

**CHICO AREA RECREATION  
AND PARK DISTRICT**  
FINANCIAL STATEMENTS AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2022

\* \* \*



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Morgan Hill, CA 95037

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# Chico Area Recreation and Park District

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For the Year Ended June 30, 2022

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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of the Chico Area Recreation and Park District  
Chico, California

### Report on the Audit of the Financial Statements

#### *Opinion*

We have audited the accompanying financial statements of the business-type activities of the Chico Area Recreation and Park District (the "District") as of and for the year ended June 30, 2022 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of business-type activities of Chico Area Recreation and Park District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinion*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's



ability to continue as a going concern for one year after the date that the financial statements are issued.

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

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

In performing an audit in accordance with GAAS, 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 District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

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

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, as listed in the table of contents, 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.

### ***Supplemental Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The supplementary information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. These schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. This information has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

### ***Report on Other Legal and Regulatory Requirements***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 29, 2022 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*C & A LLP*

November 29, 2022  
Morgan Hill, California

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

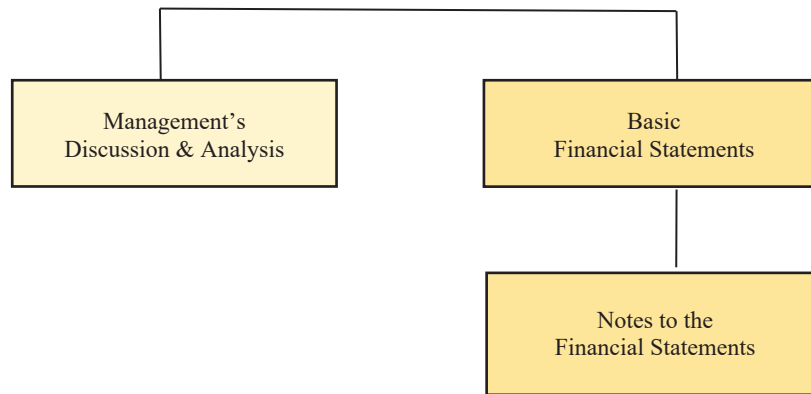
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**INTRODUCTION**

The Management’s Discussion and Analysis (MD&A) is a required section of the District’s annual financial report, as shown in the overview below. The purpose of the MD&A is to present a discussion and analysis of the District’s financial performance during the fiscal year that ended on June 30, 2022. This report will (1) focus on significant financial issues, (2) provide an overview of the District’s financial activity, (3) identify changes in the District’s financial position, (4) identify any individual issues or concerns, and (5) provide descriptions of significant asset and liability activity.

This information, presented in conjunction with the Basic Financial Statements, is intended to provide a comprehensive understanding of the District’s operations and financial standing.

**Required Components of the Annual Financial Report**



**FISCAL YEAR 2022 FINANCIAL HIGHLIGHTS**

- Total net position increased by \$5,387,628 from the last fiscal year.
- The District's assets exceeded its liabilities by \$40,172,481, excluding deferred inflows and outflows of resources. Assets and deferred outflows of resources totaled \$44,709,334 and liabilities and deferred inflows of resources were \$4,105,403.
- Net position consisted of \$26,714,068 classified as net investment in capital assets; \$6,064,991 as restricted; and \$7,824,872 as unrestricted net position.
- Total revenues were \$13,560,712 which consisted of operating revenues totaling \$7,291,417 and nonoperating revenues totaling \$6,269,295.
- Total District operating expenses were \$8,173,084.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

This annual report includes the Management's discussion and analysis report, the independent auditor’s report and the basic financial statements of the District. The financial statements also include notes that explain the information in the financial statements in more detail.

**THE BASIC FINANCIAL STATEMENTS**

The Financial Statements of the District report information about the District's accounting methods similar to those used by private sector companies. These statements offer short-term and long-term financial information about its activities. The Statement of Fund Net Position includes all of the District's assets and liabilities and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities).

All of the current year's revenues and expenses are accounted for in the Statement of Revenues, Expenses and Changes in Fund Net Position. This statement reflects the result of the District's operations over the past year as well as non-operating revenues and expenses.

The final required Financial Statement is the Statement of Cash Flows. The primary purpose of this statement is to provide information about the District's cash receipts and cash payments during the reporting period. The statement reports cash receipts, cash payments, and net changes in cash resulting from operational, capital and investing activities. It also provides answers to questions such as where did cash come from, what was cash used for, and what was the change in cash balance during the reporting period.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**REQUIRED SUPPLEMENTARY INFORMATION**

Required supplementary information, other than the MD&A, follows the Notes and includes pension schedules and other postemployment benefit schedules.

**SUPPLEMENTARY INFORMATION**

Combining and individual fund statements are included to provide additional information of the proprietary funds that constitute the District's basic financial statements.

**FINANCIAL ANALYSIS OF THE DISTRICT**

One of the most important questions asked about the District's finances is "Is the District better off or worse off as a result of the year's activities?" The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position report information about the District's activities in a way that will help answer this question. These two statements report the net position of the District and changes in them. The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources (net position) is one way to measure financial health or financial position. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. However, you will need to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed government legislation.

## NET POSITION

The following table summarized the District's ending net position:

<b>Table 1 - Net Position</b>				
	<b>2022</b>	<b>2021</b>	<b>Dollar Change</b>	<b>Percent Change</b>
<b>Assets</b>				
Current and other assets	16,808,611	12,427,297	\$ 4,381,314	35.3%
Capital assets - net	26,714,068	26,036,175	677,893	2.6%
<b>Total Assets</b>	<b>\$ 43,522,679</b>	<b>\$ 38,463,472</b>	<b>\$ 5,059,207</b>	<b>13.2%</b>
<b>Deferred Outflows of Resources</b>				
	1,186,655	1,437,135	\$ (250,480)	-17.4%
<b>Liabilities</b>				
Current and other liabilities	2,429,628	1,392,651	\$ 1,036,977	74.5%
Noncurrent liabilities	920,570	2,904,030	(1,983,460)	-68.3%
<b>Total Liabilities</b>	<b>\$ 3,350,198</b>	<b>\$ 4,296,681</b>	<b>\$ (946,483)</b>	<b>-22.0%</b>
<b>Deferred Inflows of Resources</b>				
	755,205	387,623	\$ 367,582	94.8%
<b>Net Position</b>				
Net investment in capital assets	\$ 26,714,068	\$ 26,036,175	\$ 677,893	2.6%
Restricted	6,064,991	2,674,371	3,390,620	126.8%
Unrestricted	7,824,872	6,505,757	1,319,115	20.3%
<b>Total Net Position</b>	<b>\$ 40,603,931</b>	<b>\$ 35,216,303</b>	<b>\$ 5,387,628</b>	<b>15.3%</b>

As of June 30, 2022, the largest portion of the Authority's total net position was the net investment in capital assets, which increased by \$677,893, mostly because of construction in progress completion that increased structures and improvements by \$1,172,908, net of depreciation totaling \$858,504.

Noncurrent liabilities decreased by \$1,983,460 primarily due to decrease in the net pension liability of \$2,016,005.

Table 2 below summarizes the District's changes in net position for the year.

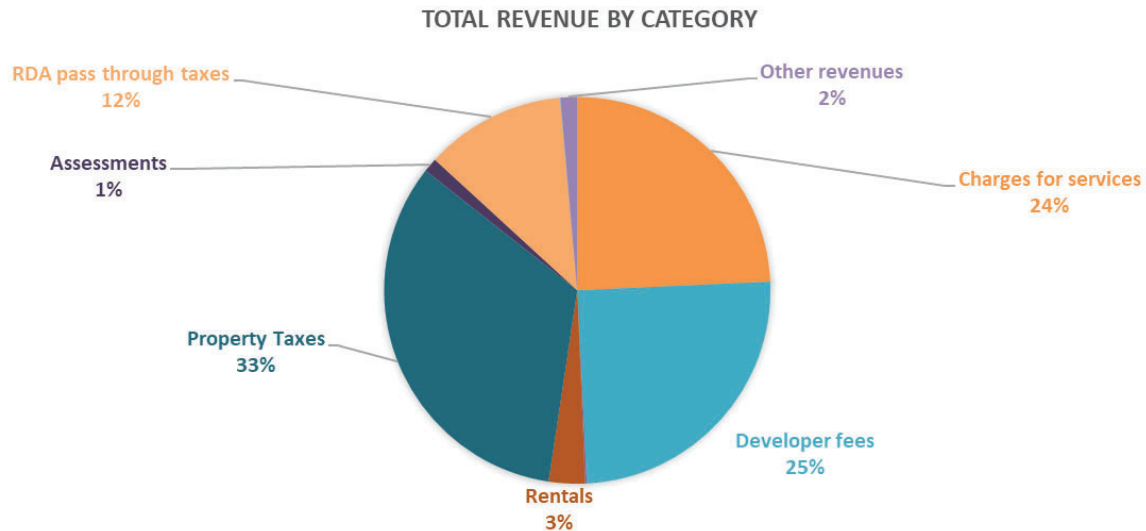
<b>Table 2 - Statement of Changes in Net Position</b>				
Functions/Programs	2022	2021	Dollar Change	Percent Change
<b>Operating Revenues</b>				
Charges for services	3,292,589	2,211,492	\$ 1,081,097	48.89%
Developer fees	3,381,107	2,299,627	1,081,480	47.03%
Intergovernmental City Parks	18,195	1,352,714	(1,334,519)	-98.65%
Rentals	410,249	122,113	288,136	235.96%
Other revenues	189,277	235,376	(46,099)	-19.59%
<b>Total Operating Revenues</b>	<u>7,291,417</u>	<u>6,221,322</u>	<u>1,070,095</u>	17.20%
<b>Operating Expenses</b>				
Salaries and benefits	4,929,354	4,849,402	79,952	1.65%
Services and supplies	2,378,815	2,096,572	282,243	13.46%
Contributions to other agencies	6,411	9,298	(2,887)	-31.05%
Depreciation and amortization	858,504	836,777	21,727	2.60%
<b>Total Operating Expenses</b>	<u>8,173,084</u>	<u>7,792,049</u>	<u>381,035</u>	4.89%
<b>Operating Income (Loss)</b>	<u>(881,667)</u>	<u>(1,570,727)</u>	<u>689,060</u>	43.87%
<b>Nonoperating Revenues (Expenses)</b>				
Property Taxes	4,509,289	4,234,631	274,658	6.49%
Assessments	160,388	150,710	9,678	6.42%
RDA pass through taxes	1,593,211	1,542,243	50,968	3.30%
Investment earnings	6,407	(23,091)	29,498	-127.75%
<b>Total Nonoperating Revenues (Expenses)</b>	<u>6,269,295</u>	<u>5,904,493</u>	<u>364,802</u>	6.18%
Increase / (Decrease) in Net Position	5,387,628	4,333,766	1,053,862	24.32%
<b>Net Position, Beginning of Year</b>	<u>35,216,303</u>	<u>30,882,537</u>	<u>4,333,766</u>	14.03%
<b>Net Position, End of Year</b>	<u>\$ 40,603,931</u>	<u>\$ 35,216,303</u>	<u>\$ 5,387,628</u>	15.30%

The Statement of Revenues, Expenses and Changes in Fund Net Position reflects the District's operating and non-operating revenues and expenses. Total revenues and expenses increased over prior year because of the following:

- Total operating revenues increased by \$1,070,095 (17.20%). This was mainly the result of community park impact fees from the City of Chico reported as developer fees totaling \$1,081,480, and an increase in service fees revenue totaling \$1,081,097.
- Total nonoperating revenues increased by \$364,802 (6.18%). This was mainly the result of an increase in property tax revenue totaling \$274,658.
- Total operating expenses increased by \$381,035 (4.89%). This was mainly the result of an increase in services and supplies of \$393,35.

## Revenues

The following chart summarizes the changes in revenues by category during 2021/22:

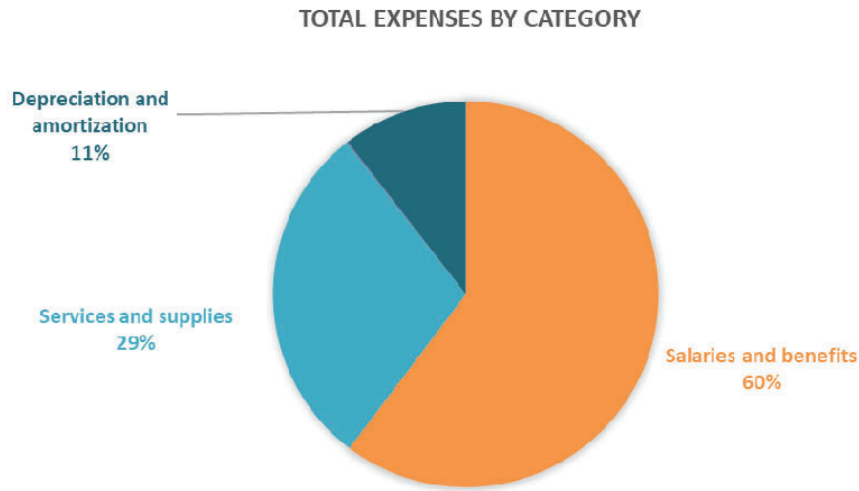


Significant changes in revenues consisted of the following:

- Charges for Services increased by \$1,081,097 (48.89%) most of which was related to an increase in activities post of the COVID 19 pandemic.
- Developer fees increased by \$1,081,480 (47.03%) mainly as a result of new community park impact fees from the City of Chico.
- Taxes increased by \$274,658 (6.49%) from increases in property values.
- RDA pass through taxes increased by \$50,968 (3.30%) because the assessment values for redevelopment properties increased.

**Expenses**

The following chart summarizes the changes in expenses by function during 2021/22:



Significant changes in expenses consisted of the following:

- Salaries and benefits expenses increased by \$79,952 (1.65%) mostly because of increased activities and operations.
- Services and supplies expenses increased by \$282,243 (13.46%) mostly because of increased activities and operations.



## FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

A summary of the changes in net position by sub-fund is presented below:

Table 3 - Summary of Changes in Net Positions

	General Fund	Baroni Park	Oak Way Park	Peterson Park	Park Development	Community Park Impact	Total
Total Revenues	\$10,013,703	\$ 95,552	\$ 23,154	\$ 42,533	\$ 76,309	\$ 3,309,461	\$ 13,560,712
Total Expenditures	7,899,341	91,669	96,197	85,877	-	-	8,173,084
Revenues Over (Under) Expenditures	2,114,362	3,883	(73,043)	(43,344)	76,309	3,309,461	5,387,628
Transfers In	-	967	73,043	43,344	-	-	117,354
Transfers Out	(117,354)	-	-	-	-	-	(117,354)
Change in Net Position	1,997,008	4,850	-	-	76,309	3,309,461	5,387,628
Beginning Net Position	32,541,932	78,578	-	-	352,184	2,243,609	35,216,303
Ending Net Position	\$34,538,940	\$ 83,428	\$ -	\$ -	\$ 428,493	\$ 5,553,070	\$ 40,603,931

## CAPITAL ASSETS

The following table summarizes the District's capital assets at the end of the year:

Table 4 - Capital Assets, Net of Depreciation

	2022	2021	Dollar Change	% Change
Land	\$ 11,634,791	\$ 11,634,791	\$ -	0.00%
Construction in progress	349,579	1,619,827	(1,270,248)	-78.42%
Leasehold Improvements	249,447	275,960	(26,513)	-9.61%
Structures and improvements	14,331,675	12,399,271	1,932,404	15.58%
Parks and Recreation equipment	77,844	89,443	(11,599)	-12.97%
Vehicles	70,732	16,883	53,849	318.95%
Total Capital Assets, Net	\$ 26,714,068	\$ 26,036,175	\$ 677,893	2.60%

Additional detail and information on capital asset activity is described in the note 3 to the financial statements.

## LONG-TERM LIABILITIES

The following table summarizes the District's liabilities at the end of the year:

Table 5 - Long-Term Liabilities

	Governmental Activities			
	2022	2021	Dollar Change	% Change
Net Pension Liability	657,142	2,673,147	(2,016,005)	-75.42%
Compensated Absences	263,428	230,883	32,545	14.10%
Total Long-Term Liabilities	\$ 920,570	\$ 2,904,030	\$ (1,983,460)	-68.30%

Additional detail and information on long-term debt activity is described in the note 4 to the financial statements.

**ECONOMIC FACTORS AND OUTLOOK**

The general economy of Butte County, California has begun to recover from the impacts of COVID-19. The unemployment rate for Butte County was 4%, and 7.7%, respectively, at June 2022 and June 2021. The District has approved a balanced budget for the 2022-2023 year. The District also continues to focus on providing quality recreation programs and well-maintained parks to the Chico community. The costs of these programs are consistently monitored to provide reasonably priced services to the community.

**REQUEST FOR FINANCIAL INFORMATION**

This financial report is designed to provide the District's customers, investors and other interested parties with an overview of the District's financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact the General Manger, Chico Recreation and Park District, 545 Vallombosa Avenue, Chico, CA 95926.

## **BASIC FINANCIAL STATEMENTS**

## Chico Area Recreation and Park District

### Statement of Net Position

June 30, 2022

#### ASSETS

##### Current assets:

Cash and investments	\$ 15,414,670
Accounts receivable	1,375,436
Prepaid expenses	18,505
Total current assets	<u>16,808,611</u>
Capital assets - net	<u>26,714,068</u>
Total assets	<u><u>\$ 43,522,679</u></u>

#### DEFERRED OUTFLOWS OF RESOURCES

Pension adjustments	<u><u>\$ 1,186,655</u></u>
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#### LIABILITIES

##### Current liabilities:

Accounts payable	\$ 75,140
Accrued payroll and liabilities	636,486
Program advances	1,718,002
Total current liabilities	<u>2,429,628</u>

##### Noncurrent liabilities:

Compensated absences	263,428
Net pension liability	657,142
Total noncurrent liabilities	<u>920,570</u>
Total liabilities	<u><u>\$ 3,350,198</u></u>

#### DEFERRED INFLOWS OF RESOURCES

Pension adjustments	<u><u>\$ 755,205</u></u>
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#### NET POSITION

Net investment in capital assets	\$ 26,714,068
Restricted	6,064,991
Unrestricted	7,824,872
Total net position	<u><u>\$ 40,603,931</u></u>

See accompanying notes to basic financial statements.

**Chico Area Recreation and Park District**  
Statement of Revenues, Expenses and Changes in Net Position  
For the Fiscal Year Ended June 30, 2022

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Operating revenues:	
Program service fees	\$ 3,292,589
Developer fees	3,381,107
Intergovernmental City Parks	18,195
Rentals	410,249
Other revenue	189,277
Total operating revenues	<u>7,291,417</u>
Operating expenses:	
Salaries and benefits	4,929,354
Services and supplies	2,378,815
Contributions to other agencies	6,411
Depreciation and amortization	858,504
Total operating expenses	<u>8,173,084</u>
Operating income (loss)	<u>(881,667)</u>
Nonoperating revenues (expenses):	
Interest income	6,407
Assessment fees	160,388
Property taxes	4,509,289
RDA pass through taxes	1,593,211
Net non-operating revenues (expenses)	<u>6,269,295</u>
Change in net position	5,387,628
Net position - beginning	<u>35,216,303</u>
Net position - ending	<u>\$ 40,603,931</u>

See accompanying notes to basic financial statements.

**Chico Area Recreation and Park District**

## Statement of Cash Flows

For the Fiscal Year Ended June 30, 2022

**CASH FLOWS FROM OPERATING ACTIVITIES**

Receipts from customers	\$ 3,015,238
Receipts from other governments	3,399,302
Other Receipts	599,526
Payments to suppliers	(2,610,343)
Payments to employees	(5,904,292)
Other Payments	(6,411)
Net cash provided by (used for) operating activities	<u>(1,506,980)</u>

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Acquisition and construction of capital assets	<u>(1,536,397)</u>
Net cash provided by (used for) capital and related financing activities	<u>(1,536,397)</u>

**CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES**

Receipts from assessments	160,388
Receipts from taxes	4,509,289
Receipts from RDA pass through taxes	<u>1,593,211</u>
Net cash provided by (used for) noncapital and related financing activities	<u>6,262,888</u>

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest received	<u>6,407</u>
Net cash provided by (used for) investing activities	<u>6,407</u>

Net increase (decrease) in cash and cash equivalents 3,225,918

Cash and cash equivalents at beginning of fiscal year	12,188,752
Cash and cash equivalents at end of fiscal year	<u>\$ 15,414,670</u>

**RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES**

Operating income (loss)	\$ (881,667)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:	
Depreciation and amortization	858,504
Changes in operating assets and liabilities:	
(Increase) decrease in accounts receivable	(1,175,580)
(Increase) decrease in prepaid expenses	20,184
(Increase) decrease in deferred outflows of resources	250,480
Increase (decrease) in accounts payable	(251,698)
Increase (decrease) in accrued payroll and liabilities	390,446
Increase (decrease) in program advances	898,229
Increase(decrease) in compensated absences	32,545
Increase(decrease) in deferred inflows of resources	367,582
Increase(decrease) in net pension liability	(2,016,005)
Net cash provided by (used for) operations	<u>\$ (1,506,980)</u>

See accompanying notes to basic financial statements.

**Chico Area Recreation and Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2022**

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**NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

***The Financial Reporting Entity***

The Chico Area Recreation and Park District (the District) is a political subdivision of the state of California and provides recreation services to the residents of the Chico area of Butte county. The District was formed under section 5708-5791 of the Public Resources Code, Article V and is governed by a five-member Board of Directors elected by the voters of the District. A salaried general manager administrates the operation of the District in accordance with policies adopted be the Board of Directors.

Although the nucleus of a financial reporting entity usually is a primary government, an organization other than a primary government, such as a stand-alone government, may serve as the nucleus for its financial reporting entity when the stand-alone government provides separately issued financial statements. A stand-alone government is a legally separate governmental organization that does not have a separately elected governing body and does not meet the definition of a component unit. The District meets the criteria as a stand-alone government, and accordingly, is accounted for and reported on as though it were a primary government.

Component units are defined as legally separate organizations for which the primary government are financially accountable, and other organizations for which the nature and significance of their relationship with a primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete. The District considered all potential component units in determining what organizations should be included in the financial statements. Since no other entities are controlled by, or rely upon the District, the reporting entity consists solely of the District. Based on these criteria, there are no component units to include in the District's financial statements.

The activities of the District include three recreational facility park sub-funds and a park development sub-fund with the balance accounted for in the general operating fund. However, all funds and sub-funds are reported as one fund in the financial statements with separate sub-fund information reported as supplementary information.

***Basis of Presentation***

Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

The Statement of Net Position and the Statement of Revenues, Expenses and Changes in Net Position display information about the District. Business-type activities are financed in whole or in part by fees charged to external parties.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Non-operating revenues, such as interest income and connection fees, result from non-exchange transactions or ancillary activities.

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***Measurement Focus and Basis of Accounting***

Enterprise funds are accounted for on the flow of economic resources measurement focus utilizing full accrual accounting. With this measurement focus, all assets, deferred outflows of resources, liabilities, and deferred inflows of resources of the enterprise are recorded on its statement of net position, and under the full accrual basis of accounting, all revenues are recognized when earned and all expenses, including depreciation, are recognized when incurred.

Unearned revenue arises when assets are received before revenue recognition criteria have been satisfied. Grants and entitlements received before eligibility requirements are met are recorded as deferred inflows from unavailable resources.

The District applies all applicable GASB pronouncements for certain accounting and financial reporting guidance. In December of 2010, GASB issued Statement No. 62, *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. GASB 62 incorporates pronouncements issued on or before November 30, 1989 into GASB authoritative literature. In June of 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 supersedes Statement No. 55, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. GASB 76 also amends GASB 62 and AICPA Pronouncements paragraphs 64, 74, and 82. The GAAP hierarchy sets forth what constitutes GAAP for all state and local governmental entities. It establishes the order of priority of pronouncements and other sources of accounting and financial reporting guidance that a governmental entity should apply.

The sources of authoritative GAAP are categorized in descending order of authority as follows:

- a. Officially established accounting principles—Governmental Accounting Standards Board (GASB) Statements (Category A)
- b. GASB Technical Bulletins; GASB Implementation Guides; and literature of the AICPA cleared by the GASB (Category B).

If the accounting treatment for a transaction or other event is not specified by a pronouncement in Category A, a governmental entity should consider whether the accounting treatment is specified by a source in Category B.

***Deferred Outflows/Deferred Inflows***

In addition to assets, the Statement of Net Position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s), and as such will not be recognized as an outflow of resources (expense/expenditures) until then. The District has recognized a deferred outflow of resources related to the recognition of the net pension liability reported in the Statement of Net Position.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and as such, will not be recognized as an



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inflow of resources (revenue) until that time. The District has recognized a deferred inflow of resources related to the recognition of the District's benefit plans liability reported which is in the Statement of Net Position.

***Statement of Net Position***

Net position is measured on the full accrual basis and is the excess of all the District's assets and deferred outflows of resources over all its liabilities. Net position is classified into the following components:

***Net Investment in Capital Assets***

This component of net position consists of capital assets, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. Deferred outflows of resources and deferred inflows of resources that are attributable to the acquisition, construction, or improvement of those assets or related debt are also included in this component of net position, as applicable.

***Restricted Net Position***

Restricted net position describes the portion of net position which is restricted as to use by the terms and conditions of agreement with outside parties, governmental regulations, laws, or other restrictions which the District cannot unilaterally alter. It is the District's policy to apply restricted resources first when an expense is incurred for purposes for which both restricted and unrestricted net position is available. The District has reported restricted net position of \$83,428 for assets held for *Baroni Park*. These funds are restricted for the park maintenance assessment districts administered by the District. The District has reported restricted net position of \$5,553,070 held for *Community Parks*. These funds are development impact fees that are collected by the City of Chico and then transferred to Chico Area Recreation and Park District and used for Community Parks only. The District has also reported restricted net position of \$428,493 for developer fees collected. These funds are collected from park impact fees and used for new park acquisitions and improvements.

***Unrestricted Net Position***

This component of net position consists of the net amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

***Statement of Revenues, Expenses, and Changes in Net Position***

The statement of revenues, expenses, and changes in net position is the operating statement for proprietary funds. This statement distinguishes between operating and non-operating revenues and expenses and presents a separate subtotal for operating revenues, operating expenses, and operating income. Operating revenues and expenses generally result from providing services in connection with the District's principal ongoing operations. The principal operating revenues of the District are charges for services. Operating expenses for the District include the cost of services and supplies, administrative expenses such as salaries and benefits, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

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***Budgetary Control***

The District's fiscal year is the 12-month period beginning July 1. The general budget policy is that the District submit to the Butte County Auditor a board-approved budget estimating revenue and expenditures for the subsequent fiscal year prior to June 30. The final budget is legally enacted by a board resolution on or before August 10 after necessary adjustments, if any, have been made. Withing certain legal restrictions, adjustments to final budget amounts may be made by the Board of Directors during the year to account for unanticipated occurrences.

***Cash and investments***

Cash includes amounts in demand deposits as well as highly liquid short-term investments. The District's cash and cash equivalents include demand deposits in a financial institution serves as a clearing account into which the District makes daily deposits and then transfers to the County pool on at least a monthly basis.

In accordance with GASB Statement No. 40, *Deposit and Investment Disclosures (Amendment of GASB No.3)*, certain disclosure requirements for Deposits and Investment Risks were made in the areas of interest rate risk and credit risk. The credit risk disclosures include the following components; overall credit risk, custodial credit risk and concentrations of credit risk. In addition, other disclosures are specified including use of certain methods to present deposits and investments, highly sensitive investments, credit quality at year-end and other disclosures.

Investments are recorded at fair value in accordance with GASB Statement No. 72, *Fair Value Measurement and Application*. Accordingly, the change in fair value of investments is recognized as an increase or decrease to investment assets and investment income.

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. In determining this amount, three valuation techniques are available:

- Market approach - This approach uses prices generated for identical or similar assets or liabilities. The most common example is an investment in a public security traded in an active exchange such as the NYSE.
- Cost approach - This technique determines the amount required to replace the current asset. This approach may be ideal for valuing donations of capital assets or historical treasures.
- Income approach - This approach converts future amounts (such as cash flows) into a current discounted amount.

Each of these valuation techniques requires inputs to calculate a fair value. Observable inputs have been maximized in fair value measures, and unobservable inputs have been minimized.

The District maintains most of its cash in the County as part of a common investment pool. Deposits in the pool are valued using the cost approach and includes accrued interest. Information regarding the amount of dollars invested in derivatives with the County was not available. The pool is subject to regulatory oversight by the Treasury Oversight Committee. The District is considered to be a voluntary participant in the County investment pool.

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***Cash Equivalents***

For purposes of the statement of cash flows, all highly liquid investments with original maturities of three months or less and amounts categorized as “Cash in County Treasury” are considered cash equivalents. Cash and cash equivalents include demand deposits in a financial institution and deposits in the Butte County Treasury (the County).

***Receivables and payables***

Trade accounts receivable (including unbilled receivables) are carried at their net realizable values.

***Capital assets***

Capital assets are reported at historical cost, or in the case of donated items, at fair market value on the date donated. The District’s capitalization policy includes all items with a unit cost of \$3,000 or more. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Useful lives are 10 to 30 years for structures, improvements, and leasehold improvements, and 3 to 5 years for equipment.

***Program Advances***

Activity fees paid prior to the utilization of the service are recorded as program advances and are effectively unearned revenues.

***Long-Term Liabilities***

Long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds. Bonds payable are reported net of applicable bond premium and discounts are reported as noncurrent assets along with any insurance payments made during issuance of the bond. Bond issuance costs, other than prepaid insurance, are expensed in the period incurred.

***Compensated Absences***

The District’s policy allows employees to accumulate vacation leave up to the employee’s annual vacation accrual and to accumulate all unused sick leave hours. Upon retirement or separation from the District, the employee is entitled to full compensation for unused vacation. Employees with over five years of service credit and sick leave accruals of over 100 hours to up to 260 hours of accrued sick time at the date of separation. The amount due within one year could not be estimated. Costs for compensated absences are accrued when earned by employees. Accumulated unpaid employee benefits are recognized as a liability in the General Fund at the end of the year.

***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) plan (the Plan) and additions

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to/deductions from the Plan's 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. Plan member contributions are recognized in the period in which the contributions are due. Investments are reported at fair value.

GASB Statement No. 68, Accounting and Financial Reporting for Pensions - an amendment of GASB Statement No. 27 (GASB Statement No. 68) requires that the reported results pertain to liability and asset information within certain defined timeframes. Liabilities are based on the results of actuarial calculations performed as of June 30, 2020. For this report, the following timeframes are used for the District's pension plans:

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Measurement Period	June 30, 2020 to June 30, 2021

***Use of Estimates***

The preparation of basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

***Property Taxes***

Property Taxes are levied by Butte County on the District's behalf and are intended to support operations and service debt. Secured property taxes attach as an enforceable lien on property as of March 1<sup>st</sup>. the amount of property tax received is dependent upon the assessed real property valuations as determined by the Butte County Assessor. Property taxes on the secured roll are due in two equal installments on November 1<sup>st</sup> and February 1<sup>st</sup> each year and are delinquent if not paid by December 10<sup>th</sup> and April 10<sup>th</sup>, of each year, respectively. The District received approximately 45% of its revenue from property taxes. Property tax is recognized when it is available and measurable. The District considers property tax as available if it is received within 60 days after fiscal year end.

***Implemented Accounting and Reporting Changes***

**GASB Statement No. 87, Leases**

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about

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governments' leasing activities. As of June 30, 2022, the District did not have any material contracts that were required to be reported as leases under GASB 87.

***GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans***

The statement (1) requires that a Section 457 plan be classified as either a pension plan or another employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement are effective as follows:

The requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. All other requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

The District did not report any significant accounting changes from the implementation of this Statement during the year ended June 30, 2022.

*Upcoming New Accounting Pronouncements*

**GASB Statement No. 91, Conduit Debt Obligations**

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2020 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged. Management does not believe this statement will have a significant impact on the District's financial statements.

**GASB Statement No. 94, Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements**

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the

# Chico Area Recreation and Park District

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operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged. Management does not believe this statement will have a significant impact on the Districts's financial statements.

### **GASB Statement No. 96, Subscription-Based Information Technology Arrangements**

GASB 96 provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party's software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, Leases. GASB 96 is effective for fiscal years beginning after June 15, 2022. Management does not believe this statement will have a significant impact on the Districts's financial statements.

### **GASB Statement No. 99, Omnibus 2022**

Omnibus statements are issued by GASB to address practice issues identified after other standards have been approved for implementation. Omnibus statements "clear up the loose ends" for recent prior statements GASB has issued. This Omnibus addresses recent pronouncements, including GASB 87 – Leases, GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and GASB 96 – Subscription-Based Information Technology Arrangements.

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic. Management does not believe this statement will have a significant impact on the District's financial statements.

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**GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62**

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements.

The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged. Management does not believe this statement will have a significant impact on the District's financial statements.

**GASB Statement No. 101, Compensated Absences**

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a 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. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used.

This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. 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. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Management is in the process of evaluating the impact this standard will have on the Districts's financial statements.

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**NOTE 2 - CASH AND INVESTMENTS**

*Summary of Cash and Investments*

As of June 30, 2022, the District had the following cash and investments:

Cash and Investments	2022
County Treasury	\$ 13,743,502
Cash in banks	1,670,368
Cash on hand	800
Total Cash and Investments	\$ 15,414,670

*Cash Deposits*

As of June 30, 2022 the carrying amount of the District's cash in banks was \$1,670,368 and the bank balance of the District's accounts with banks was \$4,785,722, which was \$4,535,722 in excess of Federal Depository Insurance Corporation (FDIC) coverage. FDIC covers up to \$250,000 per bank for each entity. Investments are made by diversified investment managers/brokers whose performance is monitored by management and the Board of Directors. Although the fair values of investments are subject to fluctuation on a year-to-year basis, the District believes that its investment strategies are prudent for the long-term welfare of the organization.

The District's cash and investments are pooled with the County of Butte. The County's cash and investment pool is under the oversight of the County and is not rated. For additional information regarding the pooled cash and investments with respect to the risks identified above, please refer to the County of Butte's Annual Comprehensive Financial Report (ACFR).

*Fair Value Measurements*

GASB 72 established a hierarchy of inputs to the valuation techniques above. This hierarchy has three levels:

- Level 1 inputs are quoted prices in active markets for identical assets or liabilities.
- Level 2 inputs are quoted market prices for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other than quoted prices that are not observable.
- Level 3 inputs are unobservable inputs, such as a property valuation or an appraisal.

Investments in the County Treasury Investment Pool are not measured using the input levels above because the District's transactions are based on a stable net asset value per share. All contributions and redemptions are transacted at \$1.00 net asset value per share.



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***Collateral and Categorization Requirements***

The California Government Code requires California banks and savings and loan associations to secure the District's deposits by pledging government securities as collateral. The market value of pledged securities must equal at least 110% of the District's deposits. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of at least 150% of the District's total deposits.

***Investment Policy***

The District's investment policy follows the California Government Code which authorizes the District to invest in its own bonds, certain time deposits, obligations of the U.S. Treasury, agencies and instrumentalities, commercial paper, bankers' acceptances with maturities not to exceed 270 days, and medium-term notes issued by corporations operating within the U.S., commercial paper rated P-1 or higher by Moody's or A-1 by Standard & Poor's commercial paper record, repurchase agreements of obligations of the U.S. Government or its agencies for a term of one year or less and the Local Agency Investment Fund.

The funds pooled with the County are invested in accordance with the County's investment policy established pursuant to state law. All monies not required for immediate expenditure are deposited or invested to earn maximum yield consistent with safety and liquidity.

***Risk Disclosures***

Limitations as they relate to interest rate risk, credit risk, and concentration of credit risk are described below:

***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 the changes in market interest rates. All of the District's cash is held in pooled accounts that mature in one year.

***Credit Risk***

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. With respect to investments, custodial credit risk generally applies only to direct investment in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools. The State of California has no additional requirements for custodial credit risk, nor does the District.

***Custodial Credit Risk***

Custodial credit risk for deposit 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 nor will it be able to recover

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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 to a transaction, a government will not be able to recover the value of its investment or 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 governmental unit).

*Concentration of Credit Risk*

The District's cash and investment funds are pooled with the County of Butte. The investment policy regarding the amount that can be invested in any one issuer is stipulated by the California Government Code. The District is required to disclose investments that represent a concentration of five percent or more of investments in any one issuer, held by the District in securities of issuers other than U. S. Treasury securities, mutual funds, and external investment pools. At June 30, 2022, there were no investments representing five percent or more from any one issuer.

**NOTE 3 - CAPITAL ASSETS**

The District's capital assets consisted of the following as of June 30, 2022:

Governmental activities	Balance July 01, 2021	Additions	Adjustments & Retirements	Balance June 30, 2022
<b>Nondepreciable Capital Assets:</b>				
Land	\$ 11,634,791	\$ -	\$ -	\$ 11,634,791
Construction in progress	1,619,827	1,411,094	(2,681,342)	349,579
Total nondepreciable capital assets	13,254,618	1,411,094	(2,681,342)	11,984,370
<b>Depreciable capital assets:</b>				
Leasehold Improvements	1,098,163	-	-	1,098,163
Structures and improvements	25,665,064	11,101	2,681,342	28,357,507
Parks and Recreation Equipment	1,050,533	19,481	-	1,070,014
Office Equipment	276,499	19,693	-	296,192
Vehicles	399,660	75,028	-	474,688
Total depreciable capital assets	28,489,919	125,303	2,681,342	31,296,564
<b>Less accumulated depreciation:</b>				
Leasehold Improvements	822,203	26,513	-	848,716
Structures and improvements	13,265,793	760,039	-	14,025,832
Parks and Recreation Equipment	961,090	44,209	-	1,005,299
Office Equipment	276,499	6,564	-	283,063
Vehicles	382,777	21,179	-	403,956
Total accumulated depreciation	15,708,362	858,504	-	16,566,866
Total depreciable capital assets - net	12,781,557	(733,201)	2,681,342	14,729,698
Capital assets - net	\$ 26,036,175	\$ 677,893	\$ -	\$ 26,714,068

Depreciation expense for the year ended June 30, 2022 was \$858,504.

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**NOTE 4 - LONG-TERM LIABILITIES**

The District's long-term liabilities consisted of the following as of June 30, 2022

Description	Balance			Balance June 30, 2022	Due Within One Year
	June 30, 2021	Additions	Reductions		
Compensated Absences	\$ 230,883	\$ 51,843	\$ 19,297	\$ 263,428	\$ 197,571
Net Pension Liability	2,673,147	1,608,877	3,624,882	657,142	-
Total Long-term liabilities	<u>\$ 2,904,030</u>	<u>\$ 1,660,720</u>	<u>\$ 3,644,179</u>	<u>\$ 920,570</u>	<u>\$ 197,571</u>

**NOTE 5 - RISK MANAGEMENT**

The District is exposed to various risk of losses related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. In an effort to manage its risk exposure, The District is a member of the Special District Risk Management Authority ("SDRMA"). A summary of the coverage limits are as follows:

General liability - bodily injury	\$ 10,000,000
General liability - property damage	10,000,000
Public officials' errors and omissions	10,000,000
Personal liability coverage for members of the Board of Directors	500,000
Employment practices liability	10,000,000
Employee benefits liability	10,000,000
Employee dishonesty coverage	1,000,000
Auto liability - bodily injury	10,000,000
Auto liability - property damage	10,000,000
Uninsured motorist - bodily injury	1,000,000
Non-owned auto - property damage	10,000,000
Non-owned auto - bodily injury	10,000,000
Auto physical damage - compensation	100,000
Auto physical damage - collision	100,000
Auto physical damage - high dollar vehicles	1,000,000,000
Property - catastrophic loss	1,000,000,000
Property - boiler and machinery	100,000,000
Property - flood	10,000,000
Property - pollution coverage	2,000,000
Property - cybersecurity coverage	2,000,000
Mobile and contractors equipment	1,000,000,000
Workers' compensation	5,000,000

SDRMA is a risk-pooling self-insurance authority created for the purpose of arranging and administering programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage. As a member of the SDRMA, the District participated in the general liability, auto liability, property, boiler and machinery coverage, and public officials' errors and omissions insurance programs.

The District has a \$500 deductible under general liability, a \$500 deductible for personal liability coverage for members of the Board of Directors, and a \$1,000 deductible under auto liability. There were no accrued losses for insurance claims as of June 30, 2022. There were no settlements that exceeded insurance coverage for fiscal year ended June 30, 2022.

**Chico Area Recreation and Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2022**

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Condensed financial information for SDRMA for the fiscal year ended June 30, 2022 is as follows:

	June 30, 2022
Total Assets and Deferred Outflows	\$ 140,466,966
Total Liabilities and Deferred Inflows	74,123,679
Total Equity	66,343,287
Total Revenues	83,706,987
Total Expenditures	78,306,334

**NOTE 6 - EMPLOYEE RETIREMENT BENEFITS**

*General Information about the Pension Plans*

**Plan Description** - All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Plan (the Plan), a cost-sharing multiple employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plan is established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

**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 55 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for the Plan are applied as specified by the Public Employees' Retirement Law.

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

	<b>Miscellaneous</b>	
	Tier 1	PEPRA
Benefit formula	2.5% @ 55	2% @ 62
Benefit vesting schedule	5 Years	5 Years
Benefit payments	Monthly for Life	Monthly for Life
Retirement age	55	62
Monthly benefits as a % of eligible compensation	2.00%	2.00%
Required employee contribution rates	8.00%	6.75%
Required employer contribution rates	10.88%	7.47%

**Chico Area Recreation and Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2022**

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**Employees Covered** - At June 30, 2022, the following employees were covered by the benefit terms for the Plan at the valuation date of June 30, 2021:

	<u>Miscellaneous</u>
Active	50
Transferred	46
Separated	93
Retired	<u>51</u>
Total	<u><u>240</u></u>

**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. The District's contributions were \$722,882 during the fiscal year.

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

As of June 30, 2022, the District reported net pension liabilities for its proportionate shares of the net pension liability totaling \$657,142.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2021, and the total pension liability for the Plan 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 plan 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, 2021 and 2022 was as follows:

Proportion - June 30, 2021	0.02457%
Proportion - June 30, 2022	<u>0.01215%</u>
Change - Increase/(Decrease)	<u><u>-0.01242%</u></u>

For the year ended June 30, 2022, the District recognized pension expense of \$633,774.

**Chico Area Recreation and Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2022**

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At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Changes of Assumptions	\$ -	\$ -
Differences between Expected and Actual Experience	73,691	-
Differences between Projected and Actual Investment Earnings	-	573,649
Differences between Employer's Contributions and Proportionate Share of Contributions	255,761	73,603
Change in Employer's Proportion	134,321	107,953
Pension Contributions Made Subsequent to Measurement Date	722,882	-
<b>Total</b>	<b>\$ 1,186,655</b>	<b>\$ 755,205</b>

The District reported \$722,882, as deferred outflows of resources related to contributions subsequent to the measurement date that will be recognized as a reduction of the net pension liability during the year ended June 30, 2023.

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

<b>Fiscal Year Ending June 30:</b>	<b>Deferred Outflows/ (Inflows) of Resources</b>
2023	\$ (10,074)
2024	(41,065)
2025	(81,766)
2026	(158,527)
2027	-
Thereafter	-
<b>Total</b>	<b>\$ (291,432)</b>

**Chico Area Recreation and Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2022**

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Payroll Growth	2.75%
Projected Salary Increase	(1)
Investment Rate of Return	7.15% (2)
Mortality	(3)

- (1) Varies by entry age and service
- (2) Net of pension plan investment expenses, including inflation
- (3) Derived using CalPERS' membership data for all funds

**Discount Rate** - The discount rate used to measure the total pension liability was 7.15 percent for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.15 percent discount rate is adequate, and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.15 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The cash flows used in the testing were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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.

**Chico Area Recreation and Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2022**

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

Asset Class (a)	Assumed Asset Allocation	Real Return Years 1 - 10 (b)	Real Return Years 11+ (c)
Global Equity	50.00%	4.80%	5.98%
Fixed Income	28.00%	1.00%	2.62%
Inflation Sensitive	0.00%	0.77%	1.81%
Private Equity	8.00%	6.30%	7.23%
Real Estate	13.00%	3.75%	4.93%
Liquidity	1.00%	0.00%	-0.92%
Total	100.00%		

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

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

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

	<u>Miscellaneous</u>
1% Decrease	6.15%
Net Pension Liability	\$ 2,740,591
Current	7.15%
Net Pension Liability	\$ 657,141
1% Increase	8.15%
Net Pension Liability	\$ (1,065,217)

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



**Chico Area Recreation and Park District**  
**Notes to the Basic Financial Statements**  
**June 30, 2022**

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**NOTE 7 - SUBSEQUENT EVENTS**

Management has evaluated all subsequent events from the statement of financial position date of June 30, 2022, through the date the financial statements were available to be issued, November 29, 2022. No subsequent events occurred that would require recognition in the financial statements or disclosure in the notes to the financial statements.

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**REQUIRED SUPPLEMENTARY INFORMATION**

**Chico Area Parks and Recreation District**  
**Schedule of Contributions for Pension Plans**  
**June 30, 2022**

<b>Miscellaneous Plan</b>								
Fiscal Year Ended	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Contractually Required Contributions	\$ 220,825	\$ 224,228	\$ 229,225	\$ 346,326	\$ 383,106	\$ 400,876	\$ 579,955	\$ 527,407
Contributions in Relation to Contractually Required Contributions	220,825	224,228	229,225	346,326	1,111,353	400,876	767,955	722,882
<b>Contribution Deficiency (Excess)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ (728,247)</b>	<b>\$ -</b>	<b>\$ (188,000)</b>	<b>\$ (195,475)</b>
<b>Covered Payroll</b>	<b>\$2,154,908</b>	<b>\$2,354,799</b>	<b>\$2,255,959</b>	<b>\$2,347,917</b>	<b>\$2,491,890</b>	<b>\$2,602,267</b>	<b>\$2,481,040</b>	<b>\$2,691,406</b>
<b>Contributions as a % of Covered Payrol</b>	<b>10.25%</b>	<b>9.52%</b>	<b>10.16%</b>	<b>14.75%</b>	<b>44.60%</b>	<b>15.40%</b>	<b>30.95%</b>	<b>26.86%</b>

**Notes to Schedule:**

Valuation Date: June 30, 2020  
Assumptions Used: Entry Age Method used for Actuarial Cost Method  
Level Percentage of Payroll and Direct Rate Smoothing  
3.8 Years Remaining Amortization Period  
Inflation Assumed at 2.50%  
Investment Rate of Returns set at 7.00%  
CalPERS mortality table based on CalPERS' experience and include 15 years of projected ongoing mortality improvement using 90 percent of Scale MP 2016 published by the Society of Actuaries.

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.  
The CalPERS discount rate was increased from 7.50% to 7.65% in fiscal year 2016, and then to 7.15% in 2018.  
The CalPERS mortality assumptions was adjusted in fiscal year 2019.

**Chico Area Parks and Recreation District**  
**Schedule of Proportionate Share of Net Pension Liability**  
**June 30, 2022**

<b>Miscellaneous and Safety Plan</b> Fiscal Year Ended	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Proportion of Net Pension Liability (Safety and Misc)	0.02733%	0.02562%	0.02749%	0.02862%	0.02131%	0.02280%	0.02457%	0.01215%
Proportion of Net Pension Liability (Misc Plan Only)	0.06881%	0.06409%	0.06847%	0.07201%	0.05448%	0.05834%	0.06337%	0.03461%
Proportionate Share of Net Pension Liability	\$ 1,700,721	\$ 1,758,201	\$ 2,378,682	\$ 2,838,733	\$ 2,053,235	\$ 2,336,424	\$ 2,673,146	\$ 657,141
Covered Payroll	\$ 2,297,052	\$ 2,154,908	\$ 2,354,799	\$ 2,255,959	\$ 2,347,917	\$ 2,491,890	\$ 2,602,267	\$ 2,481,040
<b>Proportionate Share of NPL as a % of Covered Payroll</b>	<b>74.04%</b>	<b>81.59%</b>	<b>101.01%</b>	<b>125.83%</b>	<b>87.45%</b>	<b>93.76%</b>	<b>102.72%</b>	<b>26.49%</b>
<b>Plan's Fiduciary Net Position as a % of the TPL</b>	<b>81.15%</b>	<b>83.49%</b>	<b>78.20%</b>	<b>77.07%</b>	<b>79.03%</b>	<b>83.69%</b>	<b>82.32%</b>	<b>95.84%</b>

Fiscal year 2015 was the first year of implementation, therefore only eight years are shown.  
The CalPERS discount rate was increased from 7.50% to 7.65% in fiscal year 2016, and then to 7.15% in 2018.  
The CalPERS mortality assumptions was adjusted in fiscal year 2019.

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## **SUPPLEMENTAL INFORMATION**

# Chico Area Recreation and Park District

## Combining Statement of Net Position

June 30, 2022

	General	Baroni Park	Oak Way Park	Peterson Park	Park Development	Community Park Impact Fees	2022
<b>ASSETS</b>							
Current assets:							
Cash and investments	\$ 9,390,054	\$ 83,428	\$ -	\$ -	\$ 388,118	\$ 5,553,070	\$ 15,414,670
Accounts receivable	1,335,061	-	-	-	40,375	-	1,375,436
Prepaid expenses	18,505	-	-	-	-	-	18,505
Total current assets	10,743,620	83,428	-	-	428,493	5,553,070	16,808,611
Capital assets - net	26,714,068	-	-	-	-	-	26,714,068
Total assets	\$ 37,457,688	\$ 83,428	\$ -	\$ -	\$ 428,493	\$ 5,553,070	\$ 43,522,679
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension adjustments	\$ 1,186,655	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,186,655
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	\$ 75,140	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 75,140
Accrued payroll and liabilities	636,486	-	-	-	-	-	636,486
Program advances	1,718,002	-	-	-	-	-	1,718,002
Total current liabilities	2,429,628	-	-	-	-	-	2,429,628
Noncurrent liabilities:							
Compensated absences	263,428	-	-	-	-	-	263,428
Net pension liability	657,142	-	-	-	-	-	657,142
Total noncurrent liabilities	920,570	-	-	-	-	-	920,570
Total liabilities	\$ 3,350,198	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,350,198
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension adjustments	\$ 755,205	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 755,205
<b>NET POSITION</b>							
Net investment in capital assets	\$ 26,714,068	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 26,714,068
Restricted	-	83,428	-	-	428,493	5,553,070	6,064,991
Unrestricted	7,824,872	-	-	-	-	-	7,824,872
Total net position	\$ 34,538,940	\$ 83,428	\$ -	\$ -	\$ 428,493	\$ 5,553,070	\$ 40,603,931



## Chico Area Recreation and Park District

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2022

	General	Baroni Park	Oak Way Park	Peterson Park	Park Development	Community Park Impact Fees	2022
Operating revenues:							
Program service fees	\$ 3,292,589	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,292,589
Developer fees	-	-	-	-	76,000	3,305,107	3,381,107
Intergovernmental City Parks	18,195	-	-	-	-	-	18,195
Rentals	410,249	-	-	-	-	-	410,249
Other revenue	189,277	-	-	-	-	-	189,277
Total operating revenues	3,910,310	-	-	-	76,000	3,305,107	7,291,417
Operating expenses:							
Salaries and benefits	4,735,074	71,614	71,614	51,052	-	-	4,929,354
Services and supplies	2,299,352	20,055	24,583	34,825	-	-	2,378,815
Contributions to other agencies	6,411	-	-	-	-	-	6,411
Depreciation and amortization	858,504	-	-	-	-	-	858,504
Total operating expenses	7,899,341	91,669	96,197	85,877	-	-	8,173,084
Operating income (loss)	(3,989,031)	(91,669)	(96,197)	(85,877)	76,000	3,305,107	(881,667)
Nonoperating revenues (expenses):							
Interest income	893	502	124	225	309	4,354	6,407
Assessment fees	-	95,050	23,030	42,308	-	-	160,388
Property taxes	4,509,289	-	-	-	-	-	4,509,289
RDA pass through taxes	1,593,211	-	-	-	-	-	1,593,211
Net nonoperating revenues (expenses)	6,103,393	95,552	23,154	42,533	309	4,354	6,269,295
Income before capital contributions	2,114,362	3,883	(73,043)	(43,344)	76,309	3,309,461	5,387,628
Capital contributions	-	-	-	-	-	-	-
Income (loss) before operating transfers	2,114,362	3,883	(73,043)	(43,344)	76,309	3,309,461	5,387,628
Transfers in	-	967	73,043	43,344	-	-	117,354
Transfers out	(117,354)	-	-	-	-	-	(117,354)
Change in net position	1,997,008	4,850	-	-	76,309	3,309,461	5,387,628
Net position - beginning	32,541,932	78,578	-	-	352,184	2,243,609	35,216,303
Net position - ending	\$ 34,538,940	\$ 83,428	\$ -	\$ -	\$ 428,493	\$ 5,553,070	\$ 40,603,931

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**OTHER INDEPENDENT AUDITOR'S REPORTS**



**INDEPENDENT AUDITOR’S 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***

To the Board of Directors  
of the Chico Area Recreation and Park District  
Chico, California

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the business-type activities of the Chico Area Recreation and Park District (the “District”) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated November 29, 2022.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District’s internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, we do not express an opinion on the effectiveness of the District’s internal control.

*A deficiency in internal control* exists when the design or operation of a control does not allow management or employees in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity’s financial statements will not be prevented, or detected and corrected on a timely basis. *A significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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



### Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

C & A LLP

November 29, 2022  
Morgan Hill, California