.00)	85.81
Alcohol Permit - Bureau	100.00	298.00	394.00	(96.00)	75.64
MVCC - Alcohol fee	(150.00)	0.00	0.00	0.00	0.00
MVCC Custodial Fee	(250.00)	0.00	0.00	0.00	0.00
Verizon Wireless Lease	5,913.24	14,783.10	14,782.00	1.10	100.01
Miscellaneous Income - Youth Services	0.00	0.00	400.00	(400.00)	0.00
Miscellaneous Income - F & G	1,941.41	2,529.77	1,562.00	967.77	161.96
T Shirt Sales	30.00	180.00	0.00	180.00	0.00
<b>Total Miscellaneous Revenue</b>	<b>6,139.05</b>	<b>20,456.07</b>	<b>18,080.00</b>	<b>2,376.07</b>	<b>113.14</b>
<b>Grants &amp; Donations</b>					
Youth Assistance Rev	362.00	1,644.15	1.00	1,643.15	164415.00
Donation Rev - Aqua	2,391.68	2,391.68	0.00	2,391.68	0.00
Donation Rev - F & G	7,028.00	9,579.00	0.00	9,579.00	0.00
Grant Proceeds - Y. Services	7,238.00	12,878.00	6,600.00	6,278.00	195.12
<b>Total Grants and Donations</b>	<b>17,019.68</b>	<b>26,492.83</b>	<b>6,601.00</b>	<b>19,891.83</b>	<b>401.35</b>
<b>Interest Income</b>					
Interest Income - Other	18.35	231.16	77.00	154.16	300.21
Interest Revenue - County	12,199.29	38,439.79	33,221.00	5,218.79	115.71
Interest - City Trust	635.58	3,153.01	2,844.00	309.01	110.87
CA CLASS Interest	2,851.00	2,851.00	0.00	2,851.00	0.00

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Total Interest Income	15,704.22	44,674.96	36,142.00	8,532.96	123.61
Project Revenue - Government					
Total Project Revenue - Government	0.00	0.00	0.00	0.00	0.00
Tax Revenue					
Current Secured Property Taxes General	181,624.92	1,718,050.64	1,725,362.00	(7,311.36)	99.58
Homeowner's Prop. Tax Relief	0.00	9,980.00	10,521.00	(541.00)	94.86
Current Unsecured Prop Taxes General	3,959.89	3,959.89	321.00	3,638.89	1233.61
Current Supplemental Property Taxes	24,308.85	62,147.29	74,213.00	(12,065.71)	83.74
Unitary & Op Non-unitary Tax	6,951.50	62,526.71	62,802.00	(275.29)	99.56
Delinq Unsecured Property Taxes	624.96	624.96	534.00	90.96	117.03
Timber Tax Guarantee	0.00	0.50	1.00	(0.50)	50.00
Atwood Tax Revenue	1,511.51	13,603.59	13,786.00	(182.41)	98.68
Delinquent Supplemental Tax Rev	6.93	6.93	(70.00)	76.93	(9.90)
Delinquent Secured Property Taxes	(7.19)	(7.19)	(272.00)	264.81	2.64
Railroad Unitary Property Taxes	141.54	1,273.87	1,330.00	(56.13)	95.78
RDA Pass-Throughs	0.00	115,465.87	111,465.00	4,000.87	103.59
Total Tax Revenue	219,122.91	1,987,633.06	1,999,993.00	(12,359.94)	99.38
TOTAL OPERATING REVENUE	\$530,862.74	\$3,007,795.35	\$2,934,467.00	\$73,328.35	102.50%
OTHER FINANCING SOURCES					
Transfers from Other Funding Sources					
Transfers In - General Fund	100,400.00	100,400.00	100,400.00	0.00	100.00

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Transfers In - Equipment Reserve	0.00	120,000.00	120,000.00	0.00	100.00
Transfers In - Future Capital Construction	0.00	50,000.00	50,000.00	0.00	100.00
Transfers In - ADA Reserves	0.00	5,000.00	5,000.00	0.00	100.00
<b>TOTAL OTHER FINANCING SOURCES</b>	<b>100,400.00</b>	<b>275,400.00</b>	<b>275,400.00</b>	<b>0.00</b>	<b>100.00</b>
<b>TOTAL REVENUES</b>	<b>530,862.74</b>	<b>3,007,795.35</b>	<b>2,934,467.00</b>	<b>73,328.35</b>	<b>102.50</b>

## EXPENDITURES

<b>Program Expenses</b>					
Instructor/Adult Classes	2,480.20	9,025.65	9,039.00	(13.35)	99.85
Instructor/Adult Classes - Bureau	162.50	341.25	1,562.00	(1,220.75)	21.85
Instructor/Youth Classes	1,608.00	14,280.10	14,582.00	(301.90)	97.93
Instr/Youth Classes - Bureau	0.00	351.00	146.00	205.00	240.41
Officials/Adult Softball	1,645.00	6,037.40	4,932.00	1,105.40	122.41
Officials/Adult Basketball	1,264.00	3,253.00	3,152.00	101.00	103.20
Officials/Youth Volleyball	546.00	546.00	407.00	139.00	134.15
Instructor/Youth Camps	20,876.25	23,037.50	26,460.00	(3,422.50)	87.07
Instr/Y Camp - Bureau	9,301.50	12,460.50	11,745.00	715.50	106.09
Aub Elem/Program Exp	66.91	866.03	1,046.00	(179.97)	82.79
Skyridge/Program Exp	0.00	741.15	1,816.00	(1,074.85)	40.81
Day Camp Skyridge Program Exp	1,014.41	1,621.71	1,500.00	121.71	108.11
Day Camp/Rec Program Exp	1,694.19	3,524.19	7,835.00	(4,310.81)	44.98
Day Camp REG Expense	519.98	1,183.49	1,191.00	(7.51)	99.37
Preschool - Program Exp	159.62	1,264.46	503.00	761.46	251.38
Newcastle Program Expense	0.00	1,789.36	1,437.00	352.36	124.52

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Adult Softball Expense	3.85	808.85	817.00	(8.15)	99.00
Adult Basketball Expense	0.00	0.00	158.00	(158.00)	0.00
Pickle Ball Tennis Expense	0.00	0.00	229.00	(229.00)	0.00
Youth Basketball Expense	0.00	5,970.00	270.00	5,700.00	2211.11
Youth Class Expense	0.00	0.00	8.00	(8.00)	0.00
Youth Volleyball Expense	0.00	1,923.78	1,560.00	363.78	123.32
Aquatic Activities	64.14	1,256.14	1,112.00	144.14	112.96
Public Swim Expense	249.66	1,531.17	1,540.00	(8.83)	99.43
Public Swim Exp - PH Pool	126.52	126.52	457.00	(330.48)	27.69
Swim Team	142.64	1,098.99	867.00	231.99	126.76
Synchro Team Expenses	0.00	996.40	814.00	182.40	122.41
Special Events Expenses	0.00	1,152.39	1,664.00	(511.61)	69.25
Special Events Exp - Preschool	0.00	463.33	0.00	463.33	0.00
Party in the Park Expenses	785.79	12,123.28	11,942.00	181.28	101.52
Obstacle Race Expense	0.00	0.00	138.00	(138.00)	0.00
Auburn Harvest Festival Expenses	0.00	571.45	536.00	35.45	106.61
Egg Hunt Expenses	0.00	448.46	1,200.00	(751.54)	37.37
Parks N Big Trucks Expense	321.60	590.18	375.00	215.18	157.38
Movie in the Park Event Expense	0.00	472.80	0.00	472.80	0.00
<b>Total Program Expenses</b>	<b>43,032.76</b>	<b>109,856.53</b>	<b>111,040.00</b>	<b>(1,183.47)</b>	<b>98.93</b>
<b>Operations &amp; Supplies</b>					
Cash Short/Over-Cust Serv	(44.81)	(95.81)	(10.00)	(85.81)	958.10
Merchant Fees - Youth Services	879.96	8,809.36	6,486.00	2,323.36	135.82
Merchant Fees - Cust Serv	1,190.53	9,790.16	10,773.00	(982.84)	90.88
Discounts Taken	(9.98)	295.88	(96.00)	391.88	(308.21)
T Shirt Expense (sales)	0.00	1,313.39	0.00	1,313.39	0.00
Cal Card Incentives	0.00	(778.53)	(831.00)	52.47	93.69
Penalties	0.00	2,026.26	0.00	2,026.26	0.00

Auburn Rec & Park  
Profit & Loss - Detail  
4/1/2025 to 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Advertising - Youth Services	0.00	0.00	140.00	(140.00)	0.00
Telephone - Placer Hills Pool	120.73	512.38	228.00	284.38	224.73
Telephone - Cust Serv	531.27	2,121.12	2,165.00	(43.88)	97.97
Telephone (CVCC) - Admin	462.27	1,864.78	1,896.00	(31.22)	98.35
Gift Certificates Expensed (donated)	414.00	414.00	91.00	323.00	454.95
Telephone - Youth Services	28.76	112.57	128.00	(15.43)	87.95
Telephone - Recreation	0.00	66.64	173.00	(106.36)	38.52
Telephone - Preschool	1.11	5.17	9.00	(3.83)	57.44
Telephone - Facilities & Grounds	930.71	3,851.65	3,569.00	282.65	107.92
Telephone - Day Camp	118.11	308.66	596.00	(287.34)	51.79
Telephone - Newcastle	37.00	144.84	116.00	28.84	124.86
Telephone - Aub El	41.96	156.23	118.00	38.23	132.40
Telephone - Skyridge	70.61	284.03	291.00	(6.97)	97.61
Postage - Cust Serv	0.00	500.00	525.00	(25.00)	95.24
Postage - Admin	0.00	163.85	362.00	(198.15)	45.26
Activity Guide Expense	0.00	16,668.45	16,930.00	(261.55)	98.46
Youth Assistance Expense	0.00	1,608.00	3,680.00	(2,072.00)	43.70
Office Supplies - Rec	5.35	78.25	56.00	22.25	139.73
Office Supplies - Youth Services	34.59	45.30	264.00	(218.70)	17.16
Office Supplies - F & G	52.58	345.70	749.00	(403.30)	46.16
Office Supplies-Cust Serv	1,233.55	2,167.92	1,586.00	581.92	136.69
Office Supplies - Admin	294.61	1,746.98	1,399.00	347.98	124.87
Duplication Costs	0.00	0.00	105.00	(105.00)	0.00
Office Equip Rental - Cust Serv	171.41	854.58	1,990.00	(1,135.42)	42.94
Office Equip Rental - Admin	257.45	1,189.60	1,248.00	(58.40)	95.32
Office Equip Maint - Cust Serv	185.97	516.80	0.00	516.80	0.00
Office Equip Maint - Admin	56.47	218.06	155.00	63.06	140.68
Dining Expense - F&G	75.92	75.92	0.00	75.92	0.00
Dining Expense - CS	25.00	50.00	22.00	28.00	227.27
Dining Expense	104.00	324.00	253.00	71.00	128.06

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Gas/Mileage Expense - C.Serv	56.00	140.00	140.00	0.00	100.00
Gas/Mileage Expense - Admin	14.70	262.50	504.00	(241.50)	52.08
Gas/Mileage Expense - Rec.	77.00	165.20	241.00	(75.80)	68.55
Gas/Mileage Expense - Aqua	14.00	27.30	0.00	27.30	0.00
Gas/Mileage Expense - YS	70.70	160.30	37.00	123.30	433.24
Cleaning Supplies - YS	0.00	295.92	0.00	295.92	0.00
Gas/Mileage Expense - F & G	4,755.35	14,676.12	18,067.00	(3,390.88)	81.23
General Administrative Exp - Admin	48.00	450.90	305.00	145.90	147.84
Liability Insurance - Admin	20,010.75	77,366.75	84,173.00	(6,806.25)	91.91
Board Expense	0.00	126.28	0.00	126.28	0.00
Public Relations/Marketing - Cust Serv	261.25	726.75	2,610.00	(1,883.25)	27.85
Dues and Subscriptions-Youth Services	0.00	0.00	137.00	(137.00)	0.00
Dues and Subscriptions - Admin	3,500.00	3,670.00	4,307.00	(637.00)	85.21
Dues and Subscriptions - Rec.	0.00	699.00	720.00	(21.00)	97.08
Dues and Subscriptions - F & G	29.95	81.93	85.00	(3.07)	96.39
Staff Appreciation - Youth Services	(25.00)	25.00	26.00	(1.00)	96.15
Staff Appreciation - F & G	25.00	0.00	21.00	(21.00)	0.00
Staff Appreciation - Cust Serv	0.00	0.00	20.00	(20.00)	0.00
Staff Appreciation - Admin	0.00	25.00	76.00	(51.00)	32.90
Bad Debts Expense - Y Services	0.00	0.00	818.00	(818.00)	0.00
Staff Development - Admin	0.00	0.00	524.00	(524.00)	0.00
Staff Development - Rec.	70.95	76.30	0.00	76.30	0.00
Staff Development - Aquatics	50.00	386.00	52.00	334.00	742.31
Staff Development - Youth Services	52.84	52.84	86.00	(33.16)	61.44
Staff Development - F & G	1,438.83	3,830.79	3,851.00	(20.21)	99.48
Uniform Exp - Aquatics	(447.25)	107.32	835.00	(727.68)	12.85
Uniform Allowance - YS	(176.79)	214.09	300.00	(85.91)	71.36
Uniform Exp - F & G	(51.35)	1,718.57	(318.00)	2,036.57	(540.43)
Small Equipment - Aqua	0.00	916.34	0.00	916.34	0.00
Small Tools & Equip - Facilities and Grounds	1,179.99	6,533.10	14,324.00	(7,790.90)	45.61



	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Field Marking Expense	0.00	588.48	2,296.00	(1,707.52)	25.63
Safety Supplies - F & G	246.07	1,912.29	1,504.00	408.29	127.15
Safety Supplies - Aquatics	0.00	0.00	308.00	(308.00)	0.00
Restroom Supplies - Recreation Park	2,026.32	2,359.94	1,345.00	1,014.94	175.46
Restroom Supplies - Regional Park	345.04	853.33	1,340.00	(486.67)	63.68
Restroom Supplies - Ashford Park	137.70	296.80	451.00	(154.20)	65.81
Restroom Supplies - Meadow Vista Park	151.37	338.77	514.00	(175.23)	65.91
Restroom Supplies - Railroad Park	165.06	365.80	551.00	(185.20)	66.39
Restroom Supplies - Overlook Park	165.06	365.79	555.00	(189.21)	65.91
Restroom Supplies - Placer Hills Park	137.70	296.80	452.00	(155.20)	65.66
Restroom Supplies - Rec Comm Ctr	505.88	1,308.74	1,712.00	(403.26)	76.45
Restroom Supplies - Reg Comm Ctr	422.34	968.48	1,350.00	(381.52)	71.74
Restroom Supplies - CVCC Comm Ctr	446.78	1,038.33	1,721.00	(682.67)	60.33
Sanitation - Reg Pk - Toilet	255.00	1,020.00	795.00	225.00	128.30
Sanitation - Reg - ADA PB Toilet	255.00	1,220.00	1,060.00	160.00	115.09
Sanitation - CVCC Bike Park Port Toilet	255.00	1,020.00	1,060.00	(40.00)	96.23
Sanitation - Rec Pk - Debris Box	1,987.05	5,298.80	6,015.00	(716.20)	88.09
Sanitation - Reg Pk - Disposal	829.71	2,170.37	2,287.00	(116.63)	94.90
Sanitation - MV - Disposal	456.06	1,333.19	1,343.00	(9.81)	99.27
Sanitation - CVCC - Disposal	226.03	678.09	750.00	(71.91)	90.41
Bad Debt Expense - Cust Serv	0.00	0.00	226.00	(226.00)	0.00
Total Operations & Supplies	47,237.22	193,924.49	214,742.00	(20,817.51)	90.31
Utilities Expense					
Lights - Rec Pk Beggs Field	754.03	2,028.06	2,376.00	(347.94)	85.36
Lighting Reimb.-Beggs Field	0.00	(1,573.04)	(1,662.00)	88.96	94.65
Lights - Rec Pk James Field	2,870.87	5,074.45	6,363.00	(1,288.55)	79.75
Lighting Reimb.-James Field	(356.40)	(5,375.38)	(5,486.00)	110.62	97.98

Auburn Rec & Park  
Profit & Loss - Detail  
4/1/2025 to 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Lights - Rec Field	122.58	210.41	775.00	(564.59)	27.15
Lighting Reimb.-Rec Field	0.00	(1,573.04)	(1,662.00)	88.96	94.65
Gas/Elect - Rec Comm Ctr - Fac & Grds	2,675.57	4,762.03	(430.00)	5,192.03	(1107.45)
Gas/Electric - Reg Comm Ctr	172.36	(909.56)	996.00	(1,905.56)	(91.32)
Gas/Electric - CV Comm Ctr	85.69	307.21	447.00	(139.79)	68.73
Electric Reimb.- CV Comm Ctr	(85.69)	(415.72)	(631.00)	215.28	65.88
Gas/Electric - CVCC	1,594.31	(696.10)	3,151.00	(3,847.10)	(22.09)
Gas/Electric - Sierra Pool	1,534.50	5,146.17	14,383.00	(9,236.83)	35.78
Gas/Electric - PH Pool	(170.65)	(510.65)	436.00	(946.65)	(117.12)
Electric - Day Camp	602.35	969.69	1,188.00	(218.31)	81.62
Gas/Elec - Recreation Park	2,920.83	6,144.81	5,846.00	298.81	105.11
Gas/Electric - Reg Park	274.00	880.94	10,292.00	(9,411.06)	8.56
Lighting Reimb.- Reg Park	0.00	(2,226.13)	(16,382.00)	14,155.87	13.59
Gas/Electric - Ashford Park	648.92	1,310.90	1,752.00	(441.10)	74.82
Gas/Electric - MV Park	951.96	1,337.81	1,616.00	(278.19)	82.79
Electric - Railroad Park	650.70	1,049.36	1,759.00	(709.64)	59.66
Lighting Reimb.-Railhead	(118.45)	(511.98)	(1,191.00)	679.02	42.99
Gas/Electric - Overlook Park	13.48	37.79	0.00	37.79	0.00
Gas/Electric - Winchester Park	368.74	594.95	673.00	(78.05)	88.40
Reimbursements - Gas/Elec Pool	0.00	(19,448.03)	(23,024.00)	3,575.97	84.47
Water - Rec Comm Ctr	422.98	1,571.47	462.00	1,109.47	340.15
Water - Reg Comm Ctr	215.76	806.70	856.00	(49.30)	94.24
Water - CV Comm Ctr	(70.83)	153.32	213.00	(59.68)	71.98
Water - CVCC	506.64	1,483.39	1,756.00	(272.61)	84.48
Water - Sierra Pool	785.52	2,918.44	2,428.00	490.44	120.20
Water - PH Pool	49.17	88.56	77.00	11.56	115.01
Water - Rec Park	663.29	1,681.24	2,057.00	(375.76)	81.73
Water - Regional Park	239.92	7,923.41	8,284.00	(360.59)	95.65

Auburn Rec & Park  
Profit & Loss - Detail  
4/1/2025 to 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Water - Ashford Park	560.28	1,392.83	1,690.00	(297.17)	82.42
Water - MV Park	1,739.37	4,299.38	3,608.00	691.38	119.16
Water - CV Park	1,237.36	1,892.30	1,882.00	10.30	100.55
Water - Railroad Park	578.17	1,598.84	1,676.00	(77.16)	95.40
Water - CVCC Park	506.64	1,483.37	1,473.00	10.37	100.70
Water - Overlook Park	1,488.31	4,068.95	2,249.00	1,819.95	180.92
Water - Placer Hills Park	934.18	1,929.99	1,717.00	212.99	112.41
Water - Atwood	416.87	1,038.35	1,004.00	34.35	103.42
Reimb - Water - Sierra Pool	0.00	(2,449.41)	(940.00)	(1,509.41)	260.58
Sanitation - Rec Park (Sewer)	9,807.00	9,807.00	9,811.00	(4.00)	99.96
Sanitation - Regional Park (Sewer)	0.00	10,152.71	9,909.00	243.71	102.46
Sanitation - Ashford Park (Sewer)	0.00	1,880.28	1,835.00	45.28	102.47
Sanitation - Railroad Park (Sewer)	182.52	182.52	183.00	(0.48)	99.74
Sanitation - Overlook (Sewer)	772.68	772.68	773.00	(0.32)	99.96
Sanitation - CVCC (Sewer)	10,698.48	10,698.48	10,698.00	0.48	100.00
Total Utilities Expense	47,244.01	61,989.75	65,286.00	(3,296.25)	94.95
Legal Expenses					
Legal Fees	0.00	2,400.00	3,000.00	(600.00)	80.00
Total Legal Expense	0.00	2,400.00	3,000.00	(600.00)	80.00
Professional Services					
Professional Services - Rec	0.00	3,219.00	3,381.00	(162.00)	95.21
Professional Services - F & G	0.00	0.00	714.00	(714.00)	0.00
Professional Services - C Serv	0.00	16,737.96	17,053.00	(315.04)	98.15

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Professional Services - Admin	572.00	3,465.15	1,134.00	2,331.15	305.57
Accounting/Auditor Fees	0.00	11,000.00	10,600.00	400.00	103.77
Total Professional Services	572.00	34,422.11	32,882.00	1,540.11	104.68
Bldg & Ground Maintenance					
Vehicle Maintenance	189.78	8,192.50	22,310.00	(14,117.50)	36.72
Equipment Rental	135.00	135.00	210.00	(75.00)	64.29
Irrigation Supplies - General	19.29	58.74	1,716.00	(1,657.26)	3.42
Maint - Recreation Field	0.00	310.22	1,835.00	(1,524.78)	16.91
Maint - James Field	0.00	5,330.15	3,798.00	1,532.15	140.34
Maint - Beggs Field	350.00	753.81	865.00	(111.19)	87.15
Maint - Sierra Pool	6,864.00	16,427.83	18,834.00	(2,406.17)	87.22
Reimbursement- Maint Pool	0.00	(7,993.45)	(5,575.00)	(2,418.45)	143.38
Maint & Repairs - Equipment	9,152.25	48,194.69	36,060.00	12,134.69	133.65
Maint - PH Pool	7,536.31	14,593.15	5,907.00	8,686.15	247.05
Maint - MV Tennis / Pickleball Courts	14.31	14.31	0.00	14.31	0.00
Rep/Maint - Day Camp	755.78	1,400.50	180.00	1,220.50	778.06
Maint - Recreation Park	1,908.68	10,735.24	12,678.00	(1,942.76)	84.68
Maint - Regional Park	3,105.86	10,694.44	17,808.00	(7,113.56)	60.05
Maint - Ashford Park	1,978.78	4,019.20	5,738.00	(1,718.80)	70.05
Maint - Meadow Vista Park	1,227.43	12,757.26	3,558.00	9,199.26	358.55
Maint - Christian Valley Park	0.00	525.21	2,127.00	(1,601.79)	24.69
Maint - Railroad Park	668.03	1,850.83	3,091.00	(1,240.17)	59.88
Maint - CVCC Park	0.00	6,820.63	6,527.00	293.63	104.50
Maint - Overlook Park	580.00	1,932.06	3,542.00	(1,609.94)	54.55
Maint - Placer Hills Park	0.00	347.56	489.00	(141.44)	71.08
Maint - Pocket Parks	0.00	300.63	313.00	(12.37)	96.05
Maint - Winchester Park	10.71	311.34	328.00	(16.66)	94.92

Auburn Rec & Park  
Profit & Loss - Detail  
4/1/2025 to 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Maint - Atwood	7.26	1,009.40	886.00	123.40	113.93
Maint - Shockley Park	0.00	0.00	196.00	(196.00)	0.00
Maint - Bike Park	(3,740.00)	3,740.14	1,159.00	2,581.14	322.70
Maint - Ashley Dog Park	28.16	341.49	1,964.00	(1,622.51)	17.39
Rep/Maint - Preschool	0.00	0.00	38.00	(38.00)	0.00
Maint - Recreation Comm Ctr	3,970.68	5,684.19	5,009.00	675.19	113.48
Maint - Regional Comm Ctr	1,870.94	6,509.36	4,044.00	2,465.36	160.96
Maint - Christian Valley Comm Ctr	63.49	143.18	0.00	143.18	0.00
Maint - CVCC Comm Ctr	2,126.28	9,700.06	4,437.00	5,263.06	218.62
Maint - Overlook Modular	0.00	0.00	2,435.00	(2,435.00)	0.00
Maint - Regional Tennis/Pickleball Courts	0.00	0.00	47.00	(47.00)	0.00
Maint - MV Soccer A	0.00	0.00	254.00	(254.00)	0.00
Maint - RH Soccer A	51.04	3,182.43	2,505.00	677.43	127.04
Maint - Regional Field Soccer	0.00	5,794.46	0.00	5,794.46	0.00
Maint - MV PeeWee Soccer	228.33	228.33	0.00	228.33	0.00
Maint - RH Soccer B	56.05	3,358.33	2,522.00	836.33	133.16
Maint - Regional Bill Bean Field	0.00	888.93	586.00	302.93	151.70
Maint - MV Softball Field	0.00	0.00	95.00	(95.00)	0.00
Maint - Regional Field B	16.12	257.55	1,576.00	(1,318.45)	16.34
Maint - Regional Field C	0.00	583.98	1,273.00	(689.02)	45.87
Tree Maint - Rec Park	0.00	5,000.00	5,000.00	0.00	100.00
Tree Maint - Reg Park	0.00	5,000.00	5,000.00	0.00	100.00
Vandalism Repairs Expense	6,311.64	9,936.94	3,697.00	6,239.94	268.78
Total Building and Grounds Maintenance	45,486.20	199,070.62	185,062.00	14,008.62	107.57
Property Tax Administration/LAFCO					
Property Tax Administration/LAFCO	0.00	0.00	0.00	0.00	0.00

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
<b>Salaries Expense</b>					
Wages - (Y.Serv) - Manager	5,174.45	18,584.71	18,037.00	547.71	103.04
Wages - (Cust Serv) - Full Time	11,770.70	41,760.41	41,767.00	(6.59)	99.98
Wages - (Admin) - Full Time	15,362.42	53,320.76	49,446.00	3,874.76	107.84
Wages - (Admin) - Part Time	7,367.18	26,170.85	24,106.00	2,064.85	108.57
Wages - (Admin) - Board Pay	2,500.00	7,500.00	7,500.00	0.00	100.00
Wages - (Y.Serv) - Aub Elem - PT	876.56	18,730.47	17,137.00	1,593.47	109.30
Wages - (Y.Serv) - AE Maint	0.00	93.48	147.00	(53.52)	63.59
Wages - (Y.Serv) - Skyridge - PT	2,961.46	29,352.30	33,555.00	(4,202.70)	87.48
Wages - (Y.Serv) - Skyridge Maint	0.00	12.44	186.00	(173.56)	6.69
Wages - (Y.Serv) - Day Camp Skyridge PT	11,766.79	12,479.30	24,725.00	(12,245.70)	50.47
Wages - (Y.Serv) - Day Camp - PT	36,188.30	45,324.06	38,768.00	6,556.06	116.91
Wages - (Y.Serv) - DC Maint	933.43	1,657.57	394.00	1,263.57	420.70
Wages - (Y.Serv) - Reg Day Camp	14,086.74	14,919.51	22,681.00	(7,761.49)	65.78
Wages - (Rec) - Full Time	14,927.28	51,588.80	45,822.00	5,766.80	112.59
Wages - (Y.Serv) - Newcastle- PT	528.30	26,102.17	27,605.00	(1,502.83)	94.56
Wages - (Y.Serv) - NC Maint	0.00	16.11	70.00	(53.89)	23.01
Wages - (Rec) - Part Time	156.21	452.31	381.00	71.31	118.72
Wages - (Rec) - Adult Softball	711.29	3,161.66	2,225.00	936.66	142.10
Wages - (Rec) - Adult Basketball	462.74	1,821.52	1,500.00	321.52	121.44
Wages - (Y.Serv) - Preschool	376.41	15,275.81	13,259.00	2,016.81	115.21
Wages - (Aqua) - Aquatics Coordinator	5,085.90	9,808.39	8,849.00	959.39	110.84
Wages - (Aqua) - Aquatic Activities	1,341.00	4,535.50	7,414.00	(2,878.50)	61.18
Wages - (Aqua) - Public Swim	24,150.34	40,996.50	45,424.00	(4,427.50)	90.25
Wages - (Aqua) - Public Swim-PH	2,806.13	3,413.92	4,171.00	(757.08)	81.85
Wages - (Aqua) - Swim Lessons	7,835.44	8,692.85	7,073.00	1,619.85	122.90
Wages - (Aqua) - Swim Lessons-PH	1,998.12	2,254.91	2,401.00	(146.09)	93.92
Wages - (Aqua) - Master Swim	1,715.18	5,513.24	4,021.00	1,492.24	137.11
Wages - (Aqua) - Swim Team Coaches	3,840.94	10,032.30	10,199.00	(166.70)	98.37

Auburn Rec & Park  
Profit & Loss - Detail  
4/1/2025 to 7/31/2025  
For All Segment1s  
For All Segment4s

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Wages - (Aqua) - Synchronized Swim Coach	4,617.99	11,030.34	10,523.00	507.34	104.82
Wages - (Fac & Grds) - Fac Attendant - Rec	8,809.99	31,339.58	38,424.00	(7,084.42)	81.56
Wages - (Fac & Grds) - Fac Att. - CVCC	4,212.98	14,861.75	12,135.00	2,726.75	122.47
Wages - (Fac & Grds) - Fac Attendant - Reg	5,912.00	14,515.08	13,312.00	1,203.08	109.04
Wages - (Fac & Grds) - Fac Att Overlook	0.00	19.36	19.00	0.36	101.90
Wages - (Fac & Grds) - Management	17,162.73	58,971.88	58,827.00	144.88	100.25
Wages - (Fac & Grds) - Recreation Park	21,187.86	84,199.42	74,954.00	9,245.42	112.34
Wages - (Fac & Grds) - Regional Park	14,765.74	59,802.27	68,225.00	(8,422.73)	87.65
Wages - (Fac & Grds) - Ashford Park	4,606.56	14,343.99	14,301.00	42.99	100.30
Wages - (Fac & Grds) - Meadow Vista Park	5,008.43	20,140.93	18,888.00	1,252.93	106.63
Wages - (Fac & Grds) - CV Comm Center	478.75	1,520.20	1,817.00	(296.80)	83.67
Wages - (Fac & Grds) - Railroad Park	1,202.79	5,725.31	7,227.00	(1,501.69)	79.22
Wages - (Fac & Grds) - CVCC	2,835.42	5,392.68	6,554.00	(1,161.32)	82.28
Wages - (Fac & Grds) - Overlook Park	1,059.42	4,082.75	4,008.00	74.75	101.87
Wages - (Fac & Grds) - Placer Hills Park	1,893.52	6,514.39	8,977.00	(2,462.61)	72.57
Wages - (Fac & Grds) - Pocket Parks	744.93	2,560.52	1,783.00	777.52	143.61
Wages - (Fac & Grds) - Mt. Vernon Park	128.41	128.41	117.00	11.41	109.75
Wages - (Fac & Grds) - Winchester Park	572.70	1,323.69	2,350.00	(1,026.31)	56.33
Wages - (Fac & Grds) - Atwood	629.63	2,806.09	2,390.00	416.09	117.41
Wages - (Fac & Grds) - Shockley Property	1,596.51	1,596.51	1,033.00	563.51	154.55
Wages - (Fac & Grds) - Bike Park	91.99	646.34	0.00	646.34	0.00
Wages - (F & G) Special Events	906.59	906.59	1,405.00	(498.41)	64.53
Wages - District Administrator	11,352.00	40,299.60	40,399.00	(99.40)	99.75
Wages - (F & G Proj) - Marriot Meadows	315.25	2,291.36	500.00	1,791.36	458.27
Wages - (Rec) - Special Events	38.17	90.48	107.00	(16.52)	84.56
Wages - (F & G) Certification Stipends Paid	0.00	1,725.00	0.00	1,725.00	0.00
Wages - (F & G) Uniform Allowance	856.34	9,828.83	8,379.00	1,449.83	117.30
<b>I Salaries Expense</b>	<b>285,910.01</b>	<b>850,235.20</b>	<b>855,517.00</b>	<b>(5,281.80)</b>	<b>99.38</b>

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
<b>Benefits &amp; Payroll Costs</b>					
Offset for Atwood Roll ups	0.00	313.13	0.00	313.13	0.00
Atwood - Wage Roll ups	0.00	(313.13)	0.00	(313.13)	0.00
ER Taxes - Rec	1,194.14	4,037.81	3,828.00	209.81	105.48
ER Taxes - Aquatics	4,785.55	8,715.72	9,758.00	(1,042.28)	89.32
ER Taxes - Youth Services	5,764.30	13,772.32	15,037.00	(1,264.68)	91.59
ER Taxes - Fac & Grds	7,000.70	24,402.77	26,440.00	(2,037.23)	92.30
ER Taxes - Cust Serv	843.21	2,885.29	3,196.00	(310.71)	90.28
ER Taxes - Admin	2,680.83	8,984.31	9,272.00	(287.69)	96.90
Employment Expense - Aquatics	20.90	20.90	111.00	(90.10)	18.83
Employment Expense - Youth Services	238.77	299.30	0.00	299.30	0.00
Employment Expense - Fac & Grds	0.00	184.85	755.00	(570.15)	24.48
Employment Expense - Admin	126.54	126.54	0.00	126.54	0.00
Fingerprinting Exp - Recreation	112.75	144.75	136.00	8.75	106.43
Fingerprinting Exp - Aquatics	64.00	64.00	70.00	(6.00)	91.43
Fingerprinting Exp - Youth Services	727.75	801.75	143.00	658.75	560.66
Fingerprinting Exp - Fac & Grds	30.00	62.00	99.00	(37.00)	62.63
Benefits Expense - Recreation	3,269.81	12,209.42	13,254.00	(1,044.58)	92.12
Benefits Expense - Youth Services	2,325.92	11,096.77	9,338.00	1,758.77	118.84
Benefits Expense - Fac & Grds	22,774.53	91,796.84	96,878.00	(5,081.16)	94.76
Benefits Expense - Cust Serv	2,736.76	11,692.74	11,448.00	244.74	102.14
Benefits Expense - Admin	5,898.65	29,920.48	31,420.00	(1,499.52)	95.23
Employer Retirement Exp. - Rec	1,504.79	5,130.58	4,341.00	789.58	118.19
Employer Retirement Exp. - Aquatics	775.21	1,708.09	1,634.00	74.09	104.53
Employer Retirement Exp. - Youth Services	4,394.83	12,810.11	16,852.00	(4,041.89)	76.02
Employer Retirement Exp. - Fac & Grds	8,004.64	28,683.83	29,629.00	(945.17)	96.81
Employer Retirement Exp - Cust Serv	1,490.86	5,282.00	5,287.00	(5.00)	99.91
Employer Retirement Exp. - Admin	3,735.62	13,072.41	12,482.00	590.41	104.73
CalPERS Prefunding	124,914.00	160,914.00	168,924.00	(8,010.00)	95.26
Worker's Comp - Rec	327.79	1,146.09	1,148.00	(1.91)	99.83



	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Worker's Comp - Aquatics	1,060.71	2,009.32	2,354.00	(344.68)	85.36
Worker's Comp - Youth Services	1,529.26	4,046.42	4,537.00	(490.58)	89.19
Worker's Comp - Fac & Grds	6,966.12	27,577.36	22,157.00	5,420.36	124.46
Worker's Comp - Cust Serv	75.50	278.36	295.00	(16.64)	94.36
Worker's Comp - Admin	393.01	1,471.89	1,496.00	(24.11)	98.39
Total Benefits and Payroll Costs	215,767.45	485,349.02	502,319.00	(16,969.98)	96.62
Fixed Asset Expense					
Fixed Asset Purchases - Fac & Grds	3,001.93	83,701.93	87,900.00	(4,198.07)	95.22
Total Fixed Asset Expense	3,001.93	83,701.93	87,900.00	(4,198.07)	95.22
Capital Improvement Projects					
Fire Loss	564.75	564.75	0.00	564.75	0.00
Rec - Emer Gym Roof	0.00	1,486.85	0.00	1,486.85	0.00
RH - Parking Lot & Curb Repairs	156,988.06	157,013.26	155,000.00	2,013.26	101.30
CVCC - Bike Park - fountain, signage, traffic	4,180.00	4,180.00	0.00	4,180.00	0.00
Marriott Meadows- Const Doc & Related Work	8.22	1,209.81	0.00	1,209.81	0.00
Regional Gym & Lockerroom Roof Repairs	179.52	229.04	0.00	229.04	0.00
MV - Baseball Field Scoreboard/Dugout	1,428.61	25,755.48	7,700.00	18,055.48	334.49
REG - Dry Creek Playground & Path of Travel	107.79	112.11	100.00	12.11	112.11
REG - Drinking Fountain Installation	0.00	20,505.51	20,400.00	105.51	100.52
Total Capital Improvement Projects	163,456.95	211,056.81	183,200.00	27,856.81	115.21
Interest Service					
Principal Lease Payment- Sterling Bank	0.00	63,000.00	63,000.00	0.00	100.00
Webster Lease Interest Expense	0.00	9,094.80	9,095.00	(0.20)	100.00

	Current Month	Actual YTD	Budget YTD	Variance	Percent Of Budget
Total Debt Service	0.00	72,094.80	72,095.00	(0.20)	100.00
OTHER EXPENSING SOURCES					
Transfers Out - General Fund	0.00	175,000.00	175,000.00	0.00	100.00
Transfers Out - Equipment Reserve	80,000.00	80,000.00	80,000.00	0.00	100.00
Transfers Out - Future Capital Construction	20,400.00	20,400.00	20,400.00	0.00	100.00
TOTAL OTHER EXPENSING SOURCES	100,400.00	275,400.00	275,400.00	0.00	100.00
Total Expenditures	\$851,708.53	\$2,304,101.26	\$2,313,043.00	(\$8,941.74)	99.61%
Net Revenue Over Expenditures	(\$320,845.79)	\$703,694.09	\$621,424.00	\$82,270.09	113.24%
NET REVENUE OVER EXPENSES	\$320,845.79	(\$703,694.09)	(\$621,424.00)	(\$82,270.09)	113.24%

## **4.4 Cover Sheet - Appointment for New Auditor**

**Auburn Area Recreation and Park District Standing Finance Meeting, August 2025.**

### **The Issue**

Shall the Auburn Area Recreation and Park District's Board of Directors choose a new auditor for the Fiscal years ending 2026, 2027, and 2028?

### **Background**

The Board of Directors has instructed staff to invite proposals for new auditors on a regular three-year cycle. Nigro and Nigro just completed the last year of their three-year audit contract in March of 2025 and staff mailed out Request for Proposals or "RFP's" in June. The due date for their return was July 30, 2025. In total, 25 RFP's were mailed out and 5 were returned by the deadline of July 30.

### **California Government Code**

12410.6. (a) An audit for any local agency, including those submitted to the Controller pursuant to subdivision (a) of Section 12410.5, shall be made by a certified public accountant or public accountant, licensed by, and in good standing with, the California Board of Accountancy.

(b) Commencing with the 2025-26 fiscal year, a local agency shall not employ a public accounting firm to provide audit services to a local agency if the lead audit partner or coordinating audit partner having primary responsibility for the audit, or the audit partner responsible for reviewing the audit, has performed audit services for that local agency for six consecutive fiscal years. The Controller may waive this requirement if he or she finds that another eligible public accounting firm is not available to perform the audit.

### **2026 Audit Search Results**

<b><u>Name</u></b>	<b><u>Staff</u></b>	<b><u>Location</u></b>	<b><u>Govt.</u></b>	<b><u>Parks</u></b>	<b><u>Est. Hrs</u></b>	<b><u>1<sup>st</sup> Yr</u></b>	<b><u>2<sup>nd</sup> Yr</u></b>	<b><u>3<sup>rd</sup> Yr</u></b>
Nigro & Nigro	40	Murietta	Yes	Yes	103	15,500	15,500	15,500
Richardson & Co	30	Sacramento	Yes	Yes	250	18,900	19,500	20,100
Fechter & Co	5	Sacramento	Yes	Yes	132	22,572	23,926	25,362
Brown Armstrong	50	Stockton	Yes	Yes	206	30,720	24,750	24,750
James Marta & Co	21	Sacramento	Yes	Yes	200	37,400	38,700	40,055

The three-year totals are as follows:

Nigro & Nigro*	\$46,500	\$150.49 average rate per estimated hour's work
Richardson & Co*	\$58,500	\$78.00 average rate per estimated hour's work
Fechter & Co*	\$71,860	\$181.46 average rate per estimated hour's work
Brown Armstrong	\$80,220	\$129.81 average rate per estimated hour's work
James Marta & Co*	\$116,155	\$193.59 average rate per estimated hour's work

\*= this firm has been a previous auditor for ARD

**Recommendation**

Staff recommends contracting with Nigro & Nigro for the next three (3) audit years. Nigro & Nigro presents a more reasonable quote and have been one of the more recommended firms. Staff would also be comfortable recommending Richards & Co, though that would mean a \$12,000 increase over the next 3 years, to an already constrained budget. Proposal Copies from all 5 firms are included in the Board Packet.

**Fiscal Impact**

\$15,500 - \$40,055 per fiscal year

**Attachments:**

Request for Proposal for Audit Services  
Audit Service Proposals

Received  
1:13 7/25/25  
VH

**TECHNICAL PROPOSAL  
FOR  
PROFESSIONAL AUDITING SERVICES**

**Auburn Area Recreation and Park District**

**For the Fiscal Years Ending  
March 31, 2026-2028**

**NIGRO  
& NIGRO<sup>PC</sup>**

***Respectfully Submitted on July 25, 2025 by:***

Paul J. Kaymark, CPA

Nigro & Nigro, PC

pkaymark@nncpas.com

Federal Tax ID: 30-0636241

Nncpas.com

**Murrieta Office:** 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064  
**Walnut Creek:** 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

*Let's Work Together!*



*By applying our financial expertise,  
we partner with our clients to build  
valuable relationships that inspire success.*

## TABLE OF CONTENTS

---

Letter of Transmittal	1
License to Practice in California	3
Profile of the Firm	
Statement of Independence	3
Size of Our Firm	3
Size and Location of Offices	4
Range of Activities	4
Peer Review	5
Meet Your Audit Leadership Team	5
Resumés	6
Training & Resources	14
Similar Engagements with Other Special Districts	15
References	15
Our Four Pillars of an Audit Engagement	16
Reference Letter – SMCSD for Nigro & Nigro, PC	
Scope of the Audit	18
Segmentation of Engagement	19
Proposed Schedule/Level of Staff & Number of Hours Assigned to Each Segment	20
Sample Size and the Extent to Which Statistical Sampling is to be Used	20
Type and Extent of Analytical Procedures to be Used	20
Approach to be Taken to Gain & Document an Understanding of Internal Control Structure	21
Approach to be Taken in Determining Laws & Regulations That Will be Subject to Audit Test Work	21
Approach to be Taken in Drawing Audit Samples	21
Use of Technology/Remote Proficiency	21
Proposing Firm Warranties	21
Additional Documents	
Peer Review Letter	
Certificate of Insurance	



July 25, 2025

Ms. Veona Galbraith, Administrative Services Manager  
Auburn Area Recreation and Park District  
471 Maidu Dr, Suite 200  
Auburn, CA 95603

Dear Ms. Galbraith:

Thank you for the opportunity to submit this proposal to provide audit services for the Auburn Area Recreation and Park District (District). Our understanding of the work to be done is: the annual audit of the District's financial statements for the fiscal years ending March 31, 2026-2028. Based on our history with recreation and park agencies, we believe our firm would be a great fit, and we would develop a great working relationship. Our staff works hard to help ensure our audits are completed with the highest level of service and meet all deadlines.

Although many people think that all recreation and park agencies function in the same manner, we know that's not the case. The audit leadership team we've assigned to your District, including myself, will take the time to learn the intricacies of your organization. We find that by delving deep into our client's structure and operations we are able to make recommendations that are not only useful, but also practical to implement.

At Nigro & Nigro, PC, our greatest strengths correspond to your most critical needs; we possess the full spectrum of resources needed to most effectively help the District's management team and Board members meet their goals – all at a very competitive rate. We believe we are your best choice.

- **Credibility, Reputation, and Resources of a Large Firm** without sacrificing the small-firm touch. Our CPAs and consultants can help you analyze and address financial, operational, and regulatory issues so you can focus attention on serving your citizens. We were originally formed in 1999, and now perform annual audits for approximately 100+ public agencies annually.
- **State-Wide Reach with Local Presence.** At Nigro & Nigro, we have the benefit of having the resources of a state-wide firm while serving you from our Murrieta (Headquarters) and Walnut Creek offices.
- **Dedicated IT Auditor.** Having a dedicated IT Auditor on the audit team provides critical value by ensuring that the agency's information systems and technology controls are thoroughly assessed by a specialist with focused expertise. This dedicated role enhances the depth and accuracy of the audit by identifying potential vulnerabilities, inefficiencies, or compliance issues that might otherwise go undetected. It also allows for more effective evaluation of cybersecurity, data integrity, access controls, and IT governance, ultimately strengthening the overall internal control environment and reducing risk. Furthermore, a dedicated IT Auditor can offer targeted recommendations tailored to the agency's technology landscape, supporting more informed decision-making and long-term operational resilience. **A Value-Added Service from our Firm.**



- **An Efficient and Effective Work Plan.** We currently serve over 100+ governmental entities state-wide, which enables our staff to understand the scope of the audit. We also understand the District's complexities, not just from a compliance standpoint but also from an operational point of view. We have developed an effective work plan that takes into consideration your needs for high quality audit services, as well as timely deliverables. As a result of our efficient work plan, we commit to meeting your deadlines to complete our auditing services within the time-period you have specified.
- **Efficiency.** Our use of portal software allows you to upload audit documentation at any time, which will minimize disruption to your staff and enable timely completion of all deliverables.
- **Thought Leadership.** Members of our firm have been actively involved as presenters in numerous industry conferences and programs, including the GFOA, CSDA, and CSMFO. We have incorporated our experience with these committees into our audit framework.
- **Engagement Team.** We know that quality people drive quality results, which is why our commitment to you starts with the engagement team members who are selected based on their experience, focus on serving local government agencies, and who are the best fit for you. Each of the District's engagement team members have completed and exceeded the mandatory requirement for continuing professional education hours as requested in the RFP. Paul Kaymark, Partner, will be the main contact for the District regarding this project.
- **A Focus on Providing Consistent, Dependable Service to Governmental Entities.** Nigro & Nigro is organized by industry, affording our clients with industry-specific expertise supplemented by valuable local service and insight. Therefore, the District will enjoy the service of members of our Governmental Audit Services Team who have experience with similar governmental entities and understand the issues and environment critical to you. You will not have to train our auditors.

You may have many options in selecting a professional audit firm. By choosing Nigro & Nigro, you will gain value-added accounting and operational insights. We are the right fit for the District, as we have the expertise and depth of resources within our firm to offer you exceptional service while maintaining a sincere and honest relationship. We understand the work, we are committed to meeting your deadlines, and we would like the opportunity to continue to be your auditors. We also commit to meeting or exceeding your expectations.

Thank you once again for the opportunity to present our qualifications. If you have any questions about our offerings, please do not hesitate to contact me.

Sincerely,



Paul J. Kaymark, CPA  
Managing Partner  
Special District's Audit Services Partner

CPA Governmental  
Audit Quality Center

## LICENSE TO PRACTICE IN CALIFORNIA

The Firm and its entire CPA staff hold licenses to practice in the State of California. The Firm's CPA's are all members in good standing with the California Society of CPA's and the AICPA. We will assign a California licensed CPA as the auditor in charge of the audit.

## PROFILE OF THE FIRM

### Statement of Independence

Our standards require that we be without bias with respect to your operations. The Firm is independent of all entities listed in the RFP, as defined by auditing standards generally accepted in the United States of America and the U.S. General Accounting Office's "Governmental Auditing Standards". In addition, the Firm shall give the District written notice of any relevant professional relationships entered into during the period of this agreement.

### Experience

Nigro & Nigro team members are highly trained in governmental accounting and auditing, which sets us apart as being able to add value beyond the basic attest engagement. We are comfortable working with clients of various sizes. Within the past five years, we have worked with numerous governmental clients with revenues ranging from \$200,000 to over \$300 million.

Prior to any audit engagement, our engagement team leader will meet with the Board, Audit Committee and Management to gain a full understanding of the philosophy, objectives and policies for operating the organization, as well as to discuss significant business, regulatory and accounting matters that will affect the audit. At the conclusion of the audit, we will communicate the results of the audit with the Board, Audit Committee and Management.

Areas of specialization include:

- Audit and Review Services
- Government Auditing Standards & Single Audits
- Annual Report of Financial Transactions
- Agreed Upon Procedures Engagements
- Annual Comprehensive Financial Report (ACFR) development

## PROFILE OF THE FIRM (CONTINUED)

### Size of Our Firm

Firm-wide, we have the following staffing for our governmental audit services:

Partner*	7	7
Senior Manager	1	1
Manager	3	3
Supervisor	1	-
Senior	8	-
Associates	17	-
Support Staff	3	-
Total	40	11

*\*Although the term "partner" is used throughout this proposal to avoid confusion, the firm is organized as a Professional Corporation, and the firm's owners are "shareholders."*

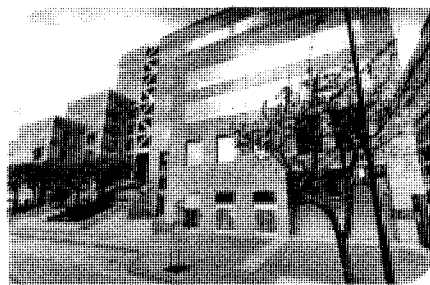
### Size and Location of Offices

The firm was originally established in 1999. In 2013, we opened our second office in Northern California in order to better serve our growing client base of agencies in the San Francisco Bay Area. The Firm now has five partners and a professional staff of 18 accountants and expects to add more in the coming years as we continue to grow. We are a full service firm, providing audit and review, tax, consulting, and accounting services to local government, non-profit organizations, charter schools, commercial businesses and homeowners' associations. The office serves clients of all sizes and industries, however, we focus on government agencies, just like yours.

*We are prepared to do what it takes to provide the extra level of service required to maintain a long-term business relationship.*



MURRIETA OFFICE



WALNUT CREEK OFFICE

### Range of Activities Performed

- Consulting and other services for numerous other agencies and not-for-profits
- Tax services for individuals, corporations, and non-profit organizations

## PROFILE OF THE FIRM (CONTINUED)

### Peer Review

Our firm's most recently issued peer review report can be found under the "Additional Documents" section of the proposal. A firm can receive a "Fail", "Pass with Deficiencies", or a "Pass" rating. The firm's most recent peer review report rating was a Pass. This rating indicates that the firm's system of quality control has been suitably designed and complied with to provide the audit organization with reasonable assurance of performing and reporting in conformity with professional standards and applicable legal and regulatory requirements in all material respects. As required by our membership in the Government Audit Quality Center (GAQC), the peer review included a selection of a sample of governmental audit engagements.

### Meet Your Audit Leadership Team

Listed on the following pages are the resumes of the management team that will be assigned to your audit. As mentioned previously, our staff members have considerable governmental audit experience. This gives us a pool to draw on in addition to the group listed.

Paul J. Kaymark, CPA	Lead/Review Partner	31
Jared Solmonsens, CPA	Engagement Audit Partner	7
Stacy Macias, CPA	Audit Manager – Federal Compliance	7
Anabel Cruz, CPA	Audit Manager	6
Tyler Cook	Audit Supervisor	3
Angelina Paunkov	Audit Senior	2
Valeria Castaneda	Audit Staff	1

## Paul J. Kaymark, CPA

### Lead/Technical Review Audit Partner

Paul joined the firm in 2019 and has more than 31 years of public accounting and auditing governmental entities experience. Paul is our choice for new governmental audit clients, having extensive experience in the areas of governmental entities. His main responsibilities include assistance in the preliminary planning of audit work, review of assistants' work, and performing audit procedures in more complex audit areas.

#### Audit Services:

Mr. Kaymark has been working on audit engagements of governmental agencies, not-for-profit organizations, as well as for-profit corporations and companies. His previous experience includes audit and consulting work for large and small businesses with a focus on client service. Paul strives to build strong relationships with his clients by assisting them with any emerging issues and being available as a resource.

#### Consulting Services:

Mr. Kaymark has experience in a variety of governmental issues, garnered from his auditing experience over the years. He regularly consults with clients in areas of:

#### Special District Accounting:

- Internal controls
- Financial reporting
- Annual report of financial transactions

#### Financial Reporting:

- Year-end closing procedures
- Cash flows
- Budget development and projections
- Multi-Year projections
- Pension and OPEB accounting

#### Some Agencies Served:

- Metropolitan Water District of So Cal
- Palmdale Water District
- Oxnard Harbor District
- Western Municipal Water District
- El Toro Water District
- East Orange County Water District
- Trabuco Canyon Water District



**California Special  
Districts Association**

*Districts Stronger Together*

**CSDA Workshop Speaker**

**CPA** Governmental  
Audit Quality Center



#### Education:

Bachelor of Science, Business  
Administration, Accountancy  
California State University, Long Beach  
1994

#### Licenses and Certifications:

- Certified Public Accountant, California
- GFOA Certificate for Excellence in  
Financial Reporting - Reviewer

#### Professional Affiliations:

- Government Finance Officers  
Association (GFOA)
- California Society of Municipal Finance  
Officers (CSMFO)
- California Special District Association  
(CSDA)

#### Continuing Education:

Various municipal accounting courses  
offered by the AICPA, CalCPA Education  
Foundation including:

- Governmental and Nonprofit Annual  
Update
- GASB Basic Financial Statements for  
State and Local Governments
- Single Audits: Uniform Grant Guidance  
(formerly OMB Circular A-133)
- Financial Accounting Standards Board  
Annual Updates



<b>Water and Wastewater Clients Audited and/or Consulted With Over My Career</b>
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Water and Wastewater	Water and Wastewater, continued
Metropolitan Water District of Southern California	Phelan Pinon Hills Community Services District
Los Angeles County Sanitation District	Pomona Valley Protective Agency
Long Beach Water Department	Purissima Hills Water District
Glendale Water and Power	Rincon del Diablo Water District
Colton Public Utilities	Rosamond Community Services District
Baldy Mesa Water District	Rossmoor Los Alamitos Area Sewer District
Bear Valley Community Services District	Sacramento Suburban Water District
Beaumont-Cherry Valley Water District	San Bernardino Valley Water Conservation District
Big Bear City Community Services District	San Gabriel Valley Municipal Water District
Cabazon Water District	San Lorenzo Valley Water District
California Domestic Water Company	Santa Ana Watershed Project Authority
Casitas Municipal Water District	Santa Margarita Water District
Castaic Lake Water Agency	Saticoy Sanitary District
Chino Basin Water Conservation District	Solano County Water Agency
Chino Basin Watermaster	Soquel Creek Water District
Coachella Valley Water District	Stallion Springs Community Services District
Diablo Water District	Summerland Sanitary District
East Orange County Water District	Trabuco Canyon Water District
El Toro Water District	Tres Pinos Water District
Farm Mutual Water Company	Triunfo Sanitation District
Golden Hills Community Services District	Twentynine Palms Water District
Goleta Water District	Vallecitos Water District
Hi-Desert Water District	Valley County Water District
Inverness Public Utilities District	Ventura Regional Sanitation District
Irvine Ranch Water District	Victor Valley Water District
Joshua Basin Water District	Victor Valley Wastewater Reclamation Authority
Jurupa Community Services District	Victorville Water District
Leucadia Wastewater District	Water Facilities Authority - Joint Power Agency
Mesa Consolidated Water District	Water Replenishment District
Mojave Water Agency	West County Agency
Monte Vista Water District	West County Wastewater District
Montecito Water District	West Valley Water District
North Coast County Water District	Westborough Water District
North Marin Water District	Western Municipal Water District
Novato Sanitary District	Western Riverside County Regional Wastewater
Palmdale Water District	Yorba Linda Water District

## Jared Solmonsen, CPA

### Engagement Audit Partner

After completing his degree, Jared went to work for a midsize construction company where he worked as an estimator and project manager before transitioning into more of an accounting and finance role. It was working in this role that led him to the decision to pursue the goal of becoming a Certified Public Accountant. He continues to hone his skills and expand his knowledge as he branches out into different areas of accounting services and working with various governmental agencies and not-for-profit organizations. Jared will be the audit engagement partner and oversee staff as they work together through different audit areas.

#### Audit Services:

Jared began his career with Nigro & Nigro in 2019 focusing on special districts and not-for-profit organizations. He has a customer-oriented approach to auditing, striving to build strong relationships by working with clients to help them navigate the ever-changing world of accounting rules and standards.

#### Consulting Services:

Jared has experience with a variety of governmental and not-for-profit accounting issues, as well as other tax and audit concerns, derived from his audit and consulting experience at the firm.

#### Special District Accounting:

- Internal control policies, procedures, and best practices
- Year-end closing procedures
- Capital asset and depreciation schedule

#### Financial Reporting:

- Federal and state compliance
- Single audits
- Revenue and expense tracking by program/grant
- Statement of functional expense
- Compiling financial statements
- Disclosure requirements
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIsAs

#### Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Geronio Pass Water Agency



#### Education:

Bachelor of Science, Business Administration, Finance  
California State University,  
San Marcos, 2013

#### Licenses and Certifications:

- Certified Public Accountant, California

#### Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff
- Spidell Tax Seminar
- Western CPE Tax update webinars
- In-house training for audit staff (presenter)

#### Additional Areas:

- Tax preparation
- QuickBooks knowledge

## Stacy Macias, CPA

### Audit Manager – Federal Compliance

Stacy joined the firm in 2018 as a staff accountant after completing her degree at California State University, Chico and has worked her way up to Audit Manager. Stacy continues to expand her knowledge as she branches out into different areas of accounting services and working with varying governmental and not-for profit clients. Stacy will work under the general direction of the audit partner and oversee staff as they work together through different audit areas.

#### Audit Services:

Stacy began her auditing career on audit engagements of governmental agencies, and non-for-profit organizations. Stacy enjoys auditing governmental agencies and non-for-profit due to their varying structures and sizes. Stacy truly values customer service and building client relationships. Her friendly demeanor makes clients comfortable in reaching out to her during the audit process or throughout the year.

#### Consulting Services:

Stacy has experience in a variety of governmental and not-for-profit accounting, tax, and audit concerns, derived from her audit and consulting experience with those industries.

#### Financial Reporting:

- Year-end closing procedures
- Internal control policies and procedures and best practices
- Compiling Financial Statements
- Revenue and Expense tracking by program/grant
- Statement of Functional Expenses
- Capital assets and depreciation schedules
- Disclosure requirements
- Federal and State compliance
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIA's

#### Additional Areas:

- Tax preparation
- QuickBooks knowledge

#### Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Geronio Pass Water Agency



#### Education:

Bachelor of Science, Business Administration, Accounting  
California State University, Chico, 2018

#### Licenses and Certifications:

- Certified Public Accountant, California

#### Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff
- Spidell Tax Seminar
- Western CPE Tax update webinars
- In-house training for audit staff (presenter)



## Anabel Cruz, CPA

### Audit Manager

Anabel began her career in public accounting in 2019 with Nigro & Nigro, PC. Previous to joining the firm, she worked as an Accountant at private sector companies. Her audit experience includes audits of governmental and not-for-profit organizations, Anabel values building quality relationships with clients while providing timely and reliable services. Anabel will work under the general direction of the audit partner and oversee staff as they work together through different audit areas.

#### Audit Services:

Anabel enjoys auditing governmental agencies and non-for-profits due to their varying structures and sizes.

#### Consulting Services:

Anabel has experience in a variety of governmental and not-for-profit accounting and audit concerns, derived from her audit and consulting experience with those industries.

#### Financial Reporting:

- Year-end closing procedures
- Agreed upon procedures
- Internal control policies and procedures and best practices
- Capital assets and depreciation schedules
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBAs

#### Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Geronio Pass Water Agency



#### Education:

Bachelor of Science, Finance and Accountancy  
California State University, Northridge,  
2014

#### Licenses and Certifications:

- Certified Public Accountant, California

#### Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff
- Spidell Tax Seminar
- Western CPE Tax update webinars
- In-house training for audit staff (presenter)

## Tyler Cook

### Audit Supervisor/IT Auditor

Tyler began his career in public accounting in 2022 with Nigro & Nigro, PC. Tyler's audit experience includes audits of governmental and not-for-profit organizations such as cemeteries, resource conservation districts, water districts, fire protection districts and community service districts. Tyler values building quality relationships with clients while providing timely and reliable services. Tyler is working under the general direction of the Audit Manager.

#### Audit Services:

Tyler enjoys auditing governmental agencies and non-for-profits due to their varying structures and sizes.

#### Consulting Services:

Tyler has experience in a variety of governmental and not-for-profit accounting and audit concerns, derived from his audit and consulting experience with those industries.

#### Financial Reporting:

- Year-end closing procedures
- Agreed upon procedures
- Internal control policies and procedures and best practices
- Capital assets and depreciation schedules
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIs

#### Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Geronio Pass Water Agency



#### Education:

Bachelor of Science, Accountancy  
BYU Hawaii – 2022  
Master's in Accountancy and IT  
San Diego State University – 2023

#### Licenses and Certifications:

- CPA License Candidate

#### Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff

## Angelina Paunkov

### Audit Senior

Angelina began her career in public accounting in 2023 with Nigro & Nigro, PC. Angelina's audit experience includes audits of governmental and not-for-profit organizations such as cemeteries, resource conservation districts, water districts, fire protection districts and community service districts. Angelina values building quality relationships with clients while providing timely and reliable services. Angelina is working under the general direction of the Audit Supervisor.

#### Audit Services:

Angelina enjoys auditing governmental agencies and non-for-profits due to their varying structures and sizes.

#### Consulting Services:

Angelina has experience in a variety of governmental and not-for-profit accounting and audit concerns, derived from her audit and consulting experience with those industries.

#### Financial Reporting:

- Year-end closing procedures
- Agreed upon procedures
- Internal control policies and procedures and best practices
- Capital assets and depreciation schedules
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIs

#### Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Geronio Pass Water Agency



#### Education:

Bachelor of Science, Accountancy  
California State University, San Marcos,  
2023

#### Licenses and Certifications:

- CPA License Candidate

#### Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff

## Valeria Custaneda

### Audit Staff

Valeria began her career in public accounting in 2024 with Nigro & Nigro, PC. Valeria's audit experience includes audits of governmental and not-for-profit organizations such as cemeteries, resource conservation districts, water districts, fire protection districts and community service districts. Valeria values building quality relationships with clients while providing timely and reliable services. Valeria is working under the general direction of the Audit Senior.

#### Audit Services:

Valeria enjoys auditing governmental agencies and non-for-profits due to their varying structures and sizes.

#### Consulting Services:

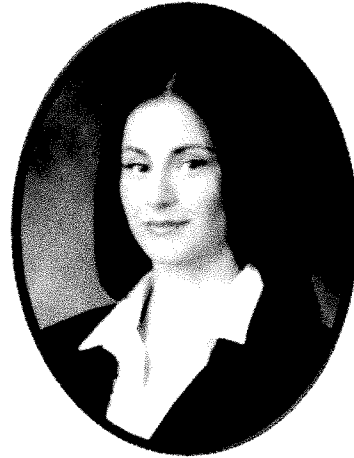
Valeria has experience in a variety of governmental and not-for-profit accounting and audit concerns, derived from her audit and consulting experience with those industries.

#### Financial Reporting:

- Year-end closing procedures
- Agreed upon procedures
- Internal control policies and procedures and best practices
- Capital assets and depreciation schedules
- GASB 68 Pensions
- GASB 75 OPEB
- GASB 87 Leases
- GASB 96 SBIA's

#### Other Agencies Served:

- Calleguas Municipal Water District
- Costa Mesa Sanitary District
- East Orange County Water District
- Hi-Desert Water District
- Oxnard Harbor District
- Montecito Water District
- North Coast County Water District
- Palmdale Water District
- San Geronio Pass Water Agency



#### Education:

Bachelor of Science, Accountancy  
California Baptist University, Riverside,  
2024

#### Licenses and Certifications:

- CPA License Candidate

#### Continuing Education:

- Government Accounting & Auditing Conference
- Not-For-Profit Organizations Conference
- In-house training for audit staff

## PROFILE OF THE FIRM (CONTINUED)

### Training & Resources

The Firm is committed to a continuing professional education program, which emphasizes the areas of expertise of each member of our professional staff. The Firm is required to comply with the *Government Auditing Standards* for each professional practicing in the area of governmental accounting and auditing. We are committed to follow those standards, which result in quality audit services, including continuing education for all staff of 60-80 hours each year, specifically in school districts and governmental auditing. As required by *Government Auditing Standards*, all governmental audit staff receives the required continuing education in the area of governmental auditing and accounting. These policies are monitored internally, reviewed annually and certified periodically by independent peer review.

Library facilities are maintained which include current professional literature and specific information for the industries that we serve. The Firm library is also reviewed as part of the external quality review program. The Firm has in-house training programs specific to our school district clients. We also perform auditing and accounting updates for our clients that are organized by our staff. These practices ensure the quality of our staff over the term of the engagement.

Our staff participates in activities relating to government accounting and reporting issues through our membership and involvement with the following organizations:

- a. American Institute of CPA's Governmental Audit Quality Center
- b. California Society of CPAs
- c. Government Finance Officers Association (GFOA)
- d. California Special Districts Association (CSDA)
- e. Government Accounting Standards Board (GASB)
- f. Association of Certified Fraud Examiners (ACFE)



*We recognize that our most important product is prompt and effective service.*

Through our participation in these organizations and continuing education provided by them, the Firm continues to stay abreast of all current governmental accounting and reporting issues. Some of the professional education our audit team members have either presented at or attended in the last two years include:

- SSC Annual Finance and Management Conference
- SSC Governor's Budget Workshop
- CSDA Annual Conference
- CSMFO Conference
- GFOA Annual Conference
- Various other governmental workshops

We recognize that our most important product is prompt and effective service. We believe the District should work with its CPA firm throughout the entire year. We are available at any time throughout the year to provide any assistance you may need.

## PROFILE OF THE FIRM (CONTINUED)

### *Similar Engagements with Other Special Districts*

**We currently conduct over 100+ government audits each year and have well rounded experience with local governmental agencies. We are excited for the opportunity to devote our attention to you and your specific needs. Below is a partial list of some similar governmental clients we are currently auditing.**

**Let's start with our Parks & Recreation and CSD clients with Parks Funds:**

**Lake Cuyamaca Rec & Park District – Ann Stone, AS – (760) 765-0515**

**Tehachapi Valley Recreation & Park District – Corey Torres, GM – (661) 822-3228**

**Feather River Recreation & Park District – Violeta Singleterry, BM (530) 533-2011**

**Templeton CSD – Natalie Klock, FO (805) 434-4900**

**Jurupa CSD – Moises Leandro, AS (951) 685-7434 x 515**

**Stallion Springs CSD – Jenni Morris, FD (661) 822-3268**

*\* Please check the websites of these above noted clients to review the Financials prepared by our firm.*

## OUR FOUR PILLARS OF AN AUDIT ENGAGEMENT

### WHAT MAKES US DIFFERENT FROM OTHER AUDITORS!!!

**We believe that a Better Audit is based on deploying the following four principals:**

1. Communication
2. Collaboration
3. Continuity
4. How Do We Make You Better!!!

We Call these "The Better Audit 3Cs!!!"

## COMMUNICATION

### **Clarifies Expectations and Scope:**

Clear communication ensures that both the auditor and the client understand the objectives, scope, and timeline of the audit, reducing the risk of misunderstandings.

### **Enhances Efficiency:**

Timely and open communication helps in identifying and resolving issues early, streamlining the audit process and minimizing delays.

### **Builds Trust and Professional Relationships:**

Regular, transparent interactions foster trust between auditors and clients, which is crucial for cooperation and access to necessary information.

### **Supports Accurate and Reliable Reporting:**

Effective communication allows for better documentation, informed judgments, and ensures that significant findings and risks are appropriately discussed and addressed.

## COLLABORATION

### **Improves Efficiency and Accuracy:**

Effective collaboration between auditors and client personnel helps streamline data collection, resolve issues quickly, and reduce misunderstandings—leading to a more efficient and accurate audit process.

### **Enhances Risk Assessment:**

Joint discussions and shared insights allow auditors to better understand the client's operations and environment, enabling a more precise identification and assessment of risks.

### **Facilitates Timely Issue Resolution:**

Open communication and teamwork help identify and address discrepancies or concerns early in the audit, minimizing delays and last-minute surprises.

### **Promotes Transparency and Trust:**

Collaborative interactions build a foundation of trust and openness, encouraging full disclosure and cooperative problem-solving throughout the engagement.

## CONTINUITY

### **Improved Audit Efficiency:**

Familiarity with the client's operations, systems, and prior audit issues allows returning staff to work more efficiently and effectively, reducing the learning curve and audit time.

### **Enhanced Audit Quality:**

Continuity supports a deeper understanding of client-specific risks and controls, contributing to more accurate risk assessments and better professional judgment.

### **Stronger Client Relationships:**

Consistent staffing fosters trust and communication between the audit team and the client, leading to smoother information exchange and better cooperation.

### **Reduced Risk of Errors or Omissions:**

Continuity helps preserve institutional knowledge from previous audits, minimizing the risk of overlooking significant findings or repeating past mistakes.

## HOW DO WE MAKE YOU BETTER!!!

### **Client-Centric Mindset:**

This phrase shifts the audit from a compliance-driven task to a value-adding partnership, emphasizing the auditor's role in helping the client improve processes, controls, and overall performance.

### **Encourages Open Dialogue:**

It fosters a more collaborative and constructive tone, encouraging clients to share concerns and areas they feel need support, which can lead to more targeted and effective audit outcomes.

### **Enhances Trust and Relationships:**

By signaling genuine interest in the client's success, auditors build stronger relationships and trust, which can lead to better cooperation and smoother audit execution.

### **Drives Continuous Improvement:**

It helps identify opportunities for operational, financial, and risk management improvements, reinforcing the audit's role in long-term organizational development rather than just short-term assurance.

Our clients consistently express appreciation for our commitment to the principles of **communication, collaboration, continuity, and a client-centric mindset** throughout the audit engagement. They value the clarity and transparency our communication brings, which sets clear expectations and fosters trust. The collaborative approach enhances efficiency and issue resolution, making the process smoother and more accurate. Clients also recognize the benefits of continuity in staffing, which ensures deep institutional knowledge and strengthens relationships year over year. Most importantly, our "How Do We Make You Better" philosophy transforms the audit from a compliance exercise into a meaningful partnership, helping clients identify opportunities for improvement and long-term success. We hope you also see the value of these four pillars in your decision-making process.





# SAUSALITO-MARIN CITY SANITARY DISTRICT

1 EAST ROAD • SAUSALITO, CALIFORNIA 94965  
OFFICE 415.332.0244 • PLANT 415.332.0240 • FAX 415.332.0453

*General Manager*  
Jeffrey Kingston

*Office Manager/Board Secretary*  
Catherine A. Bondanza

*Directors*  
Dan Rheiner, President  
William Ring, Vice President  
Don Beers  
Barbara Rycerski  
Shirley Thornton

March 31, 2025

To Whom it May Concern:

**Re: Reference Letter for Nigro & Nigro, PC**

It is with great enthusiasm and confidence that I write this letter to express our sincere appreciation for the exceptional audit services provided by **Nigro & Nigro, PC**. As a new client, we approached the audit process with a mix of anticipation and natural apprehension. However, from the very beginning, the Nigro & Nigro team distinguished themselves through their professionalism, expertise, and genuine commitment to client service.

From our initial engagement, the team at Nigro & Nigro demonstrated a deep understanding of the unique requirements of our organization. Their approach was thorough, thoughtful, and highly **collaborative** ensuring we felt supported and informed at every stage. They took the time to understand our operations, internal controls, and specific risk areas, providing valuable insights that extended well beyond the standard audit checklist.

What truly set Nigro & Nigro apart was the approachable and responsive nature of their staff. **Communication** was timely and clear, and their willingness to educate and advise throughout the process made an immediate and lasting impact on our team. The auditors displayed not only technical expertise but also a remarkable ability to translate complex concepts into understandable, actionable feedback.

Our transition to Nigro & Nigro, PC as our audit partner has been a resounding success. Their audit process was efficient, insightful, and executed with integrity. We feel confident in the quality of their work and greatly value the relationship we are building with their team.

We look forward to continuing our partnership with Nigro & Nigro, PC for years to come and would recommend them without hesitation to any organization seeking a professional, knowledgeable, and client-focused audit firm.

Sincerely,

A handwritten signature in cursive script, reading "Catherine A. Bondanza".

Catherine A. Bondanza  
Office Manager/Board Secretary  
Sausalito-Marin City Sanitary District

## SCOPE OF THE AUDIT

We will audit the basic financial statements of the District for the fiscal year ended March 31st in accordance with the following standards:

- Auditing Standards Generally Accepted in the United States of America
- *Government Auditing Standards*, issued by the Comptroller General of the United States
- Minimum Audit Requirements and Reporting Guidelines for Special Districts

Our audit will be for the purpose of expressing an opinion on the basic financial statements, and will include such auditing procedures as considered necessary to accomplish this purpose. We will also provide an "in-relation-to" opinion on any other supplemental information and statistical schedules. We anticipate issuing the following reports:

- Independent Auditors' Report on the basic financial statements.
- Independent Auditors' Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*.

In addition, we will provide the District with a management letter that will give written appraisals of its accounting and related systems. This letter will identify any control deficiencies, significant control deficiencies or material weaknesses that are identified during the audit. We will work with management before audit fieldwork and during the course of the audit to assess internal controls and review mitigating controls in place in an effort to reduce the control deficiencies, significant control deficiencies and material weaknesses that need to be reported to management in writing, assuming there are mitigating controls in place. The letter will also offer recommendations for the elimination of weaknesses that we identify, and we will suggest any methods we discover to help improve efficiency and effectiveness.

We will schedule an appearance with the Board and the Audit Committee that allows an opportunity for us to present the audit and management letter. This is an excellent time for the District to resolve any questions it has regarding our audit or management letter. As mentioned earlier, the value in hiring our Firm comes from not only the audit, but from our experience and the education, we can provide. We hope that as questions or concerns arise throughout the year, the District staff will contact us and draw on our knowledge and experience.

Non-significant deficiencies discovered during the audit process shall be reported in a separate letter to management, the Board and the Audit Committee, which shall be referred to in the report(s) on internal controls. This separate letter also informs the Board and the Audit Committee of the following:

- 1) The auditor's responsibility under auditing standards generally accepted in the United States of America.
- 2) Significant accounting policies.
- 3) Management judgments and accounting estimates.
- 4) Significant audit adjustments.
- 5) Other information in documents containing audited financial statements.
- 6) Disagreements with management.
- 7) Management consultation with other accountants.
- 8) Major issues discussed with management prior to retention.
- 9) Difficulties encountered in performing the audit.

All working papers and reports will be retained at the Firm's expense for a minimum of seven (7) years, unless the Firm is notified in writing by the District of the need to extend the retention period.

## SCOPE OF THE AUDIT(CONTINUED)

### *Segmentation of Engagement*

#### **STEP 1: Planning**

Our goal in preliminary fieldwork is to gain a thorough understanding of your internal controls, processes and procedures. Our goal is to accomplish as much interim fieldwork as possible so that our stay during final fieldwork is kept to a minimum. Our preliminary work focuses on planning and internal control documentation.

#### **STEP 2: Interim Field Work**

##### **Internal Control Documentation**

Our internal control documentation usually occurs during interim fieldwork. Our documentation process will be as follows:

- 1) Gather or update documentation for significant processes defined in our preliminary fieldwork.
- 2) Perform a "walk-through" of these significant processes.
- 3) Ask "what can go wrong" questions.
- 4) Identify controls in place. This will include both preventative and detective controls.
- 5) Evaluate the design of internal controls.
- 6) Decide whether to test and rely on controls.
- 7) Summarize preliminary fieldwork and submit management letter of all areas of concern.

#### **STEP 3: Final Fieldwork**

We assess risks, design procedures and obtain evidence to support financial statement amounts and disclosures during final fieldwork. Our Firm utilizes a methodology designed specifically for special districts. Our process emphasizes continuous communication with our staff.

##### **Assess Risks and Design Procedures**

As outlined in the risk based statements of audit standards (SAS 104 to 111), our Firm uses a risk-based approach to the audit. Our procedures to assess risks and design procedures are as follows:

- 1) Assess risk of material misstatement from errors or fraud based on internal controls combined with inherent risk of significant accounts.
- 2) Design procedures to test controls if considered necessary.
- 3) Design procedures to test details of account balances and classes of transactions based on risk.

##### **Interim and Year End Testing**

- 1) Perform tests of controls if considered necessary.
- 2) Perform tests of details of account balances and classes of transactions.
- 3) Evaluate quality and sufficiency of audit evidence.
- 4) Evaluate misstatements.
- 5) Perform IT evaluation of policies and controls

#### **STEP 4: Audit Completion**

##### **Preparation of Audit Report and Management Letter**

After reviewing the financial statements, notes and required supplementary schedules, we will agree the data to our working papers and provide a thorough review of all information by using written Firm standards and checklists. We will also review and incorporate any statistical data. This will verify appropriate presentation and disclosure. We will also at this time prepare our management letter that identifies financial trends and recommendations for improvement, reports required communications to the governing board, and discusses change in the environment in which the District operates.

## SCOPE OF THE AUDIT (CONTINUED)

### Proposed Schedule/Level of Staff & Number of Hours Assigned to Each Segment

We will provide a detailed audit plan and prepare a list of schedules upon proposal acceptance. The following table summarizes our proposed segmentation of the engagement by date, segment, and level of staff as we have estimated based on the RFP timeline:

Date/Segment	Total Hours			Total
	Partner/Manager	Supervisor	Staff/Admin	
<b>Apr/Jun</b>				
Preliminary planning and fieldwork	4	2	4	10
<b>Apr/Jun</b>				
Interim fieldwork	11	14	16	41
<b>Sept/Oct</b>				
Final fieldwork, report preparation, review, finalization, and presentation	16	16	20	52
<b>Total hours</b>	<b>31</b>	<b>32</b>	<b>40</b>	<b>103</b>
Preliminary planning and fieldwork	4	2	4	10
Control	11	14	16	41
Substantive	8	16	20	44
Reporting	8	0	0	8
	<b>31</b>	<b>32</b>	<b>40</b>	<b>103</b>

### Sample Size and the Extent to Which Statistical Sampling Is to be Used

We perform sampling techniques and determine sample size after assessing the risk associated with specific transaction classes. No single "cookie-cutter" approach will be followed in regards to sampling techniques, but the District can be assured that an appropriate sampling methodology will be utilized. We use the following methods of sampling during our audits: statistical, haphazard, and judgmental. For statistical sampling we use guidance provided by the AICPA and by federal guidelines in accordance with industry standards, which typically recommends sample sizes between 40 to 60 items.

### Type and Extent of Analytical Procedures to be Used

We will perform analytical procedures throughout the course of our audit. Professional standards require that analytical procedures be performed in the planning and wrap-up stages of the audit. Analytical review will be used during our expenditure, revenue, budget information as well as many other areas.

These procedures typically entail a review of interim reports, budgets, and comparisons to prior year data. We also use financial statement amounts to calculate certain ratios to determine whether any unusual or unexpected relationships exist in the financial data.

These procedures are then followed by inquiry of key District personnel to corroborate the auditors' expectations based on the data.

## SPECIFIC AUDIT APPROACH (CONTINUED)

### Approach to be Taken to Gain and Document an Understanding of Internal Control Structure(s)

Our audit approach will entail interviews with key personnel in the District involved in the design and implementation of internal controls. In conjunction with the interviews, we will perform tests and observations of how well the controls function. Key areas of internal control generally include: cash receipting, accounts payable/purchasing, payroll/personnel, technology, facilities, and maintenance and operations.

### Approach to be Taken in Determining Laws and Regulations That Will be Subject to Audit Test Work

We are required to obtain an understanding of the possible financial statement effect of laws and regulations that have a direct and material effect on the determination of financial statement amounts. The determination of laws and regulations is addressed in the planning stage through reading available grant documentation, inquiry of the client, a preliminary review of finance system accounts and search of the Board minutes. We also have working knowledge of the types of laws and regulations under which California special districts operate. We also obtain further information about federal laws and regulations through the Catalog of Federal Domestic Assistance (CFDA) and the Uniform Guidance.

### Approach to be Taken in Drawing Audit Samples

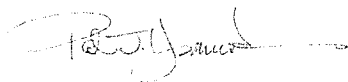
Since each program or grant agreement is different, we use many different approaches to sampling in our tests of compliance. The size of the sample considers many factors; size and risk of the program, program maturity, complexity, level of oversight and prior audit findings. AICPA Guidelines generally recommend sample sizes of 25, 40, or 60 items when the population is greater than 250. Ultimately, our professional judgment determines that a representative number of transactions have been selected. You can be confident in our judgment because our peer reviews and an outside review by the U.S. Department of Education have all accepted our audit sampling techniques and procedures.

### Use of Technology/Remote Proficiency

In order to facilitate the exchange of data between us and our clients in a secured manner throughout the course of the audit, we employ the use of an online secured portal. Our clients have appreciated this unique and forward-thinking platform which helps minimize duplicate requests and unnecessary email and phone exchanges to request and receive audit documentation. The software is very user-friendly and easy to understand. This also allows us to perform much of the audit remotely without being onsite to reduce our carbon footprint.

### Proposing Prior Warranties

1. The firm is willing and able to obtain an Errors and Omissions Insurance Policy providing a prudent amount of coverage for the willful or negligent acts or omissions of any officers, employees, or agents thereof.
2. The firm will not delegate or subcontract its responsibilities under an agreement without the express prior written permission of the District.
3. All information provided by the firm in connection with this proposal is true and correct.
4. The firm will acknowledge and agree with all terms and conditions stated in this Request for Proposal.



Paul J. Kaymark, CPA  
Audit Services Partner

**COST PROPOSAL  
FOR  
PROFESSIONAL AUDITING SERVICES**

**Auburn Area Recreation and Park District**

**For the Fiscal Years Ending  
March 31, 2026-2028**

**NIGRO & NIGRO<sup>PC</sup>**

***Respectfully Submitted on July 25, 2025 by:***

Paul J. Kaymark, CPA

Nigro & Nigro, PC

pkaymark@nnpcpas.com

Federal Tax ID: 30-0636241

Nncpas.com

**Murrieta Office:** 25220 Hancock Ave. #400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064  
**Walnut Creek:** 2121 N. California Blvd. #290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444

## COST PROPOSAL

### Proposal Pricing Per Professional Staff Member

Professional	Hours	Rates		Total
		Standard	Quoted	
Partner	11.00	\$ 225.00	\$ 200.00	\$ 2,200.00
Managers	20.00	200.00	175.00	3,500.00
Seniors	32.00	175.00	150.00	4,800.00
Staff Members	40.00	150.00	125.00	5,000.00
Admin	-	125.00	100.00	-
<b>Subtotal</b>	<b>103.00</b>			<b>15,500.00</b>
<b>Out-of-Pocket - Included in Rates</b>				-
<b>Total Max</b>				<b>\$ 15,500.00</b>

Fiscal Year	FY 2026	FY 2027	FY 2028	Total
District Financials	\$ 15,000	\$ 15,000	\$ 15,000	\$ 45,000
SCR - District	500	500	500	1,500
<b>Total</b>	<b>\$ 15,500</b>	<b>\$ 15,500</b>	<b>\$ 15,500</b>	<b>\$ 46,500</b>

Single-Audit of Federal Funding \$5,000

## ADDITIONAL INFORMATION

### Testimonial

"Few people have the opportunity to work with someone who was a coach and a mentor-but I did when I worked with Paul. I had the pleasure working directly under Paul's supervision and I was particularly impressed by his ability to handle even the toughest clients - and effortlessly. That skill often takes years to develop, but it seemed to come perfectly natural to him. Paul was one of those rare partners who also naturally serve as an inspiring mentor for the whole staff and I was grateful to learn a lot from him."

*Deana Miller*  
Accounting Manager  
PepiCare, Inc.

### Fraud Hotline



Throughout the audit process, we will make available our fraud hotline reporting service at no additional charge over the period of the contract to ensure the District has an effective anti-fraud program.

# **ADDITIONAL DOCUMENTS**



## **Report on the Firm's System of Quality Control**

To Nigro & Nigro, PC  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC, (the firm) in effect for the year ended August 31, 2023. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a system review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported on in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### **Firm's Responsibility**

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of the applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### **Peer Reviewer's Responsibility**

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### **Required Selection and Considerations**

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, in determining the nature and extent of our procedures.

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Nigro & Nigro, PC in effect for the year ended August 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency (ies)* or *fail*. Nigro & Nigro, PC has received a peer review rating of *pass*.

*Scafford & Hardy, Inc.*

May 1, 2024



# CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY)

1/7/2025

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICIES BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER(S), AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an **ADDITIONAL INSURED**, the policy(ies) must have **ADDITIONAL INSURED** provisions or be endorsed. If **SUBROGATION** IS **WAIVED**, subject to the terms and conditions of the policy, certain policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsement(s).

<b>PRODUCER</b> <b>Tower Insurance Associates, Inc.</b> <b>4244 Overland Avenue</b> <b>Culver City, CA 90230</b> <b>License #: 0229561</b>	<b>CONTACT NAME:</b> Anna Soto-Long <b>PHONE (A/C, No, Ext):</b> (310)837-6101 <b>FAX (A/C, No):</b> (310)837-7559 <b>E-MAIL ADDRESS:</b> Anna@Tower90230.com <b>INSURER(S) AFFORDING COVERAGE</b> <b>INSURER A:</b> Hartford Underwriters Insurance Company <b>INSURER B:</b> Fusion <b>INSURER C:</b> <b>INSURER D:</b> <b>INSURER E:</b> <b>INSURER F:</b>
<b>INSURED</b> <b>Nigro &amp; Nigro PC</b> <b>25220 Hancock Ave Ste 400</b> <b>Murrieta, CA 92562-0903</b>	<b>NAIC #</b> <b>30104</b>

**COVERAGES****CERTIFICATE NUMBER:** 00013566-250107150915**REVISION NUMBER:** 3

THIS IS TO CERTIFY THAT THE POLICIES OF INSURANCE LISTED BELOW HAVE BEEN ISSUED TO THE INSURED NAMED ABOVE FOR THE POLICY PERIOD INDICATED. NOTWITHSTANDING ANY REQUIREMENT, TERM OR CONDITION OF ANY CONTRACT OR OTHER DOCUMENT WITH RESPECT TO WHICH THIS CERTIFICATE MAY BE ISSUED OR MAY PERTAIN, THE INSURANCE AFFORDED BY THE POLICIES DESCRIBED HEREIN IS SUBJECT TO ALL THE TERMS, EXCLUSIONS AND CONDITIONS OF SUCH POLICIES. LIMITS SHOWN MAY HAVE BEEN REDUCED BY PAID CLAIMS.

INSR LTR	TYPE OF INSURANCE	ADDL SUBR INSD WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS
A	<input checked="" type="checkbox"/> <b>COMMERCIAL GENERAL LIABILITY</b> <input type="checkbox"/> CLAIMS-MADE <input checked="" type="checkbox"/> OCCUR GEN'L AGGREGATE LIMIT APPLIES PER: <input checked="" type="checkbox"/> POLICY <input type="checkbox"/> PRO-JECT <input type="checkbox"/> LOC OTHER:		72SBABM4SGH	12/3/2024	12/3/2025	EACH OCCURRENCE \$ 2,000,000 DAMAGE TO RENTED PREMISES (Ea occurrence) \$ 1,000,000 MED EXP (Any one person) \$ 10,000 PERSONAL & ADV INJURY \$ 2,000,000 GENERAL AGGREGATE \$ 4,000,000 PRODUCTS - COMP/OP AGG \$ 4,000,000
	<b>AUTOMOBILE LIABILITY</b> <input type="checkbox"/> ANY AUTO <input type="checkbox"/> OWNED AUTOS ONLY <input type="checkbox"/> HIRED AUTOS ONLY <input type="checkbox"/> SCHEDULED AUTOS <input type="checkbox"/> NON-OWNED AUTOS ONLY					COMBINED SINGLE LIMIT (Ea accident) \$ BODILY INJURY (Per person) \$ BODILY INJURY (Per accident) \$ PROPERTY DAMAGE (Per accident) \$
A	<input checked="" type="checkbox"/> <b>UMBRELLA LIAB</b> <input checked="" type="checkbox"/> OCCUR <input type="checkbox"/> EXCESS LIAB CLAIMS-MADE DED RETENTION \$		72SBABM4SGH	12/3/2024	12/3/2025	EACH OCCURRENCE \$ 3,000,000 AGGREGATE \$ 3,000,000
	<b>WORKERS COMPENSATION AND EMPLOYERS' LIABILITY</b> ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) If yes, describe under DESCRIPTION OF OPERATIONS below Y / N <input type="checkbox"/> N / A					PER STATUTE <input type="checkbox"/> OTH-ER <input type="checkbox"/> E.L. EACH ACCIDENT \$ E.L. DISEASE - EA EMPLOYEE \$ E.L. DISEASE - POLICY LIMIT \$
B	<b>Cyber</b>		POL-360-40870330-00	10/30/2024	10/30/2025	1,000,000

DESCRIPTION OF OPERATIONS / LOCATIONS / VEHICLES (ACORD 101, Additional Remarks Schedule, may be attached if more space is required)

**PROOF OF INSURANCE****CERTIFICATE HOLDER****CANCELLATION**

<b>Nigro &amp; Nigro, PC</b> <b>P.O. Box 1247</b> <b>Murrieta, CA 92564</b>	<b>SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.</b> <b>AUTHORIZED REPRESENTATIVE</b> <i>Anna Soto-Long</i>
---	--

(ASL)

PROPOSAL TO PROVIDE PROFESSIONAL  
AUDIT SERVICES FOR



FOR THE FISCAL YEARS ENDED  
MARCH 31, 2026, 2027 AND 2028

**CONTACT PERSONS:**

**Ingrid Sheipline, Managing Partner**

isheipline@richardsoncpas.com

**Brian Nash, Partner**

bnash@richardsoncpas.com



550 Howe Avenue, Suite 210  
Sacramento, California 95825  
Phone: (916) 564-8727  
Fax: (916) 564-8728

July 30, 2025

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## TABLE OF CONTENTS

---

Transmittal Letter.....	1
Technical Proposal:	
Firm Qualifications and Experience:	
License to Practice in California.....	5
Firm Profile and Experience .....	5
Partner, Supervisory and Staff Qualifications and Experience .....	9
Similar Engagements .....	12
Specific Audit Approach:	
Scope of Services .....	17
Audit Approach.....	18
Work Plan .....	19
Cost Proposal .....	21
Peer Review Report .....	23
Sample Copy of Audited Financial Statements .....	24



550 Howe Avenue, Suite 210  
Sacramento, California 95825

Telephone: (916) 564-8727  
FAX: (916) 564-8728

July 30, 2025

**Auburn Area Recreation and Park District**  
471 Maidu Drive, Suite 200  
Auburn, California 95603-5427

Thank you for your interest in our firm and the opportunity to present our proposal to serve the **Auburn Area Recreation and Park District** (the District). We are genuinely enthusiastic about the prospect of serving you again because auditing special districts and other governmental agencies with their unique reporting requirements has developed into one of our firm's major areas of expertise. If given the opportunity, you can be sure that we would serve the District with great care and pride.

#### **OUR UNDERSTANDING OF THE SERVICES TO BE PERFORMED**

We will audit and express an opinion on the fair presentation of the District's financial statements in conformity with U.S. generally accepted accounting principles for the years ending March 31, 2026, 2027 and 2028. The audits will be conducted in accordance with U.S. generally accepted auditing standards and the standards set forth for financial audits contained in *Government Auditing Standards (1994)* issued by the Comptroller General of the United States, as revised; GASB 34, 68 and 75; OMB Circular A-133, to the extent that federal funds are received, and State Controller's Minimum Audit requirements for California Special Districts. We will also perform certain limited procedures involving supplementary information required by the GASB. In conjunction with our audit, we will also issue a report on internal controls and compliance, a management report and auditor's communication letter. We will also prepare and transmit the Annual Reports of Financial Transactions and will perform agreed-upon procedures on the District's Appropriations Limit as required by the California Code. We understand that the District will require assistance with the calculations and journal entries needed to record the net pension and other postemployment benefits liabilities and related deferred inflows/outflows. We have the qualifications to assist the District with these entries.

#### **OUR COMMITMENT TO PERFORM TIMELY SERVICES**

We have the technical expertise, engagement management skills and staffing resources sufficient to provide you with excellent service and ensure that your reporting deadlines are met. We have consistently planned, scheduled and conducted our audits of the organizations we serve in an efficient and effective manner in order to meet their reporting deadlines.

You have indicated that our draft reports for the audits shall be available for review in an adequate time to meet the District's meeting schedule, typically mid June. To ensure meeting these reporting deadlines, we will begin our preliminary planning and perform tests of controls in April. We will plan to commence fieldwork in May, or at such time as the books have been





closed and all documents and analyses have been completed, and we will ensure final copies of the reports are available for the July Finance Committee and Board meetings. We will provide the District with the priority and timely service it deserves.

## **OUR EXTENSIVE EXPERIENCE WITH LOCAL GOVERNMENTS**

In any service organization, it is the people who make the difference. All of our staff have extensive experience auditing governmental entities, including special districts and numerous other governmental agencies including cities. Our team members know and understand the challenges and opportunities confronting governmental entities and our team consists of professionals who have proven their ability to provide auditing and other services to special districts and cities. We have extensive experience with performing audits of special districts including Cosumnes Community Services District, Fair Oaks Recreation and Park District, El Dorado Hills Community Services District, Sacramento Metropolitan Cable Television Commission, Mountain House Community Services District, Sacramento Metropolitan Fire District, Sacramento Suburban Water District, Calaveras County Water District, Fair Oaks Water District, Carmichael Water District, Tuolumne Utilities District, Pacific Fruitridge Fire Protection District, Sacramento Regional Fire/EMS Communication Center, Yolo-Solano Air Quality Management District, American River Flood Control District, Yolo County Transportation District, Marin County Transit District, El Dorado County Transit Authority and many others. We have also provided audit services to most of the cities in the Sacramento area including the Cities of West Sacramento, Lincoln, Chico, American Canyon, Sonoma, Colfax, Elk Grove, Citrus Heights, Sutter Creek, Dixon, Folsom, Marysville, Ione, Biggs, Colusa, Rancho Cordova and the Towns of Loomis and Paradise, which provide recreation services that are similar to those the District provides. We have also audited the Transportation Development Act (TDA) funds of the various cities and counties in Sacramento, Yolo, Yuba, Sutter, Placer, El Dorado, Calaveras, Nevada, Butte, Amador, Lassen and San Joaquin counties. We have extensive experience with preparation of State Controller's Reports, Single Audit Act procedures and reports, letters to underwriters (comfort letters) and preparation and review of Annual Comprehensive Financial Reports (ACFR) for compliance with the GFOA's preparer's checklist in order to receive the Certificate of Achievement for Excellence in Financial Reporting. Having provided all of these services for various governmental entities makes us exceptionally well qualified to provide the services you currently request and to provide you with additional services should you request them in the future.

We have audited a number of agencies that provide parks and recreation services, including a number of cities and community services districts that include park and recreation activities. Thus, we believe we can demonstrate that we have the expertise needed to provide auditing services to the District. We have audited a number of agencies that use the Great Plains accounting software and have audited agencies, including nonprofits, which use a system for tracking event registrations. We have performed certain agreed-upon procedures on the cash collection processes for recreation activities, including swimming pools and recreation centers. We believe that our vast experience with governmental accounting make us well qualified to perform the District's audit.

## **LOCAL EXPERIENCED PERSONNEL**

Our firm uses more experienced staff to actually perform the work than is typical of larger and other firms. If our firm is selected, we plan to have managers and above spend at least forty-five percent of our total audit time. While larger and other firms may be able to demonstrate significant amounts of experience in the areas of expertise needed to provide the services you





require, the specific individuals they actually assign to your engagement may not have the specific experience you need like the team of accountants we will assign to your engagement. The use of more experienced staff will also ensure you will receive quality services.

## **OUR PROFILE AND COMMITMENT TO QUALITY**

Richardson & Company, LLP is a regional certified public accounting firm established in 1991 and located in Sacramento. We have a total staff of thirty-eight, including twelve CPAs. Our governmental audit staff totals thirty-four, all of which are located in Sacramento. We are among the top 15 largest accounting firms operating in the Sacramento area. We are a certified Disadvantaged Business Enterprise with the California Department of General Services and a certified Woman-owned Business Enterprise with Caltrans. We provide audit, accounting, tax and business advisory services to numerous entities, including governmental entities, nonprofits, financial institutions, affordable housing partnerships, the largest water district in the world located in Los Angeles and other clients primarily located in northern California.

We are a member of the Center for Audit Quality of the American Institute of Certified Public Accountants (AICPA) and participate in the AICPA National Peer Review Program. We are registered with the Public Company Accounting Oversight Board (PCAOB) created by the Sarbanes-Oxley Act to inspect firms that audit SEC registrants. All firms that join the Center for Audit Quality agree to adhere to published quality control standards and submit to peer reviews and PCAOB inspections of their practice every three years. We have passed all eleven peer reviews and three PCAOB inspections of our practice. Our latest peer review as of March 31, 2024 was recently completed and the report is not yet available.

## **WHY WE ARE BEST QUALIFIED**

Richardson & Company, LLP is the best qualified to perform the auditing services required by the District for the following reasons:

- We have extensive history in providing high-quality audits to governmental agencies, as previously discussed.
- Our firm uses more experienced staff to actually perform the work than is typical of larger and other firms. If our firm is selected, we plan to have supervisors and above spend a significant percentage of our total audit time. While larger and other firms may be able to demonstrate significant amounts of experience in the areas of expertise needed to provide the services you require, the specific individuals they actually assign to your engagement may not have the specific experience you need like the team of accountants we will assign to your engagement. The use of more experienced staff will also ensure you will receive quality services. The manager will work on-site during the duration of the audit fieldwork and will interact with your fiscal personnel during the audit, as well the other staff assigned to the audit. The audit partner will also spend time on site and will take a “hands on” approach to the engagement.
- We have a thorough audit approach that focuses on substantive testing of the District’s accounts. Some firms provide lower cost audits by performing mostly analytical review procedures and the evaluation of internal controls instead of performing substantive testing of account balances. Our audit approach involves a combination of internal control testing and substantive testing. Our thorough approach ensures material misstatements are detected, which should provide a level of comfort to management and the Board.





- Since we have served the District in the past, selecting us as the auditors would ensure a smooth transition and minimal disruption to District staff.

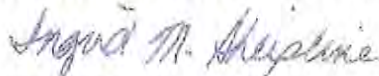
\* \* \* \* \*

Once again, we would like to thank you for the opportunity to discuss our services, present our qualifications, and submit our proposal to serve as independent auditors for the District. We are genuinely enthusiastic over the prospect of serving you again and sincerely believe that we have the people, experience, resources and reputation to assure you of outstanding services. For the preceding reasons and many others as outlined in this proposal, we genuinely believe that your selection of our firm as the District's independent accountants is the best decision that the District could make.

If you have questions or need additional information, please contact Mr. Brian Nash or me at (916) 564-8727, fax (916) 564-8728, correspondence at 550 Howe Avenue, Suite 210, Sacramento, California 95825 or email sent to [bnash@richardsoncpas.com](mailto:bnash@richardsoncpas.com) or [isheipline@richardsoncpas.com](mailto:isheipline@richardsoncpas.com). This proposal is a firm and irrevocable offer for 90 days.

Very truly yours,

RICHARDSON & COMPANY, LLP



Ingrid Sheipline, CPA  
Managing Partner



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## FIRM QUALIFICATIONS AND EXPERIENCE

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### License to Practice in California

Richardson & Company, LLP and all assigned key professional staff are properly licensed to practice in the State of California.

### Firm Profile and Experience

Introduction to Our Firm: Richardson & Company, LLP (successor firm to Richardson & Company) is a regional CPA firm founded in 1991 and located in Sacramento. We have a total staff of thirty-eight, including twelve CPAs. Our governmental audit staff totals thirty-four, all of which are located in Sacramento. We are among the top 15 largest accounting firms operating in the Sacramento area. We are a certified Disadvantaged Business Enterprise with the California Department of General Services and a certified Woman-owned Business Enterprise with Caltrans. We provide audit, accounting, tax and business advisory services to numerous governmental, commercial and nonprofit entities, including the largest water district in the world located in Los Angeles and other organizations primarily located in the Sacramento and San Francisco-Oakland bay areas and as far north as Eureka, California and south as Whittier, California.

We provide audit services to governmental entities (cities, park districts, water and fire districts, and other special districts, regional transportation planning agencies, Transportation Development Act funding recipients and joint powers authorities), nonprofit organizations, financial institutions and bank holding companies, affordable housing partnerships, and others. We have provided audit services to most of the cities located within the greater Sacramento region, large water and fire special districts such as the Sacramento Suburban Water District and the Sacramento Metropolitan Fire District and several transportation planning agencies including the Sacramento Area, El Dorado, Calaveras, Butte, Placer, Amador, Nevada, Lassen and San Joaquin Councils of Governments and their city and county funding recipients. We perform Single Audit Act and compliance audits for both governmental and nonprofit entities. We provide tax services to our audit clients requiring those services.

The services we provide to our government and other clients prove that we have the ability to provide the services that the District requires. Examples of these services include the following:

- We conduct the audits of the basic financial statements of numerous special districts, including park, water and fire districts, as well as a number of cities and community services districts, which provide services similar to these of the District. Many of the cities we have audited included the operation of recreation and park services. We have also performed the audit of the Fair Oaks Recreation and Park District, Cosumnes Community Services District, El Dorado Hills Community Services District, and Russian River Park and Recreation District, which includes recreation and park services. Our experience performing these audits of basic and special purpose governmental financial statements has made us thoroughly familiar with the application of generally accepted governmental accounting principles. These specific agencies are listed in the Similar Engagements section of this proposal.
- We have performed certain agreed-upon procedures on cash handling activities at recreations centers and swimming pools for two of our cities so we are familiar with the internal control issues that could occur in these activities.





- We have provided the Cities of Elk Grove, Chico, American Canyon, Mountain House, Citrus Heights, West Sacramento, Folsom, Rancho Cordova and Dixon, the Cosumnes Community Services District, Sacramento Suburban Water District, Fair Oaks Water District, Oakdale Irrigation District, Florin Resource Conservation District, San Juan Water District and San Joaquin Council of Governments with extensive assistance in the preparation of their Annual Comprehensive Financial Report (ACFR), including the first ACFR the Sacramento Metropolitan Fire District, City of Mountain House, City of Rancho Cordova, Florin Resource Conservation District, Consumes Community Services District and San Joaquin Council of Governments had ever prepared.
- We have provided federal compliance auditing services to numerous entities, including the Cities of Elk Grove, Chico, Colfax, West Sacramento, Folsom, Dixon, Citrus Heights, Rocklin, Marysville and Colusa, Sacramento Metropolitan Fire District, Placer County Transportation Planning Agency, El Dorado Irrigation District, South San Joaquin Irrigation District, Yolo County Transportation District, El Dorado County Transit Authority, Marin Transit, Courtland Fire Protection District, Amador Transit, Yuba-Sutter Transit Authority, the Transport System of the University of Davis and Paratransit and to numerous nonprofit organizations receiving federal grants that must also comply with Government Auditing Standards and the Single Audit Act, which are the same standards that apply to the District.
- We performed audits on behalf of the Sacramento Area Council of Governments, El Dorado County Transportation Commission, Butte County Association of Governments, Placer County Transportation Planning Agency, Amador County Transportation Commission, Calaveras County Council of Governments, Nevada County Transportation Commission and Lassen County Transportation Commission of the municipalities in Sacramento, Butte, Placer, Amador, Nevada County Transportation Commission and Lassen County Transportation Commission, Calaveras, El Dorado, Yolo, Yuba and Sutter Counties that receive Transportation Development Act (TDA) revenue. These audits include financial audits of the funds used by the municipalities to account for the TDA money and the trust fund at the Counties as well as an audit of compliance with the TDA and the Single Audit Act.

In addition, Ingrid Shepline has gained an extensive amount of governmental accounting and auditing experience in her previous position with Ernst & Young LLP, including the following:

- Provided auditing services to numerous state and local government units that face the same unique governmental accounting and auditing aspects as the District such as multifund structure, extensive reporting requirements, basis of accounting, and budgetary and other legal compliance requirements. These entities include the California Department of Water Resources Enterprise Fund, Sacramento County, Sacramento County Airport Enterprise Fund, Solano County Private Industry Council, City of Woodland, City of Lodi and California Housing Finance Agency. The audits of Sacramento County, Sacramento County Airport Enterprise Fund and City of Woodland also involved the preparation of award winning ACFRs.
- Established an audit approach for testing for compliance with federal, state and local grant requirements, including application of the Single Audit Act, for Sacramento County, City of Lodi and California Housing Finance Agency.

**Staffing:** We anticipate the total number of employees assigned to the District's audit on a full-time basis to be four, including the audit partner, manager, and up to two senior or staff accountants. No part-time or subcontracted staff will be utilized.





Quality Control and Peer Review: We are a member of the Center for Audit Quality of the American Institute of Certified Public Accountants (AICPA) and participate in the AICPA National Peer Review Program. We are registered with the Public Company Accounting Oversight Board (PCAOB) created by the Sarbanes-Oxley Act to inspect firms that audit SEC registrants. All firms that join the Center for Audit Quality agree to adhere to published quality control standards and submit to peer reviews and inspections of their practice every three years. We have passed all nine of our peer reviews with a “clean opinion” and three PCAOB inspections. The eleven peer reviews cover the entire period our firm has been in existence. Our latest peer review is attached to this proposal. All of our peer reviews have included the review of specific government engagements.

The quality control policies for our auditing practice are described in detail in our firm’s Quality Control Document. All employees and members of our firm are provided with a copy of our Quality Control Document and are responsible for understanding, implementing and adhering to these policies and procedures. Our policies and procedures cover each of the following six elements of quality control: 1) Leadership, 2) Relevant Ethical Requirements, 3) Acceptance and Continuance of Clients and Engagements, 4) Human Resources, 5) Engagement Performance and 6) Monitoring. The adequacy of our quality control system and our compliance with that system are independently evaluated every three years through a peer review.

We also demonstrate our commitment to providing quality service in many other ways, including:

- Organizing, staffing, and managing engagements to provide for appropriate levels of technical competence, experience, supervision and review.
- Undertaking quality control reviews of selected engagements to assure compliance with professional standards.
- Recognizing our obligation to the public as well as to our clients.
- Conducting engagements in accordance with clients whose concern for reputation and integrity is similar to our own.
- Promoting the growth of our firm primarily by referrals from existing clients satisfied with the quality of our services.

In addition to excellent peer review and inspection results, other examples of our commitment to quality include:

- Assisting numerous governmental entities with receiving the Certificate of Excellence in Financial Reporting awarded by the Government Finance Officers Association, including four that received the award on the first attempt.
- Engaging a nationally recognized accounting consultant who has authored several accounting and reporting manuals, including those dealing with SEC matters, as technical support for our firm in addition to the support customarily available through the American Institute and California Society of CPAs.
- Engaging a partner and Director of Audit and Banking Practices for a large midwestern firm to serve as the concurring reviewer for our SEC registrant bank as well as providing consultation with respect to audit and accounting issues for other clients. He has extensive experience auditing banks and public companies as result of more than twenty years with Ernst & Young, KPMG and his current firm.



- Auditing the California Department of Water Resources on behalf of a large Southern California water agency for the past thirty-four years, including twelve years while key personnel in our firm were with Ernst & Young. The water agency is a consortium of twenty-six cities and water districts serving nearly nineteen million people in the Los Angeles and San Diego areas. It is the largest water district in the world. This large, complex audit of the multi-billion-dollar State Water Project managed by the California Department of Water Resources is on a scale and nature as to rarely be performed by other than "Big Four" international CPA firms.
- Performing several special investigative audits for governmental special districts that have received extensive statewide news media attention. Being selected several times to conduct this special audit work demonstrates that our firm has the resources and expertise to successfully complete difficult, unusual auditing projects in a timely manner. Our investigations discovered several problems and our audit results were made public by the districts involved. The FBI, IRS and district attorney's office subpoenaed our workpapers to assist them with their investigations. We have testified in federal court and given depositions related to this work which, in certain cases, resulted in managers and assistants serving federal prison sentences.
- Preparing audited financial statements and other information for inclusion in several public offering documents reviewed by the SEC and other CPA firms, including Big Four firms, with minimal insignificant changes.
- Preparing audited financial statements reviewed by the State Board of Accountancy without change.

Federal/State Reviews: Our firm has not been the subject of any federal or state desk or field reviews of its audits during the past three years or ever. The firm and its staff are not currently or have not previously been the subject of any disciplinary actions. The firm has not had pending or settled litigation since inception of the firm.





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## **PARTNER, SUPERVISORY AND STAFF QUALIFICATIONS AND EXPERIENCE**

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We have the personnel with the necessary professional qualifications and technical ability to provide you with the quality service you are looking for. As you can see from the resumes of our key personnel, we have developed the proficiency in the accounting principles and standards and governmental and grant compliance auditing to ensure you will receive quality work. Our firm philosophy centers around our commitment to the highest level of quality service - delivered by quality people. We have a history of providing technical excellence through teamwork responsive to clients' needs and expectations. Our commitment to quality results in satisfying the needs of our clients by providing value-added services and attracting and retaining clients of the highest caliber.

Our key audit executives will participate heavily in the audit of the District. This assures the District will receive a quality audit managed and executed on-site by seasoned professionals, knowledgeable of the government industry. We believe the quality of our services exceeds that of national and other large firms because our audit team uses more experienced professionals to actually perform the work. National and other firms typically rely heavily on senior and staff accountants to perform audit fieldwork with minimal on-site direction from partners or managers. The following resumes outline the qualifications and experience of our key team members. All of the key team members are licensed to practice as certified public accountants in California.

### Ingrid M. Sheipline, CPA (Managing Partner and Engagement Partner)

Ingrid serves as our Managing Partner will be the engagement partner. She would have overall responsibility for planning, directing and coordinating our services for you. Since significant and timely partner involvement is a cornerstone of our quality control procedures, she will be involved in all phases of our audit work from initial planning through report preparation. Formerly an audit manager with Ernst & Young LLP, she is a Certified Public Accountant with forty years of experience. Ingrid has supervised and conducted the fieldwork for a variety of clients including governmental entities, nonprofit organizations, utilities, banks, insurance agencies, manufacturers and distributors. While with Ernst & Young LLP, she specialized in governmental entities and grant compliance auditing, and has attended or taught numerous governmental education seminars. She is currently serving or has served almost all of the governmental entities listed in this proposal, including most of the special districts and cities, such as Auburn Area Recreation and Park District, Fair Oaks Recreation and Park District, El Dorado Hills Community Services District, Russian River Park and Recreation District, the Cities of Chico, Lincoln, American Canyon, Sutter Creek, Colfax, Sonoma and Mountain House, Sacramento Metropolitan Fire District, Sacramento Metropolitan Cable Television Commission, California Fire and Rescue Training Authority, Nevada Irrigation District, Tuolumne Utilities District, Fair Oaks Water District, Sacramento Suburban Water District, Carmichael Water District, Citrus Heights Water District, South Feather Water and Power, Merced Irrigation District, El Dorado Irrigation District, and many other governmental entities.

Ingrid has a Bachelor of Science degree in accounting with honors from California State University, Sacramento. She is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants, having served on the Board of Directors of the Society's Sacramento Chapter and as a member of the Government and Nonprofit Committee.





#### Brian Nash, CPA (Audit Partner and Concurring Reviewer)

Brian, a Certified Public Accountant and partner with our firm would serve as the concurring reviewer. He has over thirty-two years of professional accounting and auditing experience and has provided services to a variety of clients, including most of the government entities, nonprofits, banks, water agencies and other entities described in the following section of this proposal. He currently serves or has served a number of the special districts and cities, including Cosumnes Community Services District, the Cities of West Sacramento, Citrus Heights, Elk Grove, Cosumnes Community Services District, Sacramento Public Library Authority, Sacramento Metropolitan Fire District, Oakdale Irrigation District, South San Joaquin Irrigation District, Sacramento Suburban Water District, Tri-Dam Project and Power Authority and numerous other governmental agencies. He has extensive experience with calculations under GASB 68 and 75 and has performed a number of calculations on behalf of governmental entities. Brian received a Bachelor of Science degree in accounting with honors from California State University, Sacramento. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

#### David Chiaravalloti, CPA (Audit Senior Manager)

David, a senior audit manager with our firm, will organize, conduct, review and evaluate field work and will be responsible for the planning and report preparation and review under the direction of Brian. He will work on-site for the duration of fieldwork. He has extensive experience auditing special districts, cities and other governmental entities with Richardson & Company, LLP and another CPA firm. He has thirty years of professional experience, including eighteen years with our firm. The clients he has served with parks and recreation services include Auburn Area Recreation and Park District, El Dorado Hills Community Services District, Cosumnes Community Services District, Fair Oaks Recreation and Park District, City of Mountain House, City of West Sacramento, City of Lincoln, City of Citrus Heights, City of Sutter Creek and City of Colfax. David received a Bachelor of Science degree in accounting from California State University, Sacramento. He is a member of the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

#### Brian Magaw (Audit Manager)

Brian, an audit supervisor with our firm, will organize, conduct, review and evaluate field work and will be responsible for the planning and report preparation and review under the direction of Ingrid and Dave. He has seven years of auditing experience and has served a number of government agencies, including Auburn Area Recreation and Park District, Cosumnes Community Services District, El Dorado Hills Community Services District, Fair Oaks Recreation and Parks District, Cities of Mountain House, Citrus Heights, Ione, and Marysville, along with numerous other governmental agencies. Brian received a Bachelor of Science degree in Accounting from California State University, Sacramento.

#### Staffing Continuity

Richardson & Company, LLP has proven its ability to attract and retain an excellent professional staff to serve our clients and meet our commitments. We currently have thirty-four professional staff, including twelve CPA's, and four administrative staff. In addition, while national and other firms have high staff turnover rates, which makes it difficult to provide staffing continuity from year to year, our firm has experienced a very low turnover rate. Accordingly, we commit to maintaining a staffing level sufficient in size and experience to successfully complete the audit



each year. We consider staffing to be of the utmost importance because of its significant impact on our ability to provide you with outstanding service.

We have consistently demonstrated our firm's ability to recruit, train and maintain a quality staff as evidenced by our excellent peer review results for the past thirty-one years and our ability to consistently attract and serve quality clients.

If audit personnel assigned to your audit are changed, the replacements will have substantially the same or better qualifications or experience. We understand that the District retains the right to approve or reject replacements.

#### Governmental Continuing Professional Education

All members of our firm regularly attend courses on government accounting and auditing issues and grant compliance auditing and are represented on the California Society of CPA's Sacramento Chapter Government Committee to stay abreast of current issues affecting the government industry. Consistent with *Government Auditing Standards*, each of our auditors that are responsible for planning, directing, conducting or reporting on any of our government-related audits completes 80 hours of continuing education and training every two years, including subjects directly related to the government environment and to grant compliance auditing. All personnel that will be assigned to your engagement team have attended the required governmental training programs. Our governmental training program consists of governmental courses offered by professional societies as well as subscription to a training service that includes significant issues relating to governmental accounting standards and grant compliance presented by top government experts from throughout the country. We also provide internally developed classes addressing current accounting and auditing issues pertinent to our clients.





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## SIMILAR ENGAGEMENTS

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References: We have emphasized throughout our proposal that Richardson & Company, LLP provides quality service. Please contact any of these references to confirm our ability to provide the type of service you are seeking. We have provided audit services to these agencies within the past five years.

Name of referenced entity: Fair Oaks Recreation and Park District

Name of principal contact, title and phone number: Jennifer Larkin, Admin Services Manager (916) 966-1036

E-mail address: [jlarkin@forpd.org](mailto:jlarkin@forpd.org)

Address: 4150 Temescal Street  
Fair Oaks, CA 95628

Services performed: Audit of the financial statements in accordance with generally accepted auditing standards and *Government Auditing Standards*.

Completion dates: June 30, 2018 to 2023

\* \* \* \* \*

Name of referenced entity: El Dorado Hills Community Services District

Name of client contact, title and phone number: Teri Gotro, Director of Administration and Finance (916) 933-6624

E-mail address: [rgotro@edhcsd.org](mailto:rgotro@edhcsd.org)

Address: 1021 Harvard Way  
El Dorado Hills, California 95762

Services performed: Audit of the financial statements in accordance with generally accepted auditing standards and *Government Auditing Standards*.

Completion dates: June 30, 2021 to 2023

\* \* \* \* \*

Name of referenced entity: Cosumnes Community Services District

Name of client contact, title and phone number: Nou Vang, Finance Director (916) 405-7161

Email address: [nouvang@cosumnescd.com](mailto:nouvang@cosumnescd.com)

Address: 8820 Elk Grove Blvd.  
Elk Grove, California 95624

Services performed: Audit of the financial statements in accordance with generally accepted auditing standards, *Governmental*



*Auditing Standards*, includes drafting of the financial statements.

Completion dates: Audits completed for the years ended June 30, 2007 through 2017 and 2021 through 2023

Government Audit Experience: Key personnel in our firm began their careers with Ernst & Young LLP serving governmental entities and other clients. Since leaving the international CPA firm of Ernst & Young LLP, Joe Richardson (deceased), Ingrid Sheipline, Brian Nash and their team have built a practice oriented toward providing services equal in caliber to those provided by firms operating on a national level. Many of our present and past clients are former national-firm clients and include the following governmental organizations:

Special Districts

- Auburn Area Recreation and Park District
- El Dorado Hills Community Services District
- Cosumnes Community Services District
- Fair Oaks Recreation and Park District
- Russian River Park and Recreation District
- California Exposition and State Fair
- Orleans Community Services District
- Volcano Community Services District
- Rancho Murrieta Community Services District
- Diablo Community Services District
- Ranch House Community Services District
- Placer County Transportation Planning Agency
- Sacramento Metropolitan Air Quality Management District
- Capital Southeast Connector Joint Powers Authority
- Sacramento Transportation Authority
- Sacramento Area Council of Governments
- Sacramento Public Library Authority
- Sacramento Regional Fire/EMS Communication System
- Sacramento Metropolitan Cable Television Commission
- Butte County Association of Governments
- Sites Reservoir Project Authority
- State Water Project Contractors Authority
- South Yuba Water District
- Yolo Emergency Communications Authority
- Yolo County Transportation District
- Yolo County Flood Control and Water Conservation District
- Yolo-Solano Air Quality Management District
- Yolo Subbasin Groundwater Agency
- Reclamation District 1000
- Reclamation District 2035
- California Educational Facilities Authority
- California Health Facilities Financing Authority
- California Pollution Control Financing Authority
- Dixon Public Library District
- Vacaville Unified School District Library District
- Cortina Community Services District





- South Lake Tahoe Recreation Facilities JPA
- Sacramento Metropolitan Fire District
- American Canyon Fire Protection District
- Nevada County Consolidated Fire District
- El Dorado County Emergency Services Authority
- California Tahoe Emergency Services Operations Authority
- El Dorado Hills Fire Department
- Wilton Fire Protection District
- Pacific-Fruitridge Fire Protection District
- Courtland Fire Protection District
- Herald Fire Protection District
- California Fire Rescue Training Authority
- Dixon Fire Protection District
- Rescue Fire Protection District
- Sacramento Valley Basinwide Air Quality Control Council
- Mountain House Community Services District (became the City of Mountain House)
- Glenn-Colusa Irrigation District
- El Dorado Irrigation District
- El Dorado County Transportation Commission
- El Dorado County Transit Authority
- El Dorado County Local Agency Formation Commission
- Yolo County Local Agency Formation Commission
- Florin Resource Conservation District
- Citrus Heights Water District
- Fair Oaks Water District
- Central California Irrigation District
- Glenn-Colusa Irrigation District
- Carmichael Water District
- Del Paso Manor Water District
- Amador Water Agency
- Oakdale Irrigation District
- Merced Irrigation District
- Byron Bethany Irrigation District
- Byron Sanitary District
- Yuba County Water Agency
- Calaveras County Water District
- Calaveras Public Power Agency
- Nevada Irrigation District
- South San Joaquin Irrigation District
- South Feather Water and Power Authority
- Tuolumne Utilities District
- Sacramento Suburban Water District
- Westlands Water District
- San Luis & Delta-Mendota Water Authority
- Delta Conveyance Finance Authority
- San Joaquin Valley Drainage Authority
- Tri-Dam Project and the Tri-Dam Power Authority
- Rio Linda/Elverta Community Water District
- Paratransit, Inc.
- Transport System of the University of California at Davis



- Yuba-Sutter Transit Authority
- American River Flood Control District
- Amador County Transportation Commission
- Amador Transit
- Calaveras Council of Governments
- Calaveras Transit Agency
- County of Calaveras Transit Fund
- Capital Southeast Connector Joint Powers Authority
- Sacramento Area Council of Governments Local Transportation Funds of the Counties of Sacramento, Sutter, Yolo and Yuba and Sacramento State Transit Assistance Fund
- County of Placer and City of Roseville Transit Systems
- County of Nevada and Town of Truckee Transit Systems
- Marin County Transit District
- Nevada County Transportation Commission
- Lassen County Transportation Commission
- Lassen Transit Services Agency
- Association of California Healthcare Districts - The Alpha Fund (workers compensation risk pool for rural hospitals)
- Regional Waste Management Authority
- Sacramento County Waste Management and Recycling
- Regional Water Authority
- Sacramento Groundwater Authority
- San Juan Water District
- Funds and accounts of the California Department of Water Resources on behalf of the Metropolitan Water District of Southern California, including special analyses and projects related to its contract with the State
- San Joaquin Council of Governments
- Cities of Escalon, Lodi, Manteca, Lathrop, Ripon and Tracy and County of San Joaquin Transportation Development Act Funds
- San Joaquin County Local Transportation Fund and State Transit Assistance Fund
- San Joaquin Regional Transit District
- Cities of Manteca, Lathrop, Tracy, Lodi and Ripon Transit Systems
- Funds and accounts of the U.S. Bureau of Reclamation (USBR) on behalf of the Central Valley Project Water Association and various water districts including Santa Clara Valley Water District, East Bay Municipal Utility District, Contra Costa Water District, Sacramento Municipal Utility District and Placer County Water Agency

#### Cities

- |                           |                          |
|---------------------------|--------------------------|
| • City of American Canyon | • City of Lincoln        |
| • City of Colfax          | • City of Rocklin        |
| • Town of Paradise        | • City of Dixon          |
| • City of Marysville      | • City of Folsom         |
| • City of Ione            | • City of Biggs          |
| • City of West Sacramento | • City of Colusa         |
| • City of Citrus Heights  | • City of Rancho Cordova |
| • City of Sonoma          | • City of Isleton        |
| • City of Chico           | • Town of Loomis         |
| • City of Elk Grove       | • Town of Fort Jones     |
| • City of Sutter Creek    |                          |



- Cities of Folsom, Rancho Cordova, Galt, Isleton, Sacramento, Davis, Live Oak, Yuba City, Marysville, Wheatland, West Sacramento, Winters and Woodland Transportation Development Act Funds
- County of Butte and Cities of Oroville, Chico, Gridley, Biggs, and Paradise Transportation Development Act Funds
- El Dorado County and City of Placerville, County of Placer and Cities of Auburn, Lincoln, Loomis, Roseville and Rocklin Transportation Development Act Funds
- Funds and accounts of the California Department of Water Resources on behalf of a large water agency, including special analyses and projects related to its contract with the State



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## SPECIFIC AUDIT APPROACH

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Our extensive experience in auditing ensures that we will concentrate on those areas of highest risk and plan and coordinate our work with management. We will not waste your time and resources by auditing areas that have no material risk to the financial statements. We will perform an assessment of the internal controls for the purpose of determining the procedures necessary to perform our audit, and any recommended enhancements to internal controls that we note during our audit will be communicated to management.

### Scope of Services

We understand that the District requires an audit of its basic financial statements, including the preparation of the financial statements, for the fiscal years ended March 31, 2026 through 2028 including all procedures necessary for the issuance of an opinion regarding the fairness of the presentation of the financial statements in conformity with generally accepted accounting principles. The audits are to be performed in accordance with generally accepted auditing standards as set forth by the American Institute of Certified Public Accountants (AICPA) and the State Controller's Minimum Audit Requirements for California Special Districts. These services will include the following:

1. Prepare the District's financial statements.
2. Perform an audit of the District's financial statements in conformity with generally accepted accounting standards, *Government Auditing Standards* and the State Controller's Minimum Audit Requirements for California Special Districts, including its component unit, Friends of Auburn Area Recreation and Parks.
3. Assist the District with calculating its share of net pension liability and related deferred inflows and outflows under GASB 68 from information on the risk pool provided by CalPERS, and entries under GASB 75 based on the actuarial valuation.
4. Express an opinion on the financial statements as to whether they present fairly, in all material aspects, the financial position of the District and the changes in financial position in conformity with generally accepted accounting principles (GAAP), and issue an independent auditor's report stating this opinion.
5. Test internal control over financial reporting and compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters, in accordance with *Government Auditing Standards*, and issue an independent auditors' report on their consideration.
6. Apply limited audit procedures to the Required Supplementary Information (RSI) and Management's Discussion and Analysis (MD&A).
7. Prepare a Report to the Board of Directors and Management which identifies significant audit findings, difficulties encountered in performing the audit, identify any correct and uncorrected misstatements, disagreements with management, management representations, control deficiencies, significant deficiencies and material weaknesses, if any, and our recommendations for improvements in accounting and administrative controls.
8. Test compliance with Proposition 111, Article XIII.B – Review of Appropriation Limit Calculations.
9. Prepare Annual Financial Transactions Report of the District to the State Controller by the January 31 due date.





10. Attend Finance Committee meeting and Board meeting where audit is discussed.

### **Audit Approach**

Our audit approach to this engagement is divided into three stages as follows:

Initial Planning: We believe that a smoothly run audit is based upon the early identification and resolution of reporting and auditing issues. Due to the extensive knowledge gained through auditing the District and similar agencies, we will identify such issues in a timely manner and obtain a better understanding of your organization and the external and internal environments in which the District operates. We will examine significant contracts and agreements to determine the effect on the nature and extent of the auditing procedures and to determine laws and regulations subject to test work. Our familiarity with laws and regulations affecting special districts will also be used as a resource for determining the extent of testing needed. We will meet with your personnel to update our understanding of your internal control structure policies and procedures and to document the flow of information through the accounting system, including how the accounting system is used to process data, and prepare walkthrough questionnaires with the assistance of your staff.

Program Development: Our risk assessment and evaluation of internal controls will provide the basis for determining the nature, timing and extent of audit procedures for specific transactions and accounts. Our approach to planning the audit will be in accordance with Statement of Audit Standard (SAS) Nos. 104 through 111, as updated by Nos. 122 through 125. Accordingly, we will focus on obtaining an understanding of the control environment, risk assessment, information and communication, and monitoring components. We will document the District's control environment and will perform a walkthrough of significant areas to assess control risk for the purpose of planning our substantive tests. We will perform additional testing of internal controls as needed based on our risk assessment. An overall audit program is the end product of our initial planning. The primary purpose of this phase of our audit approach is to assess the likelihood of material error in the accounts and transactions and to determine the most cost effective and cost-efficient mix of audit procedures. In developing the audit program, our aim will be to:

- Provide a complete audit program for all important financial statement amounts.
- Eliminate redundant audit procedures.
- Use audit procedures that accomplish more than one purpose.

Our audit approach is based on an analysis and understanding of the external and internal risk currently facing the organization we are auditing. Risk analysis enables us to design the most effective and efficient audit program, which evaluates and includes audit tests in relation to the size and probability of these risks. This approach provides us with a uniform method for developing and documenting the basis for our audit program.

We provide our clients with a detailed list of items needed during the audit well in advance to allow for sufficient time to gather the information. This approach minimizes disruption to District staff during the course of the audit.

Program Execution: During this stage of our audit, we will perform the tests of transactions processed through the accounting system, direct tests of account balances and tests of compliance with laws, regulations and contracts. We plan to use either random or systematic sample selection methods to perform such tests. We will utilize analytical procedures in all areas





of the audit, especially revenues and expenses. We will perform all requested tasks as one integrated engagement and will schedule the timing of our field work so that there will be minimal disruption of the day-to-day operations. We will perform testing of internal controls in the areas of registration revenue, cash disbursements and payroll, with sample sizes ranging from 5 to 40 items, which will depend on the size of the population. We will select our samples randomly from number sequences or other documents provided by the District. We will utilize computer software during the engagement, including during the on-site fieldwork, for all workpaper preparation and for developing the lead schedules and trend analysis reports used in the audit process.

The work plan on the following page was developed with your deadlines in mind. Upon selection as your independent accountants, we will meet with you, and together we will determine a specific timetable which ensures minimal disruption of your employees. As can be seen from the following work plan, the service team is composed in such a way that each member has adequate supervision and technical support.

### Work Plan

Task	Timing	Estimated Hours				Total
		Principal/ Director	Senior Manager	Manager/ Senior	Staff	
<b>Audit Planning:</b>						
Begin audit planning process	January	4	7	6		17
Internal control/systems documentation and evaluation						
Develop audit programs						
Prepare audit assistance package and confirmation letters						
Risk assessment						
<b>Compliance and Internal Control Testing:</b>						
Tests of transactions for cash receipts, disbursements, payroll	April	3	8	8	8	27
Tests of compliance with laws, regulations and contracts						
<b>Substantive Testing:</b>						
Cash and investments	May	8	25	53	80	166
Revenue and receivables						
Payroll and related liabilities						
Expenses for goods and services and related liabilities						
Capital assets						
Debt and debt service expenditures						
Equity and other credits						
<b>Pension and OPEB evaluations</b>						
	May			7		7
<b>Reporting and Wrap-up:</b>						
Delivery of draft reports	mid June early July	5	10	6	12	33
Delivery of final reports						
Total Annual Audit Hours		20	50	80	100	250

Our audit will be planned so that delivery of all required reports will be accomplished in a timely manner. We believe that the staffing of the audit is sufficient to ensure the timely completion of the audit and to ensure that the work is properly supervised. We would work closely with management to ensure that we provide timely services consistent with your requirements. We will prepare your financial statements consistent with professional standards and will review the drafts of all of our reports with you prior to finalization.



Our firm philosophy centers around our commitment to the highest level of quality service--delivered by quality people. Our tradition of providing technical excellence through teamwork responsive to clients' needs and expectations--and doing so to the very best of our ability--requires that our single focus be on quality. Our commitment to quality results in:

- Satisfying the District's needs by providing value-added services.
- Attracting and retaining clients of the highest caliber.
- Providing personal satisfaction and opportunity for professional growth for every member of our organization.

Some of the specific benefits the District will realize from our audit approach include:

Ongoing Communications with Management--We will work closely with you to resolve issues and serve as the District's advisor on a timely basis. We do not take dogmatic, unyielding positions, and will keep the lines of communications open. We understand the concepts of materiality and will work with District personnel on all issues with materiality in mind. Members of our engagement team will be readily available to answer the District's questions and to respond to the District's needs.

Relevant and insightful suggestions--Our plan and approach requires us to obtain a complete knowledge of the District's operating environment and accounting systems. This will position us well as an "advisor" to District management.

Less disruption to the District--Our audit plan will result in the most effective and efficient combination of internal control and account balance testing. This will eliminate duplicate procedures and unnecessary tasks, minimizing the necessary number of auditors and, consequently, result in less disruption of District personnel.





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## COST PROPOSAL

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### Total All-Inclusive Maximum Price, Rates by Level and Out-of-pocket Expenses

Our cost proposal contains all pricing information relative to performing the audit engagement as described in the Request for Proposal. The rates by staff classification level times the anticipated hours for each fiscal year are included in the total all-inclusive maximum price. Our total all-inclusive maximum price contains all direct and indirect costs, including out-of-pocket expenses. Therefore, our fees are all inclusive and represent a not to exceed amount. The maximum fees and estimated hours, including out-of-pocket expenses, are included in the schedule on the following page.

Our goal is to provide quality service using the highest professional standards at a reasonable cost. We plan each assignment carefully and set a time budget for each phase of the engagement. All of our staff are well indoctrinated in the need to use their time to the fullest efficiency.

Since Richardson & Company, LLP consists primarily of experienced auditors, you can be sure that you will receive the experience level and quality of service you expect. Our firm will bring to the audits strong technical backgrounds, government accounting expertise and outstanding engagement management skills.

**Should you have any questions about the details of our fees, or should our fees not appear competitive with those of the other firms, we would appreciate an opportunity to discuss them with you before you make your final decision.**

These estimates do not take into consideration changes in the scope of the audit due to changes in accounting or auditing pronouncements and standards, laws or regulations, the loss of key accounting personnel, material weaknesses in the internal control environment, or significant changes in the scope of the District's operations. These estimates also assume that the District will not receive federal grants that would require a Single Audit. The estimate assumes there will be minimal audit adjustments and that the District will segregate the two special revenue funds from the general ledger for separate reporting. We will discuss a new fee estimate with the District if such events occur.

A summary of our fee estimate by task is as follows:

Services	2026	2027	2028
District Audit	\$ 17,060	\$ 17,605	\$ 18,145
Preparation of financial statements	included	included	included
Appropriations Limit testing	350	360	375
Fee for calculating net pension and OPEB liability and related deferred inflows/outflows (GASB 75)	500	515	530
Preparation of State Controller's Report	990	1,020	1,050
Total Maximum Cost	<u>\$ 18,900</u>	<u>\$ 19,500</u>	<u>\$ 20,100</u>



The breakdown of our fee by classification is as follows:

<u>Classification</u>	<u>Hourly Rates</u>	<u>Hours Per Year</u>	<u>Fee</u>
Principal/Audit Directors	\$ 220	20	\$ 4,400
Senior Manager	190	50	9,500
Supervisor	150	80	12,000
Staff	100	100	10,000
		<u>250</u>	<u>35,900</u>
Discount			(17,000)
Total "Not-to-Exceed" Annual Audit Fee March 31, 2026			<u>\$ 18,900</u>
Total "Not-to-Exceed" Annual Audit Fee March 31, 2027			<u>\$ 19,500</u>
Total "Not-to-Exceed" Annual Audit Fee March 31, 2028			<u>\$ 20,100</u>
Grand Total			<u>\$ 58,500</u>

The discount above gives recognition to the fact the timing of your audit fits extremely well in our schedule and also reflects our commitment to serving governmental agencies.

#### **Rates for Additional Professional Services**

In the event that extraordinary circumstances warrant more intensive and detailed services beyond those in the contractual agreement, we will provide in writing and in advance, the reasons for the additional services together with our estimate of costs. No work will be performed without advance approval by the District. Any and all additional work as agreed in advance by the District will be billed at the rates quoted above.

<u>Classification</u>	<u>Rate Per Hour</u>
Partner	\$ 220
Tax Director	240
Senior Manager	190
Manager	180
Supervisor	150
Senior	120
Staff	100
Administrative	65





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## PEER REVIEW REPORT

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*James N. Martin, CPA*

### REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

To the Partners  
Richardson & Company, LLP  
and the Peer Review Committee of the California Society of CPA's

We have reviewed the system of quality control for the accounting and auditing practice of Richardson & Company, LLP (the firm) in effect for the year ended March 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/standards](http://www.aicpa.org/standards). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing a system of quality control and complying with it to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported in conformity with professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under Government Auditing Standards, including a compliance audit under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Richardson & Company, LLP in effect for the year ended March 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of pass, pass with deficiency(ies) or fail. Richardson & Company, LLP has received a peer review rating of pass.

A handwritten signature in blue ink, appearing to read "James N. Martin".

Louisville, Kentucky  
August 13, 2021

Certified Public Accountants and Auditors  
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**SAMPLE COPY OF AUDITED FINANCIAL STATEMENTS**





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**FAIR OAKS  
RECREATION AND PARK DISTRICT**

Audited Financial Statements

June 30, 2023

# FAIR OAKS RECREATION AND PARK DISTRICT

June 30, 2023

## Table of Contents

Independent Auditor's Report.....	1-3
Management's Discussion and Analysis.....	4-11
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements	
Statement of Net Position.....	12
Statement of Activities.....	13
Fund Financial Statements	
Governmental Funds:	
Balance Sheets.....	14-15
Reconciliation of the Governmental Fund Balance Sheets to the	
Government-Wide Statement of Net Position.....	16
Statements of Revenues, Expenditures, and Changes in Fund Balances.....	17-18
Reconciliation of the Statements of Revenues, Expenditures, and Changes	
In Fund Balances of Governmental Funds to the Government-Wide	
Statement of Activities.....	19
Notes to the Basic Financial Statements.....	20-42
<b>Required Supplementary Information:</b>	
Budgetary Comparison Schedules:	
General Fund.....	43
Schedule of Changes in the Net Pension Liability and Related Ratios (Unaudited).....	44
Schedule of Contributions to the Pension Plan (Unaudited).....	44
Schedule of Changes in the Net OPEB Liability and Related Ratios (Unaudited).....	45
Schedule of Contributions to the OPEB Plan (Unaudited).....	46



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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Fair Oaks Recreation and Park District  
Fair Oaks, California

### Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Fair Oaks Recreation and Park District (the District) as of and for the year ended June 30, 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 financial statements referred to above 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 June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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

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

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 twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional scepticism 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, analysis and budgetary comparison information, schedule of changes in the net pension liability and related ratios, schedule of contributions to the pension plan, and schedule of changes in the net OPEB liability and related ratios and schedule of contributions to the OPEB Plan 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

Board of Directors  
Fair Oaks Recreation and Park District

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.

*Richardson & Company LLP*

February 11, 2025

**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

This section of the Fair Oaks Recreation and Park District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended June 30, 2023. This information is presented in conjunction with the audited basic financial statements, which follow this section.

**FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2022-2023**

- The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the close of the 2022-2023 fiscal year by \$7,707,931 (net position). Of this amount, \$6,919,848 is invested in capital assets, and \$3,499,196 is restricted for particular purposes.
- During fiscal 2022, the District implemented GASB Statement No. 87, Leases. This statement requires the recognition of a lease receivable and a deferred inflow for the present value of the future payments received under agreements for the leases of District property for cellular towers. As of June 30, 2023 the carrying value of the lease receivable and deferred inflow is \$1,548,451 and \$1,441,068 respectively. See Note 4 of the basic financial statements.
- The District's capital asset balances were \$22,476,055 at year-end, increasing significantly due to capital project construction of \$11,520,499. \$408,595 in depreciation expense was recognized during FY 2022/23. See Note 5 of the basic financial statements.
- As of June 30, 2023, the District's governmental funds reported combined fund balances of \$17,050,394 of which \$1,697,441 is available to meet the District's current and future needs (unassigned general fund balance).
- At the end of the fiscal year, the unassigned fund balance for the general fund was \$1,697,441 or approximately 49% of total general fund expenditures.
- Notes payable increased \$8,830,110 during fiscal 2023 from \$18,520,008 at June 30, 2022 to \$27,350,118 at June 30, 2023. See Note 6 of the basic financial statements.
- Net pension liability: The District has recognized a liability in the amount of \$1,407,176 for a net pension obligation due to Governmental Accounting Standards Board Statement (GASB) 68. The liability increased \$1,042,422 from the prior year. See Note 8 of the basic financial statements.
- Other Post-Employment Benefits (OPEB): The District continues to prefund health care premiums for eligible retirees and dependents and contributed \$64,458 in FY 2023. Due to the implementation of GASB 75, the OPEB liability is \$2,036,754 as of June 30, 2023, a decrease of \$615,435 from June 30, 2022. See Note 9 of the basic financial statements.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

REQUIRED FINANCIAL STATEMENTS

**Government-Wide Financial Statements** are designed to provide readers with a broad overview of District finances in a manner similar to a private-sector business.

The Statement of Net Position includes information on the District's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and net position, and provides information about the nature and amount of investments in resources (assets) and the obligations to District creditors (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business type activities). The governmental activities of the District are recreational and park activities. There are no business type activities.



**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Fund Financial Statements** are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and to demonstrate finance-related legal compliance. All of the funds of the District can be combined into one category: governmental funds.

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheets and the governmental funds statements of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities. Additional information is provided on separate schedules that reconcile the differences between the government-wide financial statements and the fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the District's budgetary comparative information for the general fund, and the District's pension and post-employment benefit plans.

**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table compares the Statement of Net Position at June 30, 2023 and June 30, 2022:

Condensed Statement of Net Position		
Fiscal Years		
Ended June 30, 2023 and 2022		
	2023	2022
Current and other assets	\$ 22,174,049	\$ 20,475,449
Capital assets – net	22,476,055	11,264,831
Total assets	44,650,104	31,740,280
Deferred outflows	1,158,905	668,782
Liabilities		
Current	4,487,513	1,033,515
Non-current	30,515,763	21,285,907
Total liabilities	35,003,276	22,319,422
Deferred inflows	3,097,802	2,809,916
Net Position:		
Net investment in capital assets	6,919,848	4,878,028
Restricted	3,499,196	2,747,619
Unrestricted	(2,711,113)	(345,923)
Total Net Position	\$ 7,707,931	\$ 7,279,724

Total net position increased from 2022 to 2023 by 5.88% or \$428,207. This increase is primarily due to general and program revenues exceeding total expense. During 2023, general revenues (property taxes, special assessments, investment earnings and other revenues) amounted to \$4.9 million, program revenues (charges for services and capital contributions and grants) totalled \$623 thousand, and total expenses (parks and recreation expenses and interest) was \$5.1 million. From fiscal year 2022 to 2023, total general revenues increased \$1.4 million or 38%, program revenues decreased \$3.5 million or 85%, and overall expenses increased \$1.4 million or 39%. The most significant increase in general revenues was investment earnings of \$941 thousand, the most significant decrease in program revenues was in capital contributions and grants of \$3.4 million due to a land and improvement donation in fiscal year 2022, and parks and recreation expenses increased by \$1.3 million from fiscal years 2022 to 2023.

**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

A summary of the District's Statement of Activities, recapping the District's revenues earned during the fiscal year ended June 30, 2023 and 2022, and the expenses incurred is as follows:

Condensed Statement of Activities		
Fiscal Years		
Ended June 30, 2023 and 2022		
	2023	2022
Program Revenue:		
Charges for services	\$ 578,062	\$ 411,474
Operating Contributions	N/A	219,459
Capital contributions	45,067	3,467,929
General Revenue:		
Property taxes and assessments	3,921,169	3,530,618
Interest earnings	889,850	(51,565)
Miscellaneous	52,899	34,484
Total Revenue	<u>5,487,047</u>	<u>7,612,399</u>
Expenses:		
Recreation and park activities	4,296,064	3,017,761
Interest	762,776	616,558
Total Expense	<u>5,058,840</u>	<u>3,634,319</u>
Changes in Net Position	428,207	3,978,080
Beginning Net Position	7,279,724	3,301,644
Ending Net Position	<u>\$ 7,707,931</u>	<u>\$ 7,279,724</u>

Following are explanations of significant variances from fiscal year 2022 to 2023.

- Revenues decreased by \$2,125,352 between 2022 and 2023. The decrease was due mostly to the difference in capital contributions. In 2022 the District received land contributions valued at \$3,239,947 which created a one time revenue increase during fiscal year 2022.
- Expenses increased by \$1,424,521 mostly due to increases in recreation and park activities. Included in recreation and park activities are increases in employee related costs, services and supplies, and bond issue costs.

**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**Financial Analysis of the Governmental Funds**

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. The governmental funds provide information on near-term inflows, outflows and balances of spending resources. Total governmental fund balance at June 30, 2023 was \$17,050,394 which is a decrease of \$1,520,114 in comparison with the FY 2022 fund balance of \$18,570,508.

The following table shows the fund balance by classifications for the last two years.

Fund Balance	Year ended June 30,	
	2023	2022
General Fund	\$ 1,842,596	\$ 1,871,348
Fair Oaks L&L Assessment District	287,925	83,028
Impact Fees	1,609,226	1,521,046
Capital Projects Fund	11,701,461	14,065,023
Fair Oaks GO Bonds Debt Service Fund	1,127,486	637,587
Phoenix Field L&L Assessment District	39,996	14,623
Gum Ranch L&L Assessment District	83,431	42,866
Developer In-Lieu Fees	358,273	334,987
Total fund balances	<u>\$ 17,050,394</u>	<u>\$ 18,570,508</u>

Significant changes in fund balances by classification consist of the following.

- General Fund: The fund balance decreased by 1.5% or \$28,752 in FY 2023 primarily resulting from an increase in expenses of \$418,777 including employee related and service and supplies expenses. FY 2023 revenues increased by \$159,034 partially offsetting the increase in expenses. Finally during FY 2023 the General Fund received \$455,868 in operating transfers from other funds.
- Impact Fees: The fund balance increased by 5.8% or \$88,180 in FY 2023 resulting from fees collected.
- Capital Projects Fund: The fund balance decreased by 16.8% or \$2,363,562 due to the continuation of the capital projection construction. During FY 2023 an additional \$11.5 million in capital outlay expenditures were incurred.
- 2019, 2020, and 2022 Debt Service Funds were consolidated into the "Fair Oaks GO Bonds Debt Service Fund": The combined fund balance increased by 76.8% or \$489,899 primarily from additional tax receipts.

**CAPITAL ASSETS**

As of June 30, 2023, the District's investment in capital assets totaled \$22,476,055 net of accumulated depreciation, which is an increase of \$11,211,224 from 2022. The investment in capital assets includes

**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

land, construction in progress, site improvements, buildings and improvements and equipment. The capital assets are presented in the government-wide statement of net position. Additional information on the District's capital assets can be found in Note 5 to the financial statements.

**LONG-TERM DEBT**

As of June 30, 2023 the District issued series 2019, 2020, and 2022 General Obligation Bonds. These are the three issuances of its \$26.9 million bond passed by voters in November of 2018. During October of 2022, the Board of Directors approved the issuance of the final amount for the series 2022 bonds in the amount of \$8,460,058. Additional information on the District's long-term debt can be found in Note 6 to the financial statements.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's property tax receipts were \$61,402 more than budgeted for the fiscal year, and \$121,719 more than collected in the prior fiscal year which is primarily due to increasing property values. Charges for current services were short of budget by \$72,553 primarily because of the delayed opening and program revenue of the Village Park Plaza.

Services and supplies expense had a favorable budget variance of \$200,649 due to the delayed opening and related programming costs of the Village Park Plaza. Capital outlay expenses were only \$132,814 compared to a budget of \$658,791. This variance from the budget was because of construction delays and capital projects that were not completed.

Several accomplishments warrant mention for FY 22/23:

**Staffing Updates**

The District made several key staffing updates, including the addition of an Arts and Entertainment Associate position to strengthen the Arts and Entertainment Division. The organization was also restructured with the elimination of the Recreation Superintendent position and the addition of a Recreation Manager position. To support the new ELL soccer program at Northridge Elementary, a seasonal coach position was added to the Recreation salary schedule.

**Management & Finance**

In management and finance, the District issued the third and final set of GO bonds, marking a significant milestone in financial planning. A new wayfinding and signage strategy was finalized to ensure consistency across all District signage. The District also transitioned to QuickBooks as the primary accounting system, streamlining its financial management. Additionally, three new policies were introduced: Diversity, Equity, and Inclusion (DEI), Technology Asset Management, and Cybersecurity.

**Programming**

On the programming front, the District entered into a lease agreement with SJUSD for softball fields at La Vista, enhancing girls' access to sports. Although the District applied for LWCF funds for Phoenix Park

**FAIR OAKS RECREATION AND PARK DISTRICT**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

renovations, those funds were not awarded. However, the District did conduct a CEQA study on undeveloped parkland in Phoenix Park, preparing for potential future renovations.

**Outreach & Communication**

The District also prioritized outreach and communication efforts. A public input process was initiated to address the lack of parking in the Village area of Fair Oaks. In line with improving accessibility, the District updated its website to meet ADA compliance standards. The District began using Loomly, a unified social media management platform, and created a new style guide to ensure consistent marketing materials.

**Improvements & Infrastructure**

In terms of improvements and infrastructure, the District purchased a new holiday tree to replace one damaged by storms. Shade structures were installed at the bike park and dog park at Phoenix Park to enhance comfort for visitors. Significant upgrades were made to the electrical systems at both Phoenix Park and Montview Park, uncovering previously lost stations in the process. New irrigation controllers were also installed at Fair Oaks Park, with costs reimbursed through a rebate program.

**Events & Activities**

The District held a number of notable events and activities over the year. The inaugural Garden Dinner for the Arts fundraiser, held at the Fair Oaks Horticulture Center, sold out and raised over \$6,000 in net proceeds. In collaboration with the SacSplash program, the District hosted the first Vernal Pools Tours since the pandemic, bringing back a popular community event. The third annual Headless Horseman Disc Golf Tournament was held at Miller Park, furthering the District's commitment to recreational programming. Construction on the Village Park project officially broke ground, marking an exciting new chapter. The District also resumed printing hard-copy Activity Guides, which had been digital during the pandemic, and increased picnic and outdoor facility rental opportunities for the community. Additionally, the District proudly hosted the 17th annual Chicken Festival, a cherished event that has been bringing the community together for nearly two decades, offering a day of fun, entertainment, and tradition for all ages.

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## **BASIC FINANCIAL STATEMENTS**

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FAIR OAKS RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

June 30, 2023

ASSETS	
Cash and investments	\$ 8,645,244
Interest receivable	126,260
Leases receivable	1,548,451
Prepaid expense	26,470
Restricted cash and investments	11,827,624
Capital assets:	
Nondepreciable	17,516,724
Depreciable, net	4,959,331
Total Capital Assets	<u>22,476,055</u>
TOTAL ASSETS	<u>44,650,104</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	894,555
OPEB	264,350
	<u>1,158,905</u>
LIABILITIES	
Accounts payable	3,039,760
Accrued payroll	88,781
Refunds payable	7,653
Retention payable	514,213
Unearned revenue	32,180
Interest payable	379,782
Due within one year:	
Compensated absences	110,144
Bonds payable	315,000
Due in more than one year:	
Compensated absences	36,715
Bonds payable	27,035,118
Net pension liability	1,407,176
Other postemployment benefits (OPEB) liability	2,036,754
TOTAL LIABILITIES	<u>35,003,276</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	159,439
OPEB	1,497,295
Leases	1,441,068
	<u>3,097,802</u>
NET POSITION	
Net investment in capital assets	6,919,848
Restricted for:	
Capital facilities and improvements	1,841,673
Debt service	1,127,486
Assessment district maintenance and improvements	411,352
ADA improvements	48,000
Foundation activities	70,685
Unrestricted	(2,711,113)
NET POSITION	<u>\$ 7,707,931</u>

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

FAIR OAKS RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
GOVERNMENTAL ACTIVITIES:					
Parks and recreation	\$ 4,296,064	\$ 578,062	\$ -	\$ 45,067	\$ (3,672,935)
Interest	762,776				(762,776)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 5,058,840</u>	<u>\$ 578,062</u>	<u>\$ -</u>	<u>\$ 45,067</u>	<u>(4,435,711)</u>
GENERAL REVENUES:					
Property taxes					3,202,960
Special assessments					718,209
Investment earnings					889,850
Other revenues					52,899
TOTAL GENERAL REVENUES					<u>4,863,918</u>
Change in net position					428,207
Net position at beginning of year					<u>7,279,724</u>
NET POSITION AT END OF FISCAL YEAR					<u>\$ 7,707,931</u>

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

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FAIR OAKS RECREATION AND PARK DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS

June 30, 2023

	Major Funds			
	General Fund	Capital Projects Fund	Fair Oaks GO Bonds Debt Service Fund	Fair Oaks L&L Assessment District
<b>ASSETS</b>				
Cash and investments	\$ 2,046,035	\$ 3,149,416	\$ 1,119,840	\$ 283,645
Restricted cash and investments		11,827,287	337	
Lease receivable	1,548,451			
Interest receivable	31,529	38,524	7,309	4,280
Prepaid expenses	26,470			
Due from other funds		34,315		
<b>TOTAL ASSETS</b>	<u>\$ 3,652,485</u>	<u>\$15,049,542</u>	<u>\$ 1,127,486</u>	<u>\$ 287,925</u>
<b>LIABILITIES AND FUND EQUITY</b>				
<b>LIABILITIES</b>				
Accounts payable	\$ 205,892	\$ 2,833,868		
Accrued payroll	88,781			
Refunds payable	7,653			
Retention payable		514,213		
Unearned revenue	32,180			
Due to other funds	34,315			
<b>TOTAL LIABILITIES</b>	<u>368,821</u>	<u>3,348,081</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Leases	1,441,068			
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<u>1,441,068</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	26,470			
Restricted	118,685	11,701,461	\$ 1,127,486	\$ 287,925
Unassigned	1,697,441			
<b>TOTAL FUND BALANCE</b>	<u>1,842,596</u>	<u>11,701,461</u>	<u>1,127,486</u>	<u>287,925</u>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<u>\$ 3,652,485</u>	<u>\$15,049,542</u>	<u>\$ 1,127,486</u>	<u>\$ 287,925</u>

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



Non-Major Funds				
Phoenix Field L&L Assessment District	Gum Ranch L&L Assessment District	Impact Fees	Developer In-Lieu Fees	Total Governmental Funds
\$ 39,388	\$ 82,053	\$ 1,574,241	\$ 350,626	\$ 8,645,244
				11,827,624
				1,548,451
608	1,378	34,985	7,647	126,260
				26,470
				34,315
<u>\$ 39,996</u>	<u>\$ 83,431</u>	<u>\$ 1,609,226</u>	<u>\$ 358,273</u>	<u>\$ 22,208,364</u>
				\$ 3,039,760
				88,781
				7,653
				514,213
				32,180
				34,315
-	-	-	-	3,716,902
				1,441,068
-	-	-	-	1,441,068
				26,470
\$ 39,996	\$ 83,431	\$ 1,609,226	\$ 358,273	15,326,483
				1,697,441
<u>39,996</u>	<u>83,431</u>	<u>1,609,226</u>	<u>358,273</u>	<u>17,050,394</u>
<u>\$ 39,996</u>	<u>\$ 83,431</u>	<u>\$ 1,609,226</u>	<u>\$ 358,273</u>	<u>\$ 22,208,364</u>

FAIR OAKS RECREATION AND PARK DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION

June 30, 2023

Fund Balances of Governmental Funds	\$ 17,050,394
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	22,476,055
Pension and OPEB contributions subsequent to the valuation measurement date and other items will reduce the pension and OPEB liability in the future and are reported as deferred outflows of resources on the statement of net position.	1,158,905
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(146,859)
Bonds payable	(27,350,118)
Net pension liability	(1,407,176)
OPEB liability	(2,036,754)
Interest payable	(379,782)
Employee pension and OPEB differences to be recognized in the future as pension or OPEB expense are reported as deferred inflows of resources on the statement of net position.	<u>(1,656,734)</u>
Net position of governmental activities	<u><u>\$ 7,707,931</u></u>

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

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FAIR OAKS RECREATION AND PARK DISTRICT  
STATEMENTS OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2023

	Major Funds			
	General Fund	Capital Projects Fund	Fair Oaks GO Bonds Debt Service Fund	Fair Oaks L&L Assessment District
<b>REVENUES</b>				
Property taxes	\$ 2,208,581		\$ 994,379	
Charges for current services	422,207			
Special assessments				\$ 581,181
Use of money and property	281,123	\$ 664,950	19,538	5,660
Park impact fees				
In-lieu fees				
Other revenues	52,899			
Total revenues	<u>2,964,810</u>	<u>664,950</u>	<u>1,013,917</u>	<u>586,841</u>
<b>EXPENDITURES</b>				
Salaries and benefits	2,097,359			
Services and supplies	1,219,257	1,565		
Capital outlay	132,814	11,487,005		
Debt service - principal			280,000	
Debt service - interest			742,564	
Total expenditures	<u>3,449,430</u>	<u>11,488,570</u>	<u>1,022,564</u>	<u>-</u>
(Deficit) Excess of Revenues (Under)				
Over Expenditures	(484,620)	(10,823,620)	(8,647)	586,841
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt			9,188,242	
Financing costs			(229,638)	
Operating transfers in	455,868	8,460,058		
Operating transfers out			(8,460,058)	(381,944)
Total other Financing Sources (Uses)	<u>455,868</u>	<u>8,460,058</u>	<u>498,546</u>	<u>(381,944)</u>
Change in fund balance	(28,752)	(2,363,562)	489,899	204,897
Fund Balances, June 30, 2022	<u>1,871,348</u>	<u>14,065,023</u>	<u>637,587</u>	<u>83,028</u>
Fund Balances, June 30, 2023	<u>\$ 1,842,596</u>	<u>\$ 11,701,461</u>	<u>\$ 1,127,486</u>	<u>\$ 287,925</u>

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

Non-Major Funds				
Phoenix Field L&L Assessment District	Gum Ranch L&L Assessment District	Impact Fees	Developer In-Lieu Fees	Total Governmental Funds
				\$ 3,202,960
				422,207
\$ 56,488	\$ 80,540			718,209
825	2,009	\$ 58,754	\$ 12,846	1,045,705
		34,627		34,627
			10,440	10,440
				52,899
<u>57,313</u>	<u>82,549</u>	<u>93,381</u>	<u>23,286</u>	<u>5,487,047</u>
				2,097,359
		5,201		1,226,023
				11,619,819
				280,000
				742,564
<u>-</u>	<u>-</u>	<u>5,201</u>	<u>-</u>	<u>15,965,765</u>
57,313	82,549	88,180	23,286	(10,478,718)
				9,188,242
				(229,638)
				8,915,926
<u>(31,940)</u>	<u>(41,984)</u>			<u>(8,915,926)</u>
<u>(31,940)</u>	<u>(41,984)</u>	<u>-</u>	<u>-</u>	<u>8,958,604</u>
25,373	40,565	88,180	23,286	(1,520,114)
14,623	42,866	1,521,046	334,987	18,570,508
<u>\$ 39,996</u>	<u>\$ 83,431</u>	<u>\$ 1,609,226</u>	<u>\$ 358,273</u>	<u>\$ 17,050,394</u>

FAIR OAKS RECREATION AND PARK DISTRICT

RECONCILIATION OF THE STATEMENTS OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS  
TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2023

Net Change in Fund Balances - Total Governmental Funds \$ (1,520,114)

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

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

Cost of assets capitalized	11,619,819
Depreciation expense	(408,595)

Debt proceeds provide current financial resources to governmental funds, but  
issuing debt increases long-term liabilities in the Government-wide Statement of  
Net Position. Repayment of principal is an expenditure in the governmental funds,  
but the repayment reduces long-term liabilities in the Statement of Net Position

Issuance of debt at a premium	(9,188,242)
Principal repayment	280,000
Amortization of bond premium	78,132

Some expenses reported in the statement of activities do not require the use of current  
financial resources and, therefore, are not reported as expenditures in governmental  
funds.

Change in interest payable	(98,344)
Change in compensated absences liability	(31,036)
Change in net pension liability and deferred outflows/inflows of resources related to employee pensions	(209,520)
Change in OPEB liability and deferred outflows/inflows of resources related to OPEB	(93,893)
	(93,893)

Change in net position of governmental activities	\$ 428,207
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The accompanying notes are an integral part of these financial statements.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The District was organized in 1945 by a vote of the public and operates under the California Public Resources Code Section 5780. The District is operated under the direction of a five-member board duly elected and empowered by the electorate with sole authority over the District operations. Although the District is independent from the Sacramento County Board of Supervisors, its financial activities are processed through the Sacramento County Auditor-Controller's office.

In addition to providing recreational programs and services to the community, the District maintains park sites serving approximately 31,000 residents. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to local governments.

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

Based upon the aforementioned oversight criteria, the following are component units:

The Fair Oaks Landscaping and Lighting District, the Phoenix Field Landscaping and Lighting Assessment District, and the Gum Ranch Landscaping and Lighting Assessment District are included in special revenue funds of the District. These component units are governed by the District's Board of Directors. Each of these assessment districts were organized under the Landscaping and Lighting Act of 1972 and each are reported separately on the District's fund financial statements. No separate financial statements are issued.

The Fair Oaks Recreation Foundation (the Foundation) was created as a non-profit entity under section 501(c)(3) to receive donations, obtain grants, and conduct fundraising events to generate revenues that will enhance the District's recreation programs. The Foundation is reported as a blended component unit of the District because the District's governing body is also the governing body of the Foundation. The Foundation's funds are reported as restricted net position on the District's financial statements as a component of the general fund.

Basis of Presentation – Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.



FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

The statement of activities presents direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

The District reports the following major governmental funds:

General Fund – The General Fund is the primary operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

Capital Projects Fund – The Capital Projects Fund is used to account for financial resources from bond proceeds used for the acquisition or construction of major capital facilities.

GO Bond Debt Service Fund – To account for debt service on the 2019, 2020 and 2022 Series General Obligation Bonds issued for the upgrade of facilities and construction of new facilities.

In addition to these funds, the District also has the following nonmajor funds:

Fair Oaks Landscaping and Lighting Assessment District Special Revenue Fund – to account for revenues and the associated expenditures of fees levied on property owners of the District which are specifically restricted for installation, maintenance and servicing of public facilities for all properties located within the Park District.

Phoenix Field Landscaping and Lighting Assessment District Special Revenue Fund – to account for revenues and the associated expenditures of fees levied on property owners of the District that are specifically restricted for installation, maintenance and servicing of public facilities within the Phoenix Field area.

Gum Ranch Landscaping and Lighting Assessment District Special Revenue Fund – to account for revenues and the associated expenditures of fees levied on property owners of the District that are specifically restricted for installation, maintenance and servicing of public facilities within the Gum Ranch area.

Impact Fees Capital Projects Fund – to account for revenues the District receives pursuant to the Mitigation Fee Act to ensure that the District can build park and recreation facilities and improvements needed for the resident and employee growth created by new development.

Development In-Lieu Fees Capital Projects Fund – to account for revenues the District receives from the dedication of land, payments of fees in-lieu of land or combination thereof under the Quimby Act and Sacramento County Code Chapter 22.40.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus and Basis of Accounting: The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources. The District considers property taxes available if they are collected within sixty-days after year-end.

Budgetary Principles: As required by the laws of the State of California, the District prepares and legally adopts a final balanced operating budget on or before October 1 of each fiscal year. Public hearings are conducted on the proposed final budget to review all appropriations and the sources of financing.

Operating budgets are adopted for the General Fund on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level which classifies expenditures by type of goods purchased and services obtained. The Statements of Revenues, Expenditures – Budget to Actual present revenues at the source level and expenditures at the function level. It is not feasible to compare budget to actual data at the object level in this report. Therefore, this information is contained in a separate report prepared by the Sacramento County Department of Finance, Auditor-Controller, titled “Expenditures Status Report.” Significant amendments and appropriation transfers from contingencies must be approved by the District’s Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board. The District’s budget for special revenue funds is prepared on the modified accrual basis of accounting, except that encumbrances represent expenditures on a budgetary basis. Encumbrances not liquidated in the current year are added to the subsequent year budget for reporting and control purposes. Budgets are not prepared for the capital projects or debt service funds.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level except for capital assets, which are controlled at the sub-object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges including debt service, capital outlay, contingencies, expenditure transfers, and other financing uses. Sub-object levels of expenditures for capital assets are land, structures and improvements, and equipment.

Capital Assets: Capital assets, which include land, structures and improvements, machinery and equipment, and infrastructure assets, are reported in the government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$5,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation. Capital outlay is recorded as expenditures of the

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

governmental funds and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Amortization of assets acquired by way of capital leases are included in depreciation and amortization. Structures, improvements, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	50 years
Building improvements	20 years
Improvements other than buildings	35 years
Infrastructure	50 years
Equipment and machinery	5-20 years

Lease Receivable: The District is a lessor for noncancellable leases of land for cellular towers. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term. The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Compensated Absences: The District's policy allows employees to accumulate earned unused vacation, sick leave, compensatory time off in lieu of overtime and administrative leave, which will be paid to employees upon separation from the District's service subject to a vesting schedule per the District's personnel policy. Vacation time is earned by regular full-time and part-time employees according to the vesting schedules to a maximum of 240 hours. Sick leave is earned by regular full-time and regular part-time employees. Any sick leave hours not used during the period are carried forward to future years with no limit to the number of hours that can be accumulated. Any sick leave hours unused at the time of an employee's retirement can be added to the actual period of service when computing retirement benefits. Regular full-time and regular part-time employees of the District may choose the sick leave pay-out option upon termination of employment with the District. If the employee chooses this option, any unused sick leave up to a maximum of 320 hours will be compensated at 50% of the employees' current hourly rate. Should an employee choose the pay-out option, any accrued sick leave for which an employee has been paid out will not be credited to the employee upon retirement. Full-time non-exempt employees may be given compensatory time off in lieu of overtime pay for authorized work in excess of forty hours per week to be computed at one and one half times the excess hours worked. An employee may not accrue more than sixty hours of compensatory time off. An employee designated as exempt is entitled to participate in the District's Administrative Leave Program. No exempt employee shall be eligible to accrue more than a maximum of 64.08 hours of administrative leave pay at any time.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plans as described in Notes 8 and 9 and related to leases receivable as described in Note 4.

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

Other Postemployment Benefits (OPEB): For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

Property Taxes: The County of Sacramento is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County of Sacramento up to 1% of the full cash value of taxable property based on assessed values on March 1 of the preceding year, plus other increases approved by the voters and distributed in accordance with statutory formulas. They become a lien on the first day of the year they are levied. Secured property tax is levied on January 1 and due in two instalments, on November 1 and February 1. Unsecured property tax is levied on July 1 and due on July 31.

The County elects to use the Alternative Method of Property Tax Apportionment. Under this method of property tax apportionment, the County purchases the delinquent secured taxes on June 30. This purchase is completed within two months after the end of the fiscal year.

Unearned Revenue: Unearned revenue represents fees received prior to June 30 for events that take place after June 30.

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

Interfund Transactions: Operating transfers are transactions to allocate resources from one fund to another fund not contingent on the incurrence of specific expenditures in the receiving fund. Interfund

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

transfers are generally recorded as operating transfers in and operating transfers out in the same accounting period.

Fund Balance: In the fund financial statements, governmental funds report non-spendable, restricted, committed, assigned and unassigned balances.

Non-spendable Funds – Fund balance should be reported as non-spendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Non-spendable balances are not expected to be converted to cash within the next operating cycle.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the District's Board of Directors. These amounts cannot be used for any other purpose unless the District's Board modifies, or removes the fund balance commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the District's funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

The District's Board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The District's committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements: In June 2022, the GASB issued Statement No. 101, *Compensated Absences*. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used that is attributable to services already rendered, accumulates and is more likely than not to be used for time off or paid in cash or settled through noncash means and leave that has been used but not paid in cash or settled through noncash means. Leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in the liability for compensated absences. This Statement requires that a liability for certain types of compensated absences, including parental leave, military leave and jury duty leave, not be recognized until the leave commences. Certain salary related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. Governments are allowed to disclose the net change in the liability if identified as such in the footnotes to the financial statements. The provisions of this Statement are effective for years beginning after December 15, 2023.

In December 2023, the GASB issued Statement No. 102, *Certain Risk Disclosures*. This Statement requires a government to assess whether a concentration or constraint makes a government that reports a liability for revenue debt, vulnerable to the risk of a substantial impact and to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact to have occurred, have begun to occur, or are more likely than not to occur within 12 months of the date the financial statements are issued. The provisions of this Statement are effective for years beginning after June 15, 2024.

In April 2024, the GASB issued Statement No. 103, *Financial Reporting Model Improvements*. This Statement will result in changes to the financial reporting model including the Management's Discussion and Analysis, display of inflows and outflows of unusual and infrequent items, and changing the definition of proprietary fund nonoperating revenues and expenses. The provisions of this Statement are effective for years beginning after June 15, 2025.

In September 2024, the GASB issued Statement No. 104, *Disclosure of Certain Capital Assets*, that requires certain types of assets to be disclosed separately in the note disclosures and establishes requirements for capital assets held for sale. The provisions of this Statement are effective for fiscal years beginning after June 15, 2025.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE 2: CASH AND INVESTMENTS

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

Cash and investments	\$ 8,645,244
Restricted assets:	
Cash and investments	<u>11,827,624</u>
	<u>\$ 20,472,868</u>

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: CASH AND INVESTMENTS (Continued)

At June 30, 2023, the District's total cash and investments consisted of the following:

Deposits in financial institutions	\$ 105,543
Cash and investments with the County Treasurer	20,367,125
	<u>\$ 20,472,668</u>

Investment policy: California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The following table identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	5 years	No limit	No limit
U.S. Treasury Obligations	5 years	No limit	No limit
U.S. Agency Securities	5 years	No limit	No limit
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	25%	10%
Negotiable Certificates of Deposit	5 years	30%	No limit
Repurchase Agreements	1 year	No limit	No limit
Reverse Repurchase Agreements	92 days	20% of base value	No limit
Medium-Term Notes	5 years	30%	No limit
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	10%
Mortgage Pass-Through Securities	5 years	20%	No limit
County Pooled Investment Funds	N/A	No limit	No limit
Local Agency Investment Fund (LAIF)	N/A	No limit	No limit
JPA Pools (other investment pools)	N/A	No limit	No limit

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

Investment in the County of Sacramento Investment Pool: The District's cash is held in the County of Sacramento's cash and investment pool which is managed by the Sacramento County Treasurer. The District's cash balances invested in the Sacramento County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. The amount invested by all public agencies in Sacramento County's cash and investment pool is \$6,308,279,736 at June 30, 2023. Sacramento County does not invest in any derivative financial products. The Sacramento County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County's cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Sacramento County that may be withdrawn is determined on an amortized cost basis, which is



FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 2: CASH AND INVESTMENTS (Continued)

different than the fair value of the District's position in the pool. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value. This investment is not subject to the fair value hierarchy established by generally accepted accounting principles.

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's investment in the County pool has an average maturity of 300 days as of June 30, 2023.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's external investment pool is not rated.

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested by any one issuer to the California Government Code. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities with governmental investment pools (such as the County of Sacramento investment pool). The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities through the use of government investment pools.

At June 30, 2023, the carrying amounts of the District's deposits were \$105,543, and the balances in financial institutions were \$362,032, all of which was covered by federal depository insurance and no remaining deposit amount needed to be collateralized as required by State law (Government Code Section 53630), by pledging financial institution with assets held in a common pool for the District and governmental agencies, but not held in the name of the District.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 3: INTERFUND TRANSACTIONS

Transfers Between Funds

With Board approval, resources may be transferred from one District fund to another. Transfers between funds during the fiscal year ended June 30, 2023 were as follows:

Transfer to	Transfer from	Amount
General Fund	Fair Oaks Landscaping and Lighting Assessment Fund	\$ 381,944 (a)
General Fund	Non-major Special Revenue Funds:	
	Phoenix Field Landscaping and Lighting	31,940 (a)
	Gum Ranch Landscaping and Lighting	41,984 (a)
Capital Projects Fund	Fair Oaks Park Go Bonds Debt Service Fund	8,460,058 (b)
		<u>\$ 8,915,926</u>

(a) - Transfer for expenditure budget requirements from Lighting and Landscaping Funds

(b) - Transfer of bond proceeds to capital projects fund

Current Interfund Balances

Current interfund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2023, the following funds have interfund balances.

Fund Making the Loan	Fund Receiving Loan	Amount
Capital Projects Fund	General Fund	<u>\$ 34,315 (a)</u>

(a) - Funds owed for reimbursements paid by other funds

NOTE 4: LEASES RECEIVABLE

The District records a lease receivable and deferred inflow for the present value of the future payments received under agreements for leases of property. The District has two leases of property for cellular towers that contain multiple five year extensions and provide for increases in rent ranging from 3% to 5%. These leases expire from March 31, 2038 through June 30, 2043. For purposes of discounting future payments on the lease, the District used a discount rate of 4.00%. The deferred inflow is being amortized over 16.67 years to 22 years, the remaining terms of the leases. The District reported leases receivable and deferred inflows of resources of \$1,548,451 and \$1,441,068 as June 30, 2023, respectively. The District recognized \$142,239 of lease and interest revenue during the year ended June 30, 2023 under these leases.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 4: LEASES RECEIVABLE

Future principal and interest payments on leases receivable were as follows at June 30, 2023:

<u>Year Ending June 30:</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2024	\$ 33,058	\$ 61,340	\$ 94,398
2025	37,290	59,941	97,231
2026	41,780	58,368	100,148
2027	46,542	56,610	103,152
2028	51,506	54,658	106,164
2029-2033	344,700	236,299	580,999
2034-2038	511,345	150,690	662,035
2039-2043	482,230	51,889	534,119
Total	<u>\$ 1,548,451</u>	<u>\$ 729,795</u>	<u>\$ 2,278,246</u>

NOTE 5: CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2023, is as follows:

	<u>Balance at June 30, 2022</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance at June 30, 2023</u>
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 3,054,596				\$ 3,054,596
Construction in progress	2,990,303	\$ 11,520,499		\$ (48,674)	14,462,128
Total capital assets, not being depreciated	<u>6,044,899</u>	<u>11,520,499</u>		<u>(48,674)</u>	<u>17,516,724</u>
Capital assets, being depreciated:					
Buildings and improvements	2,451,416				2,451,416
Site improvements	7,820,249	85,668		48,674	7,954,591
Equipment	550,093	13,652			563,745
Total capital assets, being depreciated	<u>10,821,758</u>	<u>99,320</u>	<u>-</u>	<u>48,674</u>	<u>10,969,752</u>
Less accumulated depreciation:					
Buildings and improvements	(1,658,354)	(64,682)			(1,723,036)
Site improvements	(3,591,742)	(306,143)			(3,897,885)
Equipment	(351,730)	(37,770)			(389,500)
Total accumulated depreciation	<u>(5,601,826)</u>	<u>(408,595)</u>	<u>-</u>		<u>(6,010,421)</u>
Total capital assets being depreciated, net	<u>5,219,932</u>	<u>(309,275)</u>	<u>-</u>	<u>48,674</u>	<u>4,959,331</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 11,264,831</u>	<u>\$ 11,211,224</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 22,476,055</u>

Depreciation expense for the year was \$408,595 and was all charged to the recreation function.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 6: LONG-TERM OBLIGATIONS

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

	Balance June 30, 2022	Additions	Deletions	Balance June 30, 2023	Due Within One Year
Governmental Activities:					
Series 2019 General					
Obligation Bonds	\$ 7,860,000		\$ (280,000)	\$ 7,580,000	\$ 315,000
Series 2020 General					
Obligation Bonds	9,000,000			9,000,000	
Series 2022 General					
Obligation Bonds		\$ 8,460,058		8,460,058	
Unamortized premium	1,660,008	728,184	(78,132)	2,310,060	
Total debt	18,520,008	9,188,242	(358,132)	27,350,118	315,000
Compensated absences	145,333	141,202	(139,676)	146,859	110,144
Net pension liability	364,754	1,042,422		1,407,176	
OPEB liability	2,652,189		(615,435)	2,036,754	
Totals	\$ 21,682,284	\$ 10,371,866	\$(1,113,243)	\$30,940,907	\$ 425,144

Series 2019 General Obligation (GO) Bonds: The District issued General Obligation Bonds Series 2019 on April 1, 2019 in the amount of \$9,435,000 to provide financing for the renovation, repair, replacement or upgrade of facilities and to construct new facilities. The District has the authority to issue bonds in an aggregate principal amount of \$26,900,000. The Bonds are the first series of bonds issued. Annual principal payments ranging from \$190,000 to \$825,000 and annual interest payments ranging from \$26,000 to \$370,000 are due August 1. The interest rates on the bonds are 3.00% to 5.00%. The District has pledged ad valorem property taxes on taxable property within the District's boundaries for payment of debt service on the Bonds.

Series 2020 General Obligation (GO) Bonds: The District issued General Obligation Bonds Series 2020 on May 6, 2020 in the amount of \$9,000,000 to provide financing for the renovation, repair, replacement or upgrade of facilities and to construct new facilities. The District has the authority to issue bonds in an aggregate principal amount of \$26,900,000. The Bonds are the second series of bonds issued. Annual principal payments ranging from \$50,000 to \$1,625,000 are due beginning August 1, 2032. Annual interest payments ranging from \$64,000 to \$360,000 are due August 1. The interest rates on the bonds is 4.00%. The District has pledged ad valorem property taxes on taxable property within the District's boundaries for payment of debt service on the Bonds. The proceeds of the bonds were placed in the Capital Projects Fund with the County Treasurer and are expected to be expended by October 2023.

Series 2022 General Obligation (GO) Bonds: The District issued General Obligation Bonds Series 2022 on November 2, 2022 in the amount of \$8,460,058 to provide financing for the renovation, repair, replacement or upgrade of facilities and to construct new facilities. The District has the authority to issue bonds in an aggregate principal amount of \$26,900,000. The Bonds are the third series of bonds issued. Annual principal payments ranging from \$111,502 to \$2,735,000 are due beginning August 1, 2032. Annual interest payments ranging from \$157,263 to \$349,025 are due beginning August 1, 2023. The interest rates on the bonds are 5.75% and 6.00%. The District has pledged ad valorem property taxes on taxable property within the District's boundaries for payment of debt service on the Bonds.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 6: LONG-TERM OBLIGATIONS (Continued)

The annual requirements to amortize the outstanding Series 2019, 2020 and 2022 General Obligation Bonds at June 30, 2023 are as follows:

Years Ended June 30	Series 2019 GO Bonds			Series 2020 GO Bonds		
	Principal	Interest	Total Payments	Principal	Interest	Total Payments
2024	\$ 315,000	\$ 304,250	\$ 619,250		\$ 360,000	\$ 360,000
2025	190,000	291,650	481,650		360,000	360,000
2026	210,000	284,050	494,050		360,000	360,000
20207	240,000	275,650	515,650		360,000	360,000
2028	205,000	266,050	471,050		360,000	360,000
2029-2033	1,250,000	1,233,600	2,483,600	\$ 50,000	1,800,000	1,850,000
2034-2038	1,310,000	1,019,800	2,329,800	750,000	1,740,000	2,490,000
2039-2043	1,310,000	763,800	2,073,800	1,600,000	1,522,000	3,122,000
2044-2048	2,030,000	441,200	2,471,200	2,700,000	1,132,000	3,832,000
2049-2051	520,000	26,000	546,000	3,900,000	345,000	4,245,000
Totals	<u>\$ 7,580,000</u>	<u>\$ 4,906,050</u>	<u>\$ 12,486,050</u>	<u>\$ 9,000,000</u>	<u>\$ 8,339,000</u>	<u>\$ 17,339,000</u>

Years Ended June 30	Series 2022 GO Bonds		
	Principal	Interest	Total Payments
2024		\$ 349,025	\$ 349,025
2025		349,025	349,025
2026		349,025	349,025
20207		349,025	349,025
2028		349,025	349,025
2029-2033	\$ 121,110	1,839,016	1,960,126
2034-2038	603,448	2,431,677	3,035,125
2039-2043	907,739	3,442,386	4,350,125
2044-2048	1,502,761	3,785,944	5,288,705
2049-2051	5,325,000	780,706	6,105,706
Totals	<u>\$ 8,460,058</u>	<u>\$14,024,854</u>	<u>\$ 22,484,912</u>

Should the District default on interest payments, interest will be charged from the last payment date up to the date the payment is made. The underwriter or bond holder can seek mandates or court order should the District default on any provisions.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
June 30, 2023

NOTE 7: FUND BALANCE

The following are the components of the Governmental Funds fund balances.

	General	Capital Projects	Fair Oaks GO Bonds Debt Service Fund	Fair Oaks L&L Assessment District	Nonmajor Governmental Funds	Total Governmental Funds
Nonspendable	\$ 26,470					\$ 26,470
Restricted for:						
Capital facilities and improvements		\$ 11,701,461			\$ 1,967,499	13,668,960
Debt service			\$ 1,127,486			1,127,486
Assessment District maintenance and improvements				\$ 287,925	123,427	411,352
ADA improvements	48,000					48,000
Foundation activities	70,685					70,685
Total Restricted	<u>118,685</u>	<u>11,701,461</u>	<u>1,127,486</u>	<u>287,925</u>	<u>2,090,926</u>	<u>15,326,483</u>
Unassigned	<u>1,697,441</u>					<u>1,697,441</u>
Total Fund Balances	<u>\$ 1,842,596</u>	<u>\$ 11,701,461</u>	<u>\$ 1,127,486</u>	<u>\$ 287,925</u>	<u>\$ 2,090,926</u>	<u>\$ 17,050,394</u>

NOTE 8: DEFINED BENEFIT PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The District has the following cost-sharing rate plans:

- Miscellaneous Plan
- PEPRM Miscellaneous Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at [www.calpers.ca.gov](http://www.calpers.ca.gov).

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 (52 for PEPRM Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

The Plan's provisions and benefits in effect at June 30, 2023, are summarized as follows:

	Miscellaneous Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Hire date		
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	7.000%	6.750%
Required employer contribution rates	10.870%	7.470%

In addition to the contribution rates above, the District was required to make payments totaling \$93,680 toward its unfunded actuarial liability during the year ended June 30, 2023. The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended June 30, 2023, the employer contributions to the Plan (all rate plans combined) were \$192,174, including the contribution for the employers unfunded accrued liability.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of June 30, 2023, the District reported a net pension liability for its proportionate share of the net pension liability of \$1,407,176.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2022 was as follows:

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2022	0.01921%
Proportion - June 30, 2023	0.03007%
Change - Increase (Decrease)	0.01086%



FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

For the year ended June 30, 2023, the District recognized a pension expense of \$401,694. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan combined from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 192,174	
Change in assumptions	144,195	
Net differences between projected and actual earnings on plan investments	257,757	
Difference between actual and allocated contributions		\$ (140,513)
Difference between expected and actual experience	28,258	(18,926)
Change in employer's proportions	272,171	
Total	<u>\$ 894,555</u>	<u>\$ (159,439)</u>

The \$192,174 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as net deferred outflows of resources related to pensions will be recognized as pension expense as follows:

<u>Fiscal Year Ended June 30</u>	
2024	\$ 156,828
2025	143,367
2026	85,094
2027	157,653
	<u>\$ 542,942</u>

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.50%
Projected Salary Increase	Varies by entry age and service
Mortality	Derived using CalPERS Membership Data for all Funds

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

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Discount Rate: The discount rate used to measure the total pension liability was 6.90% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	Assumed Asset Allocation	Real Return Years 1 - 10(a)(b)
Global equity - cap-weighted	30.0%	4.45%
Global equity non-cap-weighted	12.0%	3.84%
Private Equity	13.0%	7.28%
Treasury	5.0%	27.00%
Mortgage-backed Securities	5.0%	50.00%
Investment Grade Corporates	10.0%	1.56%
High Yield	5.0%	2.27%
Emerging Market Debt	5.0%	2.48%
Private Debt	5.0%	3.57%
Real Assets	15.0%	3.21%
Leverage	-5.0%	(0.59%)
	100.0%	

(a) An expected inflation of 2.30% used for this period.

(b) Figures are based on the 2021-22 Asset Liability Management study.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 8: DEFINED BENEFIT PENSION PLAN (Continued)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

1% Decrease	5.90%
Net Pension Liability	\$ 2,357,771
Current Discount Rate	6.90%
Net Pension Liability	\$ 1,407,176
1% Increase	7.90%
Net Pension Liability	\$ 625,072

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLANS

Plan Description: For employees hired before March 1, 2010, the District pays 100% of the medical premium for the retiree and any dependents up to a cap varying by coverage level. The cap is the average of the six CalPERS medical plans available to the District employees and is set annually by the Board, in 2023 \$991 (single coverage), \$1,981 (two party coverage) and \$2,576 (family coverage).

Employees hired on/after March 1, 2010 are covered by the PEMHCA Vesting resolution. This resolution provides that the District pays 100% of the premium for retirees and dependents up to but not exceeding the maximum benefits provided by the "100/90" formula *multiplied* by the vesting percent, based on the retiree's years of CalPERS membership. The maximum monthly benefits payable in calendar year 2023 under the 100/90 formula are: \$816 (single coverage), \$1,548 (two party) and \$1,983 (family). The Plan does not issue separate financial statements.

Employees Covered by Benefit Terms: As of the June 30, 2021 valuation, the following employees were covered by the Plan's benefit terms:

Active employees	15
Inactive employees or beneficiaries currently receiving benefit payments	<u>6</u>
	<u>21</u>

Contributions: The contribution requirements of Plan members and the District are established and may be amended by the District's Board of Directors subject to the District's Memorandums of Understanding with bargaining units. The District prefunds the plan by contributing a specific amount to the California Employers' Retiree Benefit Trust (CERBT), a tax-qualified irrevocable trust organized under Internal Revenue Code Section 115. The Trust is administered by CalPERS as an agent multiple-employer plan. During the year ended June 30, 2023, the District's benefit payments were \$50,245 and the estimated implicit subsidy was \$14,213, resulting in total payments of \$64,458. Plan members did not make any contributions to the Plan.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLANS (Continued)

Net OPEB Liability: The District's net OPEB liability of \$2,036,754 was measured as of June 30, 2022, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2021.

Actuarial Assumptions: The total OPEB liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry-age normal cost method, level percent of pay
Asset valuation method	Market value of assets
Actuarial assumptions:	
Discount rate	4.25%
Investment rate of return	5.70%
Inflation	2.50%
Salary increases	3.00% per year
Mortality rate	Derived using CalPERS membership data
Mortality improvement	MacLeod Scale 2022 applied generationally
Healthcare trend rate	5.8%, trending down to 3.9% by 2076

Demographic actuarial assumptions used in this valuation are based on the 2017 experience study of the California Public Employees Retirement System using data from 1997 to 2015, except for a different basis used to project future mortality improvements. Mortality rates used were those published by CalPERS, and reflects a mortality projection table, MP 2016 from the Society of Actuaries, which uses 15 years of mortality projection using 90% of scale MP 2016.

The assumed gross return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimate of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Percentage of Portfolio	Assumed Gross Return
Global Equity	34.0%	6.80%
Fixed Income	41.0%	1.40%
Real Estate Investment Trusts	17.0%	5.40%
Treasury Inflation Protected Securities	5.0%	0.60%
Commodities	3.0%	3.20%
	<u>100.0%</u>	

Participation Rates: 100% of future employees are assumed to elect coverage. 75% of future retirees are assumed to elect to cover their spouse in their medical plan coverage and 30% are assumed to cover dependents other than a spouse under age 62.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLANS (Continued)

Discount Rate: The discount rate used to measure the total OPEB liability was 4.25%, which is a increase from the 2.40% used in the August 2, 2022 valuation. The discount rate is based on the average of three 20-year municipal bond rate indices: The S&P Municipal Bond 20 Year High Grade Rate Index.

Because the District has only made one contribution to the trust, which was less than the actuarially determined contribution, the actuary determined that the fiduciary net position is not projected to be sufficient to make projected benefit payments, so the municipal bond rate index was used as the discount rate.

Changes in the Net OPEB Liability: The change in the net OPEB liability for the plan is as follows:

	Increase (Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability/(Asset)
Balance at June 30, 2022	\$ 2,701,267	\$ 49,078	\$ 2,652,189
Changes in the year:			
Service cost	231,407		231,407
Interest	69,623		69,623
Changes in assumptions	(810,905)		(810,905)
Contributions - employer		113,394	(113,394)
Investment income		(7,820)	7,820
Benefit payments	(63,394)	(63,394)	
Administrative expenses		(14)	14
Net changes	(573,269)	42,166	(615,435)
Balance at June 30, 2023	\$ 2,127,998	\$ 91,244	\$ 2,036,754

Sensitivity of the Net OPEB Liability to Changes in the Discount Rate: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease 3.25%	Discount Rate 4.25%	1% Increase 5.25%
Net OPEB liability	\$ 2,430,911	\$ 2,036,754	\$ 1,723,392

Sensitivity of the Net OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using healthcare cost trend rates that is 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	Current Healthcare Cost Trend Rates		
	1% Decrease (4.80% decreasing to 3.00%)	1% Increase (6.80% decreasing to 5.00%)	
Net OPEB liability	\$ 1,612,536	\$ 2,036,754	\$ 2,616,454

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 9: OTHER POSTEMPLOYMENT BENEFITS PLANS (Continued)

OPEB Plan Fiduciary Net Position: Detailed information about the OPEB's fiduciary net position is available in the separately issued CERBT financial report at [www.calpers.ca.gov](http://www.calpers.ca.gov).

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended June 30, 2023, the District recognized OPEB expense of \$158,361. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions made subsequent to the measurement date	\$ 64,458	
Difference between projected and actual investment earnings	6,534	
Differences between expected and actual experience		\$ (628,934)
Changes of assumptions	193,358	(868,361)
Total	<u>\$ 264,350</u>	<u>\$ (1,497,295)</u>

The \$64,458 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability during the following fiscal year. Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30	
2024	\$ (138,461)
2025	(110,444)
2026	(108,689)
2027	(109,773)
2028	(112,183)
Thereafter	(717,853)
	<u>\$ (1,297,403)</u>

Recognition of Deferred Outflows and Deferred Inflows of Resources: Gains and losses related to changes in total OPEB liability and fiduciary net position are recognized in OPEB expense systematically over time. Amounts are recognized in OPEB expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to OPEB and are to be recognized in future OPEB expense.

The recognition period differs depending on the source of the gain or loss. The net difference between projected and actual earnings on OPEB plan investments is recognized over 5 years. All other amounts are recognized over the expected average remaining service lifetime (EARS), which was 12.98 years at June 30, 2023.

FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 10: RISK MANAGEMENT

The District is self-insured for comprehensive liability coverage as a member of the California Association for Park and Recreation Insurance (CAPRI). CAPRI is a public agency risk pool created pursuant to a joint powers agreement between the numerous member Districts. CAPRI manages one pool for all member agencies. Each member pays an annual premium to the system based on numerous factors including the number of personnel, types and values of assets held, and an experience factor. CAPRI reinsures through a commercial carrier for claims in excess of \$1,000,000 for each insured event.

Coverage provided under CAPRI is as follows:

Workers' compensation coverage with \$50,000,000 including \$350,000 (CAPRI) coverage per occurrence for workers' compensation, limited to \$5,000,000 for employee liability.

Comprehensive general liability coverage with \$25,000,000, including \$1,000,000 (CAPRI) self-insured limit per occurrence, for personal injury and property damage to which the coverage applies. There is no deductible to the District.

All-risks property loss coverage including Boiler & Machinery coverage, is subject to a \$2,000 deductible per occurrence payable by the District.

The deductible for all loss or damage arising from the risks of wildfire is \$2,000 per occurrence, coverage to the first \$150,000, then \$5,000,000 to program limits.

Flood and earthquake coverage with annual aggregate limit of \$5,000,000 for all the member districts. The deductible for all loss or damage arising from the risks of flood and/or earthquake is \$50,000 per occurrence or 5% of the value of the building, contents, and/or structure damaged, whichever is greater.

NOTE 11: COMMITMENTS AND CONTINGENCIES

The District had the following contract commitments as of June 30, 2023:

Project	Contract Amounts	Expenditures to June 30, 2023	Remaining Committed
District Wide	\$ 1,100,000	\$ 870,914	\$ 229,086
Village Park and Clubhouse	22,106,151	16,079,646	6,026,505
Village Park - Amphitheater	779,833	649,291	130,542
Village Park Site	1,188,152	1,048,500	139,652
Total	<u>\$ 25,174,136</u>	<u>\$ 18,648,351</u>	<u>\$ 6,525,785</u>

On April 20, 2022, the Board of Directors approved the award of contract of \$21.75 million for the renovation of Village and Plaza Park, the Community Clubhouse, and the Veterans Memorial Amphitheatre to Bobo Construction, Inc. The renovation will be funded by \$20 million from the General Obligation Bond Measure J. The renovation will also be funded by \$890,000 of impact fees and \$860,000 of various grant funding. Construction began on April 22, 2022, and as of June 30, 2023 the contract has a remaining commitment of \$5,955,339, which is included in the table above.



FAIR OAKS RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS

June 30, 2023

NOTE 12: SUBSEQUENT EVENTS

In December 2024, the District approved the sale of a cell tower lease located at Miller Park. The District has been negotiating the sale of the cell tower lease. The sale of the Cell Tower Lease will provide the District with a one-time payment of \$2,001,000. The District will incur closing costs of \$4,000 for the sale will pay 5% of the purchase price, amounting to \$102,750, for services in brokering the sale. The District will receive an estimated financial gain of \$1,948,250. A portion of the funds from the sale of the lease will be allocated to replace the seating in the Veteran's Memorial Amphitheatre for an estimated cost of \$904,935. The remaining estimated balance of \$1,043,315 will require Board approval for utilization.

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FAIR OAKS RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL - GENERAL FUND

For the Year Ended June 30, 2023

	Budgeted Amounts			Variance with
	Original	Final	Actual	Final Budget
<b>REVENUES</b>				
Property taxes	\$ 2,147,179	\$ 2,147,179	\$ 2,208,581	\$ 61,402
Charges for current services	494,760	494,760	422,207	(72,553)
Use of money and property	142,168	142,168	281,123	138,955
Grants and donations	791,605	791,605	-	(791,605)
Other revenues	10,000	10,000	52,899	42,899
Total revenues	<u>3,585,712</u>	<u>3,585,712</u>	<u>2,964,810</u>	<u>(620,902)</u>
<b>EXPENDITURES</b>				
Salaries and benefits	2,254,304	2,254,304	2,097,359	156,945
Services and supplies	1,419,906	1,419,906	1,219,257	200,649
Capital outlay	791,605	791,605	132,814	658,791
Total expenditures	<u>4,465,815</u>	<u>4,465,815</u>	<u>3,449,430</u>	<u>1,016,385</u>
Deficit of Revenues Under Expenditures	(880,103)	(880,103)	(484,620)	395,483
Other Financing Sources				
Operating transfers in	709,243	709,243	455,868	(253,375)
Total other Financing Sources	<u>709,243</u>	<u>709,243</u>	<u>455,868</u>	<u>(253,375)</u>
Change in fund balance	(170,860)	(170,860)	(28,752)	142,108
Fund balances - July 1, 2022	<u>1,871,348</u>	<u>1,871,348</u>	<u>1,871,348</u>	<u>-</u>
Fund balances - June 30, 2023	<u>\$ 1,700,488</u>	<u>\$ 1,700,488</u>	<u>\$ 1,842,596</u>	<u>\$ 142,108</u>

FAIR OAKS RECREATION AND PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

**SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY - MISCELLANEOUS PLAN (UNAUDITED)**  
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Proportion of the Net Pension Liability	0.03007%	0.01921%	0.02583%	0.02378%	0.02199%	0.02168%	0.02014%	0.01643%	0.00675%
Proportionate Share of the Net Pension Liability	\$ 1,407,176	\$ 364,754	\$ 1,089,372	\$ 952,313	\$ 828,607	\$ 854,527	\$ 699,564	\$ 352,834	\$ 420,348
Covered Payroll - Plan Measurement Period	\$ 1,141,943	\$ 1,046,071	\$ 1,173,508	\$ 1,113,721	\$ 1,019,682	\$ 803,578	\$ 784,684	\$ 784,684	\$ 788,864
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	123.23%	34.87%	92.83%	85.51%	81.26%	106.34%	89.15%	44.97%	53.29%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.82%	94.42%	83.43%	83.43%	83.09%	80.25%	82.10%	87.83%	88.07%

Notes to Schedule:

Valuation date	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013
Measurement date	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014

Change in Benefit Terms: None.

Changes in Assumptions: The discount rate was changed from 7.50% in 2015 to 7.65% in 2016 and 2017 and 7.15% in 2018 and 6.90% in 2023.

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

**SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN - MISCELLANEOUS PLAN (UNAUDITED)**  
Last 10 Years

	June 30, 2023	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 192,174	\$ 175,020	\$ 153,850	\$ 143,616	\$ 122,129	\$ 100,327	\$ 84,815	\$ 75,412	\$ 67,736
Contributions in Relation to the Actuarially Determined Contributions	(192,174)	(175,020)	(153,850)	(143,616)	(122,129)	100,327	84,815	75,412	67,736
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll - Employer Fiscal Year	\$ 1,217,796	\$ 1,141,943	\$ 1,046,071	\$ 1,173,508	\$ 1,113,721	\$ 1,019,682	\$ 803,578	\$ 784,684	\$ 784,684
Contributions as a Percentage of Covered Payroll	15.78%	15.33%	14.71%	12.24%	10.97%	9.84%	10.55%	9.61%	8.63%

Notes to Schedule:

Contribution valuation date	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017	June 30, 2016	June 30, 2015	June 30, 2014	June 30, 2013	June 30, 2012
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Methods and Assumptions Used to Determine Contribution Rates:

Actuarial Method	Entry Age Normal Cost Method								
Amortization Method	Level percentage of payroll, closed								
Remaining Amortization Period	Varies by rate plan, but not more than 30 years								
Asset Valuation Method	Market value	Market value	Market value	Market value	Market value	Market value	Market value	Market value	15-year smoothed market
Inflation	2.50%	2.50%	2.50%	2.625%	2.75%	2.75%	2.75%	2.75%	2.75%
Salary Increases					Varies by entry age and service				
Payroll Growth	2.750%	2.750%	2.750%	2.875%	3.00%	3.00%	3.00%	3.00%	3.00%
Investment rate of return and discount rate	7.00%	7.00%	7.00%	7.25%	7.375%	7.50%	7.50%	7.50%	7.50%
Retirement Age	50 to 67 years Probabilities of retirement are based on the most recent CalPERS Experience								
Mortality	Most recent CalPERS Experience Study								

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be reported prospectively as they become available.

FAIR OAKS RECREATION AND PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

	2023	2022	2021	2020	2019	2018
Total OPEB liability:						
Service cost	\$ 231,407	\$ 264,231	\$ 247,735	\$ 251,608	\$ 234,038	\$ 269,694
Interest	69,623	84,904	79,054	81,506	74,988	60,090
Differences between expected and actual experience		(459,420)		(339,702)		
Changes in assumptions	(810,905)	(84,386)	71,913	160,948	65,172	(265,381)
Benefit payments	(63,394)	(63,408)	(50,195)	(54,013)	(50,883)	(41,542)
Net change in total OPEB liability	(573,269)	(258,079)	348,507	100,347	323,315	22,861
Total OPEB liability - beginning	2,701,267	2,959,346	2,610,839	2,510,492	2,187,177	2,164,316
Total OPEB liability - ending (a)	<u>\$ 2,127,998</u>	<u>\$ 2,701,267</u>	<u>\$ 2,959,346</u>	<u>\$ 2,610,839</u>	<u>\$ 2,510,492</u>	<u>\$ 2,187,177</u>
Plan fiduciary net position						
Contributions - employer	\$ 113,394	\$ 63,408	\$ 90,195	\$ 54,013	\$ 50,883	\$ 41,542
Investment income	(7,820)	8,063	1,032			
Benefit payments	(63,394)	(63,408)	(50,195)	(54,013)	(50,883)	(41,542)
Administrative expenses	(14)	(15)	(2)			
Net change in plan fiduciary net position	42,166	8,048	41,030			
Plan fiduciary net position - beginning	49,078	41,030				
Plan fiduciary net position - ending (b)	<u>\$ 91,244</u>	<u>\$ 49,078</u>	<u>\$ 41,030</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net OPEB liability - ending (a)-(b)	\$ 2,036,754	\$ 2,652,189	\$ 2,918,316	\$ 2,610,839	\$ 2,510,492	\$ 2,187,177
Plan fiduciary net position as a percentage of the net OPEB liability	<u>4.29%</u>	<u>1.82%</u>	<u>1.39%</u>	<u>0.00%</u>	<u>0.00%</u>	<u>0.00%</u>
Covered-employee payroll - measurement period	<u>\$ 1,100,913</u>	<u>\$ 923,230</u>	<u>\$ 1,099,801</u>	<u>\$ 1,029,251</u>	<u>\$ 1,068,585</u>	<u>\$ 803,578</u>
Net OPEB liability as percentage of covered-employee payroll	<u>185.01%</u>	<u>287.27%</u>	<u>265.35%</u>	<u>253.66%</u>	<u>234.94%</u>	<u>272.18%</u>
Notes to schedule:						
Valuation date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019	July 1, 2017	July 1, 2017
Measurement period - fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018	June 30, 2017
Benefit changes. None.						
Assumptions:						
Discount rates	4.25%	2.40%	2.66%	2.79%	2.98%	3.13%
Inflation	2.50%	2.50%	2.50%	2.50%	2.75%	2.75%
Salary increases	3.00%	3.00%	3.00%	3.00%	3.25%	3.25%
Healthcare cost trend rates	5.8%	5.7%	5.4%	5.4%	7.5%	7.5%
	decreasing to 3.9% by 2076	decreasing to 3.9% by 2076	decreasing to 4% by 2076	decreasing to 4% by 2076	decreasing to 5% by 2025	decreasing to 5% by 2025
CalPERS Experience Study	2017 Study	2017 Study	2017 Study	2017 Study	2014 Study	2014 Study

Omitted years: GASB Statement No. 75 was implemented during the year ended June 30, 2018. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

FAIR OAKS RECREATION AND PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended June 30, 2023

SCHEDULE OF CONTRIBUTIONS TO THE OPEB PLAN (UNAUDITED)

	2023	2022	2021	2020
Actuarially determined contribution - employer fiscal year	\$ 221,821	\$ 226,373	\$ 220,318	\$ 205,955
Contributions in relation to the actuarially determined contributions	(64,458)	(113,384)	(63,408)	(90,195)
Contribution deficiency (excess)	<u>\$ 157,363</u>	<u>\$ 112,989</u>	<u>\$ 156,910</u>	<u>\$ 115,760</u>
Covered-employee payroll - employer fiscal year	\$ 1,212,742	\$ 1,100,913	\$ 923,230	\$ 1,099,801
Contributions as a percentage of covered-employee payroll	5.32%	10.30%	6.87%	8.20%

Notes to Schedule:

Valuation date	June 30, 2021	June 30, 2021	June 30, 2019	June 30, 2019
Measurement period - fiscal year ended	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry Age Normal			
Amortization method	Level Dollar			
Amortization period	17 years remain	18 years remain	19 years remain	20 years remain
Asset valuation method	Market Value			
Discount rate	5.70%	5.70%	6.50%	6.50%
Inflation	2.50%	2.50%	2.50%	2.50%
Healthcare cost trend rates	5.80% in 2023, trending down to 3.9% by 2076	5.40% in 2021, trending down to 4% by 2076		
Salary increases	3.00%	3.00%	3.00%	3.00%
Investment rate of return	5.70%	5.70%	6.50%	6.50%
Retirement age	From 50 to 75	From 50 to 75	From 50 to 75	From 50 to 75
Mortality	2017 CalPERS Experience Study Scale 2022	2017 CalPERS Experience Study Scale 2020	2017 CalPERS Experience Study Scale 2020	2017 CalPERS Experience Study Scale 2020

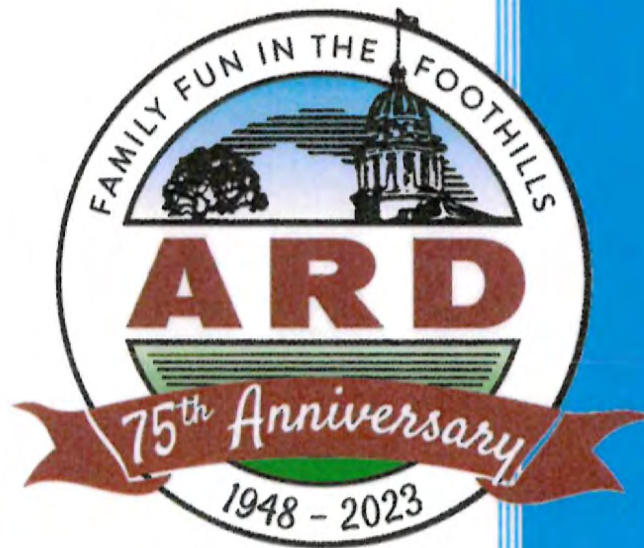
Omitted years: Contributions were made starting the year ended June 30, 2020. Information will be added prospectively as it becomes available until 10 years are reported.





**FECHTER  
& COMPANY**  
Certified Public Accountants

# Proposal to Provide Audit Services to



**Prepared by:**  
**Scott A. German, CPA**  
**Managing Shareholder**

**July 28, 2025**

## Proposal Overview

**Proposal Requested by:**

**Board of Directors of Auburn Recreation and Park District**

**Proposal Publish Date: June 13, 2025**

**Proposal Due Date: July 30, 2025**

**Fechter & Company Representative with contact information:**

**Name:** Scott A German, CPA  
**Office phone:** (916) 333-5360  
**Cellular phone:** (916) 709-4755  
**Email:** ScottG@FechterCPA.com  
**Website:** www.FechterCPA.com

**Description of Requested Services:**

Proposal for Financial Statement Audit Services for:

Auburn Recreation and Park District

Friends of Auburn Recreation and Parks - a 501(c)(3) non-profit included as restricted assets in the District's Basic Financial Statements

Provide 6 bound copies and one unbound of the above required financial statements

Preparation of the Annual Financial Transactions Report to the State Controller

**Period Covered:**

For the Fiscal Years Ending: March 31, 2026, 2027; 2028

## Statement of Confidentiality

This proposal and supporting materials contain confidential and proprietary business information of Fechter & Company. These materials may be printed or photocopied for use in evaluating the proposed project but are not to be shared with other parties.



July 28, 2025

Kahl Muscott – District Administrator  
Veona Galbraith – Administrative Services Manager  
Board of Directors  
Auburn Recreation and Park District  
Email: VGalbraith@AuburnRec.com

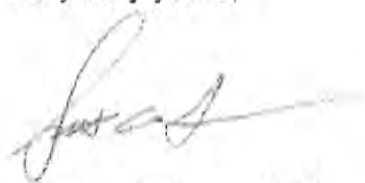
Fechter & Company, Certified Public Accountants, is pleased to present our proposal to provide financial statement audit services to the Auburn Recreation and Park District (the District). We believe the following pages provide an accurate overview of our qualifications, competence, and capacity to perform the audit services requested within the time frame required by the District.

We believe the following proposal outlines our understanding of your needs and the environment in which you work and are therefore in a unique position to provide you with high quality, insightful audit services.

This proposal is an irrevocable offer valid for 90 days after the date of the proposal due date. I am authorized to represent and to obligate the firm contractually Auburn Recreation and Park District. We are located at 3445 American River Drive, Suite A, Sacramento, California 95864, and you can contact me by telephone at (916) 333-5360 or (916) 709-4755.

Thank you for considering our proposal. We look forward to a long and successful working relationship with you and your management team.

Very truly yours,



Scott A. German, CPA  
Managing Shareholder

## **REQUIRED SUPPLEMENTARY INFORMATION**

## Table of Contents

Firm Qualifications and Experience.....	1
Engagement Staffing .....	5
Scott A. German, CPA .....	6
Joshua S. Jackson, CPA .....	7
Relevant Experience and References.....	8
Fees and Expenses .....	10
Audit Process Overview.....	11
Certificates of Insurance-Samples .....	20
Peer Review Results.....	21

## Firm Qualifications and Experience

### *Who We Are*

Fechter & Company, Certified Public Accountants, is a professional corporation based in Sacramento, California. All resources dedicated to the audit and tax services will be based from this location.

Since April 2005, we have built a practice providing audit, tax, and business consulting to government agencies, non-profit organizations, and small businesses with annual budgets of less than \$25 million.

### *Personal Service*

You receive a high level of personal service with easy access to professionals who can answer your questions and facilitate the audit process.

### *Efficient Processes*

Our staff turnover is very low. As a result, you will have the same staff from year to year, resulting in a more efficient and effective use of your staff.

### *Experienced Auditors*

From our staff of eight CPA's and seasoned staff, three to four will be assigned to perform all audit procedures. From initial planning through fieldwork to financial statement preparation, our depth of experience will be evident.

### *Quality Control Review*

Our peer review, including a review of a specific governmental engagement, is included with this proposal. Fechter & Company has never failed a peer review and has fully implemented all required quality control procedures. Our next peer review is due in 2026.



# Firm Qualifications and Experience

## *License to Practice in California and Firm Standing*

- Since 2005, our firm has been licensed as a certified public accounting firm by the California State Board of Accountancy.
- All key professional staff are properly licensed in California.
- Our firm has had no disciplinary action taken or pending since its inception in 2005.
- We have no prior substandard audit work or unsatisfactory performance pending with the State Board of Accountancy or other related professional organizations.

## *Independence*

- Our firm is independent of the District as defined by generally accepted auditing standards and the U.S. General Accounting Office's Government Auditing Standards.
- All professional staff in our firm meet the independence requirements of the American Institute of Certified Public Accountants and the Government Auditing Standards, 2003 revision, published by the U.S. General Accounting Office.
- Our firm has no history or professional relationships with the District or its personnel that would compromise our independence.

## *Insurance*

- We carry the requisite insurance coverage.
- A copy of our current Liability Insurance Certificate is included with this proposal.

## *Continuing Education*

All of our staff are required to maintain their continuing education at levels necessary to provide services to governmental clients. We require a minimum of 40 hours of total education time each year, including 24 hours of government specific topics.

# Firm Qualifications and Experience

## *Technology and Data Security*

- Fechter & Company takes data security very seriously. To that end:
  - All laptop computers are secure with:
    - Strong passwords, changed frequently,
    - Advanced cyber security software.
  - All data is secured behind an advanced firewall
  - All staff take monthly training to keep them alert for phishing and other data security issue
- Our firm subscribes to Thomson Reuters research tools and other newsletters to help us proactively inform our clients about potential changes in accounting legislation and standards.

## *Remote Work Capabilities*

We have the capability of performing your audit 100% remotely. However, we believe that there is often value in seeing our client's staff and facilities to place the numbers we audit in context.

Since 2018, our firm has been working to improve our ability to work on audits in a remote environment. Not only has this process been a benefit to our staff by providing them with more flexibility and work/life balance, it has allowed us to be more efficient in how we work with our clients.

- Our audit software, Engagement Manager, is securely accessed through services provided by Thomson Reuters. We have access to your audit file from wherever we are.
- Thomson Reuters GoFileRoom allows us to securely accept files from clients through the ClientFlow portal, place documents directly in our audit file and provide access to documents to all that need them.
- Emphasis on Data Security: All of the systems are protected by strong enforced passwords which follow federal security standards. This is supported by the following security systems:
  - Strong Password manager: All staff are required to use our password manager for all Firm and Client passwords.
  - Our password manager allows for random passwords up to 100 characters in length protected in a "vault" that locks each individual entry with a 256-bit encryption key supported by multifactor



# Firm Qualifications and Experience

authentication procedures.

- Passwords are changed routinely and changes are monitored by management.
- Phishing security prevention and training: All staff are required to take monthly micro-trainings on phishing and other security risks.

## *Other Affirmations*

- We know of no conflicts of interest with the District or any of its personnel.
- We will notify you with any changes that occur with our peer review or license status.

## *Statement on Outsourcing*

Many accounting firms, faced with the current CPA shortage, are outsourcing work to overseas locations.

We believe California based government agencies and non-profits should work with California professionals. As a result, ***WE DO NOT OUTSOURCE WORK TO FOREIGN COUNTRIES.***

## Engagement Staffing

### *Engagement Partner*

Mr. Scott German, CPA, will lead the audit. Mr. Michael Fink, CPA and Ms. Joanne Berry, CPA will provide alternate primary partner and independent review of the files to assure the highest quality product.

### *Engagement Manager*

Mr. Joshua Jackson, CPA, will be the in-charge accountant with new staff as needed.

We recognize the District's need for staff consistency. You will work with the same principals and whenever possible the same staff each year.

# Engagement Staffing



## Scott A. German, CPA

*Engagement Partner*

### Experience

Scott has provided audit and accounting services since 1985 when he started with the international accounting firm KPMG. Following stints as a controller for an international drilling company and CFO for a California Trade Association, Scott came to Fechter & Company to lead the audit practice in 2009. Since joining the firm, he established the Firm's quality initiatives, performed independent reviews and overseen all technology implementation. In 2022, Scott became the Managing Shareholder

*Scott has performed audits for the following industry segments*

#### **Audits of California Special Districts**

- Cemetery Districts
- Fire Districts
- Recreation and Park Districts
- Community Services Districts

#### **Audits of Not-for-Profit Organizations**

- Membership Organizations
- Arts Organizations
- Public Benefit
- Human Assistance agencies

#### **Audits of Private Companies**

- Construction
- Real Estate
- DMV Contractors
- Regional Center Vendors

### Education

#### **Bachelor of Science**

Business Administration-Concentration in  
Accounting California State University at  
Sacramento -1985

#### **Annual Continuing Education Focus**

- Uniform Guidance
- Yellow Book
- Governmental Accounting and Auditing
- Firm Management
- Emerging Technology

### Other

#### **Professional Affiliations**

- Member AICPA – Not-for-Profit Section
- Affiliate Member CSDA, Annual Conference Speaker

#### **Licenses**

- California CPA Certificate



# Engagement Staffing



## Joshua S. Jackson, CPA

*Engagement Manager*

### Experience

Mr. Jackson started his accounting career working at Oracle in the international corporate withholding tax division in 2020. While working at Oracle, Mr. Jackson was involved in overseeing corporate withholding tax compliance for various corporate entities across three different countries.

In 2021, Mr. Jackson transitioned to public accounting as a staff auditor at Fechter and Company, CPA's. During his time at Fechter and Company, CPA's, Mr. Jackson has worked on a variety of engagements with a concentration on non-profit compliance audits.

### *Joshua has performed audits for the following industry segments*

#### **Audits of California Special Districts**

Cemetery Districts  
Fire Districts  
Recreation and Park Districts  
Community Services Districts

#### **Audits of Not-for-Profit Organizations**

Membership Organizations  
Arts Organizations  
Public Benefit  
Human Assistance agencies

#### **Audits of Private Companies**

Construction  
Real Estate  
DMV Contractors  
Regional Center Vendors

### Education

#### **Bachelor of Arts**

Business Administration  
William Jessup University, 2017

#### **Annual Continuing Education Focus**

Uniform Guidance  
Yellow Book  
Governmental Accounting and Auditing  
Fraud Detection/Awareness  
Internal Controls

#### **Master of Accountancy**

William Jessup University, 2020

### Other

#### **Professional Affiliations**

Member AICPA – Not-for-Profit section

#### **Licenses**

California CPA Certificate

## Relevant Experience and References

### *Similar Engagements with Local Governments*

This is a representative list of California governmental agencies our firm has served over the last three (3) years. Contacts and email addresses will promptly be provided upon request.

*Approximately 65% of our audit clients are governmental entities.*

Rio Linda Elverta Recreation and Park District  
Castroville Community Services District  
Carpinteria-Summerland Fire Protection District  
Carpinteria Sanitary District  
Carmichael Recreation and Park District  
Ojai Sanitary District  
Montecito Fire Protection District  
Clarksburg Fire Protection District  
El Dorado LAFCO  
Ambrose Recreation and Park District  
Placer County Resource Conservation District  
Rio Alto Water District  
Rural North Vacaville Water District  
Alpine Fire Protection District  
East Contra Costa Irrigation District  
East Side Mosquito Abatement District  
South Lake County Fire Protection District  
Sylvan Cemetery District  
Bayshore Sanitary District  
District of Loomis  
Turlock Mosquito Abatement District  
Fair Oaks Cemetery District  
Davis Public Cemetery

# Relevant Experience and References

## References from Similar Type Agencies

<b>Rio Linda Recreation and Park District</b> Rio Linda, California	<b>Castroville Community Services District</b> Castroville, California
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**Contact information:**

Mike Heller, General Manager  
810 Oak Lane  
Rio Linda, California 95673  
(916) 991-5929

**Scope of audit work:**

Annual audit of the financial statements.  
Hours Annually: 125

**Partner:** Scott German, CPA

**Fiscal Years Completed:**

2016-2024; 2025 in progress

**Contact information:**

Lidia Santos, Office Manager  
11499 Geil Street  
Castroville, California 95012  
(831) 633-2560

**Scope of audit work:**

Annual audit of the financial statements.  
Hours Annually: 125

**Partner:** Mike Fink, CPA

**Fiscal Years Completed:**

2021-2024; 2025 in progress

**Other Park and Recreation Districts District Experience**

**Carmichael Recreation and Park District**  
Carmichael, California

**Ambrose Recreation and Park District**  
Bay Point, California

**Fair Oaks Recreation and Park District**  
Fair Oaks, California



## Fees and Expenses

### Standard Hourly Billing Rates for Professional Personnel

	Professional Fees Per Hour	
	Standard Quoted	
Partner	\$ 325	\$ 234
Manager	\$ 275	\$ 198
Professional Staff	\$ 175	\$ 126
Clerical/Support Staff	\$ 75	\$ 54

### Total All-Inclusive Maximum Price Proposed Fee Schedule

			3-Year Period		
	Hours	Hourly Rate	2026	2027	2028
<b>Base audit fees:</b>					
Partner	25	\$ 234	\$ 5,850	\$ 6,201	\$ 6,573
Manager	55	\$ 198	10,890	11,543	12,236
Professional Staff	42	\$ 126	5,292	5,610	5,946
Clerical/Support Staff	10	\$ 54	540	572	607
Total base audit fees	132		\$ 22,572	\$ 23,926	\$ 25,362
Completion of the State Controller's Report of Financial Transactions					
			800	850	875
On boarding fee			2,000	-	-
Net professional Fees			\$ 25,372	\$ 24,776	\$ 26,237
Plus allowance for out-of-pocket expenses (Note 1)			500	500	500
Total all-inclusive maximum price fee			\$ 25,872	\$ 25,276	\$ 26,737

Note 1 - Expenses are invoiced as incurred at actual amounts. this is our not to exceed estimate our direct expenses. We may not utilize the entire balance in any one year.

The above fees anticipates that your books and records will be audit ready on scheduled dates. Should there be additional unanticipated work to be completed, rescheduling as a result of your staff's time, or other situations that require additional time on our part, additional fees may result.

**You will be notified of any change in fees and approve them prior to us performing additional work.**



## Audit Process Overview

The following provides an overview of our audit process. It is imperative for you to understand that each client and each fiscal year presents the possibility for unique situations and challenges. Our planning procedures are geared to making sure we identify risks to be addressed at the beginning of the engagement.

### *Requirements Requested in the Proposal*

The District is requesting that the auditor express an opinion on Auburn Recreation and Park District's presentation of its financial statements in accordance with accounting principles generally accepted in the United States of America using Generally Accepted Audit Standards.

***The District is requesting the auditor to follow Yellow Book audit standards.***

The engagement will be divided into the following segments:

### *The engagement will be divided into the following segments:*

- Phase 0: Client Acceptance and Onboarding
- Phase 1: Audit Planning
- Phase 2: Evaluation and Testing of Internal Controls and Compliance
- Phase 3: Fieldwork/Substantive Testing
- Phase 4: Reporting/Wrap-up

### *Phase 0: Client Acceptance and Onboarding*

Based on the representations your agency has provided us through the RFP process, we have prepared this proposal for your review and approval. Should we be the successful proposer, we will then begin our onboarding process. The onboarding process includes the follows procedures:

- Obtain permission to contact your prior auditors.
- Obtain confirmation from the prior auditor of the reason for them being replaced, disagreements between them and management and if there are any issues they are aware of that would preclude us from accepting you as a client.

# Audit Process Overview

- Issue our engagement letter summarizing the terms of the audit as outlined in this proposal.
- We will also request various workpapers from the prior auditor to facilitate the continuity of presentation. Normally we request:
  - Grouped trial balance
  - Recorded adjustments
  - Fixed Asset and Debt roll forwards
  - Prior year internal financial statements, general ledger and trial balance
- Begin the process to set up the audit file, import the prior year numbers and reconcile to the issued financial statements.

## *Phase 1: Audit Planning*

Planning includes obtaining an understanding of the entity and its environment, including its internal controls, making an initial assessment of audit risks, new situations, determining materiality and developing the overall extent of our procedures and the timing of the engagement work.

Audit planning typically consists of the following procedures performed by the engagement team:

- Update our understanding of the District's current situation
- Planning meetings with District personnel
- Review new accounting pronouncements
- Review new or updated District policies and procedures
- Identify federal and state awards
- Review minutes of District's Board
- Develop preliminary risk assessments and audit plan
- Communicate audit request list and timeline to the District

## *Laws, Regulations and Contracts*

As an integral task during our planning of the District's audit, we will determine the extent of testing for various laws and regulations. Determination of which areas to test are based on review of enabling legislation at the District, County and State level and review of any federal and state grants for appropriate compliance requirements. We will also consult with District management and staff to identify any contracts or agreements that are in place that may have a significant impact on the financial statements and adjust our audit plan accordingly.



# Audit Process Overview

## *Risk Assessment*

During the audit planning phase, the audit team develops an audit plan utilizing a risk-based audit approach. Starting with a detailed review of the potential risk of material misstatement, we customize audit programs targeting areas of higher risk.

During this planning phase, we will work management and staff at the District to identify areas of higher risk, as well as other areas that they may want us to focus on during our audit.

## *Required Client Participation*

Based on the requirements of our audit plan, we will also provide the District with a list of schedules, reconciliations and documents to be compiled by the District's staff that we will require to be ready **before** we will start final audit procedures. Any delay in receipt of this information will delay the audit completion and could result in additional costs to the District.

## *Communication with Board and Management Personnel*

In addition to meeting with management and staff, we will ***communicate directly*** with the District's Board members to explain our respective responsibilities, identify risks and request members notify us of any concerns or additional areas of audit emphasis they may want us to pursue.

# Audit Process Overview

## *Phase 2: Evaluation and Testing of Internal Controls and Compliance*

Phase 2 typically consists of one to two days to evaluate and tests of internal controls, commonly referred to as interim audit testing. This phase is typically performed by the audit manager and seniors as well as one to two staff members onsite. Following completion of this phase, we will make any final adjustments to the audit process based on the work completed.

Procedures normally consists of the following:

- Reviewing and evaluating the District's internal control structure
  - Review policies and procedures
  - Conduct interviews with various staff members
  - Review the District's Information Technology environment
- Meet with members of the District Board and staff individually to discuss audit risks
  - Identify key controls in significant transaction classes
  - Review adopted budgets and budget amendments
  - Perform walkthroughs and tests of controls
  - Purchasing and disbursement procedures
  - Revenue collection and reconciliation with the County
  - Park and recreation revenue services testing
  - Payroll and pension

## *Internal Controls*

Effective internal controls are vital to the District's operating environment to ensure compliance with both financial and nonfinancial objectives. Our evaluation of internal controls includes reviewing adopted policies as well as formal and informal communications with various District employees. These discussions allow the audit team to evaluate any deviations in practices from policy. As part of the evaluation process, we will make both formal and informal recommendations for improvements based on any weaknesses that are identified.

The audit planning phase includes evaluating significant transaction classes, identifying what could go wrong, and key controls in place to address these identified risks. Our internal control testing includes testing that these key controls are operating effectively to either prevent or detect any of the identified risks. The internal control testing also includes tracing the individual transaction through the District's systems to ensure the proper reporting objectives are met.



# Audit Process Overview

Our controls evaluation and testing include obtaining an understanding of the computer software used by the District and tracing sample selections through the system to determine the desired control outcomes are being achieved. We may request read-only audit access to the District's Financial Management Software to verify the accuracy of postings to the system for our testing selections. Additionally, we will employ the system throughout the audit to query data and run reports for analysis. As our audit technology progresses, we will begin to leverage the benefits of Artificial Intelligence tools to help us analyze more transactions for potential errors and fraud in the time we have available, thus providing you with higher quality audit results without increases in fees.

After controls have been documented, evaluated and tested, we will finalize the District's audit plan. Audit programs will be tailored to fit the specifics of the District's accounting processes and systems. The Firm's workpaper management software allows for real-time updates and customization of audit programs as additional risks are identified during the audit process.

## *Other phase 2 considerations*

### *Sampling*

Fechter & Company has developed sample sizes and sampling techniques under the guidelines of generally accepted auditing standards, as well as governmental auditing standards. Random statistical samples are generally used for control testing. Additionally, more targeted, stratified sampling techniques are used in selection of purchasing transactions to ensure all levels of the District's purchasing policy requirements are tested.

### *Sampling for Compliance Testing*

Similar to our sampling techniques for general audit procedures, sampling will also be used for testing compliance, including single audit testing when necessary. Fechter & Company follows audit guidance for sampling, including sample size determination, appropriate sample population and attributes to be tested. To provide for an efficient single audit process, dual-purpose tests of controls and compliance are often used in single audit testing to limit the volume of documents that the District must provide to the auditors for review.

# Audit Process Overview

## *Phase 3: Fieldwork/Substantive Testing*

Substantive testing is performed by all members of the engagement team with direct manager involvement followed by partner review.

Below is a summary of various substantive testing procedures that may be used:

- Detailed testing of transactions and balances
- External confirmations of account balances
- Sampling of significant account activity
  - Capital asset additions and deletions
  - Accounts payable payments near year end
  - Manual journal entries
  - Revenues and receipts near year end
  - Disbursements and expense testing
- Review and testing of bank reconciliations
- Payroll reports
- Verify compliance with relevant California Statutes
- Verify compliance with debt covenants
- Review fund balance and net position for proper classification
- Compare activity to the County reports
- Perform detailed analytical procedures
- Detailed testing of compliance with grant terms and revenue recognition when necessary
- Mystery shopping to test compliance with cash receipts policies

To provide an efficient and effective audit for the District, our substantive audit procedures will focus on areas of higher risk and be based on internal control testing and the results of and preliminary testing completed in Phases 1 and 2.

The engagement partner and manager perform workpaper reviews during fieldwork to ensure all questions and documentation are completed prior to the end of substantive testing. Our goal is to complete substantive testing with as few open items as possible when we complete fieldwork.

Our firm structure allows for the majority of audit work to be completed by staff with managers and partners involved in all aspects of the District's audit process.



# Audit Process Overview

## *Other Phase 3 Considerations*

### *Type and Extent of Analytical Procedures*

Analytical procedures allow us to consider the context of the numbers and how they related to other audit areas. We will use analytical procedures in all areas of the audit. Initially, we will perform analytical procedures to assist us in identifying areas of risk for which substantive procedures will be performed. For certain areas, especially revenues and expenses, we will also utilize analytical procedures as part of our substantive testing. In the final stages of the audit, we will use analytical procedures as part of our final review of the audit to make sure the financial statements "make sense."

### *Phase 4: Reporting*

Reporting is typically performed by the engagement partner and manager.

Below are the various reporting procedures completed:

- Draft financial statements and footnote disclosures
- Draft audit and compliance reports
- Complete Internal Independent Quality Review
- Present management letter to management, including an exit conference
- Present final annual report to District Board

Report preparation also includes the completion of a disclosure checklist to ensure all required financial disclosures are complete and meet governmental accounting standards. Our independent quality review is done to provide a detailed, technical review of all reporting requirements.

During the reporting process, we will develop our management letter. Our process to produce a meaningful management letter is to review the District's processes and internal controls to identify any compliance violations to include in the letter. Additionally, our staff will work with management to identify any areas of weakness or ways to improve the District's internal control structure. These comments are discussed with management prior to finalizing the letter.



# Audit Process Overview

## *Report Finalization and Final Analysis*

Prior to finalizing the financial statements, we will perform a second comparison of current year results with prior year results and budgetary expectations to actual results. Performing these tests subsequent to the audit work provides additional assurance that the financial statements are free of material misstatement.

## *Report Delivery and Board of Director's Presentation*

We will deliver our report in person or via video conference systems, to the Board of Directors. We will also attend a board meeting as requested to answer questions that the Board may have. Our aim is to create an open line of communication between our firm and your organization so the Board feels comfortable asking for appropriate input with any questions or issues that may arise during the year.

## *Identification of Potential Problems*

While we do not anticipate problems, we know that changes in circumstances occur. We believe it is imperative that we anticipate any major audit problems that will cause delays in issuance of the audit report and plan for them. We will commit to issuing our final reports in a timely and efficient manner, provided we can successfully navigate potential difficulties summarized below:

Based on prior experiences, the following difficulties may cause delays:

- New accounting or GASB standards
- Confirmations that we repeatedly send to confirmation sources, such as long-term debt, cash or grant confirmations
- Failure of client personnel to respond to our questions and needs in a timely manner
- Books that are not appropriately closed and require numerous adjustments

# Audit Process Overview

## *Steps to Address Anticipated Issues*

In order to address these frequent issues, below are steps that we attempt to take with each client:

- We proactively inform you of major GASB standard changes that will take place in future years.
- We attempt to tackle confirmations as early as we can in the audit process, typically in phase 1. Confirmations are an integral part of every audit and must be pro-actively managed. We attempt to start this process early on and then we automatically follow up with each confirmation source every couple of weeks. If we do not hear back from a source after a couple of attempts, we will follow up with you or plan for the performance of alternative procedures which may result in additional fees.
- We understand that nearly every audit results in a set of open items. We also understand that client staff are busy with their important day-to-day jobs. We attempt to follow up on open items regularly to make sure requests are fulfilled and work to alleviate any unnecessary requests.
- If we encounter serious delays in prior years, we will follow up with District staff well before an audit is scheduled to make sure we are able to assist where necessary to assure proper closing of the books.

## *Proposed Schedule*

While the final schedule will be worked out with you and your staff each year, we anticipate the following to be representative of our proposed schedule:

Phase 0	Upon contract award
Phase 1	January - March
Phase 2	April
Phase 3	April - May
Phase 4	June



# Certificates of Insurance-Samples

Current certificates will be provided upon request

**ACORD** **CERTIFICATE OF LIABILITY INSURANCE** FORM NO. 101-1-0101

THIS CERTIFICATE IS ISSUED AS A MATTER OF INFORMATION ONLY AND CONFERS NO RIGHTS UPON THE CERTIFICATE HOLDER. THIS CERTIFICATE DOES NOT AFFIRMATIVELY OR NEGATIVELY AMEND, EXTEND OR ALTER THE COVERAGE AFFORDED BY THE POLICY BELOW. THIS CERTIFICATE OF INSURANCE DOES NOT CONSTITUTE A CONTRACT BETWEEN THE ISSUING INSURER, AUTHORIZED REPRESENTATIVE OR PRODUCER, AND THE CERTIFICATE HOLDER.

**IMPORTANT:** If the certificate holder is an ADDITIONAL INSURED, the policyholder must have ADDITIONAL INSURED provisions or be endorsed if SUBROGATION is WAIVED, subject to the terms and conditions of the policy, which policies may require an endorsement. A statement on this certificate does not confer rights to the certificate holder in lieu of such endorsements.

**Insured:** Pacific Valley Insurance Serv. Inc. (04/04/2014)  
2001 Pacific Blvd. Ste. 100  
San Jose, CA 95128

**Policy No.:** 00000000000000000000  
**Effective Date:** 01/01/2014  
**Expiration Date:** 12/31/2014

**Insurer:** Pacific Valley Insurance Serv. Inc. (04/04/2014)  
2001 Pacific Blvd. Ste. 100  
San Jose, CA 95128

**COVERAGES:**

COVERAGE	DESCRIPTION	AMOUNT	EXCESS	COINSURANCE	OTHER
1. AUTOMOBILE LIABILITY	Auto Liability	\$1,000,000	\$1,000,000		
2. AUTOMOBILE PHYSICAL DAMAGE	Auto Physical Damage	\$1,000,000	\$1,000,000		
3. AUTOMOBILE MEDICAL PAYMENTS	Auto Medical Payments	\$1,000,000	\$1,000,000		
4. AUTOMOBILE UNINSURED MOTORIST	Auto Uninsured Motorist	\$1,000,000	\$1,000,000		
5. AUTOMOBILE UNDERINSURED MOTORIST	Auto Underinsured Motorist	\$1,000,000	\$1,000,000		
6. AUTOMOBILE RENTAL REIMBURSEMENT	Auto Rental Reimbursement	\$1,000,000	\$1,000,000		
7. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
8. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
9. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
10. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
11. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
12. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
13. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
14. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
15. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
16. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
17. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
18. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
19. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
20. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
21. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
22. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
23. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
24. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
25. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
26. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
27. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
28. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
29. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
30. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
31. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
32. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
33. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
34. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
35. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
36. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
37. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
38. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
39. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
40. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
41. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
42. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
43. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
44. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
45. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
46. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
47. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
48. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
49. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
50. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
51. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
52. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
53. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
54. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
55. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
56. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
57. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
58. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
59. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
60. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
61. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
62. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
63. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
64. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
65. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
66. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
67. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
68. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
69. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
70. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
71. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
72. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
73. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
74. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
75. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
76. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
77. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
78. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
79. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
80. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
81. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
82. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
83. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
84. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
85. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
86. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
87. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
88. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
89. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
90. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
91. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
92. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
93. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
94. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
95. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
96. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
97. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
98. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
99. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
100. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
101. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
102. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
103. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
104. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
105. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
106. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
107. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
108. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
109. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
110. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
111. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
112. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
113. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
114. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
115. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
116. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
117. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
118. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
119. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
120. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
121. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
122. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
123. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
124. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
125. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
126. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
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128. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
129. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
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131. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
132. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
133. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
134. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
135. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
136. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
137. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
138. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
139. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
140. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
141. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
142. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
143. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
144. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
145. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
146. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
147. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
148. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
149. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
150. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
151. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
152. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
153. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
154. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
155. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,000		
156. AUTOMOBILE STORAGE	Auto Storage	\$1,000,000	\$1,000,000		
157. AUTOMOBILE TOWING	Auto Towing	\$1,000,000	\$1,000,000		
158. AUTOMOBILE TRAILER	Auto Trailer	\$1,000,000	\$1,000,000		
159. AUTOMOBILE EQUIPMENT	Auto Equipment	\$1,000,000	\$1,000,000		
160. AUTOMOBILE THEFT	Auto Theft	\$1,000,000	\$1,000,000		
161. AUTOMOBILE VANDALISM	Auto Vandalism	\$1,000,000	\$1,000,000		
162. AUTOMOBILE FIRE	Auto Fire	\$1,000,000	\$1,000,000		
163. AUTOMOBILE COLLISION	Auto Collision	\$1,000,000	\$1,000,000		
164. AUTOMOBILE COMPLETION	Auto Completion	\$1,000,000	\$1,000,000		
165. AUTOMOBILE REPAIR	Auto Repair	\$1,000,000	\$1,000,0		

# Peer Review Results

Following the death of our Founder, the Firm experienced various difficulties in completing our 2023 Peer Review. The Firm has implemented a new quality control system as a result of our 2023 Peer Review.



Spafford & Landry, CPAs  
10011 - 10000 TON

## Report on the Firm's System of Quality Control

To: Partner & Company, CPA  
and the Peer Review Committee of the California Society of CPAs

We have reviewed the system of quality control for the accounting and auditing practice of Partner & Company, CPAs, for the year ended March 31, 2023. Our peer review was conducted in accordance with the Standards for Peer Review and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (AICPA).

A summary of the nature, objectives, scope, limitations of, and the procedures performed to system review as described in the Standards may be found at <https://www.aicpa.org/peer-review>. The summary also includes an evaluation of the engagement identified as not performed or reported on in conformity with applicable professional standards, if any, as evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actual or potential compliance with the requirements of the applicable professional standards, when appropriate, and for remedial measures in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selection and Circumstances

Engagements selected for review included audits performed under Government Auditing Standards and compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in understanding the nature and extent of our procedures.

## Deficiencies Identified in the Firm's System of Quality Control

We noted the following deficiencies during our review:

Although the firm's quality control document properly identifies the requirements for monitoring, the firm was not aware of guidance regarding the performance of monitoring on an annual basis. If the firm's monitoring had been performed on an annual basis, the deficiencies noted below may have been discovered and corrected.

The firm's quality control policies and procedures address engagement performance and documentation procedures using a third-party checklist. While the firm has reliable developing practice with, they did not use them effectively. This contributed to governmental and non-for-profit audit engagements, including audits performed under Government Auditing Standards and compliance audits under the Single Audit Act, did not comply in professional standards in all material respects in the areas of independence, fee management, analytical review, documentation of review audit procedures performed and for a completed audit under the Single Audit Act, documentation of testing specific to a substantive audit, including final reconciliations. For several review engagements, documentation of expectations as it relates to analytical review was missing and one review engagement did not properly document management inquiries. Two instances of listed engagements not being performed in accordance with professional standards.

### Opinion

In our opinion, except for the deficiencies previously described the system of quality control for the accounting and auditing practice of Partner & Company, CPAs for the year ended March 31, 2023, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. There was, however, a rating of peer review with deficiencies (not a fail). Fichter & Company, CPAs, has received a peer review rating of peer with deficiencies.

*Spafford & Landry, CPAs*

October 16, 2023

**RIO LINDA & ELVERTA  
RECREATION AND PARK DISTRICT**

**FINANCIAL STATEMENTS  
AND  
REQUIRED SUPPLEMENTARY INFORMATION  
WITH  
INDEPENDENT AUDITOR'S REPORT THEREON**

**JUNE 30, 2024**

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Financial Statements with Required Supplementary Information June 30, 2024

### Table of Contents

	<u>Page</u>
Independent Auditor's Report.....	1-3
<b>Basic Financial Statements:</b>	
Government-Wide Financial Statements:	
Statement of Net Position .....	4
Statement of Activities .....	5
Fund Financial Statements:	
Governmental Funds:	
Balance Sheet .....	6
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	7
Statement of Revenues, Expenditures, and Changes in Fund Balances .....	8
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Government-Wide Statement of Activities .....	9
Notes to the Financial Statements.....	10-27
<b>Required Supplementary Information:</b>	
Statement of Revenues, Expenditures, and Changes in Fund Balance Budget and Actual .....	28
Notes to the Required Supplementary Information .....	29
Required Supplementary Information - Pensions .....	30



## **INDEPENDENT AUDITOR'S REPORT**

Board of Directors  
Rio Linda-Elverta Recreation and Park District  
Rio Linda, California

### **Opinions**

We have audited the accompanying financial statements of the governmental activities and each major fund of the Rio Linda-Elverta Recreation and Park District, as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise Rio Linda-Elverta Recreation and Park District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Rio Linda-Elverta Recreation and Park District, as of June 30, 2024, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinions**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Rio Linda-Elverta Recreation and Park District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

In performing an audit in accordance with generally accepted auditing standards, 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 Rio Linda-Elverta Recreation and Park District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Rio Linda-Elverta Recreation and Park District's ability to continue as a going concern for a reasonable period of time.

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

Board of Directors  
Rio Linda-Elverta Recreation and Park District

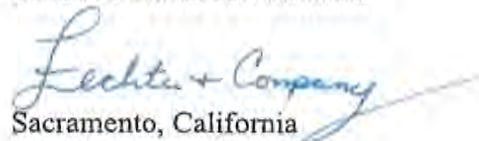
### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the pension, management's discussion, and analysis and budgetary comparison information 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 Matter**

Although, accounting principles generally accepted in the United States of America require that Management present Management's Discussion and Analysis, Rio Linda-Elverta Recreation and Park District has elected to omit this required report. Our opinion is not modified with regard to this omission.

Fechter & Company  
Certified Public Accountants

  
Sacramento, California  
October 11, 2024

**RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

**Assets**

Current assets	
Cash and investments	\$4,718,039
Accounts receivable	167,391
Restricted cash and investments	<u>140,554</u>

Total current assets 5,025,984

Capital assets	
Nondepreciated assets	140,635
Depreciable assets net of accumulated depreciation	<u>3,018,907</u>
Net capital assets	<u>3,159,542</u>

**Total Assets** 8,185,526

Deferred outflows of resources 368,682

**Liabilities**

Current liabilities	
Claims payable	85,925
Accrued payroll	22,298
Current portion of leases payable	16,215
Deferred revenues	19,068

Noncurrent liabilities	
Compensated absences	48,769
Lease payable, net of current portion	1,764
Net pension liability	<u>400,167</u>

**Total Liabilities** 594,206

Deferred inflows of resources 200,182

**Net Position**

Net invested in capital assets	3,092,794
Restricted developer fees	1,995,810
Restricted for foundation	74,378
Unrestricted	<u>2,596,838</u>

**Net Position** \$7,759,820

**RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Contributions and Grants	
Governmental Activities:				
Recreation	\$ 1,830,330	\$ 624,739	\$ 68,158	\$ (1,137,433)
Total Governmental Activities	<u>\$ 1,830,330</u>	<u>\$ 624,739</u>	<u>\$ 68,158</u>	<u>(1,137,433)</u>
General Revenues:				
	Taxes and assessments			1,711,390
	Intergovernmental revenues			193,843
	Use of money and property			179,422
	Other revenues			<u>9,049</u>
	Total general revenues			<u>2,093,704</u>
	Change in net position			956,271
	Net position at beginning of fiscal year			6,774,008
	Prior period adjustment			<u>29,541</u>
	Net position at beginning of fiscal year, restated			<u>6,803,549</u>
	Net position at end of fiscal year			<u>\$ 7,759,820</u>

**RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**  
**BALANCE SHEET**  
**JUNE 30, 2024**

	General Fund	In-Lieu Fee Fund	Park Development Fees Fund	RLE Foundation For the Future	Total Governmental Funds
<b>Assets</b>					
Cash and investments	\$2,832,633	\$ -	\$1,811,028	\$ 74,378	\$4,718,039
Accounts receivable	123,164	702	43,526	-	167,392
Due from other funds	-	110,573	-	-	110,573
Restricted cash and investments	110,573	29,981	-	-	140,554
<b>Total Assets</b>	<u>\$3,066,370</u>	<u>\$ 141,256</u>	<u>\$1,854,554</u>	<u>\$ 74,378</u>	<u>\$5,136,558</u>
<b>Liabilities</b>					
Current liabilities					
Claims payable	\$ 78,897	\$ -	\$ -	\$ -	\$ 78,897
Due to other funds	117,602	-	-	-	117,602
Accrued payroll	22,298	-	-	-	22,298
Deferred revenues	19,068	-	-	-	19,068
<b>Total Liabilities</b>	237,865	-	-	-	237,865
<b>Fund Balances</b>					
Restricted developer fees	-	141,256	1,854,554	-	1,995,810
Restricted for Foundation	-	-	-	74,378	74,378
Unassigned	2,828,505	-	-	-	2,828,505
<b>Total Fund Balances</b>	<u>2,828,505</u>	<u>141,256</u>	<u>1,854,554</u>	<u>74,378</u>	<u>4,898,693</u>
<b>Total Liabilities and Fund Balances</b>	<u>\$3,066,370</u>	<u>\$ 141,256</u>	<u>\$1,854,554</u>	<u>\$ 74,378</u>	<u>\$5,136,558</u>



**RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Fund Balances of Governmental Funds	\$ 4,898,693
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental fund basis statements	3,159,542
Deferred outflows of resources reported in the Statement of Net Position	368,682
Deferred inflows of resources reported in the Statement of Net Position	(200,182)
Lease liability	(17,979)
Net pension liability	(400,167)
Compensated absences are not due and payable in the current period and therefore are not reported in the governmental fund basis statements	<u>(48,769)</u>
Net position of governmental activities	<u><u>\$ 7,759,820</u></u>

**RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2024**

	General Fund	In-Lieu Fee Fund	Park Development Fees Fund	RLE Foundation For the Future	Total Governmental Funds
<b>Revenues</b>					
Property taxes	\$1,508,821	\$ -	\$ -	\$ -	\$1,508,821
Assessments	9,792	1,750	191,027	-	202,569
Intergovernment revenues	193,843	-	-	-	193,843
Use of money and property	96,164	1,311	81,947	-	179,422
Charges for current services	624,739	-	-	-	624,739
Proceeds from sale of asset	-	-	-	-	-
Donations	-	-	-	46,798	46,798
In-kind donations	-	-	-	21,360	21,360
Other revenues	9,048	-	-	-	9,048
<b>Total Revenues</b>	<b>2,442,407</b>	<b>3,061</b>	<b>272,974</b>	<b>68,158</b>	<b>2,786,600</b>
<b>Expenditures</b>					
Current:					
Recreation services	1,564,702	-	2,601	29,118	1,596,421
Lease interest	753	-	-	-	753
In-kind rent	-	-	-	21,360	21,360
Fundraising	-	-	-	6,576	6,576
Lease principle payments	29,176	-	-	-	29,176
Capital outlay	332,996	-	-	-	332,996
<b>Total Expenditures</b>	<b>1,927,627</b>	<b>-</b>	<b>2,601</b>	<b>57,054</b>	<b>1,987,282</b>
<b>Net Change in Fund Balances</b>	<b>514,780</b>	<b>3,061</b>	<b>270,373</b>	<b>11,104</b>	<b>799,318</b>
<b>Other Financing Sources (Uses)</b>					
Operating transfers in	299,554	-	-	-	299,554
Operating transfers (out)	-	-	(299,554)	-	(299,554)
<b>Total Other Financing Sources (Uses)</b>	<b>299,554</b>	<b>-</b>	<b>(299,554)</b>	<b>-</b>	<b>-</b>
<b>Excess (Deficit) of Revenues and Other Sources Over (Under)</b>					
Expenditures and Other Uses	814,334	3,061	(29,181)	11,104	799,318
<b>Fund Balances, July 1, 2023</b>	<b>1,847,622</b>	<b>138,195</b>	<b>1,883,735</b>	<b>63,274</b>	<b>3,932,826</b>
Prior period adjustment	166,549	-	-	-	166,549
<b>Fund Balances, July 1, 2023, restated</b>	<b>2,014,171</b>	<b>138,195</b>	<b>1,883,735</b>	<b>63,274</b>	<b>4,099,375</b>
<b>Fund Balances, June 30, 2024</b>	<b>\$2,828,505</b>	<b>\$ 141,256</b>	<b>\$1,854,554</b>	<b>\$ 74,378</b>	<b>\$4,898,693</b>

**RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED  
JUNE 30, 2024**

Net Change in Fund Balances - Total Governmental Funds	\$ 799,318
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Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

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

Cost of assets capitalized	332,996
Depreciation expense	(201,612)
Repayment of lease liability	29,176
Amortization of lease right of use asset	(2,840)
Change in net pension liability and related accounts	2,534
Compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in governmental funds.	(3,301)
Change in net position of governmental activities	\$ 956,271

## **RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**

### **Notes to the Financial Statements June 30, 2024**

#### **Note 1: Summary of Significant Accounting Policies**

The Rio Linda-Elverta Recreation and Park District (District) was established in 1990, as a reorganization consisting of the formation of the District and the dissolution of County Service Area No. 3. It is operated under the advisement of a five-member Board of Directors duly elected and empowered by the electorate with sole authority over the District's operations. Although the District is now independent from the Sacramento County's Board of Supervisors, its financial activities are still processed through the Sacramento County Auditor-Controller's Office.

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

#### **A. Reporting Entity**

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

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

The Rio Linda-Elverta Foundation for the Future (Foundation) was created as a nonprofit entity under section 501(c)(3) to receive donations, obtain grants, and conduct fundraising events to generate revenues that will enhance the Districts recreation and park programs. The Foundation also accounts for the activities of several partner groups that are organized and provide services within the District. The Foundation is reported as a blended component unit of the District because the District governing body is also the governing body of the Foundation. The Foundation is accounted for as a special revenue fund in the District's fund financial statements.

## **RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**

### **Notes to the Financial Statements June 30, 2024**

#### **Note 1: Summary of Significant Accounting Policies - continued**

##### **B. Basis of Accounting**

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

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

##### **C. Non-Current Governmental Assets/Liabilities**

Government Account Standards Board (GASB) Statement 34 eliminates the presentation of account groups but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the Government-Wide Statement of Net Position.

##### **D. Basis of Presentation**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activity is controlled. For financial reporting, these funds have been grouped into the fund types discussed below.

##### Governmental Fund Types

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

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2024

### Note 1: Summary of Significant Accounting Policies - continued

#### D. Basis of Presentation - continued

##### Governmental Fund Types - continued

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

Special Revenue Funds – These funds are as follows:

- Developer in lieu fees
- Park Development fees
- The Rio Linda-Elverta Foundation for the Future that are legally restricted to expenditures for specific purposes.

#### E. Use of Estimates

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

#### F. Restricted Assets

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

#### G. Fund Equity

Reservations of fund balances of governmental funds are established to either (1) satisfy legal covenants that require a portion of fund balance to be segregated or (2) identify the portion of the fund balance that is not appropriable for future expenditures.

#### H. Compensated Absences

Compensated absences represent the vested portion of accumulated vacation. In accordance with GASB 16, the liability for accumulated leave includes all salary-related payments that are directly and incrementally connected with leave payments to employees, such as retirement pay. A current liability has been recorded in the governmental fund type to account for these vested leave accruals, which are expected to be used within the next fiscal year.



# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2024

### Note 1: Summary of Significant Accounting Policies - continued

#### I. Property Taxes

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

#### J. Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in the governmental activities column of the government-wide financial statements. Contributed fixed assets are valued at their estimated fair market value. Capital assets include land, buildings and building improvements, and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

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

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

#### K. Fund Balances

In February 2009, the GASB issued Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes accounting and financial reporting standards for all governments that report governmental funds.

Under GASB 54, fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the

## **RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**

### **Notes to the Financial Statements**

**June 30, 2024**

#### **Note 1: Summary of Significant Accounting Policies - continued**

##### **K. Fund Balances - continued**

government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. Fund balances are now broken out in five categories:

- **Nonspendable Fund Balance** – this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e., prepaid expenses) or legally or contractually required to be maintained intact.
- **Restricted Fund Balance** – this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- **Committed Fund Balance** – this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (i.e., fund balance designations passed by board resolution).
- **Assigned Fund Balance** – this fund balance classification are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- **Unassigned Fund Balance** – this fund balance classification is the residual classification for the general fund.

##### **L. Recent Accounting Pronouncements**

In June 2022, the GASB issued Statement No. 101, Compensated Absences. The guidance in this statement amended the existing disclosure requirements for compensated absences. Under the new guidance, governments will be allowed to disclose only the net change in compensated absences liability. The new standard is effective for fiscal years beginning after December 15, 2023. The District is currently evaluating the extent of the anticipated impact of this standard.

In December 2023, the GASB issued Statement No. 102, Certain Risk Disclosures. The guidance in this statement identifies concentrations and constraints as items require disclosure in the financial statements. A concentration is defined as a lack of diversity while a constraint is defined as a limitation imposed on the government by an external party or by formal action from those charged with governance. The new standard is effective for fiscal years beginning after June 15, 2024. The District is currently evaluating the extent of the anticipated impact of this standard.

In April 2024, the GASB issued Statement No. 103, Financial Reporting Model Improvements. The guidance in this statement updates the presentation requirements for several financial statement items including (but not limited to) management's discussion and analysis, unusual or infrequent items, and budgetary comparisons. The new standard is effective for fiscal years beginning after June 15, 2025. The District is currently evaluating the extent of the anticipated impact of this standard.

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2024

### Note 2: Cash and Investments

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

Imprest cash	\$ 300
Cash in Holding account	378,273
Cash in Foundation account	74,378
Cash and investments with the County	<u>4,405,642</u>
 Total cash and investments	 <u>\$ 4,858,593</u>

Reconciliation to Statement of Net Position:

Unrestricted cash and investments	\$ 4,718,039
Restricted cash and investments	<u>140,554</u>
 Total cash and investments	 <u>\$ 4,858,593</u>

### A. **Investments Authorized by the California Government Code and the Entity's Investment Policy**

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

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

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2024

### Note 2: Cash and Investments - continued

#### B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates 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. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment maturity:

Investment Type	Totals	Remaining Maturity (in Months)	
		12 Months or Less	13 – 48 Months
Sacramento County*	\$ 4,405,642	\$ 4,405,642	-
Total	\$ 4,405,642	\$ 4,405,642	\$ -

\*Not subject to categorization

#### C. Concentrations of Credit Risk

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

#### D. Custodial Credit Risk

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

# **RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**

## **Notes to the Financial Statements**

**June 30, 2024**

### **Note 2: Cash and Investments - continued**

#### **D. Custodial Credit Risk - continued**

At June 30, 2024, the District's deposits and carrying balance was \$433,826. Of the bank balance, \$250,000 was covered by the Federal Depository Insurance Corporation and none was covered by collateral held in the pledging bank's trust department in the District's name.

#### **E. Investment in Government Pool**

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

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2024

### Note 3: Capital Assets

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

	Balance June 30, 2023	Additions	Disposals	Reclassifications	Balance June 30, 2024
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 131,135	\$ -	\$ -	\$ -	\$ 131,135
Construction in progress	833,332	13,198	-	(837,030)	9,500
Total capital assets, not being depreciated	964,467	13,198	-	(837,030)	140,635
Capital assets, being depreciated:					
Buildings and improvements	1,975,892	231,306	-	837,030	3,044,228
Site improvements	1,814,075	-	-	-	1,814,075
Equipment	701,695	88,492	-	-	790,187
Total capital assets, being depreciated	4,491,662	319,798	-	837,030	5,648,490
Less: Total accumulated depreciation	(2,425,131)	(204,452)	-	-	(2,629,583)
Total capital assets, being depreciated, net	2,066,531	115,346	-	837,030	3,018,907
Governmental activities, capital assets, net	\$ 3,030,998	\$ 128,544.00	\$ -	\$ -	\$ 3,159,542

Depreciation and amortization expense for the fiscal year ended June 30, 2024, was \$204,452.



# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements

June 30, 2024

### Note 4: Long-Term Liabilities

The following is a summary of changes in the long-term liabilities for the fiscal year ended June 30, 2024:

Long-term obligations consisted of the following:

	Balance			Balance
	June 30, 2023	Additions	Deletions	June 30, 2024
Compensated absences	\$ 45,468	\$ 3,301	\$ -	\$ 48,769
Capital leases	47,155	-	(29,176)	17,979
Net pension liability	230,225	169,942	-	400,167
Totals	<u>\$ 322,848</u>	<u>\$ 173,243</u>	<u>\$ (29,176)</u>	<u>\$ 466,915</u>

#### Compensated Absences

The District recognizes the accumulated unpaid employee vacation time off as a liability and the long-term portion is recorded as compensated absences in the Government-Wide Statement of Net Position.

### Note 5: Defined Benefit Pension Cost-Sharing Employer Plan

#### A. General Information about the Pension Plans

**Plan Descriptions** – The District contributes to the Sacramento County Employees’ Retirement System (SCERS), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by SCERS. The plan provides retirement, disability, and survivor benefits to beneficiaries. Benefits are established by the County Employees’ Retirement Act of 1937, section 31540, et seq., of the California Government Code. SCERS issues a separate actuarial report that includes financial statements and required supplementary information at [www.scers.org](http://www.scers.org).

**Benefits Provided** – SCERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Contributions to the plan are made pursuant to Section 31584 of the County Employees Retirement Law of 1937. Active plan members in the District’s defined pension plan are required to contribute 4.76% of their bi-weekly salary. The District does not contribute to Social Security. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The District contribution rates for the 2022 and 2023 fiscal years were 9.90% and 9.37%, respectively. The actuarial methods and assumptions used are those adopted by the SCERS’ Board of Administration. Under the actuarial funding method used by SCERS, investments are valued at fair value and all unrealized gains and losses are recognized over the next five years. Therefore, contribution rates reflect the impact of market fluctuations on investments

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2024

### Note 5: Defined Benefit Pension Cost-Sharing Employer Plan - continued

#### A. General Information about the Pension Plans - continued

Therefore, contribution rates reflect the impact of market fluctuations on investments during the five-year period after they occur.

Hire Date	Prior To January 1, 2013	On or After January 1, 2013
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement payments	50-55	52-67
Monthly benefits as a % of eligible	1.5% to 2.0%	1.0% to 2.0%
Required contribution rates	5.18%	6.25%
Required employer contribution rates	28.15%	6.25%

Contributions – Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial-basis as of June 30 by SCERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an

additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2024 the total employer contributions made were \$70,764.

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2024 the District reported a net pension liability of \$400,167 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements

June 30, 2024

### Note 5: Defined Benefit Pension Cost-Sharing Employer Plan - continued

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions - continued

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2020 and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

For the year ended June 30, 2024 the District recognized pension expense (benefit) of \$68,231. At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 52,813	\$ -
Changes in assumptions	11,189	24,390
Net differences between projected and actual earnings	191,832	165,588
Changes in proportion	39,917	10,204
District contributions subsequent to measurement date	72,931	-
	<hr/>	<hr/>
Totals	\$ 368,682	\$ 200,182

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

Year Ending June 30,

2025	87,994
2026	(6,494)
2027	77,471
2028	9,529
Thereafter	-
	<hr/>
	\$ 168,500

The total pension liability in the June 30, 2023 actuarial valuations was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2024

### Note 5: Defined Benefit Pension Cost-Sharing Employer Plan - continued

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions - continued

The following represents the major actuarial assumptions utilized in determining the annual required contributions:

- Discount Rate/Rate of Return – 6.75%, net of investment expense
- Inflation Rate – 2.75%
- Salary increases – Varies by Entry Age and Service – 3.00% plus across the board salary increases of .25% per year, plus merit and promotional increases.
- Post-Retirement Mortality – Derived from RP-2000 combined healthy mortality table projected with Scale BB to 2024.

The long-term expected rate of return on pension plan investments (7.00%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

The target allocation and best estimates of arithmetic real rates of return (net of expected inflation) for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected	
	Target Allocation	Arithmetic Real Rate of Return
Global Equity	40.00%	7.05%
Private Equity	11.00%	10.12%
Public Credit-High Yield	1.00%	4.63%
Public Credit-Leveraged Loan	1.00%	4.07%
Private Credit	5.00%	6.69%
Fixed Income-Core	12.00%	1.97%
Fixed Income-US Treasury	4.00%	1.31%
Core Real Estate	6.00%	3.86%
Value Added Real Estate	1.50%	6.70%
Opportunistic Real Estate	1.50%	8.60%
Absolute Return	7.00%	3.00%
Real Assets	7.00%	7.30%
Liquid Real Return	2.00%	4.40%
Cash	1.00%	-
Total Portfolio	<u>100.00%</u>	5.92%

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements

June 30, 2024

### Note 5: Defined Benefit Pension Cost-Sharing Employer Plan - continued

#### B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions - continued

The discount rate used to measure the total pension liability was 6.75% for the 2024 fiscal year. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate – The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	5.75%	6.75%	7.75%
	1% Decrease	Current Rate	1% Increase
Proportionate Share	\$ 659,337	\$ 400,167	\$ 68,977

### Note 6: Park Dedication Fund

The County maintains two separate funds for the benefit of the Rio Linda-Elverta Recreation and Park District. The corpus of the fund consists of in-lieu fees paid by developers of subdivisions within the boundaries of the District. The use of these funds by the District is restricted for the purpose of providing park and recreation facilities to serve the population. The activity of this fund is recorded in the special revenue fund of the District.

## RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

### Notes to the Financial Statements June 30, 2024

#### Note 7: Risk Management

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

The Agreement for Formation provides that CAPRI will be self-sustaining through member premiums. CAPRI reinsures through commercial companies for claims up to \$10,000,000 for general and automobile liability and all risk property insurance, including boiler and machinery coverage, is subject to a \$2,000 deductible occurrence payable by the District. Financial statements for CAPRI are available at the District's office for fiscal year ending June 30, 2024.

The District carries commercial insurance for other risks of loss, including employee health insurance.

#### Note 8: Leases

The District acting as lessor is providing the community center facility to serve meals to senior citizens under the Sacramento Elderly Nutrition Program. This lease is treated as an operating lease by the District. The agreement was renewed and extends through the end of the 2025-2026 fiscal year.

Lease agreements in which the District is the lessee are summarized as follows:

Description	Date	Payment Terms	Payment Amount	Interest Rate	Total	Balance
					Lease Liability	June 30, 2024
Copy Machine	2/22/2021	5	\$ 255	3.000%	\$ 14,199	\$ 4,717
Bobcat Excavator	12/22/2020	4	2,240	2.039%	103,056	13,262
						<u>\$ 17,979</u>

The District leased a copier for office use beginning in February 2021 for a term of five years at a fixed interest rate of 3%. At the end of the term, the District will have an option to purchase the machine for a discounted price. If the District does not purchase the machine the lease will renew as a month-to month lease.



# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements

June 30, 2024

### Note 8: Leases - continued

The District also leased a Bobcat excavator for use in parks and as a part of Sacramento Area Flood Control Agency (SAFCA) cleanup jobs beginning December 22, 2020 for a term of four years at a fixed interest rate of 2.039%. At the end of the term, title for the excavator transfers to the District.

Annual requirements to amortize long-term obligations and related interest are as follows:

Year Ending June 30,	Principal	Interest
2025	\$ 16,215	\$ 180
2026	1,764	18
	<u>\$ 17,979</u>	<u>\$ 198</u>

### Note 9: Defined Contribution Pension Plan

The District participates in a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is established as an alternative plan to social security and requires part-time employees to defer a percentage of their salary until future years. The District contributes 3.75% of part-time salaries and matches 3.75% of part-time employee contributions. The total contributions earned during the fiscal year by part-time participants was \$6,875. The contributions made by the District during the fiscal year on behalf of full-time participants was \$73,213. The retirement plan includes ten full-time employees and forty-four part-time employees as of June 30, 2024. Participants vest at service inception and are entitled to 100% of vested contributions.

### Note 10: Contracts and Commitments

The District has entered into an agreement with the Fulton-El Camino Police, whereby they provide security for the District and are reimbursed on a monthly basis. The District also has entered into an agreement with SAFCA for debris cleanup within the District. SAFCA bills the District for services performed.

### Note 11: Related Party Transactions

The District Board is the same Board for the nonprofit organization known as the Rio Linda-Elverta Foundation for the Future (Foundation). The Foundation maintains a separate bank account where donations, grants, and charges for services are deposited for the nonprofit organization. The District Board can apply these funds towards paying for programs for disadvantaged enrollees or for other approved expenditures. The Foundation activity is recorded as a special revenue fund in these financial statements.

## **RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT**

### **Notes to the Financial Statements June 30, 2024**

#### **Note 12: Net Position/Fund Balances**

##### **Net Position**

The government-wide activities fund financial statements utilize a net position presentation. Net positions are categorized as invested in capital assets (net of related debt), restricted, and unrestricted.

- *Net Investment in Capital Assets* – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position* – This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.
- *Unrestricted Net Position* – This category represents net position of the District not restricted for any project or other purpose.

##### **Fund Balances**

In the fund financial statements, restrictions segregate portions of fund balance that are either not available or have been earmarked for specific purposes.

As of June 30, 2024, restrictions of fund balance are described below:

The term “restricted” is used to indicate that a portion of reported fund balance is legally restricted to a specific purpose or is not available for appropriation or expenditure. The District has restricted fund balances as follows:

- *Restricted developer fees* - unavailable for appropriation because the District must use these funds for future capital improvements in lieu of developers directly making improvements.
- *Restricted for foundation* – unavailable for use by the District as these funds are held on behalf of the Foundation (see Note 11).

#### **Note 13: Contingent Liabilities**

Amounts received or receivable from grant agencies are subject to audit and adjustment by grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor cannot be determined at this time.

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Notes to the Financial Statements

June 30, 2024

### Note 14: Gann Limit

Amount of limit for 2023-2024	\$ 1,682,625
Total subject revenue 2023-2024	<u>1,508,821</u>
Amount under (over) limit	<u>\$ 173,804</u>

Under Article XIII B of the California Constitution (*Gann Spending Limitation Initiative*), California governmental agencies are restricted as to the amount of annual appropriation from proceeds of taxes. Under Section 10.5 of Article XIII B, the appropriations limit is required to be calculated based on the limit for the fiscal year 1978-79, adjusted for inflation and population factors as supplied by the State Department of Finance.

### Note 15: Prior Period Adjustments

A reporting error on the prior year caused the ending balances of the Statement of Net Position and Governmental Funds Balance Sheet to be misstated. The District posted a prior period adjustment to correct this error. This adjustment resulted in an increase to cash and investments of \$386,082, an increase to accounts payable of \$242,644, a decrease to accrued payroll of \$7,947, and an increase to net position/fund balance of \$151,384. The change in net position/change in fund balance was unaffected by this adjustment.

In addition to this, the District underreported accounts receivable in the prior year by \$15,165 due to a miscommunication between activity tracking and accounting functions. The District posted a prior period adjustment to correct this error. This adjustment resulted in a \$15,165 increase to accounts receivable, a \$15,165 increase to net position/fund balance, and an increase of \$15,165 to the change in net position/change in fund balance.

The District pension plan administrator made adjustments to the ending balances for the pension plan as of June 30, 2023. The District posted a prior period adjustment to reconcile to the ending balances shown by the plan administrator. This adjustment resulted in a \$67,077 decrease to net pension liability, a \$190,109 decrease to deferred outflow of resources, a \$260,040 decrease to deferred inflows of resources, and a \$137,008 decrease to ending net position. Fund balance was unaffected by this correction. The change in net position/change in fund balance was unaffected by this correction.

These adjustments resulted in a net increase of \$29,541 in beginning net position, and a net increase of \$166,549 in beginning fund balance.

### Note 16: Subsequent Events

Subsequent events have been reviewed through October 11, 2024, the date the financial statements were available to be issued. Management has determined that no events have occurred that should be disclosed.

## **Required Supplementary Information**

**RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED  
JUNE 30, 2024**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
<b>Revenues</b>	Original	Final	Actual	
Property taxes	\$ 1,423,963	\$ 1,423,963	\$ 1,508,821	\$ 84,858
Assessments	7,777	7,777	9,792	2,015
Intergovernment revenues	-	-	193,843	193,843
Use of money and property	5,000	5,000	96,164	91,164
Charges for current services	506,994	506,994	624,739	117,745
Other revenues	1,200	1,200	9,048	7,848
Total Revenues	<u>1,944,934</u>	<u>1,944,934</u>	<u>2,442,407</u>	<u>497,473</u>
<b>Expenditures</b>				
Salaries and benefits	1,057,462	1,057,462	908,006	149,456
Services and supplies	880,922	880,922	656,696	224,226
Interest payments on lease	-	-	753	(753)
Capital outlay	476,164	476,164	332,996	143,168
Principle payments on lease	-	-	29,176	(29,176)
Total Expenditures	<u>2,414,548</u>	<u>2,414,548</u>	<u>1,927,627</u>	<u>486,921</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>(469,614)</u>	<u>(469,614)</u>	<u>514,780</u>	<u>10,552</u>
Other Financing Sources (Uses)				
Operating transfers in	<u>-</u>	<u>-</u>	<u>299,554</u>	
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>(469,614)</u>	<u>(469,614)</u>	<u>814,334</u>	
Fund Balances, July 1, 2023			<u>2,014,171</u>	
Fund Balances, June 30, 2024			<u><u>\$ 2,828,505</u></u>	

# RIO LINDA & ELVERTA RECREATION AND PARK DISTRICT

## Required Supplementary Information - Pensions June 30, 2024

Last 10 Fiscal Years\*:

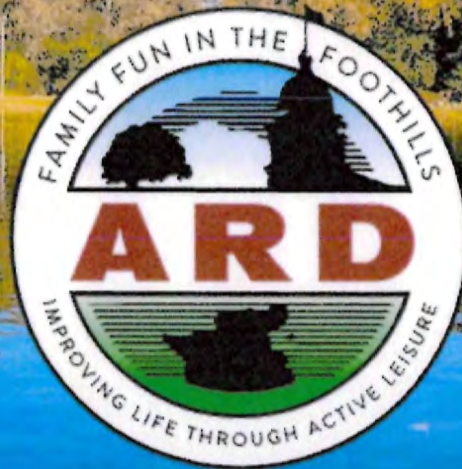
	Year Ended June 30			
	2021	2022	2023	2024
District's proportion of the net pension liability	0.01400%	0.01400%	0.02500%	0.03000%
District's proportionate share of the net pension liability	\$ 392,389	\$ 392,389	\$ 297,301	\$ 335,167
District's covered employee payroll	435,000	495,000	550,000	561,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	90.20%	79.27%	54.05%	59.74%
Plan Fiduciary net position as a percentage of the total pension liability	80.55%	80.55%	80.55%	80.55%
		2018	2019	2020
District's proportion of the net pension liability		0.01400%	0.01400%	0.01400%
District's proportionate share of the net pension liability		\$ 284,675	\$ 296,254	\$ 392,389
District's covered employee payroll		295,000	407,000	420,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll		96.50%	72.79%	93.43%
Plan Fiduciary net position as a percentage of the total pension liability		84.67%	84.67%	80.55%

\* Amounts presented above were determined as of 6/30.  
Additional years will be presented as they become available.

Last 10 Fiscal Years\*:

	Year Ended June 30			
	2021	2022	2023	2024
Actuarially determined contribution	\$ 44,000	\$ 67,076	\$ 72,931	\$ 70,764
Total actual contribution	44,000	67,076	72,931	70,764
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 435,000	\$ 495,000	\$ 550,000	\$ 561,000
Contributions as a percentage of covered employee payroll	10.11%	13.55%	13.26%	12.61%
		2018	2019	2020
Actuarially determined contribution		\$ 31,000	\$ 38,000	\$ 41,000
Total actual contribution		31,000	38,000	41,000
Contribution deficiency (excess)		\$ -	\$ -	\$ -
District's covered-employee payroll		\$ 295,000	\$ 407,000	\$ 420,000
Contributions as a percentage of covered employee payroll		10.51%	9.34%	9.76%





# PROPOSAL

## FOR AUDIT SERVICES

PREPARED FOR  
**Auburn Area Recreation  
and Park District**

**JULY 30, 2025**

PREPARED BY  
**Brown Armstrong Accountancy Corporation**  
Ashley Green, CPA/ Partner  
2423 W. March Lane, Suite 202  
Stockton, California 95207  
T: (209) 451-4833 | F: (661) 324-4997 | E: [agreen@ba.cpa](mailto:agreen@ba.cpa)



# **Auburn Area Recreation and Park District Table of Contents**

**Page**

Transmittal Letter .....	1
--------------------------	---

**Technical Proposal**

General Requirements .....	3
License to Practice in California .....	3
Firm Qualification and Experience .....	3
Qualifications and Experience .....	4
Similar Engagements with Other Government Entities .....	5
Specific Audit Approach .....	6
Dollar Cost .....	10
Out-of-Pocket Expenses.....	10

**Appendices**

I. Resumes.....	11
II. External Quality Control Review Report .....	15
III. Summary of Recent Governmental Experience .....	17

***Transmittal Letter***

July 30, 2025

Veona Galbraith  
Administrative Services Manager  
Auburn Area Recreation and Park District  
471 Maidu Drive #200  
Auburn, California 96103

Dear Ms. Galbraith:

Brown Armstrong Accountancy Corporation (Brown Armstrong) is pleased to submit this proposal to perform financial statement audits to Auburn Area Recreation and Park District (the District) for the three fiscal year beginning March 31, 2026. We believe our proposal exceeds the requirements outlined in your request for proposal.

We have thoroughly read your request for proposal (RFP) and understand its requests. We feel that we are the best candidate to meet your needs as listed in the RFP. We are committed to completing this audit on or before the dates you desire. At Brown Armstrong, we understand that your timeframes must be met. As one of our key strengths, we develop an approach by which specific deliverables are achieved within set timeframes. We will work with you to develop a timeline that meets your specific requirements, including meeting dates, field work dates, status reporting dates, and final report dates.

Having recently celebrated our 50-year anniversary, we have become one of the largest regional accounting firms in Central California. Brown Armstrong's mission is to "provide exceptional client service with the utmost professionalism and integrity that contribute to the life-long success of our clients and our people." Our fifty-five (55) employees lead us in achieving this mission by working with our clients individually to overcome any challenges by using a combination of knowledge and experience in governmental audits. We have audited numerous agencies similar to yours for over four decades. We are experts in governmental accounting and auditing and have assisted numerous clients in receiving the Certificate of Achievement for Excellence in Financial Reporting.

Our firm's partners, managers, and seniors are actively involved in trade associations such as the Government Finance Officers Association (GFOA), California Special District Association, and the California Society of Municipal Finance Officers. Several of our Partners are pro bono recognized reviewers for the GFOA Certificate of Achievement Award Committee. We enthusiastically contribute our time to this Award process because as we review ACFRs from all across the United States, we maintain current, up-to-date knowledge of relevant accounting principles.

Beyond the activity in trade associations, we offer our clients the education and organization to prepare themselves for upcoming regulation and compliance changes.

1

BAKERSFIELD  
4200 Truxtun Avenue, Suite 300  
Bakersfield, CA 93309  
661-324-4971

FRESNO  
10 River Park Place East, Suite 208  
Fresno, CA 93720  
559-476-3592

STOCKTON  
2423 West March Lane, Suite 202  
Stockton, CA 95219  
209-451-4833



Our approach, people, commitment to timelines, and dedication to financial reporting excellence makes Brown Armstrong the best-qualified firm to meet your needs.

I certify that the requirements of the project as described in the RFP have been reviewed and I have conducted all necessary due diligence to confirm material facts upon which this proposal is based.

I will be the engagement partner and primary liaison responsible for all services provided to the District, and I am entitled to represent the firm, empowered to submit this bid, and authorized to negotiate and sign a contract with the District. I can be contacted at 2423 W. March Lane, Suite 202, Stockton, CA 95207, Tel (209) 451-4833, Fax (661) 324-4997, or by email at [agreen@ba.cpa](mailto:agreen@ba.cpa).

In addition, I certify that I am authorized to contract with the District. Please contact me if I can clarify or expand on any item contained in this proposal. We are available for an oral presentation, if requested. This proposal is a firm and irrevocable offer for ninety (90) days.

Sincerely,

BROWN ARMSTRONG  
ACCOUNTANCY CORPORATION



By: Ashley Green, CPA  
Partner

California Corporation Number: C0808648

Incorporation Date: February 10, 1977

Registered as:

Brown Armstrong Accountancy Corporation  
4200 Truxtun Avenue, Suite 300  
Bakersfield, CA 93309

Title of person signing on behalf of the corporation: Partner

## TECHNICAL PROPOSAL

Auburn Area Recreation and Park District

### General Requirements

Our proposal demonstrates the qualifications, competence and capacity necessary to undertake an independent audit of Auburn Area Recreation and Park District (the District) addresses all the points outlined in the request for proposal.

### License to Practice in California

Our firm and all assigned key professional staff are properly licensed to practice in the State of California.

Below is a copy of our firm license for the State of California.



#### BROWN ARMSTRONG ACCOUNTANCY CORPORATION

LICENSE NUMBER: 1171 LICENSE TYPE: CPA - CORPORATION

LICENSE STATUS: CLEAR ⓘ EXPIRATION DATE: OCTOBER 31, 2025

SECONDARY STATUS: N/A

CITY: BAKERSFIELD STATE: CALIFORNIA COUNTY: KERN ZIP: 93309

### Firm Qualification and Experience

Established in 1974, Brown Armstrong is one of the largest regional accounting firms serving Central California. We have built a full-service accounting and consulting firm serving clients from San Diego to Humboldt County. The dimension that Brown Armstrong is able to offer the District is dedicated years in public accounting, which has enabled us to become a true advisor to your organization and an assistant to your financial success. Now, with fifty-five (55) highly skilled employees, Brown Armstrong continues its growth as a regional firm by offering auditing, tax, accounting, consulting, and assurance services to governmental entities, nonprofits, corporations, partnerships and individuals in California.

The firm now employs 55 people as follows:

Our Staff		Governmental Audit Staff	
Partners	9	Partners	7
Managers	9	Managers	7
Seniors	14	Seniors	11
Staff	7	Staff	7
Support Staff	16	Support Staff	3
	<u>55</u>		<u>35</u>

We are not proposing as a joint venture or consortium.

Brown Armstrong is a full-service accounting firm. Our accountants have the expertise to provide audit, accounting, tax, and business services. In addition to these services, the Firm's accountants and consultants practice in the areas of risk assessment and Sarbanes-Oxley solutions, state and local tax, estate planning/wealth transfer, and information technology. Our main Bakersfield office performs all listed services whereas our Stockton and Fresno offices perform mainly audit engagements.

Our governmental audit staff is made up of thirty-five (35) professionals who are experts in their field. We have crafted expertise in auditing the public sector since the birth of the company. Through thorough planning, relationship building, and knowledge of the realm, we are dedicated to serving our clients and exceeding their needs and expectations.

All staff assigned to your engagement will be employed on a full-time basis from the Bakersfield, Fresno, and Stockton offices.



## TECHNICAL PROPOSAL

### Auburn Area Recreation and Park District

#### Desk or Field Reviews and Disciplinary Actions

In the normal course of business, our firm has been subjected to several field reviews during the past three years. Additionally, all of our reports are subjected to annual desk reviews by federal and state cognizant agencies. All of our reports for the past three years were accepted by these agencies. We have no disciplinary action taken or pending against the Firm during the past five years with state regulatory bodies or professional organizations.

#### Peer Review Report

As part of our commitment to quality control, our firm is a member of the Center for Public Firms Auditors Section (Center) of the American Institute of Certified Public Accountants (AICPA). We have completed several External Quality Control reviews under the AICPA's guidance, all of which included one or more governmental audits. Appendix II of this proposal contains a copy of our most recent report. As indicated in that report, our firm received a peer review rating of a "pass," which is the highest rating available.

## Qualifications and Experience

Ashley Green will be the Engagement Partner and primary liaison responsible for all services to the District and she is authorized to contractually bind the firm. Resumes of the proposed engagement team can be found at Appendix I. The members of the audit team assigned to your engagement are:

## AUBURN AREA RECREATION & PARK DISTRICT TEAM



**Ashley Green, CPA**

#### Engagement Partner

- 17+ years governmental auditing experience
- Overall responsibility for the audit and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management and members of the District, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery



**Lindsey Zimmerman, CPA**

#### Technical Review Partner

- 13+ years governmental auditing experience
- Assists in performing the audit risk assessment and design audit procedures
- Assists in audit documentation review in significant areas
- Ensures conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports



**Paul Sahota, CPA**

#### Engagement Manager

- 9 years governmental auditing experience
- Reports to the Partners regarding audit and technical matters
- Assists in the coordination of planning, fieldwork, and reporting matters
- Reviews audit documentation for significant audit areas
- Is in constant communication with executive management and members of the District regarding audit planning, fieldwork, and reporting



**Marlen Rojas, CPA**

#### Engagement Senior

- 6 years governmental auditing experience
- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues under direction of the Engagement Manager
- Reviews financial statements and workpapers before sending the drafts to Engagement Manager and Partners for further review



## TECHNICAL PROPOSAL

### Auburn Area Recreation and Park District

The District requires auditors who can quickly identify and understand the pertinent issues and promptly provide assistance whenever and wherever needed. This cannot be accomplished without a comprehensive knowledge of client operations. Brown Armstrong has assembled a key group of professionals that possess a firm grasp of the subject matter, as well as the experience, confidence, and friendliness you deserve. Our staff will be there when you need them, and they will be continually involved in the audit procedures. This will allow you to have access to decision makers and the resources you need at all times.

We want to provide the most stable, consistent staffing available during our partnership. Excessive personnel turnover can complicate engagements and decrease the efficiency of the audit due to "catch-up" time needed. Our mission to the District is to provide you maximum benefit from your working relationship with Brown Armstrong. We will continue to maintain the highest level of staff continuity throughout the course of the engagement. The engagement partners, managers, other supervisory staff and specialists may be changed if those personnel leave the firm, are promoted, or are assigned to another office. We understand that the District staff retains the right to approve or reject replacements. We also understand that other audit personnel may be changed at our discretion, provided that replacements have substantially the same or better qualification or experience. If the District wishes to rotate staff members to enhance independence, we are willing to discuss those terms in the engagement.

## Similar Engagements with Other Government Entities

The following are engagements performed in the last five (5) years similar to that of the engagement described in the RFP and can be contacted as references. A summary of all recent Governmental Experience can be found at Appendix III.

Client	Dates	Hours	Scope of Work	Partner
<b>East Bay Regional Park District</b> Kim Balingit   Accounting Manager (510) 544-2414 <a href="mailto:kbalingit@ebparks.org">kbalingit@ebparks.org</a>	2016 to 2024	490	ACFR Single Audit GANN Limit	Lindsey Zimmerman
<b>Sonoma County Public Safety Consortium</b> Bret Sackett   Executive Director (707) 565-8730 <a href="mailto:bret.sackett@sonoma-county.org">bret.sackett@sonoma-county.org</a>	2012 to 2024	145	Financial Statement Audit	Ashley Green
<b>Goleta Water District</b> Laura McKenzie   CFO/Administrative Manager (805) 964-6761 <a href="mailto:lmckenzie@goletawater.com">lmckenzie@goletawater.com</a>	2015 to Present	200	ACFR Annual Special District Report	Ashley Green

These work products represent the different clients we have.

#### East Bay Regional Park District

<https://www.ebparks.org/sites/default/files/EBRPD-ACFR-2023-FINAL.pdf>

#### Sonoma County Public Safety Consortium

<https://scpsc-jpa.org/wp-content/uploads/2024/11/SCPSC-FS-Statements-2022-23-Final.pdf>

#### Goleta Water District

<https://www.goletawater.com/doc/18226/>

# TECHNICAL PROPOSAL

Auburn Area Recreation and Park District

## Specific Audit Approach

The audit shall be performed in accordance with generally accepted auditing standards and the standards set forth for financial audits in the General Accounting Office's (GAO) *Government Auditing Standards*.

### Proposed Segmentation and Staff Hours

The following is a detailed audit schedule which includes a breakdown of each phase of the audit, staff levels, and hours projected for each phase. Our plan would be to obtain the trial balance one week prior to fieldwork and come onsite to complete fieldwork in one week.

Timing	Phase	Staff	Hours
March	<b>Planning of Audit Risk Assessment and Scope of Work</b>	Partner	3
		Manager	10
		Senior	16
		Staff	22
		Clerical	2
	<ul style="list-style-type: none"> <li>Entrance conference</li> <li>Perform predecessor audit workpaper review</li> <li>Obtain understanding of the District and its environment</li> <li>Develop audit programs</li> <li>Establish critical dates list with management</li> <li>Provide information request to the District</li> <li>Obtain confirmations from the District for mailing or emailing</li> <li>Perform physical inventory of assets</li> </ul>		
	<b>Internal Control Evaluation Establishment of Audit Plan, and Field Work</b>	Partner	5
		Manager	22
April/May		Senior	36
		Staff	56
	<ul style="list-style-type: none"> <li>Trial balance and draft financial statements to be obtained to perform analytical and substantive procedures.</li> <li>Obtain the Friends of Auburn Area Recreation and Parks (501 C3) financial statements and financial data for the period January 1, 2026, through March 31, 2026, to ensure all financial activity for the component unit is included up to the district's year end.</li> <li>Document key accounting and compliance processes with management and/or District personnel</li> <li>Obtain support for testing of controls. We will provide sample selections at least one week prior</li> <li>Evaluate internal control testing results and findings, if any</li> <li>Fraud risk assessment and fraud interviews</li> <li>Evaluate key estimates and contingencies</li> <li>Progress/Exit conference</li> </ul>		
	<b>Completion of the Audit and Financial Reporting</b>	Partner	6
		Manager	10
		Senior	8
		Staff	7
		Clerical	3
June/July	<ul style="list-style-type: none"> <li>Draft financial statements and provide to the District for review</li> <li>Complete review of financial reporting package</li> <li>Detailed Quality Control review by technical partner</li> <li>Issuance of required audit reports by the end of July, if possible</li> <li>Preparation and submission of the Annual Report of Financial Transactions to the State Controller</li> <li>Presentation of the Audit Report to Board of Directors                             <ul style="list-style-type: none"> <li>Explain overall audit approach</li> <li>Discuss findings and recommendations</li> <li>Report opinions on financial statements</li> <li>Address required communication topics</li> </ul> </li> </ul>		
		<b>Total Hours</b>	<b>206</b>

# TECHNICAL PROPOSAL

## Auburn Area Recreation and Park District

Following is our detailed audit work plan to be followed to perform the services included in your request for proposal. We will begin with scheduling an entrance conference with District Management as soon as possible after award issuance. During this time, we will begin the following procedures:

### Planning

During this phase of the audit, we will:

- Confer with management to coordinate our efforts with the District's efforts in terms of confirmations, schedules to be prepared, and critical dates to be met to ensure a smooth flow of the audit process;
- Prepare a preliminary assessment of the District's internal control structure utilizing the District's manuals and programs, including controls over federal and state financial assistance programs;
- Perform review of the Electronic Data Processing (EDP) controls relating to the District's computer system;
- Perform planning analytical procedures consisting of: (1) Comparative analytics (current balances versus budget and prior year); and (2) Predictive analysis (revenues and expenditures/expenses susceptible to such testing based on our expectations);
- Confer with management regarding the results of our planning;
- Submit questionnaires and requests for information to management regarding internal control. Our approach will emphasize transaction processing; investments, cash receipts, cash disbursements, payroll, capital assets, and external reporting;
- Obtain an understanding of general ledger and related reports available for audit; and
- Obtain basic information from management relating to risk assessment, including fraud risks.

### Internal Control Evaluation and Audit Risk Assessment

During this phase we will obtain an understanding of and evaluate key components of the District's internal control structure. We will also assess risk factors, including fraud risk relating to significant audit areas and transaction cycles. Procedures will consist of:

- Reviewing questionnaires and documents obtained from management regarding the internal control structure.
- Performing walk-throughs and tests of compliance with policies and procedures.
- Identifying risk factors, including fraud risk, relating to significant audit areas and transaction cycles.
- Interviewing key management personnel to verify or resolve complicated issues.
- Perform physical inventory of assets
- Summarizing potential significant deficiencies and opportunities for efficiencies and improvements for discussion with management.

### Sample Size and Extent to Which Statistical Sampling is to be Used

Based on our preliminary assessment of the internal control structure and risk factors, we anticipate performing internal control testing in the following areas:

Review Area	Sample Size
Receipts and revenues	25-60
Disbursements and accounts payable	25-60
Payroll and related liabilities	25-60
Controls over requirements of federal and state grants, if required	25-60 (per major program)

Staff will perform internal control testing during interim fieldwork, with direct supervision by Mr. Sahota. Sample sizes will depend on the extent of reliance placed on the given sample and the volume of transactions involved. Statistical and random sampling will be used to ensure that all samples truly represent the population being tested. Findings will be discussed with management for accuracy and the process of recommendations immediately started.

# TECHNICAL PROPOSAL

## Auburn Area Recreation and Park District

### Establishment of Final Audit Plan

Our audit plan will be based on the following:

- Results of our compliance and control testing;
- Analytical procedures applied to interim financial statements of the District;
- Results of our risk assessment;
- Results of audit brainstorming and team discussions; and
- Discussions with management.

### Final Field Work

We expect to begin the final stages of the work in May subject to the District's approval.

During this phase, we will perform both analytical and substantive procedures such as variance analysis between prior year actual balances vs. current year actual balances and between current year actual balances vs. budget balances, predictive testing, confirming account balances, vouching revenues and expenditures and reviewing estimates for unpaid claims.

At the end of our field work, we will discuss any proposed adjustments with management, and we will request a representation letter from management regarding the audit.

### Completion of the Audit

At the completion of all of the above procedures, we will review the financial statements for GAAP compliance at our manager and partner level. We will then issue drafts of all required reports, draft financial statements, and discuss these drafts with appropriate District personnel. Upon approval by the District, we will issue our reports in final form and be available for a presentation to the Budget and Finance Committee and/or present all reports to District Board of Directors no later than the December meeting.

We will issue the following reports for the District:

Report on the fair presentation of the financial statements in conformity with generally accepted accounting principles in the United States of America for the following:

1. Independent Auditor's Report on the financial statements
2. Report on Internal Control over Financial Reporting and Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*
3. Required Communication to the Budget and Financial Committee and Board of Directors in Accordance with Professional Standards (SAS 114 Letter)
4. If applicable, Agree Agreed Upon Conditions Report Designed to Increase Efficiency, Internal Controls, and/or Financial Reporting (Management Letter)

In addition, we will prepare the State Controller's Financial Transactions Report.



# TECHNICAL PROPOSAL

## Auburn Area Recreation and Park District

### Identification of Anticipated Potential Audit Problems

While we do not anticipate any issues with the audit, we will vigilantly examine and monitor the following relevant accounting issues.

Financial Reporting	Investments
<ul style="list-style-type: none"><li>• Financial Statement compliance with current reporting and GASB disclosure requirements</li><li>• Compliance with infrastructure obligations and regulatory provisions</li></ul>	<ul style="list-style-type: none"><li>• Compliance with GASB 34, 68 and 75</li><li>• Authorization and approval process for District investments</li><li>• Controls to assure District's compliance with investment limitations and specific types of engagements</li><li>• Monitoring by the District of its investments</li></ul>
Internal Control Structure	Miscellaneous
<ul style="list-style-type: none"><li>• District's internal control functions and compliance with proper internal control philosophies</li><li>• Computer-system processes and controls and adequacy of the control environment</li></ul>	<ul style="list-style-type: none"><li>• Fiduciary Activities</li><li>• Note disclosures</li><li>• Evaluation and documentation of Internal Control</li></ul>

In the event problems are identified during the course of our audit procedures, we will resolve the problem as follows:

- Discussion amongst audit team at the time of identified potential audit problem for consultation and consensus amongst the team.
- Consultation and discussion with appropriate District personnel when identified to ensure all facts are known and agreed upon with the audit team.
- Consultation and discussion with liaison(s).
- Resolution with appropriate District personnel.
- If applicable, a management letter will be submitted documenting the criteria, condition, cause and effect of the issue, along with our recommendation and management's response and corrective action plan.
- If conditions are discovered which lead to the belief that material errors, defalcations, or other irregularities may exist, or if any other circumstances are encountered that require extended services, we will promptly notify the appropriate level of management. We will not perform extended services unless mutually agreed upon by both parties.

# TECHNICAL PROPOSAL

Auburn Area Recreation and Park District

## Dollar Cost

The table below reflects a total estimate of our all-inclusive costs using our standard hourly rates, not a fixed fee arrangement for the fiscal years ending March 31, 2026, 2027, and 2028.

	All-Inclusive Fee						Total for 3 Years
	Initial Audit Hours	Hours	Hourly Rates	For Fiscal Year Ended March 31,			
				2025/2026	2026/2027	2027/2028	
Audit Services							
Partners	13	12	\$290	\$ 3,770	\$ 3,480	\$ 3,480	\$ 10,730
Managers	40	34	\$180	7,200	6,120	6,120	19,440
Supervisory Staff	60	48	\$150	9,000	7,200	7,200	23,400
Professional Staff	82	66	\$100	8,200	6,600	6,600	21,400
Clerical Staff	5	5	\$80	400	400	400	1,200
Meals/Lodging/Transportation				1,200	-	-	1,200
Audit Services Total	200	165		\$ 29,770	\$ 23,800	\$ 23,800	\$ 77,370
State Controller's Report Total	6	6		\$ 950	\$ 950	\$ 950	\$ 2,850
Total All-Inclusive Maximum Price	206	171		\$ 30,720	\$ 24,750	\$ 24,750	\$ 80,220

## Out-of-Pocket Expenses

All out-of-pocket expenses (e.g. travel, lodging and subsistence) are included in the schedules of professional fees and expenses. Brown Armstrong understands that all expense reimbursements will be charged against the total all-inclusive maximum price.



### Appendix I

#### Resumes



## Ashley Green

### Background

Ashley Green, a partner at Brown Armstrong's Stockton office, has over 17 years of experience in accounting and auditing of governmental clients. Her primary business focus is governmental entities and her audit specialties include special districts, retirement systems, and transits.

Ashley will be involved in the field work and a face to face presence for Brown Armstrong. She and the engagement manager will be easily accessible to the District at all times. Her ability to service her clients has become invaluable for Brown Armstrong. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants, Accounting and Financial Women's Alliance, the California Society of Certified Public Accountants (CalCPA), as well as the California Society of Municipal Finance Officers and California Special Districts Association (CSDA). Ashley is a member of the CalCPA San Joaquin Chapter, where she serves as a member of the Financial Literacy Committee and serves as a State Committee Member for the Governmental Accounting and Auditing Committee. Ashley has previously presented at a CSDA speaking engagement and looks forward to the opportunity to do so again in the future.

### Contact

✉ [agreen@ba.cpa](mailto:agreen@ba.cpa)  
 ☎ 209-451-4833  
 📍 Stockton, California  
 🌐 [www.ba.cpa](http://www.ba.cpa)

### Education

California State University, Chico  
*Bachelors of Science Degree in  
 Business Administration, Option in  
 Accounting*  
 2007

### Experience

#### Retirements

Contra Costa County Employees' Retirement Association  
 City of Fresno Retirement System - Employees  
 City of Fresno Retirement System - Fire and Police  
 Fresno County Employees' Retirement Association  
 Imperial County Employees' Retirement System  
 Los Angeles City Employees' Retirement System  
 Los Angeles County Employees' Retirement Association  
 Marin County Employees' Retirement Association  
 Mendocino County Employees' Retirement Association  
 Merced County Employees' Retirement Association  
 Sacramento County Employees' Retirement System  
 San Francisco Bay Area Rapid Transit Retirement Plans  
 San Joaquin County Employees' Retirement Association  
 San Joaquin Regional Transit District Retirement Plans  
 San Mateo County Employees' Retirement Association  
 Sonoma County Employees' Retirement Association  
 Stanislaus County Employees' Retirement Association

### Roles and Responsibilities

- Overall responsibility for the audit and delivery of client service
- Approves the overall audit risk assessment and audit procedures
- Communicates with executive management, and members of the District, regarding audit planning, fieldwork and reporting
- Available throughout the year to ensure proactive issue identification and service delivery

#### Special Districts

Bear Mountain Recreation & Park District  
 County of Sonoma District Attorney's Office -  
 Audit of Automobile Insurance Fraud and  
 Workers' Compensation Fraud Programs  
 East Bay Regional Park District  
 First 5 Kern County  
 First 5 Monterey County  
 Goleta Water District  
 Kern-Tulare Water District  
 Lake Isabella Community Services District  
 North Coast Unified Air Pollution Control District  
 Plumas Eureka Community Services District  
 Sonoma County Public Safety Consortium  
 South San Joaquin Irrigation District

#### Transits

Central Contra Costa Transit Authority  
 Eastern Contra Costa Transit Authority  
 Napa Valley Transportation Authority  
 Riverside Transit Agency  
 San Joaquin Council of Governments  
 San Joaquin Regional Transit District  
 Solano County Transit



## Lindsey Zimmerman

Technical Review Partner, CPA

### Background

Lindsey will be the Technical Review Partner for the engagement. She is a partner who has more than 13 years of governmental auditing experience and 19 years of accounting experience. She has been with the firm since August of 2012, joining the firm after 6 years at KPMG Orange County and 4 years of additional accounting and auditing experience before working at KPMG. Her primary business focus is governmental entities audit and accounting. Her audit specialties include counties, cities, special districts, and retirement systems. She also enjoys presenting classes at SACA and CALAPRS.

Lindsey has always ensured that we have the highest level of audit and consulting services for all of her clients. She is actively involved in a number of professional organizations such as the American Institute of Certified Public Accountants and the California Society of Certified Public Accountants.

### Roles and Responsibilities

- Responsible for assisting the Engagement Partner in performing the audit risk assessment and design audit procedures
- Assists in audit documentation review in significant areas.
- Reviews financial statements to ensure they are in conformance with GAAP and GFOA requirements
- Advises the audit team regarding technical matters and provides concurring approval of financial statements and audit reports

### Contact

✉ lzimmerman@ba.cpa  
 ☎ 661-324-4971  
 📍 Bakersfield, California  
 🌐 www.ba.cpa

### Education

Azuza Pacific University  
*Bachelors of Science Degree  
 in Accounting*  
 2006

### Experience

#### Cities

Bakersfield  
 Fresno  
 Laguna Woods  
 Morro Bay  
 Tulare  
 Visalia  
 Paso Robles  
 St. Helena

#### Counties

Kern  
 Merced  
 Napa  
 Riverside  
 San Diego - TTC  
 Investment Pool  
 Santa Barbara  
 Santa Cruz

San Joaquin  
 San Luis Obispo  
 Tulare

#### Special Districts

Buena Vista Water Storage District  
 East Bay Regional Park District  
 Kern Delta Water District  
 Kern-Tulare Water District  
 Kern Fan Authority  
 Kern County Housing Authority  
 Kern Local Agency Formation Commission  
 James Water Bank Authority  
 Minter Field Airport District  
 Napa County Housing Authority  
 Napa County Special Districts  
 Napa Local Agency Formation Commission  
 San Luis Obispo Integrated Waste Management Authority  
 Shafter Recreation and Park District

#### Retirements

Kern County Deferred Compensation Plans  
 San Francisco Bay Area Rapid Transit - Deferred Compensation Plan  
 San Francisco Bay Area Rapid Transit - Money Pension Plan  
 San Joaquin County Employees' Retirement Association  
 San Luis Obispo County Pension Trust  
 Southwest Contractors, Inc. Profit Sharing Plan





## Paul Sahota

Engagement Manager, CPA

### Background

Paul is the audit manager and on-site supervisor of the project and is located at our Fresno office. He has more than 9 years of governmental auditing experience at Brown Armstrong. His primary business focus is governmental entities audit and accounting. His audit specialties include transit districts, retirements, cities, and counties.

Paul will be highly involved in the field work and a face-to-face presence for Brown Armstrong. He and the senior accountant will be easily accessible to the District at all times. His ability to manage an audit has become invaluable for Brown Armstrong.

### Contact

✉ psahota@ba.cpa

☎ 661-324-4971

📍 Fresno, California

🌐 www.ba.cpa

### Education

California State University, Fresno  
Bachelor of Science Degree in Business  
Administration - Concentration in  
Accounting  
2007

### Experience

#### Cities

Fresno  
Huron  
Tulare

#### Special Districts

East Bay Regional Park District  
First 5 San Mateo  
Goleta Water District  
Kern Delta Water District  
Kern Water Bank Authority  
San Joaquin Valley Air Pollution Control District

#### Transits

Central Contra Costa Transit Authority  
Eastern Contra Costa Transit Authority  
Marin County Transit District  
Santa Barbara Metropolitan Transit District  
Solano County Transit  
Tulare County Association of Governments

#### Counties

Fresno  
Merced  
Napa  
Riverside  
Stanislaus  
San Luis Obispo  
Tulare

#### Retirements

City of Fresno Retirement System  
Fresno County Employees Retirement Association  
Los Angeles County Employees' Retirement System  
San Luis Obispo County Pension Trust  
San Joaquin County Employees' Retirement Association  
San Mateo County Employees' Retirement Association  
Santa Barbara County Employees' Retirement System  
Tulare County Employees' Retirement Association  
Ventura County Employees' Retirement Association



## Marlen Rojas

Engagement Senior CPA

### Background

Marlen is an audit senior with 6 years of governmental auditing experience. She has shown excellent performance in leading fieldwork, compiling and preparing financial statements, performing tests and analytical reviews, as well as creating strong working relationships with clients. He has executed audits in the past with little issues and is great at maximizing efficiency while performing audit work.

### Contact

✉ mrojas@ba.cpa  
 ☎ 661-324-4971  
 📍 Fresno, California  
 🌐 www.ba.cpa

### Education

University of California, Irvine  
*Bachelor of Arts Degree Business  
 Administration, Minor in Accounting*  
 2017

### Experience

#### Cities

Fresno

#### Counties

Fresno  
 Merced  
 Santa Cruz  
 Tulare  
 Napa

#### Transits

Central Contra Costa Transit Authority  
 Fresno County Transportation Authority  
 Kings County Area Public Transit Agency  
 Tulare County Association of Governments

#### Non-Profits

Bakersfield ARC  
 Community Action Partnership of Madera  
 Community Action Partnership of San Luis Obispo  
 Desert Tortoise Preserve  
 Hoffman Hospice of the Valley, Inc.  
 The Needs Center, Inc.  
 RISE – San Luis Obispo

### Roles and Responsibilities

- Leading fieldwork audit team
- Reviews, analyzes, and documents client internal controls
- Completes complex audit procedures
- Researches and performs tests and analytical reviews on issues under direction of the Engagement Manager
- Reviews financial statements and workpapers before sending the drafts to Engagement Manager and Partners for further review

#### Special Districts

Buena Vista Water Storage District  
 East Bay Regional Park District  
 First 5 Monterey County  
 First 5 San Mateo County  
 Napa County Sanitation District  
 North Coast Unified Air Quality Management District

#### Retirements

Contra Costa County Employees' Retirement Association  
 Marin County Employees Retirement Association  
 Mendocino County Employees' Retirement Association  
 Merced County Employees Retirement Association  
 San Francisco Bay Area Rapid Transit Money Pension Plan  
 San Joaquin County Employees' Retirement Association  
 San Luis Obispo County Pension Trust  
 San Mateo County Employees' Retirement Association  
 Sacramento County Employees' Retirement System  
 Tulare County Employees' Retirement Association  
 Ventura County Employees' Retirement Association



### Appendix II

#### External Quality Control Review Report



6025 SOUTH QUEBEC STREET, SUITE 260  
CENTENNIAL, COLORADO 80111  
303-792-3020 (o) | 303-792-5153 (f)  
WWW.WCRCPA.COM

#### REPORT ON THE FIRM'S SYSTEM OF QUALITY CONTROL

June 30, 2022

To the Shareholders of  
Brown Armstrong Accountancy Corporation  
and the National Peer Review Committee

We have reviewed the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation (the firm) applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

#### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of applicable professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

#### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of the system of quality control and the firm's compliance therewith based on our review.

#### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act and an audit of an employee benefit plan.

RANDY WATSON | JEREMY RYAN | TROY COON | KELLY WATSON | JOHNNIE DOWNING

## APPENDICES

### Auburn Area Recreation and Park District

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.

#### Opinion

In our opinion, the system of quality control for the accounting and auditing practice of Brown Armstrong Accountancy Corporation applicable to engagements not subject to PCAOB permanent inspection in effect for the year ended October 31, 2021, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. Brown Armstrong Accountancy Corporation has received a peer review rating of *pass*.

*Watson Coon Ryan, LLC*

Watson Coon Ryan, LLC

# APPENDICES

## Auburn Area Recreation and Park District

### Appendix III

#### Summary of Recent Governmental Experience

##### TRANSITS

Anaheim Transportation Network  
Antelope Valley Transit Authority  
Central Contra Costa Transit Authority  
Eastern Contra Costa Transit Authority  
Fresno County Transportation Authority  
Gold Coast Transit District  
Golden Empire Transit District  
Kern Council of Governments  
Kings County Area Public Transit Agency  
Marin County Transit District  
Monterey-Salinas Transit  
Napa Valley Transportation Authority  
Peninsula Corridor Joint Powers Board  
Riverside County Transportation Commission  
Riverside Transit Agency  
San Bernardino County Transportation Authority  
San Joaquin Council of Governments  
San Joaquin Regional Transit District  
San Luis Obispo Council of Governments  
San Luis Obispo Regional Transit Authority  
Santa Barbara Metropolitan Transit District  
Santa Cruz Metropolitan Transit District  
Solano County Transit  
Stanislaus Council of Governments  
Stanislaus Regional Transit Authority  
Tulare County Association of Governments  
Tulare County Regional Transit Agency

##### NON-PROFITS

Bakersfield ARC  
California Association of County Treasurers  
and Tax Collectors  
California Association of Public Authorities  
for IHSS  
Civil Justice Association of California  
Community Action Partnership of Kern  
Community Action Partnership of San Luis Obispo  
Community Action Partnership of Madera County  
Kern County Bar Association  
Missionary Church Western Regional  
Tranquil Waters Guidance Center  
Valley Consortium for Medical Education  
Women's Center – High Desert

##### COUNTY RETIREMENTS

Fresno	San Diego
Imperial	San Joaquin
Kern	San Mateo
Los Angeles	Santa Barbara
Marin	Sonoma
Merced	Stanislaus
Mendocino	Tulare
Sacramento	Ventura
San Bernardino	

##### SPECIAL DISTRICTS

Antelope Valley East Kern Water Agency  
Antelope Valley Fair Association  
Friends of the Antelope Valley Fair  
Bear Mountain Recreation and Park District  
Buena Vista Water Storage District  
California Valley Community Services District  
Carpinteria Valley Water District  
Cawelo Water District  
Channel Islands Beach Community Services District  
East Bay Regional Park District  
Eastern Kern Air Pollution Control District  
Friends of the Kern County Fair  
Golden Valley Municipal Water District  
Goleta Water District  
Indian Wells Valley Groundwater Authority  
James Water Bank Authority  
Kern Local Agency Formation Commission  
Kern Delta Water District  
Kern Tulare Water District  
Kern Water Bank Authority  
Lake Isabella Community Services District  
Lamont Public Utility District  
Lebec County Water District  
Merced Subbasin Groundwater Sustainability Agency  
Mojave Public Utility District  
Napa Local Agency Formation Commission  
North Kern Cemetery District  
North Coast Unified Air Quality Management District  
Olcose Water District  
Riverside County Habitat Conservation Agency  
Pixley Public Utility District  
Plumas Eureka Community Services District  
Port Hueneme Water Agency  
San Joaquin Area Flood Control Agency  
San Joaquin Valley Air Pollution Control District  
San Luis Obispo County Integrated Waste  
Management Authority  
Shafter Recreation and Park District  
Sonoma County Public Safety Consortium  
South San Joaquin Irrigation District  
Tehachapi-Cummings County Water District  
The 15<sup>th</sup> District Agriculture Association - Kern County Fair  
West Valley County Water District  
Westside Mosquito and Vector Control District

##### OTHER RETIREMENTS

City of Fresno Employees' Retirement Systems  
Los Angeles Fire and Police Pension System  
Los Angeles City Employees' Retirement System  
San Francisco Bay Area Rapid Transit District  
Money Purchase Plan and Deferred Compensation Plan  
San Joaquin Regional Transit District Retirement Plans  
San Luis Obispo County Employees' Pension Trust

##### CITIES

Bakersfield  
Fresno  
Huron  
Laguna Woods  
Morro Bay  
Paso Robles  
St. Helena  
Tulare  
Turlock  
Visalia

##### COUNTIES

Fresno  
Kern  
Merced  
Riverside  
San Benito  
San Joaquin  
Santa Barbara  
Santa Cruz  
Stanislaus  
Tulare  
Napa

##### FIRST 5

Kern  
Merced  
Monterey  
Napa  
San Mateo  
Sonoma  
Stanislaus  
Ventura

##### HEALTHCARE

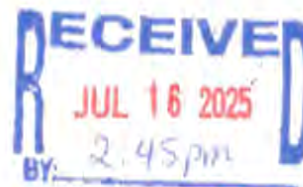
Liberty Health Advantage  
Heritage Provider Network  
Heritage California Medical Group  
Heritage New York Medical Group  
Southwest Health Care District  
Riverside County Health System  
Medical Center





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**Auburn Area Recreation and Park District  
Response to RFP for  
Audit Services  
Due by 3:00 PM, July 30, 2025**

Auburn Area Recreation and Park District  
Attn: Veona Galbraith  
471 Maidu Drive #200  
Auburn, CA 95603

James Marta & Company LLP  
Contact: James Marta, CPA, ARPM  
Email: [JMarta@JPMCPA.com](mailto:JMarta@JPMCPA.com)  
701 Howe Avenue, Suite E3  
Sacramento, CA 95825  
  
(916) 993-9494  
Fax (916) 993-9489  
[www.JPMCPA.com](http://www.JPMCPA.com)



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Certified Public Accountants

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Transmittal Letter

June 30, 2025

Auburn Area Recreation and Park District  
Attn: Veona Galbraith  
471 Maidu Drive #200  
Auburn, CA 95603

RE: Response to RFP for Audit Services

We are pleased to present our proposal to the Auburn Area Recreation and Park District to provide Audit Services for the fiscal years ending March 31, 2026, 2027 and 2028.

We understand that Auburn Area Recreation and Park District is seeking a Certified Public Accountant to conduct an independent Financial Audit for the fiscal years ending March 31, 2026, 2027 and 2028. The project includes:

1) Perform Audit of Financial Statements and Prepare Auditor's Report in accordance with applicable standards (see below) and render an opinion as to the fairness of presentation of the District's financial statements

A. Audit the District's financial statements in accordance with Generally Accepted Accounting Principles, as set forth by AICPA, GASB, and in accordance with the "Minimum Audit Requirements and Reporting Guidelines for California Special Districts", as required by the California State Controller's Office.

B. Prepare Auditor's Report that includes:

- i. Statement of Net Position
- ii. Statement of Revenues, Expenses, and Changes in Net Position
- iii. Statement of Cash Flows
- iv. Required Footnotes to Financial Statements
- v. GASB 68 & 75 Required Supplementary Information
- vi. Auditor's opinion on the financial statements and required supplementary information

2) State Controller's Report:

- Pursuant to Government Code 53891, prepare Annual Audit Report of Financial Transaction of Special District and submit to the California State Controller's Office by State Deadline.

3) Management Letter

- Issue a Management Letter to the General Manager addressing conditions or weaknesses, if any, in the internal control structure, accounting procedures, and other observations that are not otherwise reportable or considered significant deficiencies. Make recommendations for improvements in internal controls, accounting procedures, and other significant observations that are non-reportable conditions.



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4) Management Report

- Prepare a report of any reportable conditions, if any, discovered during the audit. A reportable condition shall be defined as a significant or material deficiency in the design or operation of the internal control structure that could materially adversely affect the District's ability to record, process, summarize, and report financial data consistent with the assertions of management in the financial statements.

5) Staff Presentation

- Prior to the preparation of the final audit report, the Auditor will meet with District staff and the Board of Director's Finance Committee to discuss audit results and to review significant findings, if any.

6) Board Presentation

- Attend publicly noticed Board of Director's meeting and present the audit report and results of the audit.

7) Provide general consultation as required, during the year, on financial accounting and reporting matters. Provide consulting throughout the year on applying GAAP, GASB, and other advice as necessary to assist the District in affecting sound accounting practices.

APPLICABLE STANDARDS

If selected, we will conduct the audit and express an opinion on the fair presentation of the financial statements in accordance with Generally Accepted Accounting Principles (GAAP) and laws including:

- Generally accepted auditing standards as set forth by The AICPA Audit Guide, Audits of State and Local Government Units;
- Governmental Accounting Standards Board (GASB) pronouncements
- Standards for financial audits set forth in the U.S. General Accounting Office's Government Auditing Standards; Audits of States, Local Governments and Nonprofit Organizations;
- Provisions of U.S. Office of Management and OMB Compliance Supplement (Uniform Guidance 2 CFR § 200, (formerly OMB Circular A-133)), Audits of States, Local Governments, and non-Profit Organizations.
- "Minimum Audit Requirements and Reporting Guidelines for Special Districts" pursuant to California Code of Regulations, State Controller, Subchapter 5, 1131.2.

DELIVERABLES

It is our understanding that this project will result in the following deliverables:

1. Auditor's Report
2. Financial Transaction Report to the State Controller's Office
3. Management Letter
4. Report on Internal Control and Compliance and Other Matters
5. Staff Presentation
6. Board Presentation





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James Marta & Company LLP, Certified Public Accountants, has specialized in auditing Special Districts, Joint Powers Authorities, School Districts and Nonprofits since 1998. In the past five years, the firm has completed more than 500 financial audits. Here's how James Marta & Company makes a difference:

- **Special District Specialists:** We've spent over 30 years auditing California Special Districts that provide wastewater treatment, drinking water, community services, fire protection, parks & recreation, and electric power. We assist in financial reporting, PERS, GASB, bonds and federal compliance.
- **Remote Service:** Our secure systems and proven experience help us effectively interact with you to conduct audit processes remotely, in accordance with ongoing orders to maintain social distance.
- **Partner Engagement:** You'll gain partner-level insight at every step and all throughout the year.
- **No Surprises:** You stay up to speed with updates and a project portal that shows real-time status.
- **We Value Your Time:** We've honed our approach to minimize disruptions while meeting deadlines.
- **We Help You Apply Your Audit to Improve:** Your audit can help you better understand operational risks and improve controls. We help you apply your audit for continual improvement.
- **Ongoing Support:** We're your year-round resource for independent perspectives and practical advice on closings, financial statements and compliance.
- **Leadership:** Our Partners speak and publish articles on subjects including the Board's Role in Finance and Fiscal Accountability, Compliance, Controls, Fraud Prevention and Detection, and Governance.

This proposal is valid for ninety (90) days from the proposal submission deadline. We look forward to working with you on this important project. James Marta is authorized to sign binding contracts for the firm.

Sincerely,

James Marta & Company LLP  
James Marta, CPA, CGMA, ARPM, Managing Partner  
[JMarta@JPMCPA.com](mailto:JMarta@JPMCPA.com) | (916) 993-9494 ext. 111

## TABLE OF CONTENTS

TECHNICAL PROPOSAL.....	6
1. General Experience .....	6
2. Specific Audit Approach and Methodology.....	7
3. Firm Experience.....	12
4. Project Team .....	14
5. Licensed in California .....	15
6. Independence .....	16
7. References .....	16
8. Peer Review.....	17
9. List of Current Special District Clients .....	17
COST PROPOSAL .....	18
Appendix A: Resumes .....	19
Appendix B: Peer Review .....	23

### THOROUGH, REMOTE AUDITS

**WE WORK FACE TO FACE — EVEN WHEN WE'RE MILES APART.** Today's screen sharing and video conference tools allow us to communicate, collaborate and answer questions just like being at your facility.

**WE'VE DONE THIS BEFORE.** Our team applies extensive experience performing thorough audits from afar.

**EXPERT AUDITOR TOOLS.** Our secure portal lets you transfer documents and track status. And with your permission, we can use "auditor access" to login to your system and generate reports.

**SAFE ON-SITE PRACTICES.** When office visits are required, be assured that we apply appropriate measures to minimize risks and protect us all.



## TECHNICAL PROPOSAL

### 1. GENERAL EXPERIENCE

#### FIRM DETAILS

**Organization Type:** James Marta & Company, LLP is a Limited Liability Partnership.

**Location:** The firm office is located in Sacramento, California.

**Years in Business:** The firm was founded in 1998.

**Number of Employees:** 21

**Federal Tax ID Number:** 27-1682261

James Marta & Company LLP is a local partnership formed in 1998 to serve the audit and accounting needs of Special Districts, Joint Powers Authorities, School Districts and other local Government agencies. James Marta & Company serves clients in California, Oregon, Washington, Alaska, Utah and Vermont.

We have two Partners and a team of 19 Staff, Seniors and Supervisors. All team members are based in the greater Sacramento metropolitan area.

#### GENERAL APPROACH

- Our risk-based approach supports a thorough audit. We start by developing a deep understanding of your organization's control structure then design audit procedures to address institutional and industry risks.
- Our Partners are involved throughout the project and available as a year-round resource to you.
- We minimize disruptions to your staff by developing a comprehensive audit plan and communicating with you early and often.
- We meet AICPA's Management Control Standards, ethical mandates and code of professional conduct including those related to quality management, independence, and peer review.
- Our experienced CPAs supervise trained and dedicated staff members at every step.
- We conduct a thorough analysis including review, observation, calculations, inspection, and inquiries of systems, processes, and people that control and process transactions.
- We help you avoid surprises and last-minute requests with comprehensive checklists and regular communication.
- We utilize state of the art AI, document portal, and communication systems to gain efficiency, enhance auditing techniques, expand sampling, and improve customer service.
- We stay current with industry standards in order to ensure appropriate application of, and conformance with Generally Accepted Accounting Principles (GAAP); Generally Accepted Auditing Standards (GAAS); Minimum Audit Requirements and Reporting Guidelines for Special Districts as required by the State Controller's Office; Government Auditing Standards as issued by the Comptroller General of the United States; Single audit procedures defined by the OMB Compliance Supplement (Uniform Guidance 2 CFR § 200, (formerly OMB Circular A-133)); and Current Governmental Accounting Standards Board (GASB) pronouncements.
- While working remotely we've concentrated our efforts on ensuring thorough audit procedures and support communication with our clients.
- We present the audit report to your team and your board and help you interpret the results.



- We welcome the opportunity to help you gain value from your Audit. We support your ongoing needs with Partner-level insight. For example, we can support your adoption of new accounting standards, improving controls, and more.

## 2. SPECIFIC AUDIT APPROACH AND METHODOLOGY

The following table shows key phases and milestones of our audit process and a preliminary schedule. Once appointed as your auditor, we will work with you to establish dates and answer questions concerning your industry, your organization's business activities, operations and accounting, and the preparation of the financial statements.

SPECIFIC PROCEDURES	STAFF	PRELIMINARY SCHEDULE
<b>PHASE I - AUDIT PLANNING</b>		
<b>Introduction of Staff</b>		
<ul style="list-style-type: none"> <li>• Meet with representatives to discuss: <ul style="list-style-type: none"> <li>▪ Approach to the audit</li> <li>▪ Client assistance checklist</li> <li>▪ Timelines</li> </ul> </li> </ul>	Partner Supervisor Senior	May
<b>Review of Prior Year's Audit Work</b>		
<ul style="list-style-type: none"> <li>• Review of prior year's work papers (this step is coordinated with the prior year's auditors).</li> </ul>	Partner Supervisor	May
<b>Risk Assessment Procedures</b>		
<ul style="list-style-type: none"> <li>• Obtain an understanding of the external and internal factors affecting the organization.</li> <li>• Review and evaluate the design of internal controls including district policy and procedure manuals.</li> <li>• Review of the significant transaction cycles</li> <li>• Assess the risk of material misstatements</li> </ul>	Partner Supervisor Senior	May
<b>Audit Planning</b>		
<ul style="list-style-type: none"> <li>• Develop the individual plan for the audit (based on the internal control review, risks identified, and our understanding of the client and the industry)</li> <li>• Establish materiality</li> <li>• Perform preliminary analytical procedures</li> <li>• Plan audit procedures in response to assessed risks</li> </ul>	Partner Supervisor Senior	May
<b>PHASE II – INTERIM FIELD WORK</b>		
<b>Internal Control and Compliance Testing</b>		
<ul style="list-style-type: none"> <li>• Identify all transaction cycles and compliance requirements</li> <li>• Gain an understanding and document transaction cycles</li> <li>• Select samples of transactions from each significant cycle</li> <li>• Tests performed on specific transactions</li> </ul>	Partner Supervisor Senior Staff	May

SPECIFIC PROCEDURES	STAFF	PRELIMINARY SCHEDULE
<b>Organization</b>		
• Review organizational documents	Partner	May
• Review board minutes	Supervisor	
• Review grants	Senior	
• Review significant contracts		
<b>Status Report</b>		
• Identify and describe items noted during interim work	Partner	May
• Meet with management to discuss status and interim work	Supervisor	
• Discuss timing of year-end field work		
<b>PHASE III – FINAL FIELD WORK</b>		
• Obtain trial balance and enter them into financial statement program	Senior	May
• Federal and State Compliance (if applicable)		
• Prepare initial financial statement draft	Staff	
<b>Substantive Testing &amp; Analytical Procedures</b>		
• Perform analytical procedures as necessary	Partner	May
• Verify account balances for relevant financial statement assertions	Supervisor	
• Review accounting and reporting for outstanding debt, if any	Senior	
• Perform substantive testing	Staff	
• Evaluation of evidence obtained		
<b>Operations</b>		
• Evaluate opportunities for improvements	Partner	May
<b>Exit Conference</b>		
• Meet with management/audit committee to discuss audit	Partner	June
• Review draft audit report	Supervisor	
<b>Final Audit Report</b>		
• Issue report	Partner	July
• Submit Financial Transaction Report to the State.		
<b>Governing Board Meeting</b>		
• Present Audit report to the Board of Directors meeting	Partner	July

#### EXPECTATIONS OF DISTRICT STAFF

We will provide a list of requested items to ensure clear understanding of what is needed. The specific items requests for your audit will be tailored following audit planning according to auditor's judgement and applicable standards.



## RISK ASSESSMENT

We identify and assess the risk of material misstatements at different levels through interviews with management, analytical procedures, observations, and inspection. Based on our assessment, we will plan and perform procedures that are responsive to risks identified. This will cover the following areas:

- Financial reporting framework;
- Business and industry;
- Accounting policies and practices;
- Financial performance; and
- Internal controls.

## PROCESS OF REVIEW

Our process includes a corresponding review of all work performed, management letters, and reports to ensure that all appropriate professional and technical standards are maintained. With this process, we also assess new standards and their potential impact on the audit process and its resulting report.

## TYPE AND EXTENT OF ANALYTICAL PROCEDURES

Depending on the subject of the population, we apply industry standard analytical procedures as appropriate. Analytical procedures include review, inquiry, observation, inspection, and recalculation.

For example, at the beginning of the audit, we review control structure and observe relationships between similar totals year to year. We may calculate thresholds to isolate outliers. We inspect the application of procedures. We also observe trends and areas of common or recurring concern within an industry segment. We inquire about management and board expectations to determine if there is an area of concern. If something is outside the range that is considered “normal” we investigate further. We perform independent recalculations to ensure that numbers are presented fairly to help us form our opinion.

As a means of assessing a large population, we apply models and other data analytic tools that help us identify trends, ratios, reasonability and guide us in forming our opinions. However, the most important question that we ask is “does it make sense?” This guidepost serves to keep the analytical process grounded in practical reality and helps us make effective judgement calls at every step of the audit.

The most  
important  
question we  
ask is “does it  
make sense?”

## SAMPLE SIZE AND STATISTICAL SAMPLING

When determining the appropriate sample size, the auditor considers inherent risks; population size; volume and frequency of transactions; minimum, maximum and median amounts; and various risk factors (e.g. risk of detection, adequacy of control, inherent risk properties).

We start by developing an understanding of your control environment and critical control functions. After evaluating the characteristics of your accounting controls, we apply a risk-based approach to design audit testing procedures.

The specific number of test items are determined by the risk characteristics of the account or transaction. Areas that are determined to be reliable generally undergo limited testing. A typical sample size for “reliable” areas (low risk) can range from 10 to 50 items.

In higher risk areas, we perform a test of details and may potentially conduct further tests if an item falls outside of expectations and statistical probabilities.

Items may be chosen for testing through random sampling, systematic selection, haphazard selection, or block sampling. The specific selection method will be determined by the auditor after assessing risk.

#### APPROACH TO UNDERSTANDING INTERNAL CONTROL STRUCTURE

We start by reviewing applicable artifacts including bylaws, policies, procedures, computer systems and the prior year's audit. We follow up with a narrative questionnaire for your management team to help us understand how your accounting rules are being applied in your work environment each day.

We have developed standard Checklists for Special Districts that help us ensure all control areas are thoroughly addressed.

During the entrance conference we discuss your answers to the questionnaire as well as any specific concerns expressed by your management team or Board of Directors.

During the audit, we test specific transactions and related samples (e.g. purchase orders, invoices, approvals) to determine how the defined control structure is being used to conduct daily operations.

#### AUDIT PROBLEMS

We do not anticipate any problems with this audit.

When you receive your draft report, there shouldn't be any surprises. Throughout the audit, we explain our procedures so you're not left in the dark. More importantly, we keep you apprised of our work status from the preliminary audit work through the delivery of the report.

During the project, there are numerous channels and vehicles to facilitate communication between the Engagement Partner and representatives of Auburn Area Recreation and Park District. Part of the Partner's role is to answer questions – both during the project and throughout the year.

#### RECORDS RETENTION

As required by professional standards, it is our policy to keep records related to audit engagements for seven years. However, we do not retain any original client records, so we will return those to you at the completion of the services rendered under this engagement. When records are returned to you, it is your responsibility to retain and protect your records for possible future use, including potential examination by any government or regulatory agencies.

#### How We Make Your Audit Easy

- Checklists show all requests and help streamline the process.
- Progress screens show real-time status.
- You can easily and securely upload hundreds of documents.
- We minimize the time working in your space.



## SOFTWARE that helps us perform efficiently and effectively

We leverage state-of-the-art information systems to help us improve effectiveness, audit efficiency, communication, document management, records retention, and workflow.

### INTUITIVE PORTAL SIMPLIFIES PROJECT TRACKING AND CONTROL

During the audit, you may access our Suralink portal for secure, remote document transfer, processing and status updates. Benefits include:

- Secure, drag-and-drop transfer;
- View each document's status;
- Add questions, notes or comments;
- Access, review and track status;
- Restrict access for confidentiality;
- Store documents for reference and records retention requirements;
- Transparent status requests;
- Ensure accountability; and
- Expedite routine actions to save time.



### PROSYSTEM FX FACILITATES PAPERLESS AUDIT WORKFLOW

ProSystem fx Engagement is a digital file management system that provides versatile workflow management of workpapers, trial balances, and other documents. This paperless system helps us:

- Streamline every step securely from setup to sign off;
- Automate dissemination of data to ensure accuracy;
- Monitor and control engagements from start to finish;
- Automate trial balance reporting;
- Ensure consistent file integrity with secure document management and storage;
- Manage document and workpapers with digital binders; and
- Expedite projects by allowing multiple staff to collaborate from any location with versatile access.

### 3. FIRM EXPERIENCE

Our dedicated team is qualified and experienced in auditing Special Districts, Joint Powers Authorities, and other government agencies. Our Partners are engaged in every project to provide oversight and advice. We conduct a thorough audit, meet deadlines and minimize impact on your team.

About 75% of our work is in providing financial audits, bond audits, and federal single audits. We conducted about 130 audits in 2024. In addition, we provide accounting, tax, consulting and controller/CFO services.

Among our clients, we count numerous Community Services Districts, Sanitary Districts, and Water Districts of similar size to Auburn Area Recreation and Park District.

The majority of our audit work must be conducted in accordance with generally accepted accounting principles (GAAP), generally accepted auditing standards (GAAS), Minimum Audit Requirements and Reporting Guidelines for Special Districts as required by the State Controller's Office, and Government Auditing Standards as issued by the Comptroller General of the United States. We are highly familiar with the practical application of these standards in conducting audits of Special Districts.

Following are key points in our qualifications:

- Over 30 years' experience providing audit, accounting and controller/CFO services to Joint Powers Authorities, Special Districts, Municipal Agencies, and State Government.
- Staff participate in regular training to stay current on professional standards related to auditing JPAs, Special Districts, and Governmental Entities.
- Extensive experience and training in conducting single audits of federally funded programs.
- Experience preparing **Comprehensive Annual Financial Reports** according to GFOA standards.
- Experience preparing and submitting the Financial Transactions Report to the State Controller's Office.
- Support for agencies that have earned the "**Certificate of Achievement for Excellence in Financial Reporting**" from the Government Finance Officers Association.
- Experience assisting with calculations and required disclosures to be in compliance with **GASB standards**.
- Experience with debt financing, refinancing, and arbitrage calculations.
- Member and presenter for **California Special Districts Association** at conferences and webinars on subjects including the Board's Role in Finance and Fiscal Accountability, Compliance, Internal Controls, Fraud Prevention/Detection, Accounting, Audit, and Board Governance Responsibility and Accountability.
- **Year-round resource** to answer questions, help your team interpret the audit, and apply new standards.

*"The staff at James Marta & Company are knowledgeable and well-organized professionals. Their team is always willing to provide support and financial advice. They are truly a pleasure to work with."*

*Teresa McNamara, Accounting Manager,  
Truckee-Donner Recreation & Park District*

#### EXPERIENCE RELATED TO SPECIAL DISTRICTS AND FUND REPORTING

Special Districts are required to conduct accounting and financial reporting in accordance with GAAP and the California Special District Uniform Accounting and Reporting Procedures (SPD) manual. This manual defines accounting and reporting requirements for general funds, special revenue funds, capital projects funds, debt



service funds, permanent funds, enterprise funds, internal service funds, trust funds (pension funds, investment trust funds, private purpose funds), etc.

Our team has extensive experience with accounting and audit of restricted and unrestricted funds for California Special Districts, Joint Powers Authorities, and School Districts. Each year, we audit approximately 80 entities that apply the principles of fund accounting. We also have experience in the accounting practices and audit procedures required by grants, federal funds, bond measures, SFP, and more.

Our team brings practical experience in GAAP, GASB, and State requirements around reporting and control of fund balance, expenditures, interfund activities (e.g. transfers, reimbursements), valuation, depreciation, long-term liabilities, and budgeting. We apply our expertise to help prepare and present Fund Financial Statements and Government-wide Financial Statements in accordance with GASB codification of Governmental Accounting and Financial Reporting Standards.

### LINES OF BUSINESS

James Marta & Company provides Audit/Attestation, Accounting, Tax and Consulting services to government insurance pools, joint powers authorities, school districts, special districts, and nonprofits.

- **Audit/Attestation:** Financial Audits, Single Audits, Performance Audits (Bonds), Reviews and Compilations.
- **Accounting:** CFO and Treasurer Services; Controller oversight (reporting, reconciliations); Accounting (AR, AP, payroll, reporting, accruals, claims reconciliation).
- **Tax:** Tax form preparation for nonprofits, business, and individuals.
- **Consulting:** Budget development, policy development, feasibility studies, special calculations, control and process evaluations.

### INSURANCE

James Marta & Company LLP maintains the following insurance coverages:

- Commercial General Liability: Up to \$2,000,000 per claim and \$4,000,000 aggregate.
- Workers' Compensation: Up to \$1,000,000 per claim.
- Business Auto Coverage: Up to \$2,000,000 per claim.
- Professional Liability insurance: Up to \$1,000,000 per claim and \$2,000,000 aggregate.

#### 4. PROJECT TEAM

The following table introduces core members of our proposed team. Resumes are provided in [Appendix A](#). All CPA's are licensed in California and in good standing. All members of the team have completed their CEU requirements including government-specific education.

NAME	ROLE	EXPERIENCE
Jesse Deol, CPA, ARM	<b>Technical Review Partner</b>  The Engagement Partner is ultimately responsible for the engagement. Provides project oversight throughout the engagement; present the final audit report; and answer questions throughout the year.	Jesse has 15+ years of experience conducting financial audits, single audits, bond audits, and GASB consulting for Special Districts, Joint Powers Authorities, County Offices of Education, School Districts and Nonprofits.
James Marta, CPA, CGMA, ARPM	<b>Engagement Partner</b>  Validates the team's work, providing the independent perspective required for thorough quality control.	James has more than 30 years of experience in audit, consulting and accounting for joint powers authorities, special districts, LEAs and nonprofits.
Michael Manduca, CPA	<b>Audit Manager</b>  Responsible for managing audit engagement and related activities. Will engage with client as needed throughout the project.	Michael has 15+ years of experience in financial audit, single audit, and bond audit for Special Districts, Joint Powers Authorities, County Offices of Education, School Districts and Nonprofit.


#### CONTINUITY

We make all reasonable efforts to ensure continuity of the proposed audit team from year to year. In the event of staff turnover, we will replace the team member with someone of similar experience.

## 5. LICENSED IN CALIFORNIA

James Marta & Company LLP is a licensed Certified Public Accountant in California. We have maintained our certification since 1998.




**BOARD OF ACCOUNTANCY**

**ISSUANCE DATE**  
SEPTEMBER 1, 2014

**EXPIRATION DATE**  
SEPTEMBER 30, 2024

**CURRENT DATE - TIME**  
DECEMBER 13, 2024  
9:14:24 AM

**LICENSING DETAILS FOR: 7657**

**NAME:** JAMES MARTA & COMPANY LLP

**LICENSE TYPE:** CPA - PARTNERSHIP

**LICENSE STATUS:** STATUS

**ADDRESS**

711 HORN AVENUE, SUITE 400  
SACRAMENTO, CA 95805  
SACRAMENTO, CALIF.

916P

We will assign a California-Licensed CPA as the auditor in charge.



## 6. INDEPENDENCE

James Marta & Company LLP's quality management program aligns with the AICPA's Quality Management Standards, ethical mandates and code of professional conduct – including those related to professional independence and conflicts of interest addressed by the GAO Standards for Audit of Governmental Organizations Programs Activities and Functions. We have firm policies related to leadership, independence, objectivity, conflict of interest, client relationships, engagement supervision and review, documentation, and more.

James Marta & Company LLP, and all proposed professional staff, is independent of the Auburn Area Recreation and Park District as defined by generally accepted auditing standards, Government Auditing Standards, Minimum Audit Requirements and Reporting Guidelines for Special Districts as required by the State Controller's Office, and those issued by the Comptroller General of the United States.

We know of no professional relationships between James Marta & Company LLP or any of the firm's employees and the Auburn Area Recreation and Park District that would pose a conflict of interest. We have no clients with any financial interest in the Auburn Area Recreation and Park District.

## 7. REFERENCES

Please call our references to find out what difference we can make for our clients. We are confident you will hear that we make a positive difference to our clients.

Organization	Contact	Team	Scope	Date	Hours
NorthStar Community Services District 908 Northstar Drive Truckee, CA 96161	Greg Rosenthal (530) 550-6126	James Marta Michael Manduca	Audit	2011 to present	195
Truckee Donner Recreation & Park District 8924 Donner Pass Road Truckee, CA 96161	Teresa McNamara (530) 550-4445	Jesse Deol Spencer Blanda	Audit Pension Plan Audit	2014 to present	211
Truckee Fire Protection District P.O. Box 2768 Truckee, CA 96160	Niki Holoday (530) 582-7646	James Marta Michael Manduca	Audit	2017 to present	150
Livermore Area Recreation & Park District	Julie Dreher (925) 373-5726	Jesse Deol Michael Manduca	Audit	2011 to present	147
Truckee Sanitary District 12304 Joerger Dr Truckee, CA 96160	Mark Wasley (530) 550-3117	Jesse Deol Michael Manduca	Audit	2022 to present	230

## 8. PEER REVIEW

The AICPA's independent peer review verifies that we uphold the professional standards of quality in our policies, procedures and practices. This peer review included quality control review of specific government engagements as required by government audit standards.

Our most recent peer review was completed in October 2024. It resulted in a rating of Pass – the highest rating available. The peer review letter is provided in [Appendix B](#).

### DESK REVIEWS

We have had no audits rejected by federal or state desk reviews in the past three years.

The firm has no disciplinary action taken or pending against it in the past three years by any state regulatory body or professional organization.

## 9. LIST OF CURRENT SPECIAL DISTRICT CLIENTS

Following are representative Special Districts that we have served in the past year.

- Banning Library District
- California Enterprise Development Authority
- Columbia Corridor Drainage Districts Joint Contracting Authority
- Keyes Community Services District
- Lathrop-Manteca Fire Protection District
- Livermore Area Recreation & Park District
- Mid-Peninsula Water District
- Multnomah County Drainage District No. 1
- Northern California Regional Public Safety Training Authority
- NorthStar Community Services District
- Peninsula Drainage District No. 1
- Peninsula Drainage District No. 2
- Purissima Hills Water District
- Sacramento LAFCO
- Sacramento Municipal Utility District (SMUD)
- Sacramento Transportation Authority
- Sandy Drainage Improvement Company
- Solano LAFCO
- South San Joaquin County Fire Authority
- Southgate Recreation & Park District
- Truckee-Donner Recreation & Park District
- Truckee Fire Protection District
- Truckee Tahoe Airport District
- Truckee Sanitary District



## COST PROPOSAL

Classification	Total Hours	Hourly Rate	Total
Partner	20	\$ 350	\$ 7,000
Manager	40	260	10,400
Senior	60	160	9,600
Staff	80	130	10,400
Total Fee for 2025 Audit	200		\$ 37,400
<b>Auburn Area Recreation and Park District Audit</b>			
Audit, March 31, 2025		\$	37,400
Audit, March 31, 2026		\$	38,700
Audit, March 31, 2027		\$	40,055

### NOTES, EXCLUSIONS AND ADDITIONS

Note: Payment by Credit Card is subject to a 5% processing fee.

The fees quoted are based upon several assumptions about the adequacy of the accounting records, the degree of assistance to be provided by your personnel, and current auditing and accounting standards.

Our fees do not include services such as closing year-end accounts or account reconciliations. If extraordinary matters come to our attention (i.e. significant changes in your operations, material weakness in your internal controls, etc.) that require an extension of our services, we will consult with you concerning additional work to be done by you and/or an adjustment to our fees. We will submit monthly progress billings during the audit process.

In the event that the GASB, AICPA, GAO, or the State issues additional standards or audit procedures that require additional work during the audit period, we will discuss these requirements with you. Before proceeding, we will prepare an estimate (if necessary) for performing the additional work.

### ENGAGEMENT LETTER

When conducting a Financial Audit, a CPA is bound by professional standards that require both parties to act according to specific terms and responsibilities, defined by the American Institute of Certified Public Accountants (AICPA). Upon award, James Marta & Company will prepare and provide a draft Engagement Letter that addresses these responsibilities.



## APPENDIX A: RESUMES

Resumes for each member of the proposed audit team are provided in the following pages. Each resume includes information on the individual's licenses, certifications, government auditing experience, CPE, and professional affiliations.

***"I have been working with James Marta for the last five years.  
They are easy to work with, very professional, plan work ahead of  
time and communicate effectively."***

—  
Gena Carlisle, Principal Financial Accountant, Sacramento Municipal Utility District (SMUD),  
JPA Section (Central Valley Financing Authority; Northern California Gas Authority No. 1;  
Sacramento Cogeneration Authority; Sacramento Municipal Utility District Financing Authority;  
Sacramento Power Authority)



## JESSE DEOL, CPA, ARM

**Technical Review Partner:** Jesse is a firm Partner with more than 15 years of experience in audit, consulting and accounting for LEAs, Joint Powers Authorities, Special Districts, employee benefit plans, local government agencies, and nonprofits.

### TEACHING & INDUSTRY LEADERSHIP

Single Audit training per the Uniform Guidance (internal and external);  
State Compliance training for LEAs (internal and external);  
Associated Student Body seminars for various school districts;  
Seminars for LEAs on year-end closing and GASB compliance.

### PROFESSIONAL AFFILIATIONS

American Institute of Certified Public Accountants (AICPA)  
California Society of Certified Public Accountants (CSCPA)  
Oregon Society of Certified Public Accountants (OSCPA)  
Association of International Certified Professional Accountants

### SELECT CLIENTS

#### Local Education Agencies (LEAs)

Ackerman Elementary School District  
Arcata Elementary School District  
Benicia Unified School District  
Big Lagoon Union School District  
Blue Lake Union School District  
Brentwood Unified School District  
Colusa County Office of Education  
Colusa Unified School District  
Dixon Unified School District  
Esparto Unified School District  
Eureka City Unified School District  
Eureka Union School District  
First 5 Colusa County  
Gilroy Unified School District  
Griffin Technology Academies  
Humboldt County Office of Education  
Kirkwood Elementary School District  
Maxwell Unified School District  
McKinleyville Union School District  
Natomas Unified School District  
Northern Humboldt UHSD  
Peninsula Union School District  
Pierce Joint Unified School District  
Ripon Unified School District  
Rocklin Academy Family of Schools  
Sacramento County Office of Education  
San Bruno Park School District  
Southern Humboldt Union School District  
Trinidad Union School District  
Thermalito Union School District  
Vacaville Unified School District  
Visions in Education  
Washington Unified School District  
Williams Unified School District  
Winters Joint Unified School District  
Yolo County Office of Education

#### Nonprofit Organizations

CalACT  
California Hotel and Lodging Association  
California Special Districts Association  
California Transit Association  
Charis Youth Center  
Gender Health

#### Nonprofit Organizations (continued)

Sunburst Projects  
Paradise Oaks Youth Services  
Resident Owned Parks  
Sacramento Tree Foundation  
State Association of County Retirement Systems

#### Joint Powers Authorities

Bay Areas Schools Insurance Cooperative  
Calif. Housing Worker's Compensation  
California Transit Systems JPA  
Central Valley Financing Authority  
Central San Joaquin Valley RMA  
Exclusive Risk Mgmt Authority of CA  
Northern California Gas Authority  
North Coast Schools Insurance Group  
North Coast Schools Medical Insurance  
Pooled Liability Assurance Network  
Redwood Empire Municipal Insurance Fund  
Sacramento Cogeneration Authority  
Sacramento Municipal Utility District Financing Authority  
Sacramento Power Authority  
Shared Agency Risk Pool  
Trindel Insurance Fund  
Valley Clean Energy  
West San Gabriel Workers' Compensation  
West San Gabriel Liability/Property JPA

#### Special Districts

Livermore Area Recreation and Park District  
Mid-Peninsula Water District  
No. Calif. Regional Public Safety Training  
NorthStar Community Services District  
Truckee-Donner Recreation and Park District  
Truckee Sanitary District  
Southgate Recreation and Park District  
Sacramento Municipal Utility District  
Sacramento LAFCO  
Solano LAFCO

### ROLE & RESPONSIBILITIES

- Audit risk assessment, audit design, planning, control, review and evaluation.
- GAAP Conformance
- Communication with executive team and Board.
- Manages audit team, tasks, progress, and schedule.
- Available for questions.

### EDUCATION

- California State University, Sacramento B.S. Accounting

### CERTIFICATIONS

- CPA (California, Oregon)
- Associate in Risk Management
- Intermediate Single Audit
- Cybersecurity Fundamentals for Finance and Accounting Professionals
- Not-for-Profit Certificate I

### SPECIALIZATION

- Joint powers authorities, special districts, LEA, employee benefit plans, local government and non-profits.
- Single Audits using the Uniform Guidance (formerly OMB Circular A-133).

### CPE

229.25 CPE hours in 2023 and 2024 (including 147.75 in government accounting and audit). Jesse met the *Government Auditing Standard* requirement for CPE.







## JAMES P. MARTA, CPA, CGMA, ARPM

### PARTNER

James has 30 years of experience in audit, consulting and accounting for joint powers authorities, special districts, LEAs and nonprofits. Prior to opening James Marta & Company, he spent one year with Moss Adams and 10 years with Gilbert Accountancy Corp. where he was a Partner.

### INDUSTRY LEADERSHIP

James is a regular speaker on the topics of risk financing and accounting. He worked with the GASB on standards related to risk pools and addresses industry issues. In addition, he is/was involved in:

- Accreditation Manager for CAJPA
- Member, Governor's team to improve efficiency of the California DMV and State Assembly
- Board Member Fiscal Oversight, Risk Financing – CSDA / CAJPA
- Single Audit Act – California State Auditors
- Self-Insurance Issues – CAJPA/CSDA
- Fraud Prevention and Detection – CASBO
- Author of the IEA Pool Manager Course
- Taught the IEA ARM Risk Management and Risk Financing courses.

### PROFESSIONAL AFFILIATIONS

- American Institute of Certified Public Accountants (AICPA)
- California Society of Certified Public Accountants (CSCPA)
- California Association of Joint Power Authorities (CAJPA)
- California Special Districts Association (CSDA)

### SELECT CLIENTS

#### Executive Leadership

CFO – Washington Schools Risk Mgmt Pool  
Interim CEO – Yolo County Public Agency Risk Management Insurance Authority  
Treasurer – S. San Joaquin Co. Fire Authority

#### JPA's and Risk Cooperatives

Bay Area Housing Authority RMG  
Bay Area Schools Insurance Cooperative  
Burlington National Insurance Company  
California Association for Park & Rec Indemnity  
California Association of Joint Powers Insurance Authorities  
California Health Advocates  
California Housing Authority Workers Compensation Agency  
California Joint Powers Insurance Authority  
California Mental Health Services Authority  
CC SOLANO  
Contra Costa County Schools Insurance Group  
Finish Line Self Insurance Group  
Golden State Risk Management Authority  
Municipal Pooling Authority  
North Bay Schools Insurance Authority  
North Valley Schools Insurance Group  
Post Time Self Insurance Group  
Property Casualty Coverage for Education Trust  
Sacramento Cogeneration Authority  
SMUD Financing Authority  
Santa Cruz Co. Schools Health Insurance Group  
Sacramento Power Authority  
San Mateo County Schools Insurance Group  
Schools Self Insurance of Contra Costa Co.  
Shasta-Trinity Schools Insurance Group

#### SIGNAL 1

South Bay Area Schools Insurance Auth.  
Southern Peninsula Region Insurance Gr.  
Special Districts Association of Oregon  
Trindel Insurance Fund  
YCPARMIA  
Monterey Bay Area Self Insurance Authority

#### LEAs

Benicia Unified School District  
Brentwood Unified School  
San Mateo Union Highschool District  
Davis Joint Unified School District  
Dixon Unified School District  
Gilroy Unified School District  
Natomas Unified School District  
Sacramento County Office of Education  
Salida Union School District  
Vacaville Unified School District  
Winters Joint Unified School District

#### Nonprofit

California Lawyers Association  
California Waterfowl Association  
Elk Grove Benefits Employee Retirement Trust  
California Hotel and Lodging Association  
Charis Youth Center  
Health Officers Association of California  
Health Professional Education Foundation  
Mental Health America of California  
NonProfits' United Vehicle Insurance Program  
Non-Profit's United Workers Compensation Gr.  
Yolo Hospice

#### Special District

South San Joaquin County Fire Authority

### ROLE & RESPONSIBILITIES

- Audit delivery and services
- Communication regarding planning, fieldwork and reporting.
- Technical resource for questions and services

### EDUCATION

- Portland State University, B.S. Accounting and B.S. Finance-Law
- Insurance Institute of America, Associate in Risk Pool Management

### CERTIFICATIONS

- CPA, CGMA, ARPM

### SPECIALIZATION

- Audit and reviews for government, nonprofit, special districts and Joint Powers Authorities
- Implementation of accounting and internal control recommendations
- Federal and state compliance
- Risk pool financial management
- Troubled pool recovery
- Member agreements
- Board training
- Special calculations

### CPE

196.25 CPE hours in 2023 and 2024 (including 88.25 in Government Accounting and audit). James met the *Government Auditing Standard* requirement for CPE.





## MICHAEL MANDUCA, CPA AUDIT MANAGER

Michael has over 15 years of experience in auditing, consulting, and accounting for Joint Powers Authorities, special districts, local government agencies and nonprofits. His primary focus has been on audits – including single audits, full-cycle accounting for nonprofit insurance cooperatives, and attestation work for government agencies.

### TEACHING & INDUSTRY LEADERSHIP

- Audit risk assessment (internal)
- Federal compliance testing (internal)

### SELECT CLIENTS

#### Local Education Agencies (LEAs)

Benicia Unified School District  
Brentwood Unified School District  
Colusa County Office of Education  
Maria Montessori Charter Academy  
Sacramento County Office of Education  
Vacaville Unified School District  
Washington Unified School District

#### Joint Powers Agencies

Alaska Municipal League Joint Insurance Assoc.  
Bay Area Housing Authority Risk Mgmt Agency  
California Assoc for Park and Recreation Indemnity  
California Joint Powers Insurance Authority  
California Sanitation Risk Management Authority  
Central Valley Schools Risk Management Authority  
Contra Costa County Schools Insurance Group  
CSAC Excess Insurance Authority  
East Bay Schools Insurance Group  
Local and Regional Gov't Services Authorities  
Municipal Pooling Authority  
North Bay Schools Insurance Authority  
Public Entity Risk Management Authority  
South Bay Area Schools Insurance Authority  
Monterey Bay Area Self Insurance Authority  
SMUD  
SMUD Financing Authority

#### Nonprofit Organizations

CHARIS Youth Center  
Credit Union Self-Insured Group of California  
Crossroads Treatment Centers, Inc.  
Elk Grove Benefits Employee Retirement Trust  
Health Officers Association of California  
Lighthouse Youth Centers, Inc  
Martins' Achievement Place  
Mental Health America of California  
NonProfits' United Workers' Compensation Group  
Preferred Automobile Dealers Self-Ins Program  
Shelter, Inc.  
Sierra Sacramento Vally Medical Society  
Western Independent Bankers  
Association Self Insurance Program  
Women's Health Specialists  
Woodland Youth Services  
California Waterfowl Association  
Sacramento Tree Foundation

#### Special Districts

Auburn Area Recreation and Park District  
California Enterprise Development Authority  
California Mental Health Services Authority  
Mid-Peninsula Water District  
Northstar Community Services District  
Sacramento Municipal Utility District  
Sacramento Transportation Authority  
Southgate Recreation and Park District  
Truckee Tahoe Airport District  
Truckee Fire Protection District  
Truckee Sanitary District  
Turlock Mosquito Abatement District

### ROLE & RESPONSIBILITIES

- Supports the engagement manager during audit risk assessment, design of the audit, and planning.
- Performs audit fieldwork, testing of internal controls and compliance.
- Prepares financial statements according to GAAP.
- Executes audit activities and tasks, monitors progress, and ensures schedule compliance.
- Supervises staff accountants.
- Available for issues, questions and additional services.

### EDUCATION

- California State University, Sacramento, B.S. Business Administration, Concentration in Accounting

### CERTIFICATION

- CPA

### SPECIALIZATION

- Audits and single audits
- Full-cycle accounting for nonprofit insurance cooperatives
- Attestation work for government agencies.

### CPE

139.50 CPE hours in 2023 and 2024 (75.75 in government accounting and audit). Michael met the Government Auditing Standard requirement for governmental CPE.



## Report on the Firm's System of Quality Control

October 23, 2024

To James Marta & Company, LLP and the Peer Review Committee of the California Society of CPAs:

We have reviewed the system of quality control for the accounting and auditing practice of James Marta & Company, LLP (the firm) in effect for the year ended May 31, 2024. Our peer review was conducted in accordance with the Standards for Performing and Reporting on Peer Reviews established by the Peer Review Board of the American Institute of Certified Public Accountants (Standards).

A summary of the nature, objectives, scope, limitations of, and the procedures performed in a System Review as described in the Standards may be found at [www.aicpa.org/prsummary](http://www.aicpa.org/prsummary). The summary also includes an explanation of how engagements identified as not performed or reported in conformity with applicable professional standards, if any, are evaluated by a peer reviewer to determine a peer review rating.

### Firm's Responsibility

The firm is responsible for designing and complying with a system of quality control to provide the firm with reasonable assurance of performing and reporting in conformity with the requirements of applicable professional standards in all material respects. The firm is also responsible for evaluating actions to promptly remediate engagements deemed as not performed or reported on in conformity with the requirements of professional standards, when appropriate, and for remediating weaknesses in its system of quality control, if any.

### Peer Reviewer's Responsibility

Our responsibility is to express an opinion on the design of and compliance with the firm's system of quality control based on our review.

### Required Selections and Considerations

Engagements selected for review included engagements performed under *Government Auditing Standards*, including compliance audits under the Single Audit Act.

As a part of our peer review, we considered reviews by regulatory entities as communicated by the firm, if applicable, in determining the nature and extent of our procedures.



[www.gbacpa.com](http://www.gbacpa.com)

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Princeville, HI  
888/763-7323

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# Grant Bennett Associates

A PROFESSIONAL CORPORATION



Proud Member of  
**AlliottGlobalAlliance™**

## Opinion

In our opinion, the system of quality control for the accounting and auditing practice of James Marta & Company, LLP in effect for the year ended May 31, 2024, has been suitably designed and complied with to provide the firm with reasonable assurance of performing and reporting in conformity with applicable professional standards in all material respects. Firms can receive a rating of *pass*, *pass with deficiency(ies)* or *fail*. James Marta & Company, LLP has received a peer review rating of *pass*.

*Grant Bennett Associates*

GRANT BENNETT ASSOCIATES  
A PROFESSIONAL CORPORATION  
Certified Public Accountants



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Princeville, HI  
888/763-7323

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## **4.5 Cover Sheet – Resolution #2025-23 Moving Residual Funds to the Placer Co. Future Capital Construction Fund and the Placer Co. Equipment Reserve Fund**

**Auburn Area Recreation and Park District Standing Finance Committee meeting, August, 2025.**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors approve Resolution #2025-23 transferring FY 24-25 surplus/residual funds of \$400,000 to the Future Capital Construction Fund (\$300,000) and the Equipment Reserve Fund (\$100,000)?

### **Background**

The FY 24/25 financial report indicated a surplus (“residual”) of \$400,000. The Net Position decreased by \$177,000, however \$577,000 was transferred from reserves to cover the project costs and Asset purchases. By reducing the total transfers of 2024-25 by the loss of \$177,000, \$400,000 remains available to replenish the reserves. Per standard practice, year-end surpluses are earmarked for transfer to reserve funds.

The ARD Board Procedures and Responsibilities manual outlines responsibilities regarding budgetary items and financial oversight.

## **Section II – Responsibilities and Duties of the Board**

### **Board Responsibilities**

7. Review, evaluate and approve the following:

H. Recommend budgetary items for fiscal Capital Outlay Budget for new projects

### **Board Duties**

4. To review, approve and oversee the budget and financial reports

### **Recommendation**

Staff recommends that the Board of Directors approve Resolution #2025-23 and send to the consent calendar for Board Approval. This includes transferring \$300,000 to the Placer Co. Future Capital Construction Reserve Fund and \$100,000 to the Placer Co. Equipment Replacement Fund.

**Alternatives to Consider:**

- 1) Transfer the total \$400,000 to the Placer Co: Equipment Replacement Reserves Fund.
- 2) Transfer the total \$400,000 to the Placer Co: Future Capital Construction Reserves Fund.

**Fiscal Impact**

Transfer to Future Capital Construction Reserves Fund: Fund will increase by \$300,000, bringing the balance to \$1,192,311. Transfer to Equipment Replacement Fund: Fund will increase by \$100,000, bringing the balance to \$740,581.

**Attachments**

Resolution #2025-23

RESOLUTION NUMBER 2025-23

A RESOLUTION OF THE GOVERNING BOARD OF DIRECTORS OF THE AUBURN AREA RECREATION AND PARK DISTRICT APPROVING THE TRANSFER OF FUNDS IN THE AMOUNT OF \$400,000 FROM THE GENERAL FUND TO THE FUTURE CAPITAL CONSTRUCTION RESERVES IN THE AMOUNT OF \$300,000 AND TO THE EQUIPMENT REPLACEMENT RESERVES IN THE AMOUNT OF \$100,000.

WHEREAS, in August of 2025, the Auburn Area Recreation & Park District Board of Directors agreed with the residual funds in the amount of \$400,000 from the year-end 2024-2025 Financials should be transferred from the General Fund, and;

WHEREAS, \$300,000 to be transferred into the Future Capital Construction reserves, and;

WHEREAS, \$100,000 to be transferred into the Equipment Replacement Reserves, and;

THEREFORE, the Auburn Area Recreation and Park District Board of Directors does hereby resolve the following:

That the Auburn Area Recreation and Park District Board of Directors hereby transfers \$400,000 from the General Fund to the Future Capital Construction Reserves in the amount of \$300,000 and to the Equipment Replacement Reserves in the amount of \$100,000.

APPROVED, PASSED, AND ADOPTED ON AUGUST 28, 2025 by the following roll call vote:

Ayes:

Noes:

Absent:

Abstain:

\_\_\_\_\_  
Michael G. Lynch  
Vice-Chairperson of the Governing Board

ATTEST:

\_\_\_\_\_  
Clerk to the Governing Board

## **4.6 Cover sheet – Placer County Auditor-Controller MOU**

**Auburn Area Recreation and Park (ARD) Finance Committee, August 2025 meeting.**

### **The Issue**

Shall the Auburn Area Recreation and Park District (ARD) continue a Memorandum of Understanding (MOU) with the Placer County Auditor-Controller for services provided?

### **Background**

On July 1, 2020, Andrew Sisk from the Placer County Auditor-Controller's office initiated an MOU with the District to provide services for the District for July 2020 – June 2021.

A new MOU has been sent via email for this fiscal year.

These services include the use of the County's centralized accounting system and recording of financial system entries. The Auditor-Controller's office processes checks to us per the District's weekly request. They also calculate the appropriation limit (GANN Limit) for the District.

### **Recommendation for the Finance Committee**

Staff recommend the Finance Committee forward a positive recommendation and send this to the consent calendar for the Board's approval.

### **Fiscal Impact**

\$1,148.86 (covers July 1, 2025 – June 30, 2026).

2021-2022	\$1,024.11
2022-2023	\$886.74
2024-2025	\$4,366.56
2025-2026	\$4,464.00

### **Attachments**

MOU between ARD and the Placer County Auditor-Controller





## COUNTY OF PLACER

### OFFICE OF THE AUDITOR-CONTROLLER

ANDREW C. SISK, CPA  
Auditor-Controller

E-mail: [asisk@placer.ca.gov](mailto:asisk@placer.ca.gov)

NICOLE C. HOWARD, CPA  
Assistant Auditor-Controller  
E-mail: [nhoward@placer.ca.gov](mailto:nhoward@placer.ca.gov)

July 1, 2025

To the Board of Directors and Management  
Auburn Area Recreation and Park District

The Auditor-Controller is pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2025-2026 fiscal year.

#### A. Scope of Services

The Auditor-Controller will provide the following services to Auburn Area Recreation and Park (District):

1. **General Accounting** – includes use of the County's centralized accounting system and recording of financial system entries submitted by the District. Transactions will be reviewed for authorization by appropriate District personnel prior to processing. This also includes compiling the District's financial information to report within the County's Cost Plan, if applicable.
2. **Accounts Payable** – includes processing payment claims by warrant, wire, or ACH. Claims will be reviewed to validate authorized District signers have approved the payment prior to processing, recording, and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Reviewing invoices for mathematical accuracy and appropriateness of expenditure is not part of the service agreement.
3. **Gann Limit** – calculation of appropriation limit for the current fiscal year and measurement (testing) of appropriation limit for the previous fiscal year to assist the District in meeting the requirements of Article XIII B, Section 1.5 of the California Constitution.

#### B. Term

The term of this Agreement will commence on July 1, 2025, and end on June 30, 2026. Subject to written agreement of the parties, this agreement may be renewed annually.

#### C. Responsibilities of Auditor-Controller

The Auditor-Controller's responsibility under this Agreement is to perform the services enumerated above. The Auditor-Controller will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment.

The Auditor-Controller's services are not designed to detect instances of fraud, or non-compliance with laws or regulations or significant errors; however, the Auditor-Controller will communicate to the District any known and suspected fraud, non-compliance with laws or regulations, or significant errors that come to their attention. Neither the County nor the Auditor-Controller will be held liable should any instances of fraud, non-compliance with laws or regulations or significant errors be subsequently discovered by either the District or through a claim or lawsuit to the District.

D. Responsibilities of District Management

The District is responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all District Board authorized budgets and budget amendments. The District is encouraged to routinely provide accounting reports and payment registers to its Board for review.

The District agrees to inform County of significant non-compliance, fraud and/or errors immediately upon discovery.

For all services provided, District management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. The District agrees to hold the County and the Auditor-Controller harmless for any subsequent claims or lawsuits that may arise from the results of the services.

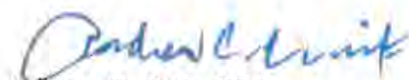
Annual Cost and Billing

The annual cost of services identified above is \$4,464. The District will be billed by journal entry during the third quarter of the fiscal year for the entire annual costs. Specific billing details can be provided to the District upon request.

Agreement

The Auditor-Controller appreciates the opportunity to be of service to you and believes this letter accurately summarizes the significant terms of your agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements. Please execute this document and return the original version to my office at your earliest convenience.

Sincerely,



Andrew C. Sisk, CPA  
Auditor-Controller

We, the undersigned, have read and agree to the terms of this Agreement. We represent we have the authority to execute this Agreement on behalf of the Auburn Area Recreation and Park District.

Authorized Signature: \_\_\_\_\_ Dated: \_\_\_\_\_

Authorized Board Signature (If Necessary): \_\_\_\_\_ Dated: \_\_\_\_\_

## **4.7 Cover sheet – Contract Approval for Sierra Pool Chlorine Generator Electrode Stack Replacement**

**Auburn Area Recreation and Park District Board of Directors Acquisition and Development Meeting August, 2025**

### **The Issue**

Shall the Auburn Recreation District Board of Directors approve a contract with Knorr Systems Inc. for the replacement of the electrode stacks for the NEXGEN chlorine generating system?

### **Background**

The electrode stacks for the NEXGEN chlorine generating system at Sierra Pool need replacing. These stacks, which are necessary for the conversion of salt to chlorine, need to be replaced every 3 – 5 years as they will erode and deplete.

ARD Policy states:

#### **IV. Competitive Bidding**

- D. Purchases of Equipment Valued Over Five Thousand Dollars (\$5,000). For equipment estimated to cost more than Five Thousand Dollars (\$5,000), three quotations from different vendors will be sought, when available. Contracts for equipment costing more than \$25,000 shall be approved by the Board of Directors.

There are only two regional distributors of these electrodes. Staff received a quote from each:

Knorr Systems, Inc. (KSI):	\$35,433.28
Vivo Aquatics:	\$40,936.83

### **Recommendation for the Finance Committee**

Review and send a positive recommendation to the Board to approve the contract with Knorr Systems Inc. for the replacement of the electrode stacks for the NEXGEN chlorine generating system.

### **Fiscal Impact**

\$35,433.28 will be deducted from the ARD Equipment Reserve Fund. As of June 30, 2025, there was \$760,580.72 in that account

### **Attachments**

Quote from KSI  
Pictures of the electrodes



## ESTIMATE

Auburn Area Rec. District  
Sierra Pool- Comp Pool ChlorKing NEXGEN 80R Cell Stack  
Replacements x 4

Order # 313334  
Date 06/19/25  
Consultant Chris Robertson  
WQA Joe Miller  
Billing Terms Net 30

### Proposed To

Auburn Area Rec. District  
Jesse Williams  
471 Maidu Suite 20011260N  
Auburn, CA 95603

### Ship To

Auburn Recreation Sierra Pool  
Jesse Williams  
123 Recreation Dr  
Auburn, CA 95603-5427  
Phone: (530) 308-6105 Fax:  
Courier Service  
KSI Delivery

### Order Description

Labor and materials to replace the (4) Electrode Stacks on a ChlorKing NEXGEN 80R Chlorine Generator.

### Order Items

Line Item Code	Description	Quantity	Unit Price	Item Total
WP-131-00258	Electrode Stack 20 SM NEX REVL	4	7,850.00	31,400.00
KI	KSI- ChlorKing Electrode Stack Replacements	1	1,322.00	1,322.00



Knorr Systems, Int'l. \* Since 1977 \* (800) 676-7946 \* [www.aquafinity.com](http://www.aquafinity.com)  
Aquafinity \* Santa Ana CA \* Livermore CA







## ESTIMATE

Auburn Area Rec. District  
Sierra Pool- Comp Pool ChlorKing NEXGEN 80R Cell Stack  
Replacements x 4

Order #	313334
Date	06/19/25
Consultant	Chris Robertson
WQA	Joe Miller
Billing Terms	Net 30

### Proposed To

Auburn Area Rec. District  
Jesse Williams  
471 Maidu Suite 20011260N  
Auburn, CA 95603

### Ship To

Auburn Recreation Sierra Pool  
Jesse Williams  
123 Recreation Dr  
Auburn, CA 95603-5427

Phone: (530) 308-6105

Fax:

### Courier Service

KSI Delivery

### Additional Information

NEXGEN 80R System Serial # 11,256

This proposal includes labor, materials, testing equipment, travel and standard parts necessary to perform stated work. It does not include additional parts or labor beyond this listed scope. Additional materials and Work will be quoted as applicable.

Estimated Freight

Please click link below to digitally accept this proposal

Subtotal	32,722.00
Adjustment	0.00
Total	32,722.00
Shipping	434.78
Tax	2,276.50
CC Surcharge	0.00
Grand Total	35,433.28
Payments	0.00

## Proposal Acceptance

Signature

Date

We are pleased to submit the above package for your consideration.

#### Terms & Conditions:

1. Payment terms are subject to the credit agreement you have on file with KSI.
2. A deposit may be required to process your order
3. Orders over \$5,000 paid by credit card will incur a 3% processing fee.
4. 18% APR is charged on all past due invoices
5. Pricing is valid for 30 days from date of this Estimate, after which is subject to change.
6. If applicable, returns must be pre-approved, shipped prepaid and accompany written RMA.
7. Minimum 20% restocking fee applies to all returns. % is based on actual manufacturer restock fee.
8. Freight cost is an estimate only and actual freight may be different at time of shipping.
9. Order is subject to applicable sales tax to ship point



Knorr Systems, Int'l. \* Since 1977 \* (800) 676-7946 \* [www.aquafinity.com](http://www.aquafinity.com)  
Aquafinity \* Santa Ana CA \* Livermore CA







**DISCUSSION ITEMS:**

- 1) California CLASS
- 2) County Mitigation Fund, \$518,320
- 3) City Mitigation Fund, current balance \$199,105, all funds allocated
- 4) Placer County Investment Report as of June 30, 2025

California CLASS						
California CLASS						
		Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD
					Average Daily Balance	Month End Balance
CA-01-0244-0001	Annual Equip Replacement Reserve	0.00	500,000.00	0.00	1,425.50	1,425.50
CA-01-0244-0003	Annual Future Capital Construction	0.00	500,000.00	0.00	1,425.50	1,425.50
<b>TOTAL</b>		<b>0.00</b>	<b>1,000,000.00</b>	<b>0.00</b>	<b>2,851.00</b>	<b>2,851.00</b>
					<b>806,543.58</b>	<b>1,002,851.00</b>



Account Number: CA-01-0244-0001

Annual Equip Replacement Reserve

Account Summary

Average Monthly Yield: 4.3427%

	Beginning Balance	Contributions	Withdrawals	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	0.00	500,000.00	0.00	1,425.50	403,271.79	501,425.50

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
07/07/2025	Contribution	500,000.00			12159
07/31/2025	Income Dividend Reinvestment	1,425.50			
07/31/2025	Ending Balance			501,425.50	



Account Statement

July 31, 2025

Page 3 of 4

Account Number: CA-01-0244-0003

Annual Future Capital Construction

Account Summary

Average Monthly Yield: 4.3427%

	Beginning Balance	Contributions	Withdrawals	Income Earned	Income Earned YTD	Average Daily Balance	Month End Balance
California CLASS	0.00	500,000.00	0.00	1,425.50	1,425.50	403,271.79	501,425.50

Transaction Activity

Transaction Date	Transaction Description	Contributions	Withdrawals	Balance	Transaction Number
07/07/2025	Contribution	500,000.00			12160
07/31/2025	Income Dividend Reinvestment	1,425.50			
07/31/2025	Ending Balance			501,425.50	



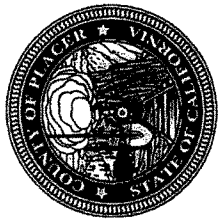


## California CLASS

### California CLASS

Date	Dividend Rate	Daily Yield
07/01/2025	0.000119889	4.3760%
07/02/2025	0.000120145	4.3853%
07/03/2025	0.000479008	4.3709%
07/04/2025	0.000000000	4.3709%
07/05/2025	0.000000000	4.3709%
07/06/2025	0.000000000	4.3709%
07/07/2025	0.000119368	4.3569%
07/08/2025	0.000118877	4.3390%
07/09/2025	0.000118864	4.3385%
07/10/2025	0.000118654	4.3309%
07/11/2025	0.000355842	4.3294%
07/12/2025	0.000000000	4.3294%
07/13/2025	0.000000000	4.3294%
07/14/2025	0.000118550	4.3271%
07/15/2025	0.000118558	4.3274%
07/16/2025	0.000119974	4.3437%
07/17/2025	0.000118836	4.3375%
07/18/2025	0.000356685	4.3397%
07/19/2025	0.000000000	4.3397%
07/20/2025	0.000000000	4.3397%
07/21/2025	0.000118501	4.3253%
07/22/2025	0.000118292	4.3176%
07/23/2025	0.000118208	4.3146%
07/24/2025	0.000118207	4.3145%
07/25/2025	0.000356004	4.3314%
07/26/2025	0.000000000	4.3314%
07/27/2025	0.000000000	4.3314%
07/28/2025	0.000119309	4.3548%
07/29/2025	0.000119347	4.3562%
07/30/2025	0.000119306	4.3511%
07/31/2025	0.000118993	4.3432%

Performance results are shown net of all fees and expenses and reflect the reinvestment of dividends and other earnings. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. **Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses.**



OFFICE OF TRISTAN BUTCHER  
TREASURER-TAX COLLECTOR

---

**COUNTY OF PLACER**

**TREASURER'S POOLED INVESTMENT REPORT**

**For the Month of June 30, 2025**

---

2976 Richardson Drive, Auburn, CA 95603  
Phone: (530) 889-4120 | Fax: (530) 889-4123  
[www.placer.ca.gov/tax](http://www.placer.ca.gov/tax)

## **PREFACE**

### **Placer County Treasurer's Pooled Investment Report**

**June 30, 2025**

For the purpose of clarity, the following glossary of investment terms has been provided.

**Book Value** is the purchase price of a security plus amortization of any premium or discount. This may be more or less than face value, depending upon whether the security was purchased at a premium or at a discount.

**Par Value** is the principal amount of a security and the amount of principal that will be paid at maturity.

**Market Value** is the value at which a security can be sold at the time it is priced or the need to sell arises.

Market values are only relevant if the investment is sold prior to maturity. Profit or loss would be realized only if the specific investment were to be sold.

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### **Government Code 53646 Compliance Report**

The following information is a monthly update of funds on deposit in the Placer County Treasury pursuant to California Government code Section 53646. Further details of individual investments are included in the Treasurer's Monthly Investment Report. All investment transactions and decisions have been made with full compliance with California Government Code and Placer County's Statement of Investment Policy.

Individual securities are priced at the end of each month by Wells Fargo Bank.

The Weighted Average Maturity of the investments with the Treasury is 659 days.

The ability of the Placer County Treasury to meet its cash flow needs is demonstrated by \$446,177,112.31 in cash and investments maturing in the next 180 days.



Placer County

General Fund  
Portfolio Management  
Portfolio Summary  
June 30, 2025

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM 360 Equiv.	YTM 365 Equiv.
LGIP	80,000,000.00	80,000,000.00	80,000,000.00	3.28	1	1	4.389	4.450
U.S. Treasury Coupons	895,000,000.00	887,332,813.00	883,365,619.22	36.28	1,036	500	3.979	4.034
mPower Placer - Long Term	2,949,796.07	2,565,395.08	2,952,234.80	0.12	7,339	4,080	4.061	4.117
Federal Agency Coupons	1,219,000,000.00	1,223,911,580.00	1,218,933,372.79	50.04	1,348	801	3.953	4.008
Collateralized Inactive Bank Deposits	5,000,000.00	5,000,000.00	5,000,000.00	0.21	1	1	4.213	4.272
Negotiable Certificates of Deposit	100,000,000.00	100,041,000.00	100,000,000.00	4.11	364	310	4.289	4.349
Collateralized CDs	23,000,000.00	23,000,000.00	23,000,000.00	0.94	366	217	4.147	4.204
Supranational	40,000,000.00	40,895,355.55	40,795,720.40	1.67	1,479	1,394	3.819	3.872
Commercial Paper Disc. -Amortizing	65,000,000.00	65,000,000.00	65,000,000.00	2.67	1	0	4.260	4.320
Local Agency Bond	8,966,958.34	8,623,192.57	8,966,958.34	0.37	7,250	4,677	2.981	3.002
mPower Placer	7,517,871.00	6,223,978.40	7,517,871.00	0.31	7,705	5,029	3.664	3.715
mPower - Folsom	377,103.36	332,927.09	377,103.36	0.02	7,884	4,203	3.446	3.494
Investments	2,446,811,728.77	2,442,926,241.69	2,435,908,879.91	100.00%	1,154	659	3.994	4.050

Cash								
Passbook/Checking (not included in yield calculations)	26,177,112.31	26,177,112.31	26,177,112.31		1	1	0.000	0.000
Total Cash and Investments	2,472,988,841.08	2,469,103,354.00	2,462,085,992.22		1,154	659	3.994	4.050

Total Earnings	June 30	Month Ending	Fiscal Year To Date	Fiscal Year Ending
Current Year	8,314,879.92		95,643,883.39	95,643,883.39
Average Daily Balance	2,511,666,763.60		2,433,482,634.74	
Effective Rate of Return	4.03%		3.93%	

  
JONATHAN SCHMIDT, ASST. TREASURER-TAX COLLECTOR

Reporting period 06/01/2025-06/30/2025  
Data Updated: FUNDSNAP: 07/03/2025 11:53  
Run Date: 07/03/2025 - 11:53

Portfolio PLCR  
AC  
IE (PRF\_PM1) 7.3.11  
Report Ver. 7.3.11

**General Fund**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2025**

Page 1

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>LGIP</b>											
LGIP	22486	California Asset Mgmt Prog			20,000,000.00	20,000,000.00	20,000,000.00	4.450	4.450	1	
SYS23345	23345	CalTRUST			60,000,000.00	60,000,000.00	60,000,000.00	4.450	4.450	1	
		<b>Subtotal and Average</b>	<b>118,566,566.67</b>		<b>80,000,000.00</b>	<b>80,000,000.00</b>	<b>80,000,000.00</b>		<b>4.450</b>	<b>1</b>	
<b>U.S. Treasury Coupons</b>											
91282CBH3	20549	U. S. TREASURY COUPON		03/10/2021	10,000,000.00	9,779,800.00	9,975,688.62	0.375	0.773	214	01/31/2026
91282CAJ0	20553	U. S. TREASURY COUPON		03/11/2021	10,000,000.00	9,929,900.00	9,982,944.02	0.250	0.680	61	08/31/2025
91282CAB7	20556	U. S. TREASURY COUPON		03/11/2021	10,000,000.00	9,966,200.00	9,996,683.47	0.250	0.660	30	07/31/2025
91282CBH3	20557	U. S. TREASURY COUPON		03/11/2021	10,000,000.00	9,779,800.00	9,976,797.71	0.375	0.753	214	01/31/2026
91282CBQ3	20558	U. S. TREASURY COUPON		03/11/2021	10,000,000.00	9,760,200.00	9,981,458.33	0.500	0.786	242	02/28/2026
91282CAM3	20590	U. S. TREASURY COUPON		04/07/2021	10,000,000.00	9,900,100.00	9,987,796.37	0.250	0.749	91	09/30/2025
91282CAB7	20601	U. S. TREASURY COUPON		04/09/2021	10,000,000.00	9,966,200.00	9,996,366.74	0.250	0.700	30	07/31/2025
91282CAB7	20612	U. S. TREASURY COUPON		04/15/2021	10,000,000.00	9,986,200.00	9,996,711.58	0.250	0.656	30	07/31/2025
91282CEY3	22473	U. S. TREASURY COUPON		04/21/2023	20,000,000.00	19,989,400.00	19,992,333.03	3.000	4.054	14	07/15/2025
91282BA27	22474	U. S. TREASURY COUPON		04/21/2023	20,000,000.00	19,463,200.00	19,519,002.68	1.500	3.799	410	08/15/2026
91282B2R0	22475	U. S. TREASURY COUPON		04/21/2023	20,000,000.00	19,400,000.00	19,442,523.38	2.250	3.681	775	08/15/2027
91282B3W8	22476	U. S. TREASURY COUPON		04/21/2023	10,000,000.00	9,762,100.00	9,786,423.73	2.750	3.644	959	02/15/2028
91282B3W8	22593	U. S. TREASURY COUPON		06/29/2023	20,000,000.00	19,524,200.00	19,332,256.58	2.750	4.161	959	02/15/2028
91282CFE6	22609	U. S. TREASURY COUPON		07/08/2023	10,000,000.00	9,982,900.00	9,978,295.23	3.125	5.002	45	08/15/2025
91282CHH7	22612	U. S. TREASURY COUPON		07/10/2023	10,000,000.00	10,012,300.00	9,956,721.23	4.125	4.614	349	06/15/2026
91282CGL9	22613	U. S. TREASURY COUPON		07/10/2023	10,000,000.00	9,987,400.00	9,957,860.15	4.000	4.722	229	02/15/2026
91282CFE6	22615	U. S. TREASURY COUPON		07/10/2023	15,000,000.00	14,974,350.00	14,969,473.19	3.125	4.882	45	08/15/2025
91282CHU8	23055	U. S. TREASURY COUPON		08/28/2023	10,000,000.00	10,043,400.00	9,965,691.37	4.375	4.705	410	08/15/2026
91282CGE5	23116	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,973,000.00	19,893,111.31	3.875	4.927	198	01/15/2026
91282CHM6	23117	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	20,105,200.00	19,936,235.04	4.500	4.829	379	07/15/2026
91282B4N7	23118	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,554,000.00	19,094,743.72	2.875	4.723	583	05/15/2027
91282B4N7	23119	U. S. TREASURY COUPON		10/16/2023	20,000,000.00	19,554,000.00	19,094,743.72	2.875	4.642	1,049	05/15/2028
91282CGE5	23129	U. S. TREASURY COUPON		10/20/2023	10,000,000.00	9,986,500.00	9,936,082.67	3.875	5.137	198	01/15/2026
91282CHM6	23130	U. S. TREASURY COUPON		10/20/2023	10,000,000.00	10,052,600.00	9,944,871.43	4.500	5.073	379	07/15/2026
91282B4N7	23131	U. S. TREASURY COUPON		10/20/2023	15,000,000.00	14,629,050.00	14,329,219.83	2.375	5.014	683	05/15/2027
91282B4N7	23132	U. S. TREASURY COUPON		10/20/2023	15,000,000.00	14,665,500.00	14,201,583.10	2.875	4.968	1,049	05/15/2028
91282CHM6	23150	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	10,052,600.00	9,986,500.00	3.875	4.635	379	07/15/2026
91282CGE5	23151	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	9,986,500.00	9,955,969.10	3.875	4.738	198	01/15/2026
91282CHB0	23152	U. S. TREASURY COUPON		11/06/2023	10,000,000.00	9,962,900.00	9,915,838.76	3.625	4.659	318	05/15/2026
91282B4V9	23203	U. S. TREASURY COUPON		12/21/2023	20,000,000.00	19,507,800.00	19,408,177.60	2.875	3.920	1,141	08/15/2028
91282CHM6	23204	U. S. TREASURY COUPON		12/21/2023	40,000,000.00	40,210,400.00	40,131,456.78	4.500	4.162	379	07/15/2026

Data Updated: FUNDSNAP: 07/03/2025 11:53  
 In Date: 07/03/2025 - 11:53

Portfolio PLCR  
 AC  
 PM (PRF\_PM2) 7.3.11

Report Ver. 7.3.11



General Fund  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2025

Page 2

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
U.S. Treasury Coupons											
91282CHB0	23205	U. S. TREASURY COUPON		12/21/2023	10,000,000.00	9,962,900.00	9,954,623.29	3.625	4.176	318	05/15/2026
91282CGE5	23206	U. S. TREASURY COUPON		12/21/2023	20,000,000.00	19,973,000.00	19,957,440.48	3.875	4.289	198	01/15/2026
91282CEY3	23399	U. S. TREASURY COUPON		05/28/2024	50,000,000.00	49,973,500.00	49,951,069.92	3.000	5.111	14	07/15/2025
91282R2R0	23433	U. S. TREASURY COUPON		07/09/2024	15,000,000.00	14,550,000.00	14,370,997.13	2.250	4.383	775	08/15/2027
91282R2R0	23434	U. S. TREASURY COUPON		07/09/2024	20,000,000.00	19,400,000.00	19,165,608.44	2.250	4.372	775	08/15/2027
91282CHH7	24089	U. S. TREASURY COUPON		11/08/2024	20,000,000.00	20,024,600.00	19,982,258.67	4.125	4.220	349	06/15/2026
91282CHX2	24090	U. S. TREASURY COUPON		11/08/2024	10,000,000.00	10,197,300.00	10,059,740.93	4.375	4.187	1,157	08/31/2028
91282B4V9	24091	U. S. TREASURY COUPON		11/08/2024	15,000,000.00	14,630,850.00	14,448,053.69	2.875	4.158	1,141	08/15/2028
91282CKS9	24092	U. S. TREASURY COUPON		11/08/2024	15,000,000.00	15,107,250.00	15,086,673.44	4.875	4.215	334	05/31/2026
91282BP46	24115	U. S. TREASURY COUPON		12/06/2024	25,000,000.00	24,807,250.00	24,620,439.72	1.625	4.132	229	02/15/2026
91282CHB0	24116	U. S. TREASURY COUPON		12/06/2024	30,000,000.00	29,888,700.00	29,877,910.71	3.625	4.108	318	05/15/2026
91282CHM6	24117	U. S. TREASURY COUPON		12/06/2024	50,000,000.00	50,263,000.00	50,197,058.98	4.500	4.102	379	07/15/2026
91282CGE5	24118	U. S. TREASURY COUPON		12/06/2024	40,000,000.00	39,946,000.00	39,941,944.44	3.875	4.149	198	01/15/2026
91282CJA0	24127	U. S. TREASURY COUPON		12/18/2024	30,000,000.00	10,277,000.00	10,115,414.71	4.625	4.235	1,187	09/30/2028
91282B4V9	24128	U. S. TREASURY COUPON		12/18/2024	30,000,000.00	29,261,700.00	28,833,031.79	2.875	4.230	1,141	08/15/2028
91282R6B1	24168	U. S. TREASURY COUPON		01/28/2025	40,000,000.00	38,520,400.00	37,803,704.99	2.625	4.290	1,325	02/15/2029
91282CKD2	24209	U. S. TREASURY COUPON		03/05/2025	20,000,000.00	20,363,948.91	20,219,749.89	4.250	3.940	1,338	02/28/2029
91282R6X3	24257	U. S. TREASURY COUPON		04/25/2025	15,000,000.00	14,740,950.00	14,757,933.29	2.125	3.942	334	05/31/2026
91282CHM6	24258	U. S. TREASURY COUPON		04/25/2025	15,000,000.00	15,265,364.09	15,273,101.39	4.500	3.921	379	07/15/2026
Subtotal and Average					895,000,000.00	887,332,813.00	883,365,619.22		4.034	500	
mPower Placer - Long Term											
2015NR-A	2015NR-A	mPower Placer		06/16/2015	808,023.77	702,528.19	808,023.77	4.000	3.999	3,715	09/02/2035
2015NR-BLT	2015NR-BLT	mPower Placer		09/02/2016	1,756,890.17	1,511,558.03	1,756,890.17	4.000	4.000	4,081	09/02/2036
72601FAC2	2018B	Public Finance Authority		06/28/2018	384,882.13	351,308.86	387,320.86	5.050	4.894	4,840	10/01/2038
Subtotal and Average					2,949,796.07	2,565,395.08	2,952,234.80		4.117	4,080	
Federal Agency Coupons											
3133EMYE6	20641	FEDERAL FARM CREDIT BANK		05/04/2021	10,000,000.00	9,741,900.00	9,998,316.67	1.000	1.021	307	05/04/2026
3133ERGR6	23409	FEDERAL FARM CREDIT BANK		06/05/2024	20,000,000.00	20,008,600.00	20,000,000.00	5.050	5.056	24	07/25/2025
3133ERGP0	23410	FEDERAL FARM CREDIT BANK		06/05/2024	20,000,000.00	20,002,200.00	20,000,000.00	5.060	5.064	6	07/07/2025
3133ERN72	24132	FEDERAL FARM CREDIT BANK		12/19/2024	20,000,000.00	20,186,200.00	20,000,000.00	4.220	4.221	931	01/18/2028
3133ER2R1	24171	FEDERAL FARM CREDIT BANK		01/29/2025	20,000,000.00	20,280,400.00	19,999,277.16	4.310	4.312	1,445	06/15/2029
3133ER2S9	24172	FEDERAL FARM CREDIT BANK		01/29/2025	15,000,000.00	15,210,750.00	14,999,322.02	4.310	4.312	1,452	06/22/2029
3133ER2Q3	24173	FEDERAL FARM CREDIT BANK		01/29/2025	15,000,000.00	15,208,700.00	14,999,458.24	4.310	4.312	1,435	06/05/2029
3133ER2P5	24174	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,366,750.00	25,000,000.00	4.310	4.311	1,513	08/22/2029

Portfolio PLCR  
AC  
PM (PRF\_PM2) 7.3.11

**General Fund**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2025**

Page 3

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365 Days to Maturity	Maturity Date
<b>Federal Agency Coupons</b>										
3133ER2M2	24175	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,365,750.00	25,000,000.00	4.310	4.310	1,499 08/08/2029
3133ER2N0	24176	FEDERAL FARM CREDIT BANK		01/29/2025	25,000,000.00	25,366,250.00	25,000,000.00	4.310	4.311	1,506 08/15/2029
3133ER6S5	24213	FEDERAL FARM CREDIT BANK		03/06/2025	20,000,000.00	20,029,200.00	20,000,000.00	3.970	3.970	1,528 09/08/2029
3130AKWW4	20503	FEDERAL HOME LOAN BANK		02/01/2021	10,000,000.00	9,783,300.00	9,999,768.63	0.500	0.504	212 01/29/2026
3130ALCV4	20609	FEDERAL HOME LOAN BANK		04/14/2021	10,000,000.00	9,776,900.00	9,989,095.60	0.750	0.923	238 02/24/2026
3130ANJD3	21083	FEDERAL HOME LOAN BANK		08/26/2021	5,000,000.00	4,889,650.00	5,000,000.00	1.250	0.895	421 08/26/2026
3130ANRX0	21084	FEDERAL HOME LOAN BANK		08/26/2021	5,000,000.00	4,848,750.00	5,000,000.00	1.250	1.000	421 08/26/2026
3130ANVS6	21092	FEDERAL HOME LOAN BANK		08/30/2021	10,000,000.00	9,657,400.00	10,000,000.00	1.000	1.001	421 08/26/2026
3130ANW22	21093	FEDERAL HOME LOAN BANK		08/30/2021	5,000,000.00	4,890,450.00	5,000,000.00	0.850	0.850	239 02/25/2026
3130APUS2	21207	FEDERAL HOME LOAN BANK		11/22/2021	5,000,000.00	4,977,150.00	4,999,554.57	1.000	1.146	49 08/19/2025
3130APUN3	21215	FEDERAL HOME LOAN BANK		11/30/2021	4,000,000.00	3,873,880.00	4,000,000.00	1.250	1.250	423 08/28/2026
3130AQCT8	21256	FEDERAL HOME LOAN BANK		12/17/2021	5,000,000.00	4,860,150.00	5,000,000.00	1.330	1.468	381 07/17/2026
3130AVWF5	22491	FEDERAL HOME LOAN BANK		05/03/2023	10,000,000.00	9,981,300.00	10,000,000.00	3.680	3.661	366 07/02/2028
3130AVWE8	22492	FEDERAL HOME LOAN BANK		05/03/2023	10,000,000.00	9,999,900.00	10,000,000.00	4.000	3.981	1 07/02/2025
3130AVWA6	22493	FEDERAL HOME LOAN BANK		05/03/2023	20,000,000.00	19,984,600.00	20,000,000.00	3.725	3.726	731 07/02/2027
3130AVWC2	22494	FEDERAL HOME LOAN BANK		05/03/2023	10,000,000.00	9,967,500.00	10,000,000.00	3.615	3.616	916 01/03/2028
3130AW2U3	22511	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	9,969,100.00	10,000,000.00	3.620	3.621	595 02/16/2027
3130AW2V1	22512	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	9,970,100.00	10,000,000.00	3.625	3.626	587 02/08/2027
3130AW2W9	22513	FEDERAL HOME LOAN BANK		05/16/2023	10,000,000.00	9,971,800.00	10,000,000.00	3.635	3.636	580 02/01/2027
3130AW7B0	22527	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,009,300.00	10,000,000.00	3.925	3.926	442 09/16/2026
3130AW7C8	22528	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,009,000.00	10,000,000.00	3.920	3.921	449 09/23/2026
3130AW7A2	22529	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,009,400.00	10,000,000.00	3.930	3.932	430 09/04/2026
3130AW6Z8	22530	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	10,009,700.00	10,000,000.00	3.930	3.931	436 09/10/2026
3130AW6X31	22531	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	9,993,300.00	10,000,000.00	4.180	4.182	69 09/06/2025
3130AW6Y1	22532	FEDERAL HOME LOAN BANK		05/23/2023	10,000,000.00	9,993,700.00	10,000,000.00	4.180	4.182	63 09/02/2025
3130AWFA3	22559	FEDERAL HOME LOAN BANK		06/12/2023	10,000,000.00	10,057,900.00	10,000,000.00	4.080	4.061	799 09/08/2027
3130AWF96	22560	FEDERAL HOME LOAN BANK		06/12/2023	10,000,000.00	10,063,700.00	10,000,000.00	4.020	4.021	951 02/07/2028
3130AWFB1	22565	FEDERAL HOME LOAN BANK		06/13/2023	10,000,000.00	10,059,300.00	10,000,000.00	4.070	4.071	792 09/01/2027
3130AWFC9	22566	FEDERAL HOME LOAN BANK		06/13/2023	10,000,000.00	10,065,500.00	10,000,000.00	4.025	4.026	958 02/14/2028
3130AWLA6	22600	FEDERAL HOME LOAN BANK		07/06/2023	15,000,000.00	15,004,500.00	15,000,000.00	4.905	4.907	34 08/04/2025
3130AWLB4	22601	FEDERAL HOME LOAN BANK		07/06/2023	10,000,000.00	10,003,900.00	10,000,000.00	4.895	4.897	41 08/11/2025
3130AWL57	22602	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,182,400.00	20,000,000.00	4.460	4.461	591 02/12/2027
3130AWL73	22603	FEDERAL HOME LOAN BANK		07/06/2023	10,000,000.00	10,091,900.00	10,000,000.00	4.450	4.451	604 02/25/2027
3130AWL81	22604	FEDERAL HOME LOAN BANK		07/06/2023	10,000,000.00	10,126,300.00	10,000,000.00	4.275	4.276	951 02/07/2028
3130AWL65	22605	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,182,800.00	20,000,000.00	4.450	4.451	601 02/22/2027
3130AWL99	22606	FEDERAL HOME LOAN BANK		07/06/2023	20,000,000.00	20,254,400.00	20,000,000.00	4.270	4.271	966 02/22/2028

Portfolio PLCR  
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Data Updated: FUNDSNAP: 07/03/2025 11:53

In Date: 07/03/2025 - 11:53

**General Fund**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2025**

Page 4

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupons</b>											
3130AVMN7	23031	FEDERAL HOME LOAN BANK		08/16/2023	20,000,000.00	20,367,000.00	19,971,135.46	4.375	4.430	1,074	06/09/2028
3130AWWZ9	23032	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,121,700.00	10,000,000.00	4.500	4.502	714	06/15/2027
3130AWX21	23033	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,139,800.00	10,000,000.00	4.480	4.480	770	08/10/2027
3130AWX62	23034	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,136,900.00	10,000,000.00	4.470	4.470	765	08/05/2027
3130AWX54	23035	FEDERAL HOME LOAN BANK		08/16/2023	10,000,000.00	10,129,200.00	10,000,000.00	4.495	4.497	709	08/10/2027
3130AYBH8	23209	FEDERAL HOME LOAN BANK		12/22/2023	20,000,000.00	20,000,400.00	20,000,000.00	4.460	6.378	9	07/10/2025
3130AYBK1	23210	FEDERAL HOME LOAN BANK		12/22/2023	15,000,000.00	15,058,500.00	15,000,000.00	3.855	3.855	1,105	07/10/2028
3130AYBJ4	23211	FEDERAL HOME LOAN BANK		12/22/2023	15,000,000.00	15,027,600.00	15,000,000.00	4.000	4.001	559	01/11/2027
3130AYGV2	23232	FEDERAL HOME LOAN BANK		01/11/2024	10,000,000.00	10,028,600.00	10,000,000.00	4.193	4.194	400	08/05/2026
3130AYGR1	23233	FEDERAL HOME LOAN BANK		01/11/2024	15,000,000.00	15,041,700.00	15,000,000.00	4.180	4.181	407	08/12/2026
3130AYGU4	23234	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,068,200.00	20,000,000.00	4.110	4.110	553	01/05/2027
3130AYGW0	23235	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,093,000.00	20,000,000.00	3.985	3.985	1,287	01/08/2029
3130AYGT7	23236	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,123,400.00	20,000,000.00	4.020	4.020	924	01/11/2028
3130AYGP5	23237	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,102,000.00	20,000,000.00	4.050	4.050	736	07/07/2027
3130AYGQ3	23238	FEDERAL HOME LOAN BANK		01/11/2024	20,000,000.00	20,148,200.00	20,000,000.00	3.980	3.980	1,100	07/05/2028
3130AYQF6	23260	FEDERAL HOME LOAN BANK		01/29/2024	30,000,000.00	30,159,900.00	30,000,000.00	4.080	4.061	741	07/12/2027
3130AYQE9	23261	FEDERAL HOME LOAN BANK		01/29/2024	15,000,000.00	15,073,050.00	15,000,000.00	4.070	4.071	700	06/01/2027
3130AYQB5	23262	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,109,800.00	20,000,000.00	4.040	4.040	1,305	01/26/2029
3130AYQ90	23263	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,187,000.00	20,000,000.00	4.057	4.058	1,098	07/03/2028
3130AYQA7	23264	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,171,200.00	20,000,000.00	4.062	4.063	1,066	06/01/2028
3130AYQD1	23265	FEDERAL HOME LOAN BANK		01/29/2024	20,000,000.00	20,104,000.00	20,000,000.00	4.060	4.061	804	09/13/2027
3130AYQC3	23266	FEDERAL HOME LOAN BANK		01/29/2024	15,000,000.00	15,078,750.00	15,000,000.00	4.070	4.071	720	06/21/2027
3130B0YB9	23366	FEDERAL HOME LOAN BANK		04/17/2024	25,000,000.00	25,004,500.00	25,000,000.00	5.120	5.127	9	07/10/2025
3130B0YC7	23367	FEDERAL HOME LOAN BANK		04/17/2024	25,000,000.00	25,009,750.00	25,000,000.00	5.110	5.117	20	07/21/2025
3130B1NB9	23408	FEDERAL HOME LOAN BANK		06/05/2024	20,000,000.00	20,006,000.00	20,000,000.00	5.040	5.040	17	07/18/2025
3130B1XB8	23411	FEDERAL HOME LOAN BANK		06/05/2024	15,000,000.00	15,113,700.00	15,000,000.00	4.710	4.713	388	07/24/2026
3130B4CD1	24129	FEDERAL HOME LOAN BANK		07/10/2024	30,000,000.00	30,348,600.00	30,000,000.00	4.300	4.301	1,080	06/15/2028
3130B4CE94	24130	FEDERAL HOME LOAN BANK		12/19/2024	20,000,000.00	20,107,200.00	20,000,000.00	4.110	4.112	1,172	09/15/2028
3130B4CF6	24131	FEDERAL HOME LOAN BANK		12/19/2024	20,000,000.00	20,107,200.00	20,000,000.00	4.080	4.081	1,543	09/21/2029
3130B4LH2	24149	FEDERAL HOME LOAN BANK		01/13/2025	20,000,000.00	20,100,200.00	20,000,000.00	4.080	4.081	1,480	07/20/2029
3130B5GJ1	24212	FEDERAL HOME LOAN BANK		03/06/2025	20,000,000.00	20,323,000.00	20,000,000.00	4.370	4.370	1,289	01/10/2029
3130B5U48	24238	FEDERAL HOME LOAN BANK		04/07/2025	20,000,000.00	19,938,600.00	20,000,000.00	3.750	3.751	1,479	07/19/2029
3130B5W87	24247	FEDERAL HOME LOAN BANK		04/14/2025	15,000,000.00	15,016,050.00	15,000,000.00	3.875	3.876	1,290	01/11/2029
3130B6QL3	24297	FEDERAL HOME LOAN BANK		06/11/2025	10,000,000.00	10,114,200.00	10,000,000.00	4.050	4.051	1,668	01/24/2030
3130B6QM1	24298	FEDERAL HOME LOAN BANK		06/11/2025	10,000,000.00	10,114,200.00	10,000,000.00	4.050	4.051	1,669	01/25/2030

Data Updated: FUNDSNAP: 07/03/2025 11:53  
 In Date: 07/03/2025 - 11:53

Portfolio PLCR  
 AC  
 PM (PRF\_PM2) 7.311

**General Fund**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2025**

Page 5

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Federal Agency Coupons</b>											
3137EAX3	20417	FED HOME LOAN MORT CORP		12/15/2020	10,000,000.00	9,908,900.00	9,998,988.13	0.375	0.419	84	09/23/2025
3134GXHY3	21206	FED HOME LOAN MORT CORP		11/22/2021	5,000,000.00	4,844,250.00	4,979,127.32	0.750	1.190	357	06/23/2026
3135G05X7	20421	FEDERAL NATIONAL MORT. ASSOC.		12/15/2020	10,000,000.00	9,938,700.00	9,999,328.99	0.375	0.420	55	08/25/2025
		<b>Subtotal and Average</b>	<b>1,220,597,495.31</b>		<b>1,219,000,000.00</b>	<b>1,223,911,580.00</b>	<b>1,218,933,372.79</b>		<b>4.008</b>	<b>801</b>	
<b>Collateralized Inactive Bank Deposit</b>											
SYS19055	19055	Five Star Bank - PIMMA			5,000,000.00	5,000,000.00	5,000,000.00	4.272	4.272	1	
		<b>Subtotal and Average</b>	<b>5,000,000.00</b>		<b>5,000,000.00</b>	<b>5,000,000.00</b>	<b>5,000,000.00</b>		<b>4.272</b>	<b>1</b>	
<b>Negotiable Certificates of Deposit</b>											
22536JQW8	24295	Credit Agricole CIB NY		06/10/2025	10,000,000.00	10,014,500.00	10,000,000.00	4.350	4.410	374	07/10/2026
53947B3X6	24296	Lloyds Bank Corp Mkts NY		06/10/2025	25,000,000.00	25,043,250.00	25,000,000.00	4.380	4.441	374	07/10/2026
89115DZT6	24244	TORONTO DOMINION BANK NY		04/11/2025	15,000,000.00	14,992,350.00	15,000,000.00	4.280	4.339	195	01/12/2026
89115DZX7	24245	TORONTO DOMINION BANK NY		04/11/2025	10,000,000.00	9,993,100.00	10,000,000.00	4.230	4.288	227	02/13/2026
89115DA48	24260	TORONTO DOMINION BANK NY		04/25/2025	20,000,000.00	19,997,600.00	20,000,000.00	4.220	4.279	325	05/22/2026
89115D7L4	24261	TORONTO DOMINION BANK NY		04/25/2025	20,000,000.00	20,000,200.00	20,000,000.00	4.250	4.309	311	05/08/2026
		<b>Subtotal and Average</b>	<b>89,500,000.00</b>		<b>100,000,000.00</b>	<b>100,041,000.00</b>	<b>100,000,000.00</b>		<b>4.349</b>	<b>310</b>	
<b>Collateralized CDs</b>											
SYS24153	24153	Five Star Bank - CD		01/06/2025	10,000,000.00	10,000,000.00	10,000,000.00	4.150	4.208	189	01/06/2026
SYS24185	24185	Five Star Bank - CD		02/07/2025	10,000,000.00	10,000,000.00	10,000,000.00	4.190	4.248	223	02/09/2026
SYS24254	24254	River City Bank		04/19/2025	3,000,000.00	3,000,000.00	3,000,000.00	3.990	4.045	292	04/19/2026
		<b>Subtotal and Average</b>	<b>23,000,000.00</b>		<b>23,000,000.00</b>	<b>23,000,000.00</b>	<b>23,000,000.00</b>		<b>4.204</b>	<b>217</b>	
<b>Supranational</b>											
45950KDHO	24236	International Finance Corp		04/04/2025	20,000,000.00	20,547,822.22	20,568,343.37	4.250	3.770	1,462	07/02/2029
4581X0EN4	24243	INTER-AMERICAN DEVELOPMENT BNK		04/11/2025	20,000,000.00	20,347,533.33	20,227,377.03	4.125	3.975	1,325	02/15/2029
		<b>Subtotal and Average</b>	<b>40,800,354.87</b>		<b>40,000,000.00</b>	<b>40,895,355.55</b>	<b>40,795,720.40</b>		<b>3.872</b>	<b>1,394</b>	
<b>Commercial Paper Disc. - Amortizing</b>											
22533TU12	24311	Credit Agricole CIB		06/30/2025	65,000,000.00	65,000,000.00	65,000,000.00	4.260	4.320	0	07/01/2025
		<b>Subtotal and Average</b>	<b>77,663,353.33</b>		<b>65,000,000.00</b>	<b>65,000,000.00</b>	<b>65,000,000.00</b>		<b>4.320</b>	<b>0</b>	

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**General Fund**  
**Portfolio Management**  
**Portfolio Details - Investments**  
**June 30, 2025**

Page 6

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM 365	Days to Maturity	Maturity Date
<b>Local Agency Bond</b>											
SYS16098	16098	Ackerman School District		04/03/2017	4,555,686.80	4,587,294.76	4,655,686.80	2.800	2.800	4,294	04/03/2037
SYS17042	17042	Mid Placer Public School Trans		12/21/2017	107,761.94	107,168.17	107,761.94	2.850	2.850	903	12/21/2027
SYS18093	18093	Mid Placer Public School Trans		01/16/2019	424,783.34	418,602.74	424,783.34	3.000	3.000	1,295	01/16/2029
16115	16115	Newcastle Elementary SD		06/30/2017	2,426,371.83	2,157,772.47	2,426,371.83	2.800	2.800	8,034	06/30/2047
SYS23342	23342	Placer Hills Fire Protection		04/03/2024	599,876.73	599,876.73	599,876.73	4.170	4.170	1,372	04/03/2029
SYS23287	23287	Placer CEO Fire		02/01/2024	752,477.70	752,477.70	752,477.70	4.000	4.000	1,311	02/01/2029
		<b>Subtotal and Average</b>	<b>9,019,113.36</b>		<b>8,966,958.34</b>	<b>8,623,192.57</b>	<b>8,966,958.34</b>		<b>3.002</b>	<b>4,677</b>	
<b>mPower Placer</b>											
2016NR-A	2016NR-A	mPower Placer		08/04/2016	2,930,646.45	2,330,713.82	2,930,646.45	3.000	3.042	4,446	09/02/2037
2017 NR	2017 NR	mPower Placer		07/06/2017	19,582.25	15,378.72	19,582.25	3.000	3.042	4,811	09/02/2038
2017 R	2017 R	mPower Placer		07/06/2017	22,503.93	17,673.24	22,503.93	3.000	3.042	4,811	09/02/2038
2018 NR	2018 NR	mPower Placer		07/26/2018	39,242.38	29,416.87	39,242.38	4.500	4.563	5,176	09/02/2039
2018 R	2018 R	mPower Placer		07/12/2018	97,469.43	84,993.34	97,469.43	4.500	4.563	5,176	09/02/2039
2018 S-NR	18003	Pioneer Community Energy		08/09/2018	260,621.29	231,145.02	260,621.29	4.500	4.563	5,176	09/02/2039
2017 S-NR	2017 S-NR	Pioneer Community Energy		09/28/2017	112,093.72	85,135.18	112,093.72	3.000	3.042	4,811	09/02/2038
2017 S-R	2017 S-R	Pioneer Community Energy		07/06/2017	1,055,431.49	834,329.15	1,055,431.49	3.000	3.042	4,811	09/02/2038
2018 S-R	2018 S-R	Pioneer Community Energy		07/12/2018	875,820.78	769,522.41	875,820.78	4.500	4.563	5,176	09/02/2039
2019-20 R-1	2019-20 R-1	Pioneer Community Energy		07/11/2019	679,143.40	590,146.45	679,143.40	4.500	4.563	5,542	09/02/2040
2020-21 R1	2020-21 R1	Pioneer Community Energy		07/23/2020	657,113.95	568,738.69	657,113.95	4.500	4.563	5,907	09/02/2041
2021-22 R1	2021-22 R1	Pioneer Community Energy		08/26/2021	717,919.50	626,040.16	717,919.50	4.500	4.563	6,272	09/02/2042
2016S R-1	2016S R-1	Sierra Valley Energy Authority		01/26/2017	50,282.43	40,743.35	50,282.43	3.000	3.042	4,446	09/02/2037
		<b>Subtotal and Average</b>	<b>7,517,871.00</b>		<b>7,517,871.00</b>	<b>6,223,978.40</b>	<b>7,517,871.00</b>		<b>3.715</b>	<b>5,029</b>	
<b>mPower - Folsom</b>											
2016-IA3 #2	2016-IA3 #2	mPower Folsom		07/14/2016	71,623.85	62,835.60	71,623.85	3.500	3.549	4,446	09/02/2037
2017-IA3 #3	2017-IA3 #3	mPower Folsom		07/27/2017	27,253.69	23,005.38	27,253.69	2.750	2.788	4,811	09/02/2038
MFIA-3	MFIA-3	mPower Folsom		09/01/2015	179,632.42	158,768.11	179,632.42	3.500	3.549	4,081	09/02/2036
MF R-1	MFR-1	mPower Folsom		09/01/2015	98,593.40	86,318.00	98,593.40	3.500	3.549	4,081	09/02/2036
		<b>Subtotal and Average</b>	<b>377,103.36</b>		<b>377,103.36</b>	<b>332,927.09</b>	<b>377,103.36</b>		<b>3.494</b>	<b>4,203</b>	

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General Fund  
Portfolio Management  
Portfolio Details - Investments  
June 30, 2025

Page 7

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to 365	Maturity
Total and Average			2,511,665,763.60		2,446,811,728.77	2,442,926,241.69	2,435,908,879.91		4.050	659	

**General Fund  
Portfolio Management  
Portfolio Details - Cash  
June 30, 2025**

Page 8

CUSIP	Investment #	Issuer	Average Balance	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	YTM	Days to 365 Maturity
<b>Cash at Bank</b>										
SYS00000	00000	PLACER COUNTY CASH			25,181,286.00	25,181,286.00	25,181,286.00		0.000	1
<b>Undeposited Receipts</b>										
SYS00000VAULT	00000VAULT	PLACER COUNTY CASH			995,826.31	995,826.31	995,826.31		0.000	1
		<b>Average Balance</b>	<b>0.00</b>							<b>1</b>
<b>Total Cash and Investments</b>			<b>2,511,566,763.60</b>		<b>2,472,988,841.08</b>	<b>2,469,103,354.00</b>	<b>2,462,085,992.22</b>		<b>4.050</b>	<b>659</b>



General Fund  
Purchases Report  
Sorted by Fund - Fund  
June 1, 2025 - June 30, 2025

Placer County

CUSIP	Investment #	Fund	Sec. Type	Original Par Value	Purchase Date	Payment	Principal Purchase	Accrued at Purchase	Rate at Purchase	Maturity Date	YTM	Ending Book Value
General Fund												
63873J34	24288	1010	ACP NATXNY	140,000,000.00	06/02/2025	06/03 - At Maturity	139,983,433.33		4.260	06/03/2025	4.260	0.00
63873J34	24289	1010	ACP NATXNY	140,000,000.00	06/03/2025	06/04 - At Maturity	139,983,433.33		4.260	06/04/2025	4.260	0.00
63873J34	24290	1010	ACP NATXNY	140,000,000.00	06/04/2025	06/05 - At Maturity	139,983,433.33		4.260	06/05/2025	4.260	0.00
63873J34	24291	1010	ACP NATXNY	135,000,000.00	06/05/2025	06/06 - At Maturity	134,984,024.99		4.260	06/06/2025	4.260	0.00
63873J34	24292	1010	ACP NATXNY	120,000,000.00	06/06/2025	06/09 - At Maturity	119,957,400.00		4.260	06/09/2025	4.262	0.00
63873J34	24293	1010	ACP NATXNY	125,000,000.00	06/09/2025	06/10 - At Maturity	124,985,208.33		4.260	06/10/2025	4.260	0.00
22536JQW8	24295	1010	NCB CANYCD	10,000,000.00	06/10/2025	07/10 - At Maturity	10,000,000.00		4.350	07/10/2026	4.350	10,000,000.00
53947B3X6	24296	1010	NCB LBCMNY	25,000,000.00	06/10/2025	07/10 - At Maturity	25,000,000.00		4.380	07/10/2026	4.380	25,000,000.00
63873JTB6	24294	1010	ACP NATXNY	85,000,000.00	06/10/2025	06/11 - At Maturity	84,989,941.66		4.260	06/11/2025	4.260	0.00
313086QL3	24297	1010	FAC FHLB	10,000,000.00	08/11/2025	07/24 - 01/24	10,000,000.00		4.050	01/24/2030	4.051	10,000,000.00
313086QM1	24298	1010	FAC FHLB	10,000,000.00	06/11/2025	07/25 - 01/25	10,000,000.00		4.050	01/25/2030	4.051	10,000,000.00
63873JTC4	24299	1010	ACP NATXNY	60,000,000.00	06/11/2025	06/12 - At Maturity	59,992,900.00		4.260	06/12/2025	4.260	0.00
63873JTD2	24300	1010	ACP NATXNY	55,000,000.00	06/12/2025	06/13 - At Maturity	54,993,481.66		4.260	06/13/2025	4.260	0.00
63873JTG5	24301	1010	ACP NATXNY	30,000,000.00	06/13/2025	06/16 - At Maturity	29,989,350.00		4.260	06/16/2025	4.262	0.00
63873JTH3	24302	1010	ACP NATXNY	50,000,000.00	06/16/2025	06/17 - At Maturity	49,994,083.33		4.260	06/17/2025	4.260	0.00
63873JTJ9	24303	1010	ACP NATXNY	55,000,000.00	06/17/2025	06/18 - At Maturity	54,993,481.66		4.260	06/18/2025	4.260	0.00
63873JTL4	24304	1010	ACP NATXNY	45,000,000.00	06/18/2025	06/20 - At Maturity	44,989,350.00		4.260	06/20/2025	4.261	0.00
63873JTP5	24305	1010	ACP NATXNY	50,000,000.00	06/20/2025	06/23 - At Maturity	49,982,250.00		4.260	06/23/2025	4.262	0.00
63873JTQ3	24306	1010	ACP NATXNY	55,000,000.00	06/23/2025	06/24 - At Maturity	54,993,481.66		4.260	06/24/2025	4.260	0.00
63873JTR1	24307	1010	ACP NATXNY	75,000,000.00	06/24/2025	06/25 - At Maturity	74,991,125.00		4.260	06/25/2025	4.260	0.00
63873JTS9	24308	1010	ACP NATXNY	85,000,000.00	06/25/2025	06/26 - At Maturity	84,989,941.66		4.260	06/26/2025	4.260	0.00
63873JTT7	24309	1010	ACP NATXNY	65,000,000.00	06/26/2025	06/27 - At Maturity	64,992,308.33		4.260	06/27/2025	4.260	0.00
63873JTW0	24310	1010	ACP NATXNY	65,000,000.00	06/27/2025	06/30 - At Maturity	64,976,925.00		4.260	06/30/2025	4.262	0.00
22533TU12	24311	1010	ACP CACPNY	65,000,000.00	06/30/2025	07/01 - At Maturity	64,992,308.33		4.260	07/01/2025	4.260	65,000,000.00
Subtotal							1,694,737,891.60	0.00				120,000,000.00
Total Purchases							1,694,737,891.60	0.00				120,000,000.00



**PLACER COUNTY 2024/25**  
**Summary by Issuer**  
**June 30, 2025**

Placer County

Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
Ackerman School District	1	4,655,686.80	4,655,686.80	0.19	2.800	4,294
Credit Agricole CIB	1	65,000,000.00	64,992,308.33	2.65	4.320	0
California Asset Mgmt't Prog	1	20,000,000.00	20,000,000.00	0.82	4.450	1
Credit Agricole CIB NY	1	10,000,000.00	10,000,000.00	0.41	4.410	374
CalTRUST	1	60,000,000.00	60,000,000.00	2.45	4.450	1
FEDERAL FARM CREDIT BANK	11	215,000,000.00	214,987,850.00	8.78	4.257	1,107
FEDERAL HOME LOAN BANK	69	979,000,000.00	978,856,320.00	39.96	4.041	752
FED HOME LOAN MORT CORP	2	15,000,000.00	14,880,900.00	0.61	0.676	175
FEDERAL NATIONAL MORT. ASSOC.	1	10,000,000.00	9,979,000.00	0.41	0.420	55
Five Star Bank - PIMMA	1	5,000,000.00	5,000,000.00	0.20	4.272	1
Five Star Bank - CD	2	20,000,000.00	20,000,000.00	0.82	4.228	206
International Finance Corp	1	20,000,000.00	20,372,320.00	0.83	3.770	1,462
INTER-AMERICAN DEVELOPMENT BNK	1	20,000,000.00	20,105,120.00	0.82	3.975	1,325
Lloyds Bank Corp Mkts NY	1	25,000,000.00	25,000,000.00	1.02	4.441	374
Mid Placer Public School Trans	2	532,545.28	532,545.28	0.02	2.970	1,216
mPower Folsom	4	377,103.36	377,103.36	0.02	3.494	4,203
mPower Placer	7	5,674,358.38	5,674,358.38	0.23	3.511	4,249
Newcastle Elementary SD	1	2,426,371.83	2,426,371.83	0.10	2.800	8,034
Placer Hills Fire Protection	1	599,876.73	599,876.73	0.02	4.170	1,372
Public Finance Authority	1	384,882.13	392,579.77	0.02	4.894	4,840
Pioneer Community Energy	7	4,358,144.13	4,358,144.13	0.18	4.155	5,426
PLACER COUNTY CASH	2	26,177,112.31	26,177,112.31	1.07	0.000	1
Placer CEO Fire	1	752,477.70	752,477.70	0.03	4.000	1,311

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PLACER COUNTY 2024/25  
Summary by Issuer  
June 30, 2025

Issuer	Number of Investments	Par Value	Remaining Cost	% of Portfolio	Average YTM 365	Average Days to Maturity
River City Bank	1	3,000,000.00	3,000,000.00	0.12	4.045	292
Sierra Valley Energy Authority	1	50,282.43	50,282.43	0.00	3.042	4,446
TORONTO DOMINION BANK NY	4	65,000,000.00	65,000,000.00	2.65	4.304	276
U. S. TREASURY COUPON	50	895,000,000.00	871,659,169.83	35.58	4.034	500
<b>Total and Average</b>	<b>176</b>	<b>2,472,988,841.08</b>	<b>2,449,829,526.88</b>	<b>100.00</b>	<b>4.007</b>	<b>652</b>