(530) 895-4711
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CARD
Chico Area Recreation & Park District

545 Vallombrosa Ave
Chico, CA 95926

BOARD OF DIRECTORS REGULAR MEETING

Thursday, February 26, 2026 – 4:00 P.M.

If you need an accommodation to participate in this meeting, please call (530) 895-4711

Agenda posted prior to 4:00 PM Monday, February 23, 2026

BOARD MEMBERS

Michael McGinnis, Chair
Christopher Norden, Vice Chair
Dave Donnan,
Tom Lando
Jason Roye

CARD STAFF

Annabel Grimm, General Manager
Phil Aviles, Finance and Human Resources Director
Holli Drobny, Administrative Director
Erin Morrissey, Recreation Director
Scott Schumann, Parks and Facilities Director

LEGAL COUNSEL

Jackson Glick, Sac Valley Law

A G E N D A

Zoom Meeting Information:

https://card.zoom.us/j/81607636750?pwd=R1NNUkZPYi9ySGNsNVQ3OXh0U1hoZz09

Meeting ID: 816 0763 6750

Passcode: 156857

1. CALL TO ORDER

1.1. Roll Call

2. PUBLIC COMMENTS

Members of the public may address the Committee at this time on any matter not already listed on the Agenda, with comments being limited to three minutes. The Committee cannot take any action at this meeting on requests made under this section of the agenda.

3. CONSENT AGENDA

3.1. Minutes of the Regular Meeting of the Board of Directors on January 22, 2026 - *Action Requested: Approve meeting minutes.*

3.2. Minutes of Special Meeting of the Board of Directors on January 29, 2026- *Action Requested: Approve meeting minutes.*

3.3. January Monthly Financial Report (Staff Report FI-26-03) - *Action Requested: Approve the monthly financials as recommended by the Finance Committee.*

3.4. Fiscal Year 2024-2025 Audited Financials (Staff Report FI-26-04)- *Action Requested: the Board accepts the audit report for fiscal year 2023-2024 as prepared by Chavan & Associates, LLP.*

3.5. Award of Audit Services (Staff Report FI-26-05) - *Action Requested: Award a professional services contract for independent financial auditing services to the selected firm and authorize the General Manager to execute the agreement.*

3.6. Award of Tax Assessment Services (Staff Report FI-26-06) - *Action Requested: Award a professional services contract for independent tax assessment services to the selected firm and authorize the General Manager to execute the agreement.*

3.7. Community Park Road Extension Site Plan (Staff Report FA-26-05) – *Action requested: The Board approves the development of civil and landscape plans to proceed with the project.*
On January 22, District staff presented a potential site plan to extend the park road at Community Park to the Facility Committee. The Committee recommended the approval of the development of civil and landscape plans.

4. REGULAR AGENDA

4.1. Committee Report Out – *Information provided/possible action*
4.1.1. Finance Committee

4.2. Updated Policies (Staff Report 26-07) - *Action Requested: Approve updated policies.*
District Staff have updated the following policies as part of the District's ongoing policy maintenance process to ensure compliance with current operations.

- 2170 Refunds and Credits
- 3120 Pre-Employment Verification

4.3. Financial Presentation (Staff Report 26-08) - *Information provided, possible action*
The Finance and Human Resources Director will provide a mid-year finance status presentation to the Board of Directors

4.4. Acquisition of Depot Park (Staff Report FA-26-01) and (Resolution 26-01) – *Action Requested: The Board accepts the conveyance of Depot Park from the City of Chico by approving Resolution 26-01.*
On January 6th, the City of Chico authorized the conveyance of the existing Deport Park to the District. On January 21st, the Facility Committee reviewed the feasibility of the operation and maintenance of the park and made a recommendation to the Board to accept the park.

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4.5. Items Removed from the Consent Agenda

5. NEW BUSINESS

5.1. Standing Committees (Staff Report 26-09) – *Discussion, possible action.*
The Board of Directors will review the meeting cadence of the current standing committees, Finance and Facility.

5.2. Creation of Assistant General Manager Position (Staff Report 26-10) - *Action Requested: Approve the creation of a new Assistant General Manager position with an annual salary of $180,000 and authorize staff to update the District's organizational structure and budget accordingly.*
District staff are recommending the creation of a new executive-level position titled Assistant General Manager to support the continued growth and operational complexity of the District.

5.3. Updated Salary Schedule (Staff Report 26-11) – *Action Requested: Approve the updated salary schedule to reflect the additional of the Assistant General Manager position.*
A new salary is needed to reflect the pending position described in agenda item 5.2.

5.4. Addition of Solar Energy to Aquatic Center (Staff Report FI-26-07) - *Action Requested: Approve the addition of solar energy to be included at the Aquatic Center.*
The Aquatic Center is currently under development, and the addition of solar energy would significantly impact the cost effectiveness of daily operations.

6. DIRECTOR COMMENTS

Opportunity for the Board to comment on items not listed on the agenda.

7. STAFF COMMENTS

Opportunity for District Staff to comment on items not listed on the agenda.
Recreation Update (Staff Report 26-12)
Parks and Facilities Update (Staff Report 26-13)
General Manager Update (Staff Report 26-14)

8. ADJOURNMENT

Adjourn to the next meeting of the Board of Directors of the Chico Area Recreation and Park District.

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BOARD OF DIRECTORS REGULAR MEETING MINUTES

Thursday, January 22, 2026 – 4:00 P.M.

DRAFT

Board Members Present:	Michael McGinnis, Chair Christopher Norden, Vice Chair Dave Donnan, Board Member Tom Lando, Board Member
Board Members Absent:	Jason Roye, Board Member
Staff Members Present:	Annabel Grimm, General Manager Phil Aviles, Finance and Human Resources Director Holli Drobny, Administrative Director Erin Morrissey, Recreation Director Scott Schumann, Parks and Facilities Director
Legal Counsel Present:	None

1. CALL TO ORDER

The meeting was called to order at 4:00, and a roll call was taken, as noted above.

2. PUBLIC COMMENTS

There were none.

3. CONSENT AGENDA

3.1. Minutes of the Regular Meeting of the Board of Directors on December 11, 2025 - *Action Requested: Approve meeting minutes.*

3.2. December 2025 Monthly Financial Report (Staff Report FI-25-01) - *Action Requested: Approve the monthly financials as recommended by the Finance Committee.*

3.3. Butte County Air Quality Management District Carl Moyer Program (Staff Report FI-26-02) - *Action Requested: the Board accepts two grants from the Carl Moyer Program for $13,500, totaling $27,000, toward the purchase of two Electric Utility Vehicles.*

3.4. Scoreboard Donation (Staff Report FA-26-03) - *Action Requested: Accept the donation of three scoreboards at Hooker Oak Community Park and authorize staff to coordinate installation in accordance with District standards.*

3.5. Bench Donation at Rotary Centennial Neighborhood Park (Staff Report FA-26-04) - *Action Requested: Approved the donation and installation of a bench at Rotary Centennial Neighborhood Park and authorize staff to coordinate installation in accordance with District standards.*

M/S/C/ (Directors Donnan/Norden) Board of Directors approved the consent agenda.
The motion was unanimously approved.
Absent: Lando

4. REGULAR AGENDA

4.1. Committee Report Out

4.1.1. Finance Committee

4.1.2. Facility Committee

Information was provided; no action was taken. A discussion about the need for a standing Facility Committee was requested at the next Regular Meeting.

4.2. Updated Policies (Staff Report 26-02)

- 3116- Employee Classifications
- 3122- Overtime
- Section 4100 Board of Directors
- Section 4200 Board Meetings

M/S/C/ (Directors Norden/Donnan) Board of Directors approved the updated policies listed above, with the exception of Policy 4100 for further review.

The motion was unanimously approved.

Absent: Lando

4.3. Scholarship Adjustment (Staff Report 26-02) *Action Requested:*

The District has been dedicated to enriching the lives of Chico youth since establishing the Jan Sneed Scholarship Program in 2004, which provides increased access to recreational programming. District staff are suggesting an update to the allocation.

M/S/C/ (Directors Norden/Donnan) Board of Directors approved the new recommendations to the Jan Sneed Scholarship Program.

The motion was unanimously approved.

Absent: Lando

4.4. Aquatic Center Update (Staff Report 26-03)

District staff provided an update on the construction progress of the Aquatic and Recreation Center. Information was provided about the status of current fundraising and ongoing funding strategies. No action was taken.

4.5. General Manager Performance Evaluation

Based on the annual performance evaluation, the General Manager will receive a 3% salary increase for an annual total of $155,015.

M/S/C/ (Directors Norden/Donnan) Board of Directors approved an increase in the General Manager's salary.

The motion was unanimously approved.

Absent: Lando

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5. NEW BUSINESS

There was no new business.

6. DIRECTORS' COMMENTS

7. STAFF COMMENTS

8. ADJOURNMENT

Adjourned at 4:26PM to the next meeting of the Board of Directors of the Chico Area Recreation and Park District.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

BOARD OF DIRECTORS REGULAR MEETING MINUTES

Thursday, January 29, 2026 – 3:00 P.M.

DRAFT

Board Members Present:	Michael McGinnis, Chair Christopher Norden, Vice Chair Dave Donnan, Board Member Tom Lando, Board Member Jason Roye, Board Member
Board Members Absent:	None
Staff Members Present:	Annabel Grimm, General Manager
Legal Counsel Present:	Jackson Glick, Attorney at Law

1. CALL TO ORDER

The meeting was called to order at 3:00pm, and a roll call was taken, as noted above.

2. CLOSED SESSION

Pursuant to Government Code 54957:
Public Employment
General Manager
CLOSED SESSION ANNOUNCEMENT
Information provided, direction given

Pursuant to Government Code 54956.9(b)(1):
Conference with Legal Counsel - Anticipated Litigation
Information provided, direction given

3. ADJOURNMENT

Adjourn at 3:45pm to the next meeting of the Board of Directors of the Chico Area Recreation and Park District.

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

Finance Committee

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Philip Aviles, Finance & Human Resources Director
SUBJECT: Monthly Financial Reports for January

OVERVIEW

January financials for the District continue to track towards target. Both revenues and expenses reported very close to annual budget, respectively. Looking at the year over year revenue and expense, we are trailing just behind FY 2024-2025 largely due to interest income. As balances have been drawn down for construction costs, our interest earnings have also declined proportionately. Spring programing is right around the corner and as typical of this time of year, the District expects to see revenue increase as programs return for both sports and camps.

January represents ***58.33***% of the annual budget.

BUDGET ANALYSIS

Revenue: January revenue reported to be 57.28% of budget. This represents a decrease from last month due to reclassification of the grant reimbursement from LWCF. Construction funds were spent out of Fund 70, Impact Fees. The District reclassified the $1.8MM reimbursement in January moving the revenue from Other Income to Impact Fee Revenue to replace the funds that had been used.

Operating Income: Continued to track on target with plan at 57.28% of budget.

- **Tax Revenue:** The District received another tax installment for $864k, to represent 55.52% of the annual budget.
- **Program Income:** Revenue in January was $195k bringing the YTD to 58.81%, on track with goal. Increases are anticipated with program demands in the spring season.
- **Other Income:** As noted, activity is negative $1.8MM due to the reclassification of funds. However, YTD revenue still represented 84.80% tracking ahead of budget.

Expenses: Expenses reported at 58.29% of budget, on track with pace for the year.

- Salaries & Wages remain under budget at 53.68%.
- Employee Benefits are trending a bit high at 64.34% of budget. This is due to the payment of Work Comp true up and increase in medical benefits.
- Repairs & Maintenance reported at 66.98% due to ongoing projects.
- Utilities saw an increase in period activity to reflect 63.68% of annual budget. This is typical of this time of year.

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Program Income: Youth Sports continued to trend ahead of plan along with Contract Programs signaling an increase in demand.

- **Rentals:** Revenue reported at 53.31% between Facility, Picnic and Field Rentals, this is typical for this time of year and should trend up over the spring.
- **Contracted Programs:** Contracted Camp and Contract programs reported revenue at 73.99% and 71.19%, respectively.
- **Adult Sports:** Revenue reported at 49.90%, slightly under plan but typical of this time of year. As spring approaches demand for adult sports will increase significantly.
- **After School Program:** Period activity showed a slight increase, just under benchmark at 57.67%. Q3 has not been invoiced and is expected to reflect in February.

Assessment Districts: Assessment Districts received no period activity. The next bulk installment is expected in April 2026.

Impact Fees: The LWCF check was reclassified as referenced above to reimburse impact fees spent. As a result, period activity shows an increase of $1.9MM with a YTD of 212.71%.

Cash Accounts: Cash Balances reported just over $7.6MM less than prior year due to construction progress at the Aquatic Center. The LWCF grant method of payment is reimbursement. The District will submit its second reimbursement request after payment for the pools has been issued. Pools were recently delivered and payment will be sent once all parts are verified and inventoried.

CARD
Chico Area Recreation & Park District

Monthly Financial Reports
January 2026

KEY TERMS

Original: Board adopted budget amount

Current: Subsequent Board approved budget changes

Period Activity: Financial transactions occurring in the month being reported

Fiscal Activity: Year-to-date information

Variance: Fiscal Activity less the Current Budget

Percent Used: Percentage of Fiscal Activity from the Current Budget.

Figures: Surplus is a positive and Deficit is shown as a negative (-) number

REPORT SECTIONS

1. General Fund Budget to Actuals
2. Program Revenue & Expense
3. Assessment District Revenue & Expense
4. Impact Fee Activity
5. Balance Sheet
6. Cash Accounts Current to Prior Year

General Fund Budget to Actual

Chico Area Recreation and Park District

For Fiscal: FY 2026 Period Ending: 01/31/2026

Class	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 90 - General Fund						
Revenue						
50 - Taxes	7,400,000.00	7,400,000.00	863,821.15	4,108,836.82	-3,291,163.18	55.52%
53 - Operating Income	7,420,012.00	7,420,012.00	194,809.11	4,363,399.20	-3,056,612.80	58.81%
55 - Other Income	58,530.00	58,530.00	-1,880,296.82	49,635.64	-8,894.36	84.80%
Revenue Total:	**14,878,542.00**	**14,878,542.00**	**-821,666.56**	**8,521,871.66**	**-6,356,670.34**	**57.28%**
Expense						
60 - Salaries & Wages	8,103,452.00	8,103,452.00	524,533.46	4,349,670.37	3,753,781.63	53.68%
61 - Employee Benefits	2,458,549.00	2,458,549.00	150,748.51	1,581,756.96	876,792.04	64.34%
62 - Supplies & Services	2,425,768.50	2,425,768.50	110,628.64	1,564,656.85	861,111.65	64.50%
63 - Repairs & Maintenance	242,325.00	242,325.00	12,330.69	162,314.12	80,010.88	66.98%
64 - Utilities	893,404.80	893,404.80	79,840.58	568,927.71	324,477.09	63.68%
65 - Contracts	706,200.00	706,200.00	23,039.97	429,181.22	277,018.78	60.77%
69 - Other Expenses	20,000.00	20,000.00	0.00	0.00	20,000.00	0.00%
Expense Total:	**14,849,699.30**	**14,849,699.30**	**901,121.85**	**8,656,507.23**	**6,193,192.07**	**58.29%**
Fund: 90 - General Fund Surplus (Deficit):	**28,842.70**	**28,842.70**	**-1,722,788.41**	**-134,635.57**	**-163,478.27**	**-466.79%**
Report Surplus (Deficit):	**28,842.70**	**28,842.70**	**-1,722,788.41**	**-134,635.57**	**-163,478.27**	**-466.79%**

Prior-Year Comparative Revenue & Expense

Chico Area Recreation and Park District

For the Period Ending 01/31/2026

Class	FY 2026 Jan. Activity	FY 2025 Jan. Activity	Jan. Variance Favorable / (Unfavorable)	Variance %	FY 2026 YTD Activity	FY 2025 YTD Activity	YTD Variance Favorable / (Unfavorable)	Variance %
Revenue								
50 - Taxes	863,821.15	811,098.31	52,722.84	6.50%	4,108,836.82	4,073,590.52	35,246.30	0.87%
53 - Operating Income	194,809.11	1,038,328.09	-843,518.98	-81.24%	4,363,399.20	4,691,242.63	-327,843.43	-6.99%
55 - Other Income	-1,880,296.82	27,208.94	-1,907,505.76	-7,010.58%	49,635.64	62,924.73	-13,289.09	-21.12%
Revenue Total:	**-821,666.56**	**1,876,635.34**	**-2,698,301.90**	**-143.78%**	**8,521,871.66**	**8,827,757.88**	**-305,886.22**	**-3.47%**
Expense								
60 - Salaries & Wages	524,533.46	432,149.39	-92,384.07	-21.38%	4,349,670.37	3,827,723.98	-521,946.39	-13.64%
61 - Employee Benefits	150,748.51	112,662.92	-38,085.59	-33.80%	1,581,756.96	1,019,045.44	-562,711.52	-55.22%
62 - Supplies & Services	110,628.64	188,399.18	77,770.54	41.28%	1,564,656.85	1,409,411.26	-155,245.59	-11.01%
63 - Repairs & Maintenance	12,330.69	29,842.43	17,511.74	58.68%	162,314.12	176,596.02	14,281.90	8.09%
64 - Utilities	79,840.58	55,892.98	-23,947.60	-42.85%	568,927.71	489,039.12	-79,888.59	-16.34%
65 - Contracts	23,039.97	43,754.37	20,714.40	47.34%	429,181.22	344,738.05	-84,443.17	-24.49%
Expense Total:	**901,121.85**	**862,701.27**	**-38,420.58**	**-4.45%**	**8,656,507.23**	**7,266,553.87**	**-1,389,953.36**	**-19.13%**
Total Surplus (Deficit):	**-1,722,788.41**	**1,013,934.07**	**-2,736,722.48**	**-269.91%**	**-134,635.57**	**1,561,204.01**	**-1,695,839.58**	**-108.62%**

Program Revenue & Expense

Chico Area Recreation and Park District

For Fiscal: FY 2026 Period Ending: 01/31/2026

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Program: 11610 - Facility Rentals						
Revenue	360,000.00	360,000.00	13,674.25	185,450.25	-174,549.75	51.51%
Expense	351,351.00	351,351.00	19,075.72	196,751.22	154,599.78	56.00%
Program: 11610 - Facility Rentals Surplus (Deficit):	**8,649.00**	**8,649.00**	**-5,401.47**	**-11,300.97**	**-19,949.97**	**-130.66%**
Program: 11611 - Picnic Rentals						
Revenue	60,000.00	60,000.00	760.00	24,512.00	-35,488.00	40.85%
Program: 11611 - Picnic Rentals Total:	**60,000.00**	**60,000.00**	**760.00**	**24,512.00**	**-35,488.00**	**40.85%**
Program: 11612 - Field Rentals						
Revenue	100,000.00	100,000.00	220.00	67,255.50	-32,744.50	67.26%
Expense	5,000.00	5,000.00	0.00	0.00	5,000.00	0.00%
Program: 11612 - Field Rentals Surplus (Deficit):	**95,000.00**	**95,000.00**	**220.00**	**67,255.50**	**-27,744.50**	**70.80%**
Program: 11710 - Special Events						
Revenue	208,000.00	208,000.00	0.00	78,688.46	-129,311.54	37.83%
Expense	101,923.00	101,923.00	1,040.11	119,165.19	-17,242.19	116.92%
Program: 11710 - Special Events Surplus (Deficit):	**106,077.00**	**106,077.00**	**-1,040.11**	**-40,476.73**	**-146,553.73**	**-38.16%**
Program: 22200 - Contracted Camp						
Revenue	210,000.00	210,000.00	1,440.00	155,378.15	-54,621.85	73.99%
Expense	0.00	0.00	0.00	9,585.66	-9,585.66	0.00%
Program: 22200 - Contracted Camp Surplus (Deficit):	**210,000.00**	**210,000.00**	**1,440.00**	**145,792.49**	**-64,207.51**	**69.42%**
Program: 22210 - Camp Chi-Da-CA						
Revenue	298,500.00	298,500.00	0.00	4,065.63	-294,434.37	1.36%
Expense	200,536.00	200,536.00	3,110.54	98,052.23	102,483.77	48.90%
Program: 22210 - Camp Chi-Da-CA Surplus (Deficit):	**97,964.00**	**97,964.00**	**-3,110.54**	**-93,986.60**	**-191,950.60**	**-95.94%**
Program: 22220 - Delight Camps						
Revenue	223,080.00	223,080.00	1,650.00	139,532.51	-83,547.49	62.55%
Expense	244,236.00	244,236.00	11,133.78	117,539.22	126,696.78	48.13%
Program: 22220 - Delight Camps Surplus (Deficit):	**-21,156.00**	**-21,156.00**	**-9,483.78**	**21,993.29**	**43,149.29**	**-103.96%**
Program: 22240 - Camp Chico Creek						
Revenue	236,160.00	236,160.00	0.00	306,995.11	70,835.11	129.99%
Expense	223,542.00	223,542.00	7,152.24	126,118.67	97,423.33	56.42%
Program: 22240 - Camp Chico Creek Surplus (Deficit):	**12,618.00**	**12,618.00**	**-7,152.24**	**180,876.44**	**168,258.44**	**1,433.48%**
Program: 22310 - Youth Sports						
Revenue	417,771.10	417,771.10	27,019.97	293,745.46	-124,025.64	70.31%
Expense	500,317.00	500,317.00	26,849.19	254,854.74	245,462.26	50.94%
Program: 22310 - Youth Sports Surplus (Deficit):	**-82,545.90**	**-82,545.90**	**170.78**	**38,890.72**	**121,436.62**	**-47.11%**
Program: 22320 - Adult Sports						
Revenue	365,080.00	365,080.00	10,545.05	182,174.33	-182,905.67	49.90%
Expense	518,168.00	518,168.00	15,325.30	221,869.56	296,298.44	42.82%
Program: 22320 - Adult Sports Surplus (Deficit):	**-153,088.00**	**-153,088.00**	**-4,780.25**	**-39,695.23**	**113,392.77**	**25.93%**
Program: 22330 - DFJ Admin						
Revenue	77,570.00	77,570.00	5,730.87	46,339.17	-31,230.83	59.74%
Expense	112,570.00	112,570.00	10,104.11	73,031.47	39,538.53	64.88%
Program: 22330 - DFJ Admin Surplus (Deficit):	**-35,000.00**	**-35,000.00**	**-4,373.24**	**-26,692.30**	**8,307.70**	**76.26%**
Program: 22400 - Contract Programs						
Revenue	217,828.00	217,828.00	21,541.58	155,069.77	-62,758.23	71.19%
Expense	348,254.00	348,254.00	18,548.13	237,536.91	110,717.09	68.21%
Program: 22400 - Contract Programs Surplus (Deficit):	**-130,426.00**	**-130,426.00**	**2,993.45**	**-82,467.14**	**47,958.86**	**63.23%**

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Program: 22510 - Afterschool Program - CARD						
Revenue	2,664,607.00	2,664,607.00	52,595.93	1,536,742.22	-1,127,864.78	57.67%
Expense	2,223,122.00	2,223,122.00	109,676.55	898,840.56	1,324,281.44	40.43%
Program: 22510 - Afterschool Program - CARD Surplus (Deficit):	**441,485.00**	**441,485.00**	**-57,080.62**	**637,901.66**	**196,416.66**	**144.49%**
Program: 22600 - NC Admin						
Revenue	230,238.00	230,238.00	13,562.82	59,673.85	-170,564.15	25.92%
Expense	254,727.00	254,727.00	27,304.46	187,493.36	67,233.64	73.61%
Program: 22600 - NC Admin Surplus (Deficit):	**-24,489.00**	**-24,489.00**	**-13,741.64**	**-127,819.51**	**-103,330.51**	**521.95%**
Program: 22610 - Trips						
Revenue	1,328.00	1,328.00	0.00	0.00	-1,328.00	0.00%
Program: 22610 - Trips Total:	**1,328.00**	**1,328.00**	**0.00**	**0.00**	**-1,328.00**	**0.00%**
Program: 22630 - Nature ABC						
Revenue	8,530.00	8,530.00	1,140.82	1,140.82	-7,389.18	13.37%
Expense	7,977.00	7,977.00	280.72	556.11	7,420.89	6.97%
Program: 22630 - Nature ABC Surplus (Deficit):	**553.00**	**553.00**	**860.10**	**584.71**	**31.71**	**105.73%**
Program: 22800 - Recreation Swim						
Revenue	232,919.90	232,919.90	0.00	68,163.50	-164,756.40	29.26%
Expense	339,936.00	339,936.00	3,486.72	159,456.84	180,479.16	46.91%
Program: 22800 - Recreation Swim Surplus (Deficit):	**-107,016.10**	**-107,016.10**	**-3,486.72**	**-91,293.34**	**15,722.76**	**85.31%**
Program: 22900 - Youth Leader						
Revenue	36,000.00	36,000.00	0.00	200.00	-35,800.00	0.56%
Expense	420.00	420.00	0.00	622.73	-202.73	148.27%
Program: 22900 - Youth Leader Surplus (Deficit):	**35,580.00**	**35,580.00**	**0.00**	**-422.73**	**-36,002.73**	**-1.19%**
Program: 22910 - Inclusion						
Revenue	159,009.00	159,009.00	250.00	820.00	-158,189.00	0.52%
Expense	123,374.00	123,374.00	26,571.69	198,384.34	-75,010.34	160.80%
Program: 22910 - Inclusion Surplus (Deficit):	**35,635.00**	**35,635.00**	**-26,321.69**	**-197,564.34**	**-233,199.34**	**-554.41%**
Report Surplus (Deficit):	**551,168.00**	**551,168.00**	**-129,527.97**	**406,087.92**	**-145,080.08**	**73.68%**

Assessment Districts

Chico Area Recreation and Park District

For Fiscal: FY 2026 Period Ending: 01/31/2026

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 60 - Baroni Park						
Revenue	142,155.00	142,155.00	0.00	62,058.99	-80,096.01	43.66%
Expense	137,155.00	137,155.00	8,221.55	71,487.07	65,667.93	52.12%
Fund: 60 - Baroni Park Surplus (Deficit):	**5,000.00**	**5,000.00**	**-8,221.55**	**-9,428.08**	**-14,428.08**	**-188.56%**
Fund: 63 - Indigo Park						
Revenue	94,531.00	94,531.00	0.00	30,979.63	-63,551.37	32.77%
Expense	94,531.00	94,531.00	6,174.76	44,907.54	49,623.46	47.51%
Fund: 63 - Indigo Park Surplus (Deficit):	**0.00**	**0.00**	**-6,174.76**	**-13,927.91**	**-13,927.91**	**0.00%**
Fund: 65 - Oak Way Park						
Revenue	182,190.00	182,190.00	0.00	13,737.52	-168,452.48	7.54%
Expense	182,190.00	182,190.00	11,887.24	91,822.06	90,367.94	50.40%
Fund: 65 - Oak Way Park Surplus (Deficit):	**0.00**	**0.00**	**-11,887.24**	**-78,084.54**	**-78,084.54**	**0.00%**
Fund: 67 - Peterson Park (Amber Grove)						
Revenue	158,229.00	158,229.00	0.00	24,848.90	-133,380.10	15.70%
Expense	158,229.00	158,229.00	9,052.15	79,445.01	78,783.99	50.21%
Fund: 67 - Peterson Park (Amber Grove) Surplus (Deficit):	**0.00**	**0.00**	**-9,052.15**	**-54,596.11**	**-54,596.11**	**0.00%**
Report Surplus (Deficit):	**5,000.00**	**5,000.00**	**-35,335.70**	**-156,036.64**	**-161,036.64**	**-3,120.73%**

Impact Fee Activity

Chico Area Recreation and Park District

For Fiscal: FY 2026 Period Ending: 01/31/2026

Account Type	Original Total Budget	Current Total Budget	Period Activity	Fiscal Activity	Variance Favorable (Unfavorable)	Percent Used
Fund: 70 - City Impact Fees (Community Park)						
Revenue	1,360,000.00	1,360,000.00	1,921,437.68	2,892,845.00	1,532,845.00	212.71%
Fund: 70 - City Impact Fees (Community Park) Total:	**1,360,000.00**	**1,360,000.00**	**1,921,437.68**	**2,892,845.00**	**1,532,845.00**	**212.71%**
Fund: 80 - County Impact Fees						
Revenue	75,000.00	75,000.00	5,057.40	29,569.30	-45,430.70	39.43%
Fund: 80 - County Impact Fees Total:	**75,000.00**	**75,000.00**	**5,057.40**	**29,569.30**	**-45,430.70**	**39.43%**
Report Total:	**1,435,000.00**	**1,435,000.00**	**1,926,495.08**	**2,922,414.30**	**1,487,414.30**	**203.65%**

Chico Area Recreation and Park District

Balance Sheet
General Fund Balance Report
As Of 01/31/2026

Account	Name	Balance	
Fund: 90 - General Fund			
Assets			
90-1016	Petty Cash	800.00	
90-1021	Claim On Cash - General	-1,538,945.30	
90-1210	Land	18,393,214.21	
90-1212	Land Improvements	35,358,109.56	
90-1215	Leasehold Improvements	2,009,521.47	
90-1220	Buildings and Components	270,258.28	
90-1225	Building Improvements & Renovations	334,263.34	
90-1230	Construction in Progress	15,231,645.22	
90-1235	Equipment	1,275,340.26	
90-1240	Vehicles	777,619.75	
90-1250	Technology Hardware	296,192.00	
90-1270	Accumulated Depreciation	-20,415,278.75	
90-1310	Accounts Receivable	116,877.02	
90-1340	Suspense	-29,178.83	
90-1360	Deferred Outflows of Resources	1,234,618.00	
	Total Assets:	**53,315,056.23**	**53,315,056.23**
Liability			
90-2004	Deferred Inflows of Resources	135,905.00	
90-2010	Vouchers Payable	138,646.93	
90-2014	Accrued Wages and Salaries Payable	210,509.38	
90-2016	Compensated Absences Payable	336,786.15	
90-2018	457 Employee Contribution	4,168.60	
90-2020	457 ROTH Employee Contribution	2,325.00	
90-2022	CalPERS - Employee	31,056.52	
90-2024	CalPERS - Employer	37,822.92	
90-2026	Federal Withholding	96,408.40	
90-2030	Garnishments	2,797.35	
90-2031	HSA	-14,194.50	
90-2032	Benefits Payable	-36,162.61	
90-2036	Medicare and Social Security - Employee	111,877.15	
90-2038	Medicare and Social Security - Employer	27,924.09	
90-2040	State Withholding	72,905.27	
90-2042	SDI	9,507.64	
90-2044	Union Dues - Parks Staff	-537.56	
90-2046	Union Dues - Supervisor	494.81	
90-2052	Deferred Revenue	293,240.33	
90-2056	Other Liability - Class Clearing Acct	-56,849.75	
90-2058	Net Pension Liability	3,223,546.00	
90-2060	Time Expired Holding Acct	8,298.11	
90-2062	Prepaid Facilities Transfer	-1,091.00	
90-2066	Security Deposits	115,990.77	
90-2070	Sales Tax	946.45	
90-2099	Due To- General	1,779,795.71	
	Total Liability:	**6,532,117.16**	
Equity			
90-3010	Fund Balance - NonSpendable	35,555,915.76	
90-3020	Fund Balance - Restricted	2,500,000.00	
90-3050	Fund Balance - Unassigned	8,945,687.33	
	Total Beginning Equity:	**47,001,603.09**	

Balance Sheet **As Of 01/31/2026**

Account	Name	Balance
Total Revenue		8,521,871.66
Total Expense		8,740,535.68
Revenues Over/Under Expenses		**-218,664.02**
	Total Equity and Current Surplus (Deficit):	**46,782,939.07**
	Total Liabilities, Equity and Current Surplus (Deficit):	**53,315,056.23**

Balance Sheet **As Of 01/31/2026**

Account	Name	Balance	
Fund: 99 - POOLED CASH			
Assets			
99-1010	Cash In Bank - US Bank Treasurer	4,642,608.08	
99-1011	Cash In Bank - Golden Valley Bank	118,369.67	
99-1012	Cash In Bank - California Class Investment	4,802.61	
99-1014	Cash In Bank - GVB Investment Account	6,736,505.39	
99-1018	Cash In Bank - Tri Counties Investment Ac	1,209,169.64	
99-1382	Due From Other Funds-Indigo	78.05	
99-1384	Due From Other Funds-General	1,779,795.71	
99-1385	Due From Other Funds-Oak Way	354.02	
99-1386	Due From Other Funds-Peterson	16.49	
	Total Assets:	**14,491,699.66**	**14,491,699.66**
Liability			
99-2006	Accounts Payable (Pooled Cash)	1,780,244.27	
99-2007	Wages Payable	-2,446.00	
99-2054	Due To Other Funds (Pooled Cash)	12,713,901.39	
	Total Liability:	**14,491,699.66**	
	Total Equity and Current Surplus (Deficit):	**0.00**	
	Total Liabilities, Equity and Current Surplus (Deficit):		**14,491,699.66**

Cash Accounts

Current to Prior Year

Current Year As of 1/31/2026	Balance	Prior Year As of 1/31/2025	Balance
Petty Cash	800.00	Petty Cash	800.00
US Bank - County Treasurer	4,642,608.08	US Bank - County Treasurer	5,692,435.92
Golden Valley Bank - Operations	118,369.67	Golden Valley Bank - Operations	1,238,090.36
California CLASS	4,802.61	California CLASS	2,730,394.40
GVB Investment	6,736,505.39	GVB Investment	9,533,318.55
TCB Investment	1,209,169.64	TCB Investment	1,162,518.73
TOTAL	**12,712,255.39**	**TOTAL**	**20,357,557.96**

Fund Balance Report

Chico Area Recreation and Park District

Account Summary

As Of 01/31/2026

	90 - General Fund	60 - Baroni Park	63 - Indigo Park	65 - Oak Way Park	67 - Peterson Park (Amber Grove)	70 - City Impact Fees (Community Park)	80 - County Impact Fees	Total
Asset								
1016 - Petty Cash	800.00	-	-	-	-	-	-	800.00
1021 - CLAIM ON CASH	(1,538,945.30)	60,903.38	9,571.11	(78,096.38)	(15,357.43)	13,698,986.41	576,840.25	12,713,902.04
1210 - 1250 - Fixed Assets	73,946,164.09	-	-	-	-	-	-	73,946,164.09
1270 - Accumulated Depreciation	(20,415,278.75)	-	-	-	-	-	-	(20,415,278.75)
1310 - Accounts Receivable	116,877.02	-	-	-	-	-	-	116,877.02
1340 - Suspense	(29,178.83)	-	-	-	-	-	-	(29,178.83)
1360 - Deferred Outflows of Resources	1,234,618.00	-	-	-	-	-	-	1,234,618.00
Total Asset:	**53,315,056.23**	**60,903.38**	**9,571.11**	**(78,096.38)**	**(15,357.43)**	**13,698,986.41**	**576,840.25**	**67,567,903.57**
Liability								
2004 - Deferred Inflows of Resources	135,905.00	-	-	-	-	-	-	135,905.00
2056 - Other Liab-Class Clearing Acct	(56,849.75)	-	-	-	-	-	-	(56,849.75)
2058 - Net Pension Liability	3,223,546.00	-	-	-	-	-	-	3,223,546.00
2010 - 2099 - Other Current Liabilities	3,229,515.91	-	78.05	354.02	16.49	-	-	3,229,964.47
Total Liability:	**6,532,117.16**	**-**	**78.05**	**354.02**	**16.49**	**-**	**-**	**6,532,565.72**
Equity								
3010 - Fund Balance - Nonspendable	35,555,915.76	-	-	-	-	-	-	35,555,915.76
3020 - Fund Balance - Restricted	2,500,000.00	70,331.46	12,779.69	-	38,447.94	10,806,141.41	547,270.95	13,974,971.45
3030 - Fund Balance - Committed	-	-	10,641.28	(365.86)	774.25	-	-	11,049.67
3050 - Fund Balance - Unassigned	8,945,687.33	-	-	-	-	-	-	8,945,687.33
Total Total Beginning Equity:	**47,001,603.09**	**70,331.46**	**23,420.97**	**(365.86)**	**39,222.19**	**10,806,141.41**	**547,270.95**	**58,487,624.21**
Total Revenue	8,521,871.66	62,058.99	30,979.63	13,737.52	24,848.90	2,892,845.00	29,569.30	11,575,911.00
Total Expense	8,740,535.68	71,487.07	44,907.54	91,822.06	79,445.01	-	-	9,028,197.36
Revenues Over/Under Expenses	**(218,664.02)**	**(9,428.08)**	**(13,927.91)**	**(78,084.54)**	**(54,596.11)**	**2,892,845.00**	**29,569.30**	**2,547,713.64**
Total Equity and Current Surplus (Deficit):	**46,782,939.07**	**60,903.38**	**9,493.06**	**(78,450.40)**	**(15,373.92)**	**13,698,986.41**	**576,840.25**	**61,035,337.85**
Total Liabilities, Equity and Current Surplus (Deficit):	**53,315,056.23**	**60,903.38**	**9,571.11**	**(78,096.38)**	**(15,357.43)**	**13,698,986.41**	**576,840.25**	**67,567,903.57**

Project Activity vs Budget Report

Date Range: 07/01/2025 - 01/31/2026

Summary

Project Summary

Project Number	Project Name	Total Budget	Date Range Budget	Beginning Balance	Total Activity	Ending Balance	Budget Remaining
2324-102	AQC - Design	2,075,000.00	0.00	1,757,296.19	147,939.50	1,905,235.69	169,764.31
2324-103	AQC - Construction	33,000,000.00	0.00	851,859.54	9,680,961.05	10,532,820.59	22,467,179.41
2324-104	ADA Compliance Upgrades	205,000.00	0.00	197,555.64	1,442.43	198,998.07	6,001.93
2324-105	DFM Upgrades	205,000.00	0.00	46,507.72	1,933.03	48,440.75	156,559.25
2324-107	DST - Irrigation Smart Controller Upgr	519,040.00	300,000.00	221,015.96	143,031.50	364,047.46	154,992.54
2324-109	COM - Maintenance Building	1,622,350.00	100,000.00	558,956.82	958,036.09	1,516,992.91	105,357.09
2425-101	HEN - Park Development	3,500,000.00	0.00	45,069.28	268,388.60	313,457.88	3,186,542.12
2526-101	DEG - Yard Expansion	35,000.00	35,000.00	0.00	29,160.20	29,160.20	5,839.80
2526-102	CCC - Office Expansion	25,000.00	25,000.00	0.00	22,888.57	22,888.57	2,111.43
2526-201	DFJ - Oven Replacement	25,000.00	25,000.00	0.00	23,036.11	23,036.11	1,963.89
2526-202	DST - Gator w/Spray Tank	55,000.00	55,000.00	0.00	49,597.87	49,597.87	5,402.13
2526-203	DST - Vehicle Replacement (2 trucks)	138,000.00	138,000.00	0.00	109,526.06	109,526.06	28,473.94
2526-204	COM - Mower (6ft)	45,000.00	45,000.00	0.00	43,013.57	43,013.57	1,986.43
2526-205	DST - Vehicles	45,000.00	45,000.00	0.00	38,789.05	38,789.05	6,210.95
2526-901	HAR - Shade Structure	40,000.00	40,000.00	0.00	16,709.28	16,709.28	23,290.72
2526-902	PVC - Perimeter Fence	50,000.00	50,000.00	0.00	0.00	0.00	50,000.00
2526-903	DEG - Freeway Barrier	60,000.00	60,000.00	0.00	36,800.00	36,800.00	23,200.00
2526-904	COM - Adjustable Hoops	95,000.00	95,000.00	0.00	0.00	0.00	95,000.00
	Report Total:	**41,739,390.00**	**1,013,000.00**	**3,678,261.15**	**11,571,252.91**	**15,249,514.06**	**26,489,875.94**

Group Summary

Group	Total Budget	Date Range Budget	Beginning Balance	Total Activity	Ending Balance	Budget Remaining
Capital Projects	40,776,390.00	460,000.00	3,434,197.79	11,250,405.51	14,684,603.30	26,091,786.70
Fixed Assets	308,000.00	308,000.00	0.00	263,962.66	263,962.66	44,037.34
Non-Capital Projects	410,000.00	0.00	244,063.36	3,375.46	247,438.82	162,561.18
Other	245,000.00	245,000.00	0.00	53,509.28	53,509.28	191,490.72
Report Total:	**41,739,390.00**	**1,013,000.00**	**3,678,261.15**	**11,571,252.91**	**15,249,514.06**	**26,489,875.94**

Type Summary

Group	Total Budget	Date Range Budget	Beginning Balance	Total Activity	Ending Balance	Budget Remaining
Construction	38,610,000.00	35,000.00	2,654,225.01	10,126,449.35	12,780,674.36	25,829,325.64
Equipment	125,000.00	125,000.00	0.00	115,647.55	115,647.55	9,352.45
Improvements	320,000.00	115,000.00	197,555.64	41,040.28	238,595.92	81,404.08
Renovation	205,000.00	0.00	46,507.72	1,933.03	48,440.75	156,559.25
Replacements	2,296,390.00	555,000.00	779,972.78	1,137,867.59	1,917,840.37	378,549.63
Vehicle	183,000.00	183,000.00	0.00	148,315.11	148,315.11	34,684.89
Report Total:	**41,739,390.00**	**1,013,000.00**	**3,678,261.15**	**11,571,252.91**	**15,249,514.06**	**26,489,875.94**

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

Finance Committee

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Philip Aviles, Finance & Human Resources Director
SUBJECT: Fiscal Year 2024-2025 Audited Financials

BACKGROUND
The attached audit report for fiscal year 2024-2025 is submitted for review and comment.

DISCUSSION
The audit found the financial statements were in accordance with accounting principles generally accepted in the United States of America.

Highlights
- Change in net position increase of nearly $500,000
- General Fund reserve $6.2M
- Impact Fee reserve $11.3M
- Net pension liability reduction of $260K

RECOMMENDATION
That the Board accepts the audit report for fiscal year 2024-2025 as prepared by Chavan & Associates, LLP.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

CHICO AREA RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITOR'S REPORT
JUNE 30, 2025

* * *

Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Suite #5
Morgan Hill, CA 95037

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Chico Area Recreation and Park District
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Chavan and Associates, llp
Certified Public Accountants

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, 2025 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, 2025, 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.

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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.

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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.

Other 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 other 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 December 1, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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

December 1, 2025
Morgan Hill, California

16450 Monterey Road, Suite #5, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

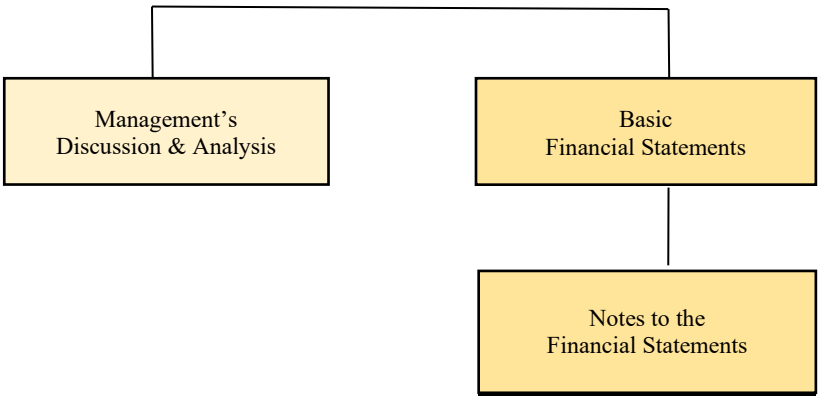
MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2025. 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 2025 FINANCIAL HIGHLIGHTS

- Total net position increased by $491,595 from the last fiscal year.
- The District's assets exceeded its liabilities by $57,388,911, excluding deferred inflows and outflows of resources. Assets and deferred outflows of resources totaled $64,454,048 and liabilities and deferred inflows of resources were $5,966,424.
- Net position consisted of $40,883,782 classified as net investment in capital assets; $11,486,387 as restricted; and $6,117,455 as unrestricted net position.
- Total revenues were $15,565,846 which consisted of operating revenues totaling $6,991,567 and nonoperating revenues totaling $8,574,279.
- Total District operating expenses were $15,074,251.

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:

Table 1 - Net Position				
	2025	2024	Dollar Change	Percent Change
Assets				
Current and other assets	$ 22,335,646	$ 23,120,513	$ (784,867)	-3.4%
Capital assets - net	40,883,782	38,514,536	2,369,246	6.2%
Total Assets	$ 63,219,428	$ 61,635,049	$ 1,584,379	2.6%
Deferred Outflows of Resources	$ 1,234,618	$ 2,033,810	$ (799,192)	-39.3%
Liabilities				
Current and other liabilities	$ 2,270,187	$ 1,664,727	$ 605,460	36.4%
Noncurrent liabilities	3,560,332	3,975,856	(415,524)	-10.5%
Total Liabilities	$ 5,830,519	$ 5,640,583	$ 189,936	3.4%
Deferred Inflows of Resources	$ 135,905	$ 32,247	$ 103,658	321.5%
Net Position				
Net investment in capital assets	$ 40,883,782	$ 38,514,536	$ 2,369,246	6.2%
Restricted	11,486,387	12,843,236	(1,356,849)	-10.6%
Unrestricted	6,117,453	6,638,257	(520,804)	-7.8%
Total Net Position	$ 58,487,622	$ 57,996,029	$ 491,593	0.8%

As of June 30, 2025, the largest portion of the Authority's total net position was the net investment in capital assets, which increased by $2,369,246, mostly due to increases in activity to structures and improvements of $3,509,569.

Noncurrent liabilities decreased by $415,524 primarily due to a decrease in the net pension liability of $260,011.

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

Table 2 - Statement of Changes in Net Position

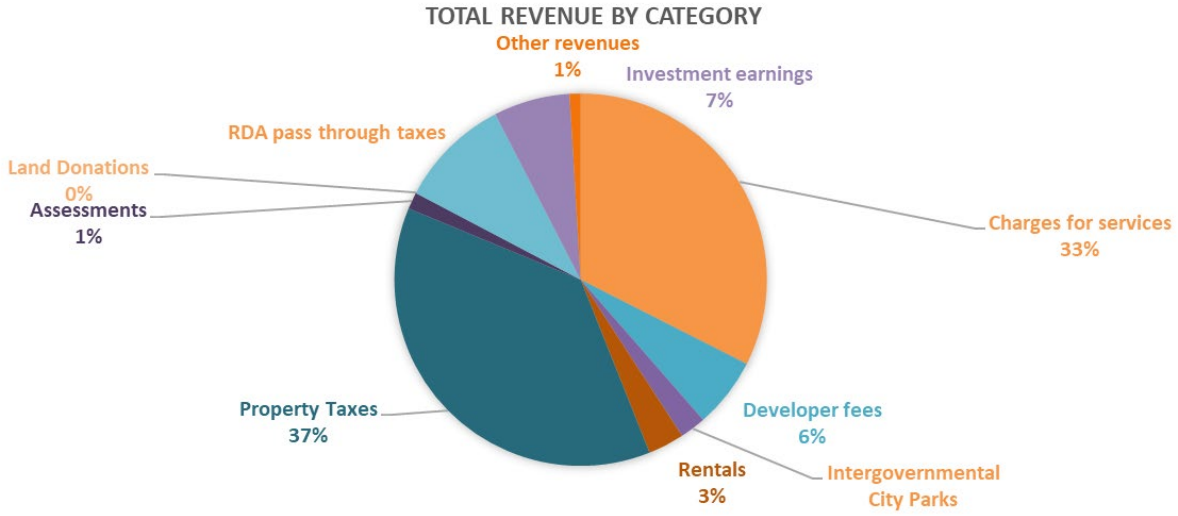
Functions/Programs	2025	2024	Dollar Change	Percent Change
Operating Revenues				
Charges for services	$ 5,054,770	$ 5,234,568	$ (179,798)	-3.43%
Developer fees	948,820	516,763	432,057	83.61%
Intergovernmental City Parks	352,012	2,778,224	(2,426,212)	-87.33%
Rentals	488,101	468,648	19,453	4.15%
Other revenues	147,862	202,368	(54,506)	-26.93%
Total Operating Revenues	6,991,565	9,200,571	(2,209,006)	-24.01%
Operating Expenses				
Salaries and benefits	9,220,392	8,765,241	455,151	5.19%
Services and supplies	3,397,967	3,317,150	80,817	2.44%
Contributions to other agencies	-	12,865	(12,865)	-100.00%
Repairs and maintenance	365,820	23,369	342,451	1465.41%
Depreciation and amortization	2,017,432	1,212,651	804,781	66.37%
Other expenses	72,640	-	72,640	100.00%
Total Operating Expenses	15,074,251	13,331,276	1,742,975	13.07%
Operating Income (Loss)	(8,082,686)	(4,130,705)	(3,951,981)	95.67%
Nonoperating Revenues (Expenses)				
Property Taxes	5,804,760	6,447,483	(642,723)	-9.97%
Assessments	225,990	220,771	5,219	2.36%
Land Donations	-	5,806,432	(5,806,432)	-100.00%
RDA pass through taxes	1,512,389	635,262	877,127	138.07%
Investment earnings	1,031,140	1,215,939	(184,799)	-15.20%
Total Nonoperating Revenues (Expenses)	8,574,279	14,325,887	(5,751,608)	-40.15%
Increase / (Decrease) in Net Position	491,593	10,195,182	(9,703,589)	-95.18%
Prior Period Restatement	-	254,539	(254,539)	-100.00%
Net Position, Beginning of Year	57,996,029	47,546,308	10,449,721	21.98%
Net Position, End of Year	$ 58,487,622	$ 57,996,029	$ 491,593	0.85%

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 decreased by $2,209,006 (24.01%). $1.96M of the decrease was related to a reimbursement for the Chapman Park construction project that inflated the prior year's value. Phased payments stopped in 2023/2024, no longer impacting revenues.
- Total nonoperating revenues decreased by $5,751,608 (40.15%). This was mainly the result of a land donation of $5,806,432 during FY24.
- Total operating expenses increased by $1,742,975 (13.07%). This was mainly the result of an increase in depreciation and amortization of $804,781. This increase in depreciation and amortization is directly related to the completed CIP (Construction in Progress) expenses that were capitalized in FY 24/25 such as Chapman Park construction project, ADA (American with Disabilities Act) improvements, HVAC (Heating, Ventilation, and Air conditioning) replacements, Baroni/Centennial/Rotary Park Playgrounds, Community Park court/sidewalk repairs, Lakeside Kitchen Remodel.

Revenues

The following chart summarizes the changes in revenues by category during 2024/25:

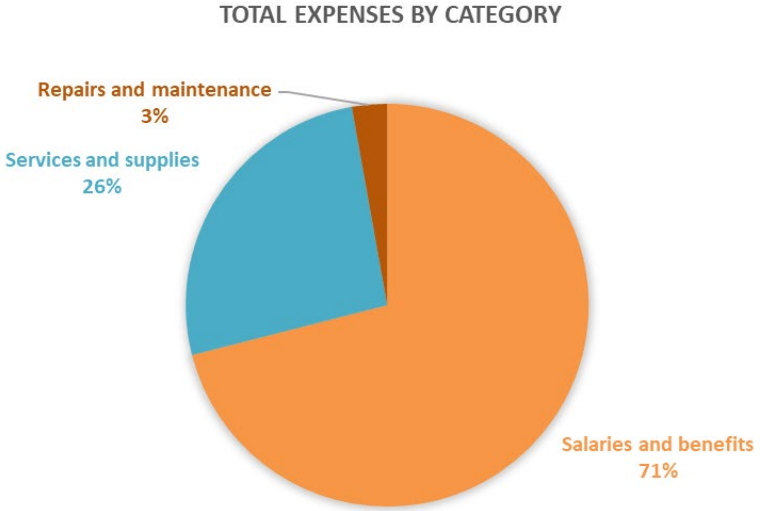


Significant changes in revenues consisted of the following:

- Charges for Services decreased by $179,798 (3.43%) most of which was related to a decrease in program offerings and participant demand.
- Developer fees increased by $432,059 (83.61%) mainly as a result of an increase in developer activity.
- Property taxes decreased by $642,723 (9.97%) from decreases in the overall tax revenue.
- RDA pass through taxes increased by $877,127 (15.20%) from decreases in the overall tax revenue.

Expenses

The following chart summarizes the changes in expenses by function during 2024/25:



Significant changes in expenses consisted of the following:

- Salaries and benefits expenses increased by $455,151 (5.19%) mostly because of an increase in staffing to accommodate growth in the District.
- Depreciation and amortization expenses increased by $804,781 (66.37%) was a result of capitalized projects.

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 by Sub-Fund

	General Fund	Baroni Park	Indigo Park	Oak Way Park
Total Revenues	$ 13,741,728	$ 115,297	$ 56,789	$ 24,511
Total Expenditures	14,651,580	97,770	63,685	150,223
Revenues Over (Under) Expenditures	(909,852)	17,527	(6,896)	(125,712)
Transfers In	2,968,460	-	17,538	125,712
Transfers Out	(209,392)	-	-	-
Change in Net Position	1,849,216	17,527	10,642	-
Beginning Net Position	45,152,793	52,805	12,779	-
Ending Net Position	$ 47,002,009	$ 70,332	$ 23,421	$ -

	Peterson Park	Park Development	Community Park Impact	Total
Total Revenues	$ 44,851	$ 80,981	$ 1,501,687	$ 15,565,844
Total Expenditures	110,993	-	-	15,074,251
Revenues Over (Under) Expenditures	(66,142)	80,981	1,501,687	491,593
Transfers In	66,142	-	-	3,177,852
Transfers Out	-	(45,069)	(2,923,391)	(3,177,852)
Change in Net Position	-	35,912	(1,421,704)	491,593
Beginning Net Position	38,448	511,359	12,227,845	57,996,029
Ending Net Position	$ 38,448	$ 547,271	$ 10,806,141	$ 58,487,622

CAPITAL ASSETS

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

Table 4 - Capital Assets, Net of Depreciation

	2025	2024	Dollar Change	% Change
Land	$ 17,441,223	$ 17,441,223	$ -	0.00%
Construction in progress	3,776,989	4,809,608	(1,032,619)	-21.47%
Leasehold Improvements	876,761	1,099,465	(222,704)	-20.26%
Structures and improvements	18,590,925	15,081,356	3,509,569	23.27%
Parks and Recreation equipment	57,210	242	56,968	23540.50%
Vehicles	140,674	82,642	58,032	70.22%
Total Capital Assets, Net	$ 40,883,782	$ 38,514,536	$ 2,369,246	6.15%

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			
	2025	2024	Dollar Change	% Change
Compensated Absences	$ 336,786	$ 492,299	$ (155,513)	-31.59%
Net Pension Liability	3,223,546	3,483,557	(260,011)	-7.46%
Total Long-Term Liabilities	$ 3,560,332	$ 3,975,856	$ (415,524)	-10.45%

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

ECONOMIC FACTORS AND OUTLOOK

The economy of Butte County, California has remained steady. The unemployment rate was 6.1% in June 2024 and increased slightly to 6.5% in June 2025. The District has approved a balanced budget for the 2025-2026 fiscal year, ensuring financial stability. At the same time, the District continues to focus on providing high-quality recreational programs and well-maintained parks for the Chico community. We consistently monitor the costs of these programs to keep services affordable for everyone.

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.

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BASIC FINANCIAL STATEMENTS

Chico Area Recreation and Park District
Statement of Net Position
June 30, 2025

ASSETS		
Current assets:		
Cash and investments	$	21,943,884
Accounts receivable		384,903
Total current assets		22,335,646
Capital assets - net		40,883,782
Total assets	$	63,219,428
DEFERRED OUTFLOWS OF RESOURCES		
Pension adjustments	$	1,234,618
LIABILITIES		
Current liabilities:		
Accounts payable	$	381,219
Accrued payroll and liabilities		583,883
Program advances		1,305,085
Total current liabilities		2,270,187
Noncurrent liabilities:		
Compensated absences		336,786
Net pension liability		3,223,546
Total noncurrent liabilities		3,560,332
Total liabilities	$	5,830,519
DEFERRED INFLOWS OF RESOURCES		
Pension adjustments	$	135,905
NET POSITION		
Net investment in capital assets	$	40,883,782
Restricted		11,485,613
Unrestricted		6,118,227
Total net position	$	58,487,622

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, 2025

Operating revenues:		
Program service fees	$	5,054,770
Developer fees		948,820
Intergovernmental City Parks		352,012
Rentals		488,101
Other revenue		147,862
Total operating revenues		6,991,565
Operating expenses:		
Salaries and benefits		9,220,392
Services and supplies		3,397,967
Repairs and maintenance		365,820
Depreciation and amortization		2,017,432
Other expenses		72,640
Total operating expenses		15,074,251
Operating income (loss)		(8,082,686)
Nonoperating revenues (expenses):		
Interest income		1,031,140
Assessments		225,990
Property taxes		5,804,760
RDA pass through taxes		1,512,389
Net non-operating revenues (expenses)		8,574,279
Change in net position		491,593
Net position - beginning		57,996,029
Net position - ending	$	58,487,622

See accompanying notes to basic financial statements.

Chico Area Recreation and Park District
Statement of Cash Flows
For the Fiscal Year Ended June 30, 2025

CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	$	6,126,987
Receipts from other governments		1,300,832
Other Receipts		635,963
Payments to suppliers		(3,872,693)
Payments to employees		(8,654,150)
Net cash provided by (used for) operating activities		(4,463,061)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Acquisition and construction of capital assets		(2,441,886)
Net cash provided by (used for) capital and related financing activities		(2,441,886)
CASH FLOWS FROM NONCAPITAL AND RELATED FINANCING ACTIVITIES		
Receipts from assessments		225,990
Receipts from taxes		5,804,760
Receipts from RDA pass through taxes		1,512,389
Net cash provided by (used for) noncapital and related financing activities		7,543,139
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest received		1,031,140
Net cash provided by (used for) investing activities		1,031,140
Net increase (decrease) in cash and cash equivalents		1,669,332
Cash and cash equivalents at beginning of fiscal year		22,219,344
Cash and cash equivalents at end of fiscal year	$	23,888,676
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	$	(8,082,686)
Adjustments to reconcile operating income (loss) to net cash provided by (used for) operating activities:		
Depreciation and amortization		2,017,432
Changes in operating assets and liabilities:		
(Increase) decrease in accounts receivable		516,266
(Increase) decrease in prepaid expenses		(6,859)
(Increase) decrease in deferred outflows of resources		799,192
Increase (decrease) in accounts payable		(29,407)
Increase (decrease) in accrued payroll and liabilities		78,916
Increase (decrease) in program advances		555,951
Increase(decrease) in compensated absences		(155,513)
Increase(decrease) in deferred inflows of resources		103,658
Increase(decrease) in net pension liability		(260,011)
Net cash provided by (used for) operations	$	(4,463,061)

See accompanying notes to basic financial statements.

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.

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

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.

As of June 30, 2025, restricted net position consisted of the following:

- $70,332 restricted for assets held for *Baroni Park* that are restricted for the park maintenance assessment districts administered by the District.
- $23,421 restricted for assets held for *Indigo Park* that are restricted for the park maintenance assessment districts administered by the District.
- $39,222 restricted for assets held for *Peterson Park* that are restricted for the park maintenance assessment districts administered by the District.
- $10,806,141 restricted for *Community Park Impact Fees* collected by the City of Chico and utilized by the District for Community Parks.
- $547,271 restricted for developer fees 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.

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.

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 recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled during or upon separation from employment. Based on the criteria listed, two types of leave qualify for liability recognition for compensated absences – vacation and sick leave. The liability for compensated absences is reported as incurred in the proprietary fund financial statements. The liability for compensated absences includes salary-related taxes and benefits, where applicable.

- ***Vacation***

  The District's policy allows employees to accumulate vacation leave up to the employee's annual vacation accrual hours. Upon retirement or separation from the District, the employee is entitled to full compensation for unused vacation.

- ***Sick Leave***

  The District's policy allows employees to accumulate all unused sick leave hours. Employees with over five years of service credit and sick leave accruals of over 100 hours to 260 hours are paid out at the date of separation. The District has determined that it is unlikely that employees will use the sick leave balances accumulated as of year end.

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 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, 2023. For this report, the following timeframes are used for the District's pension plans:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Measurement Period	June 30, 2023 to June 30, 2024

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 1st. 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 1st and February 1st each year and are delinquent if not paid by December

10th and April 10th, 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.

Accounting and Reporting Changes

GASB Statement No. 101, Compensated Absences, effective fiscal 2025.

During the fiscal year, LAFCO implemented 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 liability for specific types of compensated absences not be recognized until the leave is used. 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. This statement did not have a material impact on the financial statements.

GASB Statement No. 102, Certain Risk Disclosures, effective fiscal 2025.

This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

If a government determines that those criteria for disclosure have been met for a concentration or constraint, it should disclose information in notes to financial statements in sufficient detail to enable users of financial statements to understand the nature of the circumstances disclosed and the

government's vulnerability to the risk of a substantial impact. The disclosure should include descriptions for (1) the concentration or constraint (2) each event associated with the concentration or constraint that could cause a substantial impact if the event had occurred or had begun to occur prior to the issuance of the financial statements (3) actions taken by the government prior to the issuance of the financial statements to mitigate the risk.

The implementation of this standard did not have a material impact on the City's financial statements and management determined there were no were concentrations or constraints that make the City vulnerable to the risk of substantial impact.

Upcoming New Accounting Pronouncements

LAFCO is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following GASB Statement:

GASB Statement No. 103, Financial Reporting Model Improvements, effective fiscal 2026.

This Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability.

This Statement establishes new accounting and financial reporting requirements or modifies existing requirements related to (a) Management's discussion and analysis (MD&A) (b) Unusual or infrequent items (c) Presentation of the proprietary fund statement of revenues, expenses, and changes in fund net position (d) Information about major component units in basic financial statements (5) Budgetary comparison information (6) Financial trend information in the statistical section

The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter.

NOTE 2 - CASH AND INVESTMENTS

Summary of Cash and Investments

As of June 30, 2025, the District had the following cash and investments:

Cash and Investments	2025
County Treasury	$ 5,807,543
California CLASS investment pool	2,779,892
Cash in banks	13,355,651
Cash on hand	800
Total Cash and Investments	$ 21,943,886

Cash Deposits

As of June 30, 2025 the carrying amount of the District's cash in banks was $13,355,651 and the bank balance of the District's accounts with banks was $12,997,910, which was $12,497,910 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).

The District also deposits cash with California CLASS. California CLASS is a Joint Powers Authority investment pool that provides public agencies the opportunity to invest funds on a cooperative basis in rated pools that are managed in accordance with state law. The CLASS PRIME fund is a stable $1.00 NAV local government investment pool that offers daily liquidity. Investments are made in accordance with California State Code and include U.S. Agencies and Treasuries, commercial paper, collateralized bank deposits, money market funds, and more. An investment in California CLASS is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the California CLASS Prime Fund seeks to preserve the value of investments at $1.00 per share, the value is not guaranteed. The CLASS Prime fund is rated AAAm by S&P with a weighted average maturity of 40 days.

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 and the CLASS Prime 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.

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 or less.

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 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, 2025, 22% of the Districts cash was invested in the County pool and 12% was invested in the CLASS pool.

NOTE 3 - CAPITAL ASSETS

The District's capital assets consisted of the following as of June 30, 2025:

Governmental activities	Balance July 01, 2024	Additions	Adjustments & Retirements	Transfers	Balance June 30, 2025
Nondepreciable Capital Assets:					
Land	$ 17,441,223	$ -	$ -	$ -	$ 17,441,223
Construction in progress	4,809,608	3,800,722	-	(4,833,341)	3,776,989
Total nondepreciable capital assets	22,250,831	3,800,722	-	(4,833,341)	21,218,212
Depreciable capital assets:					
Leasehold Improvements	2,096,190	95,718	(182,387)	-	2,009,521
Structures and improvements	30,684,239	-	3,624	4,833,341	35,962,631
Parks and Recreation Equipment	1,066,707	116,493	-	-	1,183,200
Office Equipment	296,192	-	-	-	296,192
Vehicles	518,224	122,581	(11,500)	-	629,305
Total depreciable capital assets	34,661,552	334,792	(190,263)	4,833,341	40,080,849
Less accumulated depreciation:					
Leasehold Improvements	996,725	140,202	(4,167)	-	1,132,760
Structures and improvements	15,602,883	1,693,751	75,072	-	17,371,706
Parks and Recreation Equipment	1,066,466	82,824	(23,299)	-	1,125,991
Office Equipment	296,191	-	-	-	296,191
Vehicles	435,582	77,566	(24,517)	-	488,631
Total accumulated depreciation	18,397,847	1,994,343	23,089	-	20,415,279
Total depreciable capital assets - net	16,263,705	(1,659,551)	(213,352)	4,833,341	19,665,570
Capital assets - net	$ 38,514,536	$ 2,141,171	$ (213,352)	$ -	$ 40,883,782

Depreciation expense for the year ended June 30, 2025 was $1,994,343.

NOTE 4 - LONG-TERM LIABILITIES

The District's long-term liabilities consisted of the following as of June 30, 2025

Description	Balance June 30, 2024	Additions	Reductions	Balance June 30, 2025	Due Within One Year
Compensated Absences	$ 492,299	$ -	$ 155,513	$ 336,786	$ 252,590
Net Pension Liability	3,483,558	2,045,986	2,305,998	3,223,546	-
Total Long-term liabilities	$ 3,975,857	$ 2,045,986	$ 2,461,511	$ 3,560,332	$ 252,590

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, 2025. There were no settlements that exceeded insurance coverage for fiscal year ended June 30, 2025. Condensed financial information for SDRMA for the fiscal year ended June 30, 2025 is as follows:

	June 30, 2024
Total Assets and Deferred Outflows	$ 163,975,324
Total Liabilities and Deferred Inflows	78,788,958
Total Equity	85,186,366
Total Revenues	117,667,940
Total Expenditures	104,002,777

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, 2025, are summarized as follows:

	Miscellaneous	
	Classic	PEPRA
Benefit formula	2.0% @ 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	2.0%	2%
Required employee contribution rates	8.00%	7.75%
Required employer contribution rates	11.52%	7.96%

Employees Covered - At June 30, 2025, the following employees were covered by the benefit terms for the Plan at the valuation date of June 30, 2024:

	Miscellaneous
Active	57
Transferred	53
Separated	105
Retired	51
Total	266

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 $396,826 during the fiscal year.

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

As of June 30, 2025, the District reported net pension liabilities for its proportionate shares of the net pension liability totaling $3,223,546.

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, 2024, 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, 2023 rolled forward to June 30, 2024 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, 2024 and 2025 was as follows:

	Miscellaneous
Proportion - June 30, 2024	0.06967%
Proportion - June 30, 2025	0.06665%
Change - Increase/(Decrease)	-0.00302%

For the year ended June 30, 2025, the District recognized pension expense of $1,039,665.

At June 30, 2025, 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
Changes of Assumptions	$ 82,852	$ -
Differences between Expected and Actual Experience	278,705	10,875
Differences between Projected and Actual Investment Earnings	185,576	-
Differences between Employer's Contributions and Proportionate Share of Contributions	125,488	94,782
Change in Employer's Proportion	165,172	30,250
Pension Contributions Made Subsequent to Measurement Date	396,826	-
Total	$ 1,234,619	$ 135,907

The District reported $396,826 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, 2026.

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

Fiscal Year Ending June 30:	Deferred Outflows/ (Inflows) of Resources
2026	$ 355,618
2027	440,877
2028	(31,014)
2029	(63,595)
2030	-
Thereafter	-
Total	$ 701,886

Actuarial Assumptions - The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase	(1)
Investment Rate of Return	6.8% (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 6.9 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 6.9 percent discount rate is adequate, and the use of the

municipal bond rate calculation is not necessary. The long term expected discount rate of 6.9 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.

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	Long-Term Expected Real Return (1)(2)
Global Equity Cap Weighted	30.00%	4.54%
Global Equity NonCap Weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.3% used for this period.
(2) Figures are based on the 2021-22 Asset Liability Study.

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:

		Miscellaneous
1% Decrease		5.90%
Net Pension Liability	$	5,798,766
Current		6.90%
Net Pension Liability	$	3,223,546
1% Increase		7.90%
Net Pension Liability	$	1,103,760

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 7 - SUBSEQUENT EVENTS

Management has evaluated all subsequent events from the statement of financial position date of June 30, 2025, through the date the financial statements were available to be issued, December 1, 2025. 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, 2025

Miscellaneous Plan

Plan Measurement Date	2015	2016	2017	2018	2019
Fiscal Year Ended	2016	2017	2018	2019	2020
Contractually Required Contributions	$ 224,228	$ 229,225	$ 346,326	$ 383,106	$ 400,876
Contributions in Relation to Contractually Required Contributions	224,228	229,225	346,326	1,111,353	400,876
Contribution Deficiency (Excess)	$ -	$ -	$ -	$ (728,247)	$ -
Covered Payroll	**$ 2,354,799**	**$ 2,255,959**	**$ 2,347,917**	**$ 2,491,890**	**$ 2,602,267**
Contributions as a % of Covered Payrol	**9.52%**	**10.16%**	**14.75%**	**44.60%**	**15.40%**

Miscellaneous Plan

Plan Measurement Date	2020	2021	2022	2023	2024
Fiscal Year Ended	2021	2022	2023	2024	2025
Contractually Required Contributions	$ 579,955	$ 527,407	$ 780,928	$ 379,361	$ 396,826
Contributions in Relation to Contractually Required Contributions	767,955	722,882	880,928	479,361	396,826
Contribution Deficiency (Excess)	$ (188,000)	$ (195,475)	$ (100,000)	$ (100,000)	$ -
Covered Payroll	**$ 2,481,040**	**$ 2,691,406**	**$ 3,026,959**	**$ 3,866,492**	**$ 4,170,178**
Contributions as a % of Covered Payrol	**30.95%**	**26.86%**	**29.10%**	**12.40%**	**9.52%**

Notes to Schedule:

Valuation Date: June 30, 2023

Assumptions Used: Entry Age Method used for Actuarial Cost Method
Level Percentage of Payroll and Direct Rate Smoothing
Remaining Amortization Period no more than 26 years
Inflation Assumed at 2.30%
Investment Rate of Returns set at 6.8%
The mortality table was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.90% in FY2023.
The CalPERS mortality assumptions was adjusted in fiscal year 2021.

Chico Area Parks and Recreation District
Schedule of Proportionate Share of Net Pension Liability
June 30, 2025

Miscellaneous and Safety Plan					
Plan Measurement Date	**2015**	**2016**	**2017**	**2018**	**2019**
Fiscal Year Ended	**2016**	**2017**	**2018**	**2019**	**2020**
Proportion of Net Pension Liability (Safety and Misc)	0.02562%	0.02749%	0.02862%	0.02131%	0.02280%
Proportion of Net Pension Liability (Misc Plan Only)	0.06409%	0.06847%	0.07201%	0.05448%	0.05834%
Proportionate Share of Net Pension Liability	$ 1,758,201	$ 2,378,682	$ 2,838,733	$ 2,053,235	$ 2,336,424
Covered Payroll	$ 2,154,908	$ 2,354,799	$ 2,255,959	$ 2,347,917	$ 2,491,890
Proportionate Share of NPL as a % of Covered Payroll	81.59%	101.01%	125.83%	87.45%	93.76%
Plan's Fiduciary Net Position as a % of the TPL	83.49%	78.20%	77.07%	79.03%	83.69%

Miscellaneous and Safety Plan					
Plan Measurement Date	**2020**	**2021**	**2022**	**2023**	**2024**
Fiscal Year Ended	**2021**	**2022**	**2023**	**2024**	**2025**
Proportion of Net Pension Liability (Safety and Misc)	0.02457%	0.01215%	0.02698%	0.02792%	0.02658%
Proportion of Net Pension Liability (Misc Plan Only)	0.06337%	0.03461%	0.06661%	0.06967%	0.06665%
Proportionate Share of Net Pension Liability	$ 2,673,146	$ 657,141	$ 3,116,896	$ 3,483,557	$ 3,223,546
Covered Payroll	$ 2,602,267	$ 2,481,040	$ 2,691,406	$ 3,026,959	$ 3,866,492
Proportionate Share of NPL as a % of Covered Payroll	102.72%	26.49%	115.81%	115.08%	83.37%
Plan's Fiduciary Net Position as a % of the TPL	82.32%	95.84%	81.93%	80.97%	83.11%

The CalPERS discount rate was increased from 7.50% to 7.65% in FY2016, to 7.15% in FY2018, and then decreased to 6.90% in FY2023.
The CalPERS mortality assumptions was adjusted in fiscal year 2021.

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SUPPLEMENTAL INFORMATION

Chico Area Recreation and Park District

Combining Statement of Net Position

June 30, 2025

	General	Baroni Park	Indigo Park	Oak Way Park	Peterson Park	Park Development	Community Park Impact Fees	2025
ASSETS								
Current assets:								
Cash and investments	$ 10,450,943	$ 71,835	$ 24,298	$ 4,071	$ 39,325	$ 547,271	$ 10,806,141	$ 21,943,884
Accounts receivable	384,903	-	-	-	-	-	-	384,903
Due from other funds	-	-	-	-	-	-	242,572	242,572
Prepaid expenses	6,859	-	-	-	-	-	-	6,859
Total current assets	10,842,705	71,835	24,298	4,071	39,325	547,271	11,048,713	22,578,218
Capital assets - net	40,883,782	-	-	-	-	-	-	40,883,782
Total assets	$ 51,726,487	$ 71,835	$ 24,298	$ 4,071	$ 39,325	$ 547,271	$ 11,048,713	$ 63,462,000
DEFERRED OUTFLOWS OF RESOURCES								
Pension adjustments	$ 1,234,618	$ -	$ -	$ -	$ -	$ -	$ -	$ 1,234,618
LIABILITIES								
Current liabilities:								
Accounts payable	$ 138,647	$ -	$ -	$ -	$ -	$ -	$ 242,572	$ 381,219
Accrued payroll and liabilities	583,883	-	-	-	-	-	-	583,883
Program advances	1,305,085	-	-	-	-	-	-	1,305,085
Due to other funds	235,244	1,503	877	4,071	877	-	-	242,572
Total current liabilities	2,262,859	1,503	877	4,071	877	-	242,572	2,512,759
Noncurrent liabilities:								
Compensated absences	336,786	-	-	-	-	-	-	336,786
Net pension liability	3,223,546	-	-	-	-	-	-	3,223,546
Total noncurrent liabilities	3,560,332	-	-	-	-	-	-	3,560,332
Total liabilities	$ 5,823,191	$ 1,503	$ 877	$ 4,071	$ 877	$ -	$ 242,572	$ 6,073,091
DEFERRED INFLOWS OF RESOURCES								
Pension adjustments	135,905	-	-	-	-	-	-	135,905
NET POSITION								
Net investment in capital assets	$ 40,883,782	$ -	$ -	$ -	$ -	$ -	$ -	$ 40,883,782
Restricted	-	70,332	23,421	-	38,448	547,271	10,806,141	11,485,613
Unrestricted	6,118,227	-	-	-	-	-	-	6,118,227
Total net position	$ 47,002,009	$ 70,332	$ 23,421	$ -	$ 38,448	$ 547,271	$ 10,806,141	$ 58,487,622

Chico Area Recreation and Park District

Combining Statement of Revenues, Expenses and Changes in Net Position

For the Fiscal Year Ended June 30, 2025

	General	Baroni Park	Indigo Park	Oak Way Park	Peterson Park	Park Development	Community Park Impact Fees	2025
Operating revenues:								
Program service fees	$ 5,054,770	$ -	$ -	$ -	$ -	$ -	$ -	$ 5,054,770
Developer fees	-	-	-	-	-	59,375	889,445	948,820
Intergovernmental City Parks	352,012	-	-	-	-	-	-	352,012
Rentals	488,101	-	-	-	-	-	-	488,101
Other revenue	147,862	-	-	-	-	-	-	147,862
Total operating revenues	6,042,745	-	-	-	-	59,375	889,445	6,991,565
Operating expenses:								
Salaries and benefits	8,926,010	69,085	53,629	90,466	81,202	-	-	9,220,392
Services and supplies	3,308,426	19,197	7,542	35,293	27,509	-	-	3,397,967
Repairs and maintenance	327,072	9,488	2,514	24,464	2,282	-	-	365,820
Depreciation and amortization	2,017,432	-	-	-	-	-	-	2,017,432
Other expenses	72,640	-	-	-	-	-	-	72,640
Total operating expenses	14,651,580	97,770	63,685	150,223	110,993	-	-	15,074,251
Operating income (loss)	(8,608,835)	(97,770)	(63,685)	(150,223)	(110,993)	59,375	889,445	(8,082,686)
Nonoperating revenues (expenses):								
Interest income	381,834	8,137	3,391	1,387	2,543	21,606	612,242	1,031,140
Assessment fees	-	107,160	53,398	23,124	42,308	-	-	225,990
Property taxes	5,804,760	-	-	-	-	-	-	5,804,760
RDA pass through taxes	1,512,389	-	-	-	-	-	-	1,512,389
Net nonoperating revenues (expenses)	7,698,983	115,297	56,789	24,511	44,851	21,606	612,242	8,574,279
Income (loss) before operating transfers	(909,852)	17,527	(6,896)	(125,712)	(66,142)	80,981	1,501,687	491,593
Transfers in	2,968,460	-	17,538	125,712	66,142	-	-	3,177,852
Transfers out	(209,392)	-	-	-	-	(45,069)	(2,923,391)	(3,177,852)
Change in net position	1,849,216	17,527	10,642	-	-	35,912	(1,421,704)	491,593
				-				
Net position - beginning	45,152,793	52,805	12,779	-	38,448	511,359	12,227,845	57,996,029
Net position - ending	$ 47,002,009	$ 70,332	$ 23,421	$ -	$ 38,448	$ 547,271	$ 10,806,141	$58,487,622

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OTHER INDEPENDENT AUDITOR'S REPORTS

Chavan and Associates, llp
Certified Public Accountants

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, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated December 1, 2025.

Report on 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) as a basis for designing 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 and significant deficiencies may exist that were not identified.

16450 Monterey Road, Suite #5, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial 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

December 1, 2025
Morgan Hill, California

16450 Monterey Road, Suite #5, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

Finance Committee

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Philip Aviles, Finance & Human Resources Director
SUBJECT: Award Contract for Auditing Services

BACKGROUND

The District retains an independent certified public accounting firm to conduct annual financial audits — providing the Board of Directors, community members, and regulatory agencies assurance over the accuracy of the District's financial statements and internal controls.

The current audit services agreement expired with the completion of the fiscal year 24-25 audit, necessitating competitive solicitation for qualified firms. Chavan & Associates, LLP has conducted the District's audits since the 19-20 fiscal year.

The Board authorized the RFP at its October 2025 meeting. Proposals were due on January 30, 2026. A total of three proposals were received.

FISCAL IMPACT

For 24-25 audit services the District paid $19,000. The RFP was for a three-year term with an option to extend it for two years.

	3 Year Period			Optional Extension	
	2026	2027	2028	2029	2030
Chavan & Associates, LLP	16,500	16,500	16,500	16,500	16,500
Nigro & Nigro, PC	20,000	20,000	20,000	20,000	20,000
Fechter & Company*	24,256	25,468	26,742	28,614	30,617

** Onboarding fee of $3,000*

RECOMMENDATION

Award a professional services contract for independent auditing services to the selected firm and authorize the General Manager to execute the agreement.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

FECHTER & COMPANY
Certified Public Accountants

Proposal to Provide Audit Services to

CARD
Chico Area Recreation & Park District

Prepared by:
Scott A. German, CPA
Managing Shareholder

January 30, 2026

Proposal Requested by:

Board of Directors of Chico Area Recreation and Park District

Proposal Publish Date: December 15, 2025 **Proposal Due Date:** January 30, 2026

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 following Government Audit Standards.

Period Covered:

For the Fiscal Years Ending: June 30, 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.

FECHTER & COMPANY
Certified Public Accountants

Craig R. Fechter, CPA, MST
(1976 - 2022)

January 30, 2026

Philip Aviles, Finance & HR Director - paviles@chicorec.gov.
Board of Directors
Chico Area Recreation and Park District
545 Vallombrosa Avenue
Chico, California 95926

Fechter & Company, Certified Public Accountants, is pleased to present our proposal to provide financial statement audit services to the Chico Area 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. I am authorized to represent and to obligate the firm contractually to Chico Area 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) 573-1809.

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

3445 American River Drive, Suite A | Sacramento, California 95864
phone 916-333-5360 | fax 916-333-5370 | www.fechtercpa.com

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FECHTER & COMPANY
Certified Public Accountants

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 8 CPA's and seasoned staff, 3-4 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:
    - With 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

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***.

FECHTER & COMPANY
Certified Public Accountants

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.

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.

Carmichael Recreation and Pak District
Rio Linda Elverta Recreation and Park District
Granada Community Servies District
Los Osos Community Service District
Sacramento Public Library Authority
Ojai Sanitary District
Montecito Fire Protection District
Clarksburg Fire Protection District
El Dorado LAFCO
Placer County Resource Conservation District
Rio Alto Water District
Rural North Vacaville Water District
Nevada County Consolidated Fire District
East Contra Costa Irrigation District
East Side Mosquito Abatement District
South Lake County Fire Protection District
Sylvan Cemetery District
Bayshore Sanitary District
Solano Mosquito Abatement District
Fair Oaks Cemetery District
Davis Public Cemetery

Relevant Experience and References

References from Similar Type Agencies

Rio Linda Elverta Recreation and Park District Rio Linda, California	**Carmichael Recreation and Park District** Carmichael, California
Contact information: Mike Heller, General Manager 810 Oak Ln Rio Linda, California 95673 (916) 991-5929 **Scope of audit work:** Annual audit of the financial statements. State Controllers Annual Report of Financial Transactions **Hours Annually:** 80 **Partner:** Scott German, CPA **Fiscal Years Completed:** 2016-2025	**Contact information:** Stacey Yankee, District Administrator 5750 Grant Ave Carmichael, California 95608 (916) 485-5322 **Scope of audit work:** Annual audit of the financial statements. State Controllers Annual Report of Financial Transactions **Hours Annually:** 150 **Partner:** Joanne Berry, CPA **Fiscal Years Completed:** 2015-2024

Fees and Expenses

Standard Hourly Billing Rates for Professional Personnel

	Professional Fees Per Hour	
	Standard	Quoted
Partner	$ 325	$ 228
Manager	$ 275	$ 193
Professional Staff	$ 175	$ 123
Clerical/Support Staff	$ 75	$ 53

Total All-Inclusive Maximum Price Proposed Fee Schedule

			3-Year Period			Optional 2-Year	
	Hours	Hourly Rate	2026	2027	2028	2029	2030
Base audit fees:							
Partner	18	$ 228	$ 4,100	$ 4,305	$ 4,520	$ 4,837	$ 5,175
Manager	62	$ 193	11,935	12,532	13,158	14,079	15,065
Professional Staff	61	$ 123	7,473	7,846	8,238	8,815	9,432
Clerical/Support Staff	14	$ 53	748	786	825	883	944
Total base audit fees	155		24,256	25,468	26,742	28,614	30,617
Single Audit, one program (Note 1)			-	-	-	-	-
Total audit fees before adjustment			24,256	25,468	26,742	28,614	30,617
Onboarding fee			3,000	-	-	-	-
Net professional Fees			27,256	25,468	26,742	28,614	30,617
Plus allowance for out-of-pocket expenses (Note 1)			1,500	1,500	1,500	1,500	1,500
Total all-inclusive maximum price fee			$ 28,756	$ 26,968	$ 28,242	$ 30,114	$ 32,117

Omits pennies so some rounding errors are present.

Note 1 - Expenses are invoiced as incured at actual amounts, this is our best estimate of what we expect to incur at the time of proposal. Expenses will be invoiced at actual up to this amount.

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, will result in additional fees.

You will be notified of any change in fees 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 Chico Area 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

Audit Process Overview

Laws, Regulations and Contracts

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.

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.

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, identifies 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 1-2 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
  - 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

Artificial Intelligence tools

Fechter & Company has partnered with Thomson Reuters for its artificial intelligence tools. Thomson Reuters is the leading source for research and audit tools world-wide, as such they are in a position to provide high quality tools we will bring to bear as part of your audit.

Thomson Reuters AI Analyze is an advanced auditing tool that leverages artificial intelligence and machine learning to enhance audit quality and efficiency, helping auditors focus on high-risk areas while minimizing manual workloads.

Key Features of AI Analyze

1. **AI-Powered Analysis**: The tool automates the analysis of all transactions, allowing auditors to concentrate on high-risk areas and reduce time spent on low-risk ones. This capability is crucial for improving overall audit quality and efficiency.

2. **Risk Segmentation**: AI Analyze employs intelligent segmentation of audit testing populations based on risk levels, which helps in minimizing the overall number of items that need testing. This leads to more streamlined audit processes and significant time savings.

3. **Integration with Existing Workflows**: The solution seamlessly integrates into current audit methodologies and workflows, ensuring that auditors do not need to learn new processes. This integration enhances user experience and allows for easy data ingestion from various sources.

4. **Customization**: Auditors can customize techniques and criteria for specific engagements, providing full control over how the analysis is performed. This flexibility is essential for addressing the unique needs of different audit scenarios.

5. **Documentation Automation**: AI Analyze automatically generates necessary audit documentation, for review by the experienced audit team helping to maintain compliance and improve transparency throughout the audit process.

Specifically, we will us the tools as follows:

- Analyze the District's entire general ledger for anomalies and transactions requiring additional procedures.
- Sample selection so we are able to concentrate on the highest risk items in accounts receivable.

Audit Process Overview

- Research tool that will allow us to perform detailed analysis of new accounting standards and their impact on your District.

These tools will require access to your general ledger. We understand that there is considerable reticence to expose your general ledger to outside connections. Thomson Reuters has partnered with Validis an international firm that specializes in data analysis. This firm is used by major law firms in support of major class action lawsuits. The following is a brief overview of Valis' role in the process from Thomson Reuters.

Validis: The Data Ingestion Partner for AI Analyze

Validis is the data ingestion partner for AI Analyze, providing the necessary standardized, transaction-level data across any ERP. This partnership is crucial for the AI-driven risk assessment, anomaly detection, and automated documentation capabilities of AI Analyze. Validis' Smart Data Engine ingests and standardizes client trial balance, general ledger, and subledger data, ensuring a consistent output across all accounting systems. This integration allows firms to adopt AI responsibly, without the 'garbage in, garbage out' problem that undermines most automation programs. Validis' standardized data provides auditors with deeper insight and earlier in the process, supporting strategic sampling, enhanced planning, and more informed conversations with clients

It is important to note that the AI tools we use are just that, tools. Experienced audit professionals review and approve all output, review for anomalies and apply professional judgement to make sure that you receive the high-quality audit that you desire.

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
- Verify compliance with relevant California Statutes
- Verify compliance with debt covenants
- Review fund balance and net position for proper classification
- Verify inventory of vaults
- Compare activity to the County reports
- Perform detailed analytical procedures
- Detailed testing of grants, including single audit testing, when necessary

To provide an efficient and effective audit for the District, our substantive audit procedures will focus on areas of higher risk, be based on internal control testing, and preliminary testing 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 procures 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 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 help 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:

- 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. 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	March 2026
Phase 1	March to April 2026
Phase 2	May -June 2026
Phase 3	September-October 2026
Phase 4	October 2026

Certificates of Insurance-Samples

Current certificates will be provided upon request

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 02/04/2025

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).

PRODUCER
CAMICO Mutual Insurance Company
1300 Gateway Drive, Suite 200
San Mateo, CA 94404

CONTACT NAME: James Rauch
PHONE (A/C, No, Ext): 800-652-1772 FAX (A/C, No): 800-227-2090
E-MAIL ADDRESS: inquiry@camico.com

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	CAMICO Mutual Insurance Company	36340
INSURER B:		
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
Fechter & Company, CPAs
3445 American River Drive, Suite A
Sacramento, CA 95864

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
	COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$
	CLAIMS-MADE / OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$
							MED EXP (Any one person)	$
							PERSONAL & ADV INJURY	$
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$
	POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N / N/A						E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
A	Professional Liability			CAL113917	12/31/2024	12/31/2025	Per Claim:	$1,000,000
							Aggregate:	$2,000,000

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

Should any of the above described policies be canceled before the expiration date thereof, CAMICO will mail 30 days written notice to the certificate holder.

CERTIFICATE HOLDER
Fechter & Company, CPAs
3445 American River Drive, Suite A
Sacramento, CA 95864

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

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FECHT-1 OP ID: RA

ACORD

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 08/06/2024

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).

PRODUCER
Coastal Valley Insurance Serv.
Lic. 0B84546
2941 Sunrise Blvd Ste 140
Rancho Cordova, CA 95742
Anthony R. Telford
916-436-2600

CONTACT NAME: Anthony R. Telford
PHONE (A/C, No, Ext): 916-436-2600 FAX (A/C, No): 916-436-2610
E-MAIL ADDRESS:

INSURER(S) AFFORDING COVERAGE		NAIC #
INSURER A:	Travelers Property Casualty	25674
INSURER B:	Employers Preferred Ins Co	10346
INSURER C:		
INSURER D:		
INSURER E:		
INSURER F:		

INSURED
Fechter & Company
Certified Public Accountants
Craig Fechter
3445 American River Dr Ste A
Sacramento, CA 95864

COVERAGES CERTIFICATE NUMBER: REVISION NUMBER:

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY						EACH OCCURRENCE	$ 1,000,000
	CLAIMS-MADE / X OCCUR			680-5Y555074-24-42	07/06/2024	07/06/2025	DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 300,000
							MED EXP (Any one person)	$ 1,000
							PERSONAL & ADV INJURY	$ 1,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 2,000,000
	POLICY / PRO-JECT / LOC						PRODUCTS - COMP/OP AGG	$ 2,000,000
	OTHER:							$
A	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$ Included
	ANY AUTO			680-5Y555074-24-42	07/06/2024	07/06/2025	BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	X HIRED AUTOS ONLY / X NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
	UMBRELLA LIAB / OCCUR						EACH OCCURRENCE	$
	EXCESS LIAB / CLAIMS-MADE						AGGREGATE	$
	DED / RETENTION $							$
B	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY						X PER STATUTE / OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH) Y / N / N/A			EIG530210801	07/06/2024	07/06/2025	E.L. EACH ACCIDENT	$ 1,000,000
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$ 1,000,000
							E.L. DISEASE - POLICY LIMIT	$ 1,000,000

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

30 days notice of cancellation.Cancellation exception: 10 days notice of cancellation for non payment of premiums.

CERTIFICATE HOLDER
FORVE-1
For Verification Purposes Only

CANCELLATION
SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE

ACORD 25 (2016/03)

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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 AND LANDRY CPAs
HERE TO MAKE THE COMPLEX SIMPLE.

Patrick D. Spafford, CPA
Todd C. Landry, CPA
Licensed by the California Board of Accountancy
Member: American Institute of Certified Public Accountants

Report on the Firm's System of Quality Control

To Fechter & Company, CPAs
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 Fechter & Company, CPAs, (the firm) in effect for the year ended March 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. 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 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 determining the nature and extent of our procedures.

-1-

1849 W. Redlands Blvd., #102, Redlands, CA 92373 • P.O. Box 8847 Redlands, CA 92375 • Tel 909-792-1852 • Fax 909-792-2015

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 requirement for monitoring, the firm was not aware of guidance requiring 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 practice aid. While the firm has reliable third-party practice aids, they did not use them effectively. This contributed to governmental and not-for-profit audit engagements, including audits performed under *Government Auditing Standards* and compliance audits under the Single Audit Act, did not conform to professional standards in all material respects in the areas of independence, risk assessment, analytical review, documentation of certain audit procedures performed and for a compliance audit under the Single Audit Act, documentation of testing specific to a compliance audit, including fraud considerations. 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. This resulted in these 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 Fechter & Company, CPAs in effect 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. Firms can receive a rating of *pass*, *pass with deficiency (ies)*, or *fail*. Fechter & Company, CPAs, has received a peer review rating of *pass with deficiencies*.

Spafford & Landry, Inc.

October 26, 2023

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TECHNICAL PROPOSAL
FOR
PROFESSIONAL AUDITING SERVICES

Chico Area Recreation and Park District

For the Fiscal Years Ending
June 30, 2026-2028
(With the Option for Fiscal Years 2029 to 2031)

Respectfully Submitted on January 29, 2026 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.

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NIGRO & NIGRO PC

A Professional Accountancy Corporation

January 29, 2026

Mr. Philip Aviles, Finance Director
Chico Area Recreation and Park District
545 Vallombrosa Avenue
Chico, CA 95926

Dear Mr. Aviles:

Thank you for the opportunity to submit this proposal to provide audit services for the Chico 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 June 30, 2026-2028 with a three-year option. 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.**

Jeff Nigro, CPA, CFE | Shannon Bishop, CPA | Peter Glenn, CPA, CFE | Paul J. Kaymark, CPA | Jessica Berry, CPA | Angelika Vartikyan, CPA | Jared Solmonsen, CPA

MURRIETA OFFICE 25220 Hancock Avenue, Suite 400, Murrieta, CA 92562 • P: (951) 698-8783 • F: (951) 699-1064
WALNUT CREEK OFFICE 2121 N. California Blvd. Suite 290, Walnut Creek, CA 94596 • P: (844) 557-3111 • F: (844) 557-3444
www.nncpas.com • Licensed by the California Board of Accountancy

- **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 and as you can see from the Audit Teams resumes, in the following pages, they have many years of experience to make the audit a smooth process.

- **A Focus on Providing Consistent, Dependable Service to Government 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

AICPA® 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:

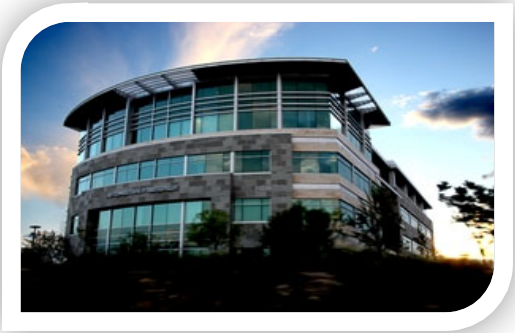
Position	Number of Employees	Number of Licensed CPA's
Partner*	7	7
Senior Manager	1	1
Manager	3	3
Supervisor	1	-
Senior	8	
Associates	17	-
Support Staff	3	-
Total	**40**	**11**

**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."*

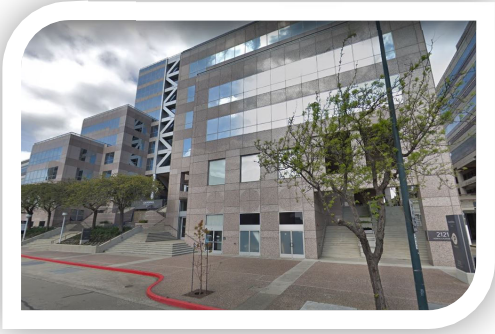
Size and Location of Offices

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.

Name	Role	Years of Experience in Audits
Paul J. Kaymark, CPA	Lead/Review Partner	32
Jared Solmonsen, CPA	Engagement Audit Partner	8
Stacy Macias, CPA	Audit Manager – Federal Compliance	8
Anabel Cruz, CPA	Audit Manager	7
Tyler Cook	Audit Supervisor	4
Angelina Paunkov	Audit Senior	3
Valeria Castaneda	Audit Staff	2

Paul J. Kaymark, CPA

Lead/Technical Review Audit Partner

Paul joined the firm in 2019 and has more than 32 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
CSDA
Districts Stronger Together

CSDA Workshop Speaker

AICPA 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

CalCPA

Water and Wastewater Clients Audited and/or Consulted With Over My Career

Water and Wastewater

Metropolitan Water District of Southern California
Los Angeles County Sanitation District
Long Beach Water Department
Glendale Water and Power
Colton Public Utilities
Baldy Mesa Water District
Bear Valley Community Services District
Beaumont-Cherry Valley Water District
Big Bear City Community Services District
Cabazon Water District
California Domestic Water Company
Casitas Municipal Water District
Castaic Lake Water Agency
Chino Basin Water Conservation District
Chino Basin Watermaster
Coachella Valley Water District
Diablo Water District
East Orange County Water District
El Toro Water District
Farm Mutual Water Company
Golden Hills Community Services District
Goleta Water District
Hi-Desert Water District
Inverness Public Utilities District
Irvine Ranch Water District
Joshua Basin Water District
Jurupa Community Services District
Leucadia Wastewater District
Mesa Consolidated Water District
Mojave Water Agency
Monte Vista Water District
Montecito Water District
North Coast County Water District
North Marin Water District
Novato Sanitary District
Palmdale Water District

Water and Wastewater, continued

Phelan Pinon Hills Community Services District
Pomona Valley Protective Agency
Purissima Hills Water District
Rincon del Diablo Water District
Rosamond Community Services District
Rossmoor Los Alamitos Area Sewer District
Sacramento Suburban Water District
San Bernardino Valley Water Conservation District
San Gabriel Valley Municipal Water District
San Lorenzo Valley Water District
Santa Ana Watershed Project Authority
Santa Margarita Water District
Saticoy Sanitary District
Solano County Water Agency
Soquel Creek Water District
Stallion Springs Community Services District
Summerland Sanitary District
Trabuco Canyon Water District
Tres Pinos Water District
Triunfo Sanitation District
Twentynine Palms Water District
Vallecitos Water District
Valley County Water District
Ventura Regional Sanitation District
Victor Valley Water District
Victor Valley Wastewater Reclamation Authority
Victorville Water District
Water Facilities Authority - Joint Power Agency
Water Replenishment District
West County Agency
West County Wastewater District
West Valley Water District
Westborough Water District
Western Municipal Water District
Western Riverside County Regional Wastewater
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 SBIAs

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 Gorgonio 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 SBIAs

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 Gorgonio 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 SBIAs

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 Gorgonio 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 SBIAs

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 Gorgonio 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 SBIAs

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 Gorgonio 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 Castaneda

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 SBIAs

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 Gorgonio 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

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:

Auburn Area Recreation and Park District – Veona Galbraith, ASM (530) 537-2185

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 – Brian Wilson, GM (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,

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 June 30th 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.

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:

	Total Hours			
Date/Segment	**Partner/Manager**	**Supervisor**	**Staff/Admin**	**Total**
Apr/Jun				
Preliminary planning and fieldwork	8	2	4	14
Apr/Jun				
Interim fieldwork	15	16	16	47
Sept/Oct				
Final fieldwork, report preparation, review, finalization, and presentation	23	20	27	70
Total hours	**46**	**38**	**47**	**131**
Preliminary planning and fieldwork	8	2	4	14
Control	15	16	16	47
Substantive	11	20	27	58
Reporting	12	0	0	12
	46	38	47	131

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 Firm 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

Chico Area Recreation and Park District

For the Fiscal Years Ending
June 30, 2026-2028
(With the Option of Fiscal Years 2029 to 2031)

Respectfully Submitted on January 29, 2026 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

Proposed Pricing Per Professional Staff Member

Professional	Hours	Rates Standard	Rates Quoted	Total
Partner	15.00	$ 225.00	$ 200.00	$ 3,000.00
Managers	31.00	200.00	175.00	5,425.00
Seniors	38.00	175.00	150.00	5,700.00
Staff Members	47.00	150.00	125.00	5,875.00
Admin	-	125.00	100.00	-
Subtotal	131.00			20,000.00
Out-of-Pocket - Included in Rates				-
Total Max				$ 20,000.00

Fiscal Year	FY 2026	FY 2027	FY 2028	Total
District Financials	$ 19,500	$ 19,500	$ 19,500	$ 58,500
SCR - District	500	500	500	1,500
Total	$ 20,000	$ 20,000	$ 20,000	$ 60,000

Same Price for FY 2029 to FY 2031

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
PolyCera, 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

SPAFFORD AND LANDRY CPAs
HERE TO MAKE THE COMPLEX SIMPLE.

Patrick D. Spafford, CPA
Todd C. Landry, CPA

Licensed by the California Board of Accountancy
Member: American Institute of Certified Public Accountants

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. 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.

1849 W. Redlands Blvd., #102, Redlands, CA 92373 · P.O. Box 8847 Redlands, CA 92375 · Tel 909-792-1852 · Fax 909-792-2015

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*.

Spafford & Landry, Inc.

May 1, 2024

CERTIFICATE OF LIABILITY INSURANCE

DATE (MM/DD/YYYY): 1/8/2026

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).

PRODUCER
Tower Insurance Associates, Inc.
4244 Overland Avenue
Culver City, CA 90230
License #: 0229561

CONTACT NAME: Anna Soto-Long
PHONE (A/C, No, Ext): (310)837-6101 FAX (A/C, No): (310)837-7559
E-MAIL ADDRESS: Anna@Tower90230.com

INSURER(S) AFFORDING COVERAGE	NAIC #
INSURER A : Hartford Underwriters Insurance Company	30104
INSURER B : Fusion	
INSURER C :	
INSURER D :	
INSURER E :	
INSURER F :	

INSURED
Nigro & Nigro PC
25220 Hancock Ave Ste 400
Murrieta, CA 92562-0903

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 INSD	SUBR WVD	POLICY NUMBER	POLICY EFF (MM/DD/YYYY)	POLICY EXP (MM/DD/YYYY)	LIMITS	
A	X COMMERCIAL GENERAL LIABILITY			72SBABM4SGH	12/3/2025	12/3/2026	EACH OCCURRENCE	$ 2,000,000
	CLAIMS-MADE X OCCUR						DAMAGE TO RENTED PREMISES (Ea occurrence)	$ 1,000,000
							MED EXP (Any one person)	$ 10,000
							PERSONAL & ADV INJURY	$ 2,000,000
	GEN'L AGGREGATE LIMIT APPLIES PER:						GENERAL AGGREGATE	$ 4,000,000
	X POLICY PRO-JECT LOC						PRODUCTS - COMP/OP AGG	$ 4,000,000
	OTHER:							$
	AUTOMOBILE LIABILITY						COMBINED SINGLE LIMIT (Ea accident)	$
	ANY AUTO						BODILY INJURY (Per person)	$
	OWNED AUTOS ONLY / SCHEDULED AUTOS						BODILY INJURY (Per accident)	$
	HIRED AUTOS ONLY / NON-OWNED AUTOS ONLY						PROPERTY DAMAGE (Per accident)	$
								$
A	X UMBRELLA LIAB X OCCUR			72SBABM4SGH	12/3/2025	12/3/2026	EACH OCCURRENCE	$ 3,000,000
	EXCESS LIAB CLAIMS-MADE						AGGREGATE	$ 3,000,000
	DED RETENTION $							$
	WORKERS COMPENSATION AND EMPLOYERS' LIABILITY Y / N						PER STATUTE OTH-ER	
	ANY PROPRIETOR/PARTNER/EXECUTIVE OFFICER/MEMBER EXCLUDED? (Mandatory in NH)	N / A					E.L. EACH ACCIDENT	$
	If yes, describe under DESCRIPTION OF OPERATIONS below						E.L. DISEASE - EA EMPLOYEE	$
							E.L. DISEASE - POLICY LIMIT	$
B	Cyber			POL-360-40870330-00	10/30/2025	10/30/2026		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

Nigro & Nigro, PC
P.O. Box 1247
Murrieta, CA 92564

CANCELLATION

SHOULD ANY OF THE ABOVE DESCRIBED POLICIES BE CANCELLED BEFORE THE EXPIRATION DATE THEREOF, NOTICE WILL BE DELIVERED IN ACCORDANCE WITH THE POLICY PROVISIONS.

AUTHORIZED REPRESENTATIVE
Anna Soto-Long

(ASL)

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COST PROPOSAL

FOR THE ANNUAL INDEPENDENT AUDIT
OF THE

CHICO AREA RECREATION AND PARK DISTRICT

Submitted January 30, 2026

Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Suite #5
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

Cost Proposal

Chico Area Recreation and Park District
Proposal for Auditing Services

Date: January 30, 2026

Firm: Chavan & Associates, LLP (C&A)
16450 Monterey Road, Suite #5
Morgan Hill, CA 95037
Phone: (650) 346-1329

Contact Person: Sheldon Chavan, Managing Partner
Sheldon@cnallp.com
650-346-1329

Price per Year by Service Level:

Audit Services	Hours	2026	2027	2028	Optional 2029	Optional 2030
Audit, Reports and Letters	160	$ 16,500	$ 16,500	$ 16,500	$ 16,500	$ 16,500
Year Round Consultation	N/A	Included	Included	Included	Included	Included
Meals, Lodging and Transportation	N/A	Included	Included	Included	Included	Included
Presentations, Updates and Meetings	N/A	Included	Included	Included	Included	Included
Electronic Delivery and Storage	N/A	Included	Included	Included	Included	Included
Total All-Inclusive Maximum Price	**160**	**$ 16,500**	**$ 16,500**	**$ 16,500**	**$ 16,500**	**$ 16,500**

Certification: I, the undersigned, certify I am duly authorized to represent C&A and I am empowered to submit this bid. In addition, I certify I am authorized to contract with the Chico Area Recreation and Park District on behalf of C&A.

	Managing Partner	**January 30, 2026**
Signature	Title	Date

Sheldon Chavan
Name

Schedule of Professional Fees

Our professional fees are based on actual time devoted to an engagement, at hourly rates related to the experience levels of the individuals performing the work. The following are our fees and standard hourly rates by audit personnel:

Description	Quoted & Standard Hourly Rates	Hours	2026	2027	2028	Optional 2029	Optional 2030
Engagement Partner	$ 250	8	$ 2,000	$ 2,000	$ 2,000	$ 2,000	$ 2,000
Associate Partner	200	4	800	800	800	800	800
Audit Manager	160	24	3,840	3,840	3,840	3,840	3,840
Senior Auditor	110	40	4,400	4,400	4,400	4,400	4,400
Professional Staff	90	80	7,200	7,200	7,200	7,200	7,200
Administrative Staff	85	4	340	340	340	340	340
Meals, Lodging and Transp.	n/a	n/a	Included	Included	Included	Included	Included
Professional Discount	n/a	n/a	(2,080)	(2,080)	(2,080)	(2,080)	(2,080)
Total All Inclusive Maximum Price		**160**	**$ 16,500**	**$ 16,500**	**$ 16,500**	**$ 16,500**	**$ 16,500**

Manner of Payment

Progress payments will be made on the basis of actual audit work completed during the course of the audit and out-of-pocket expenses incurred in accordance with the firm's proposal. Interim billing shall cover a period of not less than a calendar month. Details of staff hours with billing rates will be required to be included on each invoice. Payment will be made based upon actual costs not to exceed the maximum outlined in the proposal.

Rates for Additional Professional Services

In the event that extraordinary circumstances require additional services beyond the agreed upon scope, C&A will provide, in writing and in advance, the reasons for the additional services along with our estimated costs and a statement that no work will be performed prior to Library approval. **Rates for additional services would be the same as those identified under the quoted hourly rates above.**

PROPOSAL FOR CONDUCTING

THE ANNUAL INDEPENDENT AUDIT
OF THE

CHICO AREA RECREATION AND PARK DISTRICT

Submitted January 30, 2026

Chavan & Associates, LLP
Certified Public Accountants
16450 Monterey Road, Suite #5
Morgan Hill, CA 95037
Phone: (650) 346-1329
Fax: (408) 872-4159
E-mail: sheldon@cnallp.com
Contact: Sheldon Chavan, Partner

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Chavan and Associates, llp
Certified Public Accountants

January 30, 2026

Chico Area Recreation and Park District
Philip Aviles, Finance Director
545 Vallombrosa Avenue
Chico, California 95926

We are pleased to have this opportunity to submit our proposal to provide auditing services for the Chico Area Recreation and Park District (the "District"). Our understanding of the work outlined in the request for proposal is that we will audit the financial statements of the District for the fiscal years ending June 30, 2026, 2027 and 2028, with two option years.

Our audits will be conducted in accordance with generally accepted auditing standards (GAAS), as well as the standards for financial and compliance audits established by the U.S. Government Accountability Office (GAO) in its Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. When applicable, our audits will follow the provisions of the Single Audit Act of 1984, as amended in 1996; the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments; and applicable pronouncements issued by the Governmental Accounting Standards Board. Our audit shall also comply with the State Controller's Minimum Audit Requirements for California Special Districts and the standards for financial audits set forth in the US Comptroller General's Government Auditing Standards. Accordingly, our audit shall include such tests of the accounting records and auditing procedures as considered necessary, in order to allow for the expression of an opinion on the condition of the financial statements. We will also apply the necessary procedures to prepare the reports as requested in the RFP and noted in our proposal.

Throughout the contract period, we will provide consultation on accounting and compliance issues and attend meetings to discuss the audit and management comments. It is our commitment to the District that we will complete the work within the agreed time frame and that we have the resources, time and personnel to dedicate to this engagement for the entirety of the contact. We are confident Chavan & Associates LLP ("C&A") is the best-qualified firm to serve as your independent auditors. A brief list of reasons includes:

- We specialize in the audits of local governments and not for profit entities.
- Our partners have 84 years of combined experience auditing local governments.
- Our firm and key professionals are properly licensed to practice in the state of California.
- Our service will be dependable, reliable and timely.
- We will be sensitive to your workload. We understand you and your staff must keep up with your current work as well as deal with the audit.

16450 Monterey Road, Ste. #5, Morgan Hill, CA 95037
Tel: 408-217-8749 • E-Fax: 408-872-4159
info@cnallp.com • www.cnallp.com

- Our staff and partners are available twelve months of the year to serve our audit clients. You are important to our firm and we promise a high level of involvement and enthusiasm at all levels.
- The engagement partner will be the lead for your audit, will attend all conferences and meetings, and will supervise the audit directly during each year and phase of the engagement.
- We offer flexible staffing and scheduling. We can send a full team onsite, work 100% remotely, or send a small team on site.
- To improve the efficiency of the audit process, we use an online software, Engagement Organizer (EO), to provide a list of information and monitor the workflow during the audit. The link to EO is provided early during the planning process and includes items for both interim and year-end work, such that we can edit the list as needed moving forward. All documents can be uploaded here and notes, status updates and comments are done through EO. We also have a secure portal as an additional way to share information.

We are secure in our belief that our firm is the best qualified to meet your needs and we commit to perform the services required in the time period specified. Once you have examined our proposal and contacted our references, we feel you will agree.

Staffing for the audit will include one Engagement Partner, one Associate Partner, one Audit Manager, one Senior, two Professional Staff and one Administrative Staff. The Engagement Partner, Associate Partner, Manager and Senior Auditor will be available throughout the entire contract period. The firm and all assigned key personnel are licensed to practice in California. We expect this schedule to be consistent for each year of the audit, except that we have added one day to the first biennial audit. We will also add one team member for the biennial audit.

Sheldon Chavan and Paul Pham (16450 Monterey Road, Suite 5, Morgan Hill, CA, 95037, 650-346-1329, Sheldon@cnallp.com) are the partners authorized to sign and obligate the firm contractually and represent the firm. He is empowered to submit the bid and authorized to sign a contract. This proposal is a firm and irrevocable offer for 90 days.

We look forward to being of service to you.

Very truly yours,

C & A LLP

Sheldon Chavan, C.P.A., Partner
Chavan & Associates, LLP

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Section A

Background & Experience

Independence

C&A is independent of the District and all of its component units as defined by generally accepted auditing standards and the **U.S. General Accountability Office's *Government Auditing Standards***. *In all matters relating to the audit work, the audit organization and individual auditors, whether government or public, should be free from personal and external impairments to independence, should be fiscally independent, and should maintain an independent attitude and appearance.*

C&A did not have any professional relationships involving the Chico Area Recreation and Park District, or any of its agencies and component units, for the past five (5) years that would cause a conflict of interest relative to the scope of services identified in the request for proposal.

License to Practice in the State of California

C&A and all key professionals are properly licensed to practice as certified public accountants in the State of California and do not have any record of substandard work or unsatisfactory performance pending with the State Board of Accountancy. C&A is registered with the California State Board of Accountancy and our state number is PAR 7294.

Contractor Identification and Introduction

Company Name:	Chavan & Associates, LLP (C&A)
Address:	16450 Monterey Road, Suite #5, Morgan Hill, CA 95037
Office:	408-217-8749
Fax:	408-872-4159
E-mail:	Sheldon@cnallp.com
CA File Number:	202009218003
FEIN:	27-0630496
Authorized to Sign:	Sheldon Chavan, Partner; Paul Pham, Partner

Our partners have performed audits under Governmental Auditing Standards, the Single Audit Act and the State Controller's Office Minimum Audit Requirements for a combined 84 years; Sheldon for 28 years, Jeff for 41 years and Paul Pham for 15 years. In August of 2009, we established C&A as a limited liability partnership. C&A is a local audit firm in San Jose, CA specializing in local government auditing and consulting. We have audited and prepared Annual Comprehensive Financial Reports **(ACFRs)** and basic financial statements as required by the Government Finance Officers Association **(GFOA)** and the Governmental Accounting Standards Board **(GASB)** for cities, fire districts, water districts, sanitation districts, JPAs and other types of special districts. Our partners have been reviewers of ACFRs for the **GFOA and CSMFO**. Most recently, C&A **prepared ACFRs** of the Town of Los Gatos, City of Oroville, City of Suisun, and City of Carmel-by-the Sea for the year ending June 30, 2025 (partial list). Our goal at C&A is to provide premium audit services at a reasonable fee. We believe that continuous partner involvement helps us achieve our goal, which is why our partners are constantly involved in every audit. Ultimately, minimizing on-the-job training allows us to focus exclusively on servicing our clients.

Single Audit Experience

Firm Size, Staff Size, Location and Staffing

We also have **eighteen** professional, full-time staff in addition to our three partners/reviewers and three administrative person that will be available to assist as needed throughout the engagement. Our engagement partners are directly involved with the audits. Our central office is located in Morgan Hill, CA. Staffing for the District's audit will include the following professionals (audit experience):

Sheldon Chavan, CPA, Managing Partner (28 years)
Paul Pham, CPA, Associate Partner (15 years)
Jeff Ira, CPA, Independent Reviewer (41 Years)
Angela Lee, CPA, Audit Manager (11 years)
Oksana Homutinni, CPA, Senior Auditor (5 years)
Matthew Ojeda, Senior Auditor (10 years)

One of the professional staff could change from year to year. The District will be notified of any staff changes prior to fieldwork.

Range of Services

The following summarizes the range of services we provide:

Entity Type	Number of Clients	Percent by Entity	Auditing	Management, Accounting & Other	Nonprofit Tax
Local Education Agencies	**36**	**27%**	100%	0%	0%
Charter Schools	**15**	**11%**	100%	0%	100%
Non-profit Organizations	**37**	**28%**	100%	0%	76%
Cities and Towns	**19**	**14%**	89%	0%	0%
Special Districts	**22**	**16%**	91%	14%	0%
Privately Held	**5**	**4%**	100%	0%	0%

Contract Terminations and Affirmation Concerning Substandard Audit Work

C&A and all assigned personnel do not have any record of substandard work, contract failures, outstanding claims, litigation, investigations, or other unsatisfactory performance issues against us or pending with the State Board of Accountancy or any other entity. In addition, we have not had any federal or state desk review or field reviews of our audits. C&A has no record of lost clients or contract failures.

Equal Opportunity Employer

C&A is an equal opportunity employer and is in compliance with the Civil Rights Act of 1964, the State Fair Employment Practice Act, and all applicable federal and state laws and regulations relating to equality.

Subcontractor

C&A will not be engaged with any subcontractors during this engagement.

Business Licenses

C&A will obtain and maintain a valid business license throughout the duration of the contract, as applicable.

Quality Control Review

We are enrolled in the AICPA quality control peer review program. Our peer review was performed in compliance with AICPA and GAO requirements and included a selection of government audit engagements. Our audits materially complied with auditing standards generally accepted in the United States of America and Generally Accepted Governmental Auditing Standards.

Insurance Requirements

C&A maintains the following insurance:

- Commercial General Liability Insurance (bodily injury and property damage) is $4,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Automobile Bodily Injury and Property damage liability insurance is $2,000,000 per occurrence. The carrier is Hartford Insurance Company.
- Professional Liability Insurance carrier is Philadelphia Insurance Company. The per claim/aggregate limit of the liability is $3,000,000.
- Workers Compensation Insurance carrier is Twin City Insurance Company. The per claim/aggregate limit of the liability is $1,000,000.

Section B

Audit Methodology and Approach

The C&A audit approach begins with an entrance conference between Sheldon Chavan and management to gather information for risk assessment and audit planning. Upon the conclusion of the entrance conference, Sheldon will plan and schedule C&A's **three phase audit** approach and prepare a list of items to be provided for Phase I of the audit. Significant aspects of each phase are outlined below as augmented based on our review of the District's financial reports, RFP, Budget documents, and Council and Finance Commission agendas and minutes:

Three Phase Audit Approach

Phase I - Planning and Risk Assessment

This phase is designed to evaluate your operating and accounting procedures and will provide the basis for a significant portion of our letter to management. The results of our work during this phase will determine our audit approach for significant accounts and compliance. We plan to begin this phase by meeting with management and relevant committees to plan the audit and discuss any significant issues with the proposed audit plan and timeline.

At least four weeks prior to the beginning of this phase, we intend to provide the District with a link to Engagement Organize ("EO")r detailing the information and timing that will be needed in order to facilitate the completion of the audit in a timely manner. Having all items in EO uploaded prior to the beginning of the audit field work will allow us to complete the audit within the allotted time frame or earlier. We will also begin the testing of federal compliance for major programs during this phase, if applicable. The EO will include Phase I, II, and III items once uploaded and will updated during the year. The District will be able to leave notes on each item, upload attachments and message our team through EO.

Internal Controls Documentation

We plan the audit and obtain our **understanding of the internal control structure**, control environment, and accounting system through:

- Inquiries of appropriate management and staff personnel.
- Inspection of the District's documents, records, budget and related materials, organizational charts, manuals and programs.
- Observation of the District's activities and operations to corroborate the results of inquiries.
- Testing of the controls to determine they are operating as planned.
- Performance of preliminary analytical review on interim financials. The analytical review entails comparing similar information for the same time frame from the prior year and also comparing current year-to-date information to the budget to determine areas that may need additional attention during Phase II.
- Review and evaluation of the District's financial and other management **information system controls** and procedures. Our staff has gained invaluable experience with systems such as HTE, Multiple Operation Management (MOM), Springbrook, Pentamation**,** QuickBooks, Digital Schools, SunGuard, Escape, FUND$, CECC, SACS, Financial 2000, SASi and many others. It is our goal to maximize the usage of your computer system during the audit.

This phase constitutes approximately 30% of all non-clerical hours of the engagement and may be combined with Phase II if desired. At the completion of Phase I, an exit conference will be held to discuss findings and recommendations and prepare for Phase II.

Phase II - Substantive Audit Procedures and Compliance

This phase is designed to complete our substantive and compliance audit procedures on the accounts of the District. The approach for Phase II will be based on the results of Phase I. Audit programs will be tailored for your District's needs. This work will begin after the closing of your books.

Sample size and selection is based on our assessment of risk and planned or actual deviations. A typical **sample size will be 10 to 60** items and be randomly selected. Our sampling methods vary depending on the type of tests we perform. Sample selection for compliance work will be based on the respective compliance and audit guides, KC, our experience and judgment, and other various sources. We use Knowledge Coach (KC) audit programs by Commerce Clearing House (CCH) to assist in our risk determination and sampling selection. We also use **ProSystems fx Engagement** paperless audit, Microsoft Excel, and Microsoft Word on laptops to perform the audit. Generally, we prefer information provided in electronic format, however we use production scanners in the office and portable scanners in the field for information that is unavailable in electronic format.

Sampling Methods

Analytical procedures during Phase II involve comparing current data to prior year and budget data, calculating dollar and percentage variances and investigating differences. We also analyze trends and relationships of the various financial statement components and ratios.

Analytical Procedures & Laws and Regulations

Laws and regulations subject to audit will be determined based on inquiry and familiarity we gain with the District and with state and federal compliance requirements. We also attend seminars and webinars related to state and federal regulations to keep abreast of new requirements.

Phase II will take approximately 50% of the engagement hours. At this time, an exit conference will be held to discuss findings and recommendations, the status of new accounting principles and reporting requirements, and prepare for Phase III.

Phase III - Financial Statement Preparation and Review

This phase consists of preparing or assisting with the preparation of your financial statements, **as required in the RFP**, in conformity with accounting principles generally accepted in the United States of America. We will also prepare all other financial and compliance reports required of us as listed on the RFP. The required reports and management letter will be submitted to management as noted in the timeline in the RFP, unless otherwise agreed. We will also ensure that new GASB pronouncements identified in phase I and II have been appropriately accounted for and disclosed in the financial statements and that the impact of these statements is sufficiently presented in our audit reports. The most efficient way to ensure we meet the reporting deadlines is to have the audited trial balance and final adjustment completed by the last day of fieldwork. This, in combination of the automation provided by **Prosystems Engagement** will reduce the lag time from the completion of field work and report issuance.

Our reporting process is automated through our audit software. Once we obtain the District's trial balance in electronic format, we can import that into our system, which will automatically code and update all financial statements and most note disclosures in the financial statements and notes. We can

also auto link tables, charts and other documents the District would like to generate. **All of this information can be shared through our online secure lockbox/fileshare website at www.cnallp.com** and through our **online engagement portal** which is linked to our list of items. All agreed upon adjustments will be linked in our audit software. This greatly reduces the report preparation time and involvement of District staff and creates more opportunity for review of information systems, internal controls and management recommendations. At the end of this phase we will provide a summary of audit adjustments and uncorrected misstatements (passed adjustments).

We anticipate that Phase III will comprise approximately 20% of the engagement hours, including the majority of the clerical hours. The timing of each phase of the audit is estimated based on the assumption that the District will meet their close schedule and responsibilities as noted in the request for proposal.

Please note that we generally hold entrance conferences at the beginning of Phase I and II and exit conferences at the end of Phase I, II and III. However, we are available to meet with the District at any time.

Compliance and Program Specific Auditing

Included in all phases are specific procedures required to complete individual compliance items. Analytic and sampling procedures generally follow those described in the preceding phase, but are modified, when needed, to meet specific guidelines of the programs audited.

Recommendations for Improved Operations

We feel we have accumulated valuable knowledge in accounting and auditing which has allowed us to offer a wide range of specific recommendations to increase the efficiency and effectiveness of our audit clients. With our background, we can provide services that may be very beneficial to you presently and in the future. As our client, you can look to us for informed support **year-round in all areas of interest or concern**. In the course of our engagement with the District, we will provide prompt, knowledgeable answers to your questions regarding all aspects of accounting, finance, management, and operations. It is our policy to discuss discrepancies and recommendations with District staff directly involved and then with management, as necessary. If an item warrants inclusion in the report as a finding, we will obtain management's responses to each finding. All responses will be reviewed with management and relevant committees before they are presented to the District's Board

Irregularities and Illegal Acts

We will make an immediate, written report of all irregularities and illegal acts or indications of illegal acts of which we become aware to the Audit Committee (or similar) and Attorney.

Control Risk Assessment

As part of our audit approach, we use KC forms, narratives, questionnaires and summary schedules to gain an understanding of the control environment and assess its overall effectiveness. This helps us identify the types of potential misstatements and factors that affect the risk of material misstatement and their impact on the audit plan.

Analytical Procedures

Analytical procedures are used at three points of time during our audit; planning, substantive testing, and final review of the completed financial statements. Analytical procedures are used to obtain

knowledge of conditions and events, to indicate the presence of possible misstatements, to provide substantive evidence of balances and to assess the financial condition of the District.

Identification of Potential Audit Problems

Each year we approach the audit objectively and use a risk-based approach to anticipate any potential audit problems. If anything were to come to our attention during the course of the audit, it would be reported to the proper management level depending on the nature of the problem and as noted in the RFP.

Resources Available for Standards Interpretations

In addition to the items published by GFOA, AICPA, FASB, and GASB, we use RIA checkpoint and Thompsons as our main online reference material. As our client, the District will have access to all our resources.

Summary of Staff Hours by Phase

Level of Staff	Phases		Total Hours
	I/II	III	
Engagement Partner	4	4	8
Associate Partner	2	2	4
Audit Manager	16	8	24
Senior Auditor	32	8	40
Professional Staff	72	8	80
Administrative Staff	2	2	4
Totals	**128**	**32**	**160**

Summary Timeline

Segment	Estimated Date [1]	Phase
Entrance Conference	March 2, 2026	I
Audit Planning (C&A's Office)	March 12, 2026	I
List of Items Required by Client	April 2, 2026	I
Confirmations	July 1, 2026	II
Field Work	September 14, 2026	II
Exit Conference	September 18, 2026	II
Final List of Findings and Recommendations	September 30, 2026	III
Draft Reports, Financials and Management Letters	September 30, 2026	III
Meeting to Review Reports and Letters	October 9, 2026	III
Final Reports, Financials and Letters	October 23, 2026	III
Board Presentation	As needed	III

[1] The estimated dates are flexible based on the District's needs and District staff availability

Section C

Scope of Services

Audit Scope

We understand, accept, and have included in our work plan the following scope of services:

A. Audit District's financial statements for three fiscal years, beginning with the fiscal year ending June 30, 2025. Our audits will be conducted in accordance with generally accepted auditing standards (GAAS), as well as the standards for financial and compliance audits established by the U.S. Government Accountability Office (GAO) in its Standards for Audit of Governmental Organizations, Programs, Activities, and Functions. When applicable, our audits will follow the provisions of the Single Audit Act of 1984, as amended in 1996; the U.S. Office of Management and Budget (OMB) Circular A-133, Audits of State and Local Governments; and applicable pronouncements issued by the Governmental Accounting Standards Board. Our audit shall also comply with the State Controller's Minimum Audit Requirements for California Special Districts and the standards for financial audits set forth in the US Comptroller General's Government Auditing Standards.

B. Prepare or verify all required reconciliation schedules between the District's government-wide financial statements and fund financial statements.

C. Perform required procedures on the accompanying Management's Discussion and Analysis (MD&A) and other Required Supplementary Information (RSI).

D. An examination of the District's internal accounting controls and accounting procedures, with findings and recommendations documented included in a separate management letter to be issued as soon as possible after the conclusion of the examination.

    a. Review and report on the RCD's compliance with laws, regulations, and provisions of contracts or grant agreements.

    b. Provide a formal Communication to Those Charged with Governance (required communications letter) detailing the planned scope, significant accounting policies, and any material findings.

E. Retain at our expense audit working papers for seven (7) years, unless we are notified in writing by the District of the need to extend the retention period. In addition, C&A shall respond to reasonable inquiries of the District, and successor auditors, and allow the District and successor auditors to review working papers relating to matters of continuing accounting significance.

F. C&A will attend board meetings for the purpose of discussing the audit or the Management Letter/Memoranda of Internal Control and Required Communications as needed.

G. C&A will be available to provide consultation and advice regarding General accepted accounting practices as needed throughout the year to facilitate the audit process.

Note: The scope in the RFP supersedes this list if there are any discrepancies.

Section D

Partner, Supervisory and Staff Resumes

We are aware of the need for continuity of personnel on the engagement and promise that the Engagement Partner will be directly involved in the audit **during each year** of the contract. We believe that extensive partner involvement provides continuity that could not be achieved in any other way. All staff committed in this proposal will be available for the entirety of the audit and are available 12 months a year for questions, comments and implementation support. We understand that the Engagement Partners, managers and other supervisory staff and specialists may be changed only with the express prior written permission of the District. Other audit personnel may be changed at our discretion as long as the replacements have substantially the same or better qualifications or experience. The District retains the right to approve or reject replacements.

Sheldon Chavan, CPA

Managing Partner (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)

Sheldon holds a B.S. in Accounting from San Jose State University. He began his career in public accounting in **1998** and has been auditing local governments and nonprofit organizations ever since. Sheldon is a CPA licensed in California and a member of AICPA, CalCPA, CSMFO, GAQC and GFOA. **He has also been a member of the GFOA Special Review Committee, with responsibility for reviewing ACFR's for award of the Certificate of Excellence in Financial Reporting.** Sheldon has prepared/reviewed ACFR's for the City of Berkeley, City of Sunnyvale, City of Pittsburg and many others over his career. Most recently, Sheldon prepared the ACFR of the City of Oroville, City of Cotati and the City of Pacific Grove for the fiscal years ended June 30, 2025 (partial listing).

ACFR Preparation

Sheldon has managed governmental audits his entire career, which includes the technical review of all work papers, staffing, scheduling, reporting, state compliance, federal compliance, state controllers reports and much more. He is responsible for running the audit in the field and providing accounting and auditing technical support to other partners and staff, primarily in the areas of compliance with auditing standards generally accepted in the United States of America, the standards set forth for financial audits in the United States General Accounting Office's (GAO) *Government Auditing Standards*, and the provisions of the Federal Single Audit Act and the United States Office of Management and Title 2 CFR Part 200 (Uniform Guidance). Sheldon also ensures that each staff has met the continuing professional education requirements under these standards and teaches several in-house seminars a year. He also administers our firm's quality control system as required by GAAS and Yellow Book standards. Sheldon has been performing audits under the Single Audit Act his entire career. Understanding the complexities of the various federal programs is one of his specialties. Over the years, Sheldon has audited major programs such as National School Lunch, Title II Education Technology, IDEA Special Education Local Assistance, Title I, Education Jobs Fund, Title IV Drug Free Schools, NCLB Title III, Title II Improving Teacher Quality, CDBG, Shelter Plus Care, Home Investment in Affordable Housing, HUD Section 8, Highway Planning and Construction, Medi-Cal, Low-income Low Energy Assistance, and many more.

Sheldon has extensive experience auditing government bond programs and can assist the District with bond covenant calculations, bond compliance, tax filings, bond arbitrage issues and any other general

reporting requirements. In addition, we currently have multiple clients for which we complete special bond performance audits each year. We also provide contractor prequalification services for some clients who use restricted bond funds for modernization and infrastructure improvements.

Sheldon's recent continuing professional education:

Description of Program/Training
Yellow Book:Revised Government Auditing Standards
Government Audting Standards - Yellow Book
Frequent Government and NPO Frauds: Misuse of Assets
Governmental and Nonprofit Annual Update: Federal Government Activities
Single Audit Lighting Round
Governmental Audit Quality Cetner Annual Update Webcast
Program-Specific Audits' plus 'Audit Tools and Guidance'
Applying Risk Assessment Standards: Understanding the Entity and Its Environment
GASB Updates
Governmental Accounting and Auditing Conference Webcast - 5121266C
Not-for-Profit Organizations Conference Webcast - 5121343C
Cases in NFP Acct. & Auditing: 'Financial Statement Requirements' plus 'Net Asset Classifications'
Governmental Auditing: Course Two Performance Audits
Governmental Auditing: Course Three Financial Audits, Attestation Engagements, and..
Governmental Accounting and Reporting
Ethics: AA&C LLP - Accounting Firm Practice Development Committee
State and Local Govt Planning Considerations
Cases in NFP Acct. & Auditing: Contributions
Field Work Documentation: Preparation, Maintenance, Types of Workpapers
School District Update Including LCFF and LCAP Compliance
School Districts Conference
Understanding the Changes to Yellow Book Independence
California Regulatory Review Course
Fraud Audit Techniques Using Excel
Applying the Uniform Guidance in Your Single Audits
Testing Compliance' plus 'Reporting Requirements
Fid Act Understanding impacts of GASB 84
Its Here! Fid Act Implementation Considerations
Accounting and Auditing Conference
Bernard Madoff Investment Securities' Auditor'
The Detection and Prevention of Fraud in Financial Statements
Governmental Auditing: Course One Fundamental Principles for Government Auditing

The following is a **partial list** of Sheldon's clients over the years:

Cities and Towns	Special Districts/JPA's	School Districts/COE's	Nonprofits and Other
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	2006 Washington St.
City of Berkeley	Central Marin Sanitation Agency	Belmont Redwood Shores	Bay Area Special Education JPA
City of Carmel-by-the-Sea	East Bay Dischargers Authority	Burlingame	Bay Area Water Users Association
City of Del Rey Oaks	Fairfield-Suisan Sanitation	Cabrillo Unified	Black Adoption Placement
City of Marina	Half Moon Bay Fire Protection	Campbell Union	Boys and Girls Clubs of Sonoma
City of Novato	Hayward Area Parks and Rec	Cloverdale Unified	Center for Empowering Refugees
City of Oroville	Highland Recreation District	Cotati Rohnert Park	Children of Grace
City of Pacific Grove	Los Trancos Water District	Hillsborough City	Collective Roots
City of Pittsburg	Mckinney Water District	La Honda Pescadero	Credo High School
City of Point Arena	Menlo Park Fire Protection	Lakeside	Diagnostics for the Real World
City of Salinas	Midpen Regional Open Space	Las Lomitas Elementary	Hidaya Foundation
City of San Rafael	Pleasant Hill Parks and Rec	Lassen View Elementary	Livebooks
City of Saratoga	Point Montara Fire District	Los Altos Elementary	Mashery
City of Scotts Valley	Santa Clara Regional Open Space	Luther Burbank	Mission Charter
City of Sonoma	Saratoga Cemetery District	Manton Joint Union	Mission Language and Vocational
City of South San Francisco	South Bayside System Authority	Menlo Park City	Morgan Hill Charter Foundation
City of Suisun City	South San Francisco Conf. Ctr.	Millbrae Elementary	Morgan Hill Charter School
City of Sunnyvale	Sausalito-Marin City Sanitation	Mineral	Nob Hill Home Owners Assoc.
City of Tracy	Tahoe Reqional Planning Agency	Mountain View Whisman	O'Conner Water
Town of Los Gatos	The Cities Group	Orchard	One Million Lights
Town of Windsor	Valley of the Moon Fire	Pacifica	Orange County Charter School
	West Bay Sanitary District	Plum Valley	Pathway to Choices
	West County Wastewater District	Portola Valley Elementary	Pyramid Alternatives
	Westborough Water District	Red Bluff	Redwood City Education Foundation
	Woodside Fire Protection District	Salinas Union High	San Jose Conservation Charter
		San Bruno Park	San Jose Conservation Corps
		San Carlos Elementary	Singularity University
		San Mateo County Office	Sociometrics
		San Mateo Union High	South Tahoe Area Transit Authority
		Scotts Valley Unfied	Stone Bridge Charter School
		Sequoia Union High	Woodside Atherton Authority
		Sonoma Valley Unified	Work2future Foundation
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Jeffrey J. Ira, CPA

Independent Reviewer (Member CalCPA, AICPA, GFOA, CSMFO, GAQC)

Jeffrey is a graduate of Humboldt State University with a B.S. in Business with a concentration in Accounting. He is a CPA licensed in California, a member of the AICPA, the California Society of CPAs, the GFOA and the CSMFO. Jeff joined our firm in 2017 and has been auditing local governments since 1981. Jeff is a member of the GFOA Special Review Committee, with responsibility for reviewing CAFR's for award of the Certificate of Excellence in Financial Reporting. **Jeff served as a Councilmember and the Mayor for Redwood City.** He has also served on various local governing boards and committees, which makes him acutely aware of both your financial and management needs. Jeff will be responsible for concurrent review of your audit, which is a quality control measure designed to ensure the audit is completed effectively and in compliance with governmental auditing standards, compliance requirements and uniform guidance requirements.

Jeff has forty years of professional experience and has participated in a variety of auditing and consulting engagements with cities, school districts, and special districts including the following (partial listing):

Cities and Towns	Special Districts	School Districts/COE's
City of Berkeley	Bay Area Water Supply Conserv. Agency	Antelope Elementary
City of Cloverdale	Central Marin Sanitation Agency	Cabrillo Unified
City of Oroville	East Bay Dischargers Authority	Cotati Rohnert Park
City of Point Arena	Half Moon Bay Fire Protection	La Honda Pescadero
City of Saratoga	Los Trancos Water District	Lassen View Elementary
City of Sonoma	Menlo Park Fire Protection	Las Lomitas Elementary
City of Tracy	Pleasant Hill Parks and Rec	Los Altos Elementary
Town of Los Gatos	Point Montara Fire Protection District	Luther Burbank
City of Pittsburg	Santa Clara Regional Open Space Auth	Redwood City Elementary
City of San Rafael	Saratoga Cemetery District	Menlo Park City
City of Concord	South Bayside Systems Authority	Millbrae Elementary
City od Salinas	South San Francisco Conf. Ctr.	Santa Cruz City
City of Sunnyvale	Tahoe Regional Planning Agency	Mountain View Whisman
City of San Carlos	The Cities Group	Orchard School District
City of South San Francisco	West Bay Sanitary District	Burlingame
City of Marina	West County Wastewater District	Jefferson Union High
City of San Bruno	Westborough Water District	Portola Valley Elementary
City of Campbell	Woodside Fire Protection District	Red Bluff
City of Novato	Highland Recreation	San Bruno Park
Town of Atherton	Coast side Water District	San Mateo County Office
City of Cupertino		Sequoia Union High
		Sonoma Valley Unified
		San Mateo Unified
		Ravenswood Elementary
		Windsor Unified
		Woodside Elementary

A summary of Jeff's recent professional education includes:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

Paul Pham, CPA

Associate Partner (AICPA, CalCPA)

Paul received his Bachelor of Science from Pacific University and hopes to pursue a Master of Accountancy in the near future. Paul has been working in public and private accounting since 2007 and has completed Fourteen governmental audit seasons. He has completed financial and compliance audits for the entities listed below since 2007. Besides the standard control documentation and substantive testing required for GAAS audits, Paul has performed audits and prepared reports under OMB Subpart F and the Single Audit Act for most of the entities listed below. He has audited Federal grants from various agencies, including FEMA, HUD, FTA, the Department of Education (Title I, Special Education, Title II, Adult Ed) and much more.

Paul's recent continuing professional education:

Description of Program/Training	
GAGAS - Ethical Principles In Government Auditing	Government Auditing
GAGAS - Field Work and Reporting Standards	Major Changes to Auditing Standards
GAGAS - Field Work Standards For Financial Audits	Limiting Auditor Liability
GAGAS - General Field Work And Reporting Standards	Auditor Communications: Critical New Requirements
GAGAS - General Standards	School Districts Conference
GAGAS - Reporting Standards For Financial Audits	Governmental Accounting, Reporting, and Auditing Update
GAGAS - Use and Application of GAGAS	GASB Basic Financial Statements for State and Local Governments

The following is a partial list of Paul's clients over the years:

Cities and Towns	Special Districts	School Districts/COE's	Nonprofits and Charter Schools
City of Albany	Bay Area Water Services & Cons	Antelope Elementary	Bay Area Water Users Association
City of Berkeley	Central Marin Sanitation Agency	Burlingame	Black Adoption Placement
City of Carmel-by-the-Sea	Fairfield-Suisan Sanitation District	Cabrillo Unified	Boys and Girls Clubs of Sonoma
City of Del Rey Oaks	Menlo Park Fire Protection	Cotati Rohnert Park	Center for Empowering Refugees
City of Oroville	Midpen Regional Open Space	Hillsborough City	Children of Grace
City of Pacific Grove	Santa Clara Regional Open Space	La Honda Pescadero	Collective Roots
City of Point Arena	Saratoga Cemetery District	Las Lomitas Elementary	Credo High School
City of Rocklin	South Bayside System Authority	Lassen View Elementary	Hidaya Foundation
City of Saratoga	South San Francisco Conf. Ctr.	Los Altos Elementary	Livebooks
City of Sonoma	Suasalito-Marin City Sanitation District	Luther Burbank	Mashery
City of Suisun City	Tahoe Reqional Planning Agency	Manton Joint Union	Mission Charter
City of Tracy	The Cities Group	Millbrae Elementary	Mission Language and Vocational School
Town of Los Gatos	Valley of the Moon Fire	Mineral	NASA AMES Exchange
	West Bay Sanitary District	Mountain View Whisman	Orange County Charter School
	Westborough Water District	Orchard	Pathway to Choices
		Pacifica	Pyramid Alternatives
		Plum Valley	Redwood City Education Foundation
		Portola Valley Elementary	San Jose Conservation Charter
		Red Bluff	San Jose Conservation Corps
		San Bruno Park	Sociometrics
		San Carlos Elementary	South Tahoe Area Transit Authority
		San Lorenzo Valley Unified	Stone Bridge Charter School
		San Mateo County Office	Work2future Foundation
		Scotts Valley Unfied	
		Sequoia Union High	
		Sonoma Valley Unified	
		Soquel Elementary	
		Union School District	
		West County Agency (LEA)	
		Windsor Unified	
		Woodside Elementary	

Angela Lee, CPA

Audit Manager

Angela received her Bachelor and Master of Science in Accounting from San Francisco State University. Angela has been working in public accounting since 2014 and has completed ten audit seasons. Since starting with C&A, she completed the financial and compliance audits for the entities listed below and has additional experience local government and non-profit industries not listed below. Angela has audited over 80 local governments and nonprofits since 2014. Besides the standard control documentation and substantive testing required for GAAS audits, Angela has performed audits and prepared reports under GAGAS and Uniform Guidance. She has also audited Federal grants from various agencies, including HUD, Department of Justice, the Department of Education (Title I, Special Education) and much more.

Oksana Homutinni, CPA

Audit Supervisor

Oksana received her Bachelor of Arts in Accounting from the Baltic Russian University and Master of Science in Accounting from the Western Governors University, UT. She was a manager in the sales and wholesale industry from 2009 through 2021. In 2021, she started her auditing career performing audits and single audits for nonprofits and local governments. She has been with C&A since early 2022 when she quickly became supervisor capable of managing multiple audits. Oksana has audited over eighty local governments and nonprofits since 2021. Besides the standard control documentation and substantive testing required for GAAS audits, Oksana has performed audits and prepared reports under GAGAS and Uniform Guidance. She has also audited Federal grants from various agencies, including ARPA, the Department of Education (Title I, Special Education, School Lunch) and much more.

Matthew Ojeda

Senior Auditor

Matthew graduated from the San Jose State University, with a B.S. in Accounting. New to public accounting in 2014, he has successfully completed ten seasons of nonprofit and governmental auditing. Matthew has performed tests of controls, substantive tests, state compliance testing and Federal compliance testing for various nonprofit organizations and local governments. Besides the standard control documentation and substantive testing required for GAAS audits, Matthew has performed audits and prepared reports under OMB Subpart F and the Single Audit Act. He has audited Federal grants from various agencies, including Special Education, National School Lunch, Title I, Department of Education grants and others.

Professional Education and Training

Our professionals complete 80 hours of continuing professional education every two years in auditing and accounting which includes at least 80 hours of governmental auditing and accounting training specific to local governments. We use a combination of in-house seminars, self-study and outside seminars sponsored by AICPA, GFOA, the California Education Foundation and other recognized groups. All assigned staff meet the educational requirements for Governmental engagements as specified by the California Board of Accountancy, Federal General Accounting Office, Governmental Accounting Standards Board, and the AICPA as appropriate.

Section E

Similar Engagements

Client References

The following projects were completed by C&A for the fiscal year ended June 30, 2025:

Entity Name	Bay Area Water Supply & Cons Agency	Community Human Services	Town of Los Gatos
Contact Person	Deborah Grimes	Tim Louis	Eric Lemon
Title	Finance Manager	Chief Financial Officer	Finance and Accounting Man.
Address	155 Bovet Rd., Ste 650, San Mateo, CA 94402	PO Box 3076, Monterey, CA 93942	110 E. Main St, Los Gatos, CA 95030
Phone	650-349-3000	831-658-3811x304	408-354-6828
E-mail	DGrimes@bawsca.org	tlouis@chservices.org	elemon@losgatosca.gov
Partner	Sheldon Chavan	Sheldon Chavan	Sheldon Chavan
GFOA Award	No	No	Yes
Type:	Special District	Special District/JPA	City/Town
Scope of Work	Revenue Bond Audit GAGAS Audit SCO Min Audit Req Prepare SCO Report SAS 114 Report Management Letter Year Round Consultation	Report Prep GAGAS Audit SCO Min Audit Req SAS 114 Report Management Letter Year Round Consultation	ACFR Prep Management Letter GANN Limit AUP TDA Audit Single Audit Prepare SCO Report Year Round Consultation

Section F

Additional Information

Current Client List

Cities/Towns	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
City of Agoura Hills	✓	✓	✓	✓		✓	
City of Albany	✓	✓	✓	✓		✓	
City of American Canyon	✓	✓	✓	✓		✓	
City of Capitola	✓	✓	✓	✓		✓	
City of Carmel-by-the-Sea	✓	✓	✓	✓		✓	
City of Clayton	✓	✓	✓	✓		✓	
City of Cotati	✓	✓	✓	✓		✓	
City of Del Rey Oaks		✓	✓			✓	
City of El Cerrito	✓	✓	✓	✓		✓	
City of Gridley	✓	✓	✓	✓		✓	
City of Marina	✓	✓	✓	✓		✓	
City of Oroville	✓	✓	✓	✓		✓	
City of Point Arena		✓	✓				
City of Rocklin	✓	✓	✓	✓		✓	
City of Sebastopol	✓	✓	✓	✓		✓	
City of Suisun	✓	✓	✓	✓		✓	
City of Wheatland	✓	✓	✓			✓	
Town of Los Gatos	✓	✓	✓	✓		✓	
Town of Yountville	✓	✓	✓			✓	

Local Education Agencies	ACFR	GAS	GAGAS	Single Audit	EAAP	OPSC	Bond (P39)
Cabrillo Unified School District		✓	✓	✓	✓		✓
Cambrian School District		✓	✓	✓	✓	✓	✓
Corning Union High School District		✓	✓	✓	✓		
Cotati-Rohnert Park Unified School District		✓	✓	✓	✓	✓	✓
El Dorado County Office of Education		✓	✓	✓	✓		
Evergreen School District		✓	✓	✓	✓	✓	✓
Gerber Union Elementary School District		✓	✓	✓	✓		
Hillsborough City School District		✓	✓	✓	✓		
Jefferson Union High School District		✓	✓	✓	✓	✓	✓
Las Lomitas School District		✓	✓		✓	✓	✓
Lassen View Union Elementary School District		✓	✓		✓		
Liberty Union High School District		✓	✓	✓	✓	✓	✓
Live Oak School District		✓	✓	✓	✓	✓	✓
Los Gatos-Saratoga Union High School District		✓	✓	✓	✓	✓	✓
Luther Burbank School District		✓	✓	✓	✓		
Menlo Park City School District		✓	✓	✓	✓	✓	
Millbrae School District		✓	✓		✓		✓
Napa Valley Unified School District		✓	✓	✓	✓	✓	✓
Orchard School District		✓	✓		✓		✓
Oroville City Elementary School District		✓	✓	✓	✓	✓	✓
Pacifica School District		✓	✓	✓	✓		
Piner-Olivet Union School District		✓	✓	✓	✓		✓
Ravenswood City School District		✓	✓	✓	✓	✓	✓
Red Bluff Joint Union High School District		✓	✓	✓	✓		
Richmond Elementary School District		✓	✓			✓	
Roseland Elementary School District		✓	✓	✓	✓		
San Carlos School District		✓	✓	✓	✓	✓	✓
San Lorenzo Valley Unified School District		✓	✓	✓	✓	✓	✓
San Mateo County Office of Education		✓	✓	✓	✓	✓	
San Mateo Foster City School District		✓	✓	✓	✓		✓
Santa Rosa City Schools		✓	✓	✓	✓		✓
Sequoia Union High School District		✓	✓	✓	✓	✓	✓
Soquel Union Elementary School District		✓	✓	✓	✓	✓	✓
Union School District		✓	✓	✓	✓		✓
West County Transportation Agency		✓	✓		✓		
Woodside Elementary School District		✓	✓		✓		✓

Charter Schools	ACFR	GAS	GAGAS	Single Audit	EAAP	990	Bond (P39)
Able Charter School		✓	✓		✓	✓	
Charter School of Morgan Hill		✓	✓		✓	✓	
Cottonwood Creek Charter School		✓	✓		✓	✓	
Credo High School		✓	✓		✓	✓	
Kid Street Charter School		✓	✓		✓	✓	
La Vida Charter School		✓	✓		✓	✓	
Pathways Charter School		✓	✓		✓	✓	
Roseland Charter School		✓	✓	✓	✓	✓	
RSTEM Acadamy Charter School		✓	✓		✓	✓	
San Jose Conservation Corps Charter School		✓	✓	✓	✓	✓	
Stone Bridge Charter School		✓	✓		✓	✓	
The Reach Charter School		✓	✓		✓	✓	
Unity Schools		✓	✓		✓	✓	
University Preparatory Academy		✓	✓		✓	✓	
Woodland Star Charter School		✓	✓		✓	✓	

Special Districts/JPAs	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
Aldercroft Heights County Water District		✓	✓				
Bay Area Water Supply Conservation Agency		✓	✓				
Buena Park Library District (JPA)		✓	✓				
Castro Valley Sanitary District		✓	✓				
Chico Area Recreation and Parks District		✓	✓				
Community Human Services (JPA)		✓	✓	✓			
Gateway Cities Affordable Housing Trust (JPA)		✓	✓				
Lake Canyon Community Services District						✓	
Local Agency Formation Commission SC (JPA)		✓	✓				
Marna Coast Water District	✓	✓	✓			✓	
North Coast Count Water District		✓	✓				
North County Library Authority		✓	✓				
Resource Conservation District		✓	✓				
Sonoma Valley Fire District		✓	✓	✓			
South San Fancisco Conference Center		✓	✓				
The Cities' Group		✓	✓				
The Burbank-Glendale-Pasadena Regional (JPA)		✓	✓				
Tres Pinos Water District		✓	✓				
Ventura Regional Sanitation District	✓	✓	✓				
West Bay Sanitary District		✓	✓				
West Valley Sanitation District		✓	✓				
Westborough Water District						✓	

NonProfit Organizations	CAFR	GAS	GAGAS	Single Audit	EAAP	990	Bond (P39)
Alameda Boys and Girls Club		✓				✓	
Alameda Boys and Girls Club Foundation		✓				✓	
American Helicopter International Soc.		✓				✓	
Boys and Girls Clubs of Sonoma Valley		✓				✓	
Boys and Girls Clubs of Sonoma-Marin		✓	✓	✓		✓	
Center for Empowering Refugees & Immigrants		✓				✓	
Citizens for Global Solutions		✓				✓	
Coastside Child Development Center		✓	✓			✓	
Conservation Earth		✓				✓	
County Employees Management Association		✓					
Hidaya Foundation		✓					
Innovate Public School		✓				✓	
Mendonoma Health Alliance		✓					
Morgan Hill Charter School Foundation		✓				✓	
NASA AMES Exchange		✓	✓			✓	
New Ballet School		✓				✓	
One New Heartbeat		✓				✓	
Organic Farming Research Foundation		✓				✓	
Peninsula College Fund		✓				✓	
Peninsula Conflict Resolution Center		✓				✓	
Redwood City Education Foundation		✓				✓	
River of Life Foundation		✓	✓	✓			
San Mateo County Exposition and Fair Association		✓				✓	
San Mateo County Historical Association		✓				✓	
San Jose Conservation Corps		✓	✓	✓		✓	
San Jose Reired Employee Association		✓				✓	
Schools Mentoring Resource Team (SMART)		✓				✓	
Siyan Clinical Research		✓	✓	✓			
Sonoma Valley Hospital Foundation		✓				✓	
St. Andrew's Residential Programs for Youth		✓	✓				
Starting Arts, Inc.		✓	✓				
STARS Preschool		✓	✓				
Temple Beth Sholom		✓					
The San Jose Library Foundation		✓	✓	✓		✓	
West Santa Rosa Local Action Council Agency		✓	✓	✓		✓	
Work2future Foundation		✓				✓	
Young Women's Christian Assoc. of Sonoma		✓	✓	✓		✓	

Privately Held Corporations	ACFR	GAS	GAGAS	Single Audit	EAAP	Other	Bond (P39)
2080 Guerneville Road, LLC		✓	✓	✓			
Dfusion, Inc.		✓	✓	✓			
Diagnostics for the Real World		✓	✓	✓			
Pathway to Choices		✓					
Tri-State Seminar, LLC		✓					

Technology in the Audit

C&A is a paperless firm and we use secure cloud servers for file sharing. We have Lenovo laptops and Fujitsu scanners that we use in the field. Our secured laptops are synchronized to our cloud server every day to avoid loss of data. The scanners allow for flexibility during the audit since it is not feasible to expect every document in electronic format.

Our secure online file share and engagement organizer provide a better option over e-mailing electronic files. Each of our clients has an account login username and password through our website or an emailed link that allows them to upload files. This is especially helpful with sensitive information such as payroll data as it is much more secure than e-mail.

Our audit software is **ProSystems fx Engagement** which we compliment with Knowledge Coach (KC) audit programs and workpapers. These programs allow us to roll-forward audit information without having to replace the audit programs in the binder because they automatically update with changes in auditing and accounting standards every month. Finally, we have purchased data extraction software for each of our laptops that convert Adobe and other file types to Word and Excel.

All of the above-mentioned technological innovations make the audit more efficient and provides us the opportunity to spend time in areas that are more meaningful to the District. It also reduces the time and effort required by District staff to provide information and minimizes redundancy from year to year in the audit.

Proposal Exceptions

C&A did **not** have any exceptions or requested changes to the District's RFP conditions or requirements.

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

Finance Committee

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Philip Aviles, Finance & Human Resources Director
SUBJECT: Award Contract for Tax Assessment Services

BACKGROUND

The District relies on annual property tax assessments to fund a portion of its operations and capital projects. To ensure accuracy, compliance with applicable laws, and efficiency in assessment processes, the District engages professional firms specializing in tax assessment administration and support.

The current provider of tax assessment services has been in place since 2010 and over do for the solicitation of competitive proposals from qualified providers.

At its August 2025 meeting the Board approved the RFP for tax assessment services. Proposals were due to the District on February 13.

DISCUSSION & FISCAL IMPACT

Two proposals were received, one of which is from the current service provider, SCI Consulting Group. Currently, the cost of services is approximately $14,600 which does not include the most recent tax zone 2 annexation. The proposals include cost for all approved LLDs and CFD tax zones 1 and 2.

Finance DTA - $25,000 (up to 250 parcels – per parcel fee thereafter is $3.50)
SCI Consulting Group - $17,500

Finance DTA's per parcel fee nearly doubles the cost of services

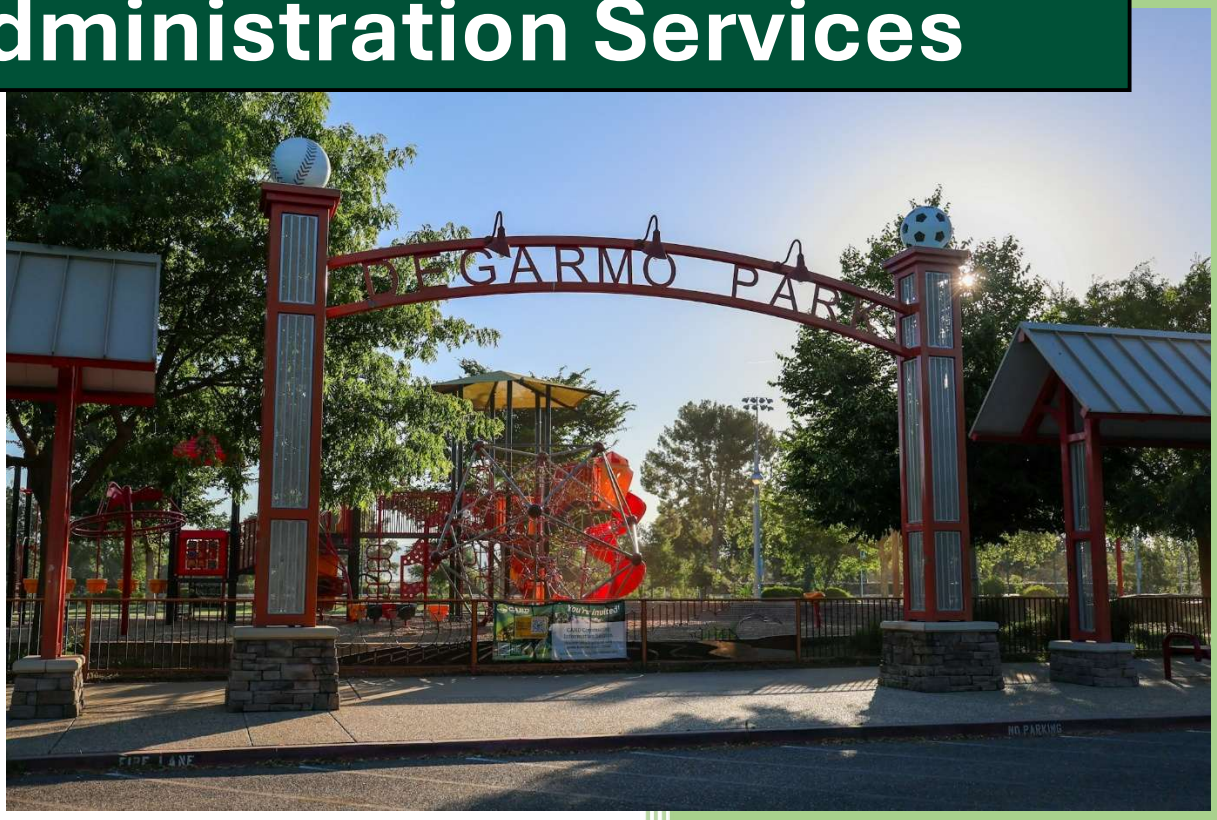
RECOMMENDATION

Award a professional services contract for independent tax assessment services to the selected firm and authorize the General Manager to execute the agreement.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

February 13, 2026

Proposal for Assessment Engineering, Special Tax, and Levy Administration Services



Submitted to:

CARD
Chico Area Recreation & Park District

Blair Aas, Vice President
SCI Consulting Group
4745 Mangels Blvd.
Fairfield, CA 94534
blair.aas@sci-cg.com

vww@sci-cg.com

SCIConsultingGroup
Public Finance Consulting Services

Friday, February 13, 2026

Submitted Electronically
info@chicorec.gov

Philip Aviles, Finance and HR Director
Chico Area Recreation and Park District
545 Vallombrosa Avenue
Chico, CA 95926

Re: Proposal for Assessment Engineering, Special Tax Consulting, and Professional Levy Administration Services for the Chico Area Recreation and Park District

Dear Mr. Aviles:

SCIConsultingGroup ("SCI") is pleased to submit this proposal, reaffirming our commitment to supporting the Chico Area Recreation and Park District ("District"). SCI has partnered with the District since 2010, providing administration for its three assessment districts and Community Facilities District, including assistance with the formation of the CFD. SCI has served as the District's Assessment Engineer and Levy Administrator and has advised on related funding programs, including park impact fees and Quimby Act land dedication and in lieu fee programs. Throughout this long standing relationship, SCI has ensured the accurate, efficient, and reliable collection of essential revenues while providing strategic guidance on a range of funding mechanisms. Based on SCI's extensive experience with the District, its special levies, and related funding programs, SCI is well suited to continue providing these services.

SCI's qualifications to serve as the District's Assessment Engineer and Levy Administrator include:

- **Serving California public agencies for four decades.**
- The **District's assessment engineer and annual levy administrator since 2010**, possessing in-depth knowledge of the methodologies and parcel data used for levy calculations.
- Annual levy administrator of **over 1,000 assessments, taxes, and fees for more than 200 public agencies** in California.
- The most comprehensive **Proposition 218 expertise** in the State.
- Active members of **CSDA, CARPD, and CPRS**.
- **Longstanding relationships** with our clients reflect our commitment to providing the highest level of service.
- **Unparalleled technical knowledge** combined with an in-depth understanding of the **legal, operational, and funding challenges** specific to Recreation and Park Districts.

We look forward to the opportunity to continue our partnership and to serve as the District's Assessment Engineer, Special Tax Consultant, and Levy Administrator. With our proven expertise and deep understanding of the District's assessments and the CFD, we are confident we can demonstrate that SCI is the best choice for these critical services.

Please feel free to contact us if you would like to discuss any aspect of our proposal. I can be reached at (707) 816-9101 or blair.aas@sci-cg.com. I am authorized to negotiate and bind our firm. This proposal shall remain valid for 60 days from the RFP due date.

Sincerely,

Blair E. Aas, Vice President / Principal
SCI Consulting Group

cc: Annabel Grimm, Chico Area Recreation and Park District
Melanie Lee, SCI Consulting Group

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SERVICE PLAN AND APPROACH

Based on our understanding of the District's requested services as detailed in the District's RFP, we propose the following Service Plan and approach. We confirm that we have no modifications to propose. We will deliver all services and fulfill all requirements detailed in the RFP, ensuring full compliance with its specifications, including any elements not explicitly stated herein.

Our approach is designed to provide comprehensive services that minimize the District's time and resource expenditure by adhering to solid project management principles. We ensure all project deliverables will be of the highest quality, legally defensible, and delivered on time and within budget.

Task 1: Levy Administration Services

ASSESSMENT ENGINEERING AND ENGINEER'S REPORT. As the Assessment Engineer of Record, SCI will annually prepare the preliminary Engineer's Report for the assessment district. The report will include a description of services and improvements, cost estimates, assessment methodology, the assessment diagram, and the assessment roll. We integrate any Proposition 218 developments and legal considerations that may influence the assessment levies.

In coordination with the District, SCI will establish the levy administration timeline for the upcoming fiscal year. We will obtain assessor data and other real property information required for annual assessments and for upcoming fiscal-year cost estimates. Additionally, SCI will research parcel attributes and ownership information to accurately calculate and assign benefit assessments. We will assist with budget preparation and, as needed, prepare updated assessment diagrams and maps. SCI will also prepare an updated benefit analysis, cost estimates, method of apportionment, and other assessment engineering elements for the Engineer's Report.

SCI will review the cost estimates, benefit analysis, and assessment engineering analysis with the District prior to finalizing the preliminary Engineer's Report. Legal compliance will be ensured through a review with legal counsel and the District. Both the preliminary and final Engineer's Report will be prepared in accordance with the requirements of Proposition 218 and applicable case law.

DETERMINATION OF PRELIMINARY SPECIAL LEVIES. Twice a year, SCI will recalculate and confirm the special levies for all subject properties on a parcel-by-parcel basis. While more time-consuming than simply relying on County Assessor property characteristics and previous levy amounts, this additional step has consistently proven to result in more accurate levies and higher overall assessment revenues.

Each March, based on the most recent Assessor lien roll data, SCI will determine preliminary special levies. We will research property data changes, usage, valuations, and levy changes from the previous year for all parcels within the District's boundaries and flag all parcels requiring property research to determine the appropriate assessment levy. This process lets us discover any issues with the Assessor's lien roll data early. It also allows us to provide the District with a timely and accurate projection of assessment revenues for the upcoming fiscal year.

QUALITY ASSURANCE AND QUALITY CONTROL. We take great pride in our levy administration process and our stringent quality control and oversight to ensure the accuracy of special levies. Each year, we run over 50 checks and validation queries on each parcel to identify and resolve any issues. After the preliminary special levies are determined, another levy administrator at SCI will perform an independent peer review and audit, including a parcel-by-parcel confirmation of the special levies. Any questions or issues uncovered are fully reviewed and resolved. These multiple-stage reviews ensure the highest level of accuracy and maximize assessment levy revenues for our clients.

LEVY ADMINISTRATION REPORTING. Following determination of the preliminary special levies, SCI will prepare, compile, and maintain assessment and special tax reports to support ongoing administration, financial oversight, and transparency. Reporting will include parcel listings with levy amounts, revenue and expenditure summaries, delinquency and exemption information, administrative costs, and other supporting schedules required by the District. SCI will ensure all reporting materials are accurate, clearly documented, and delivered to the District within established timeframes to support informed decision making and public accountability.

DETERMINATION OF FINAL SPECIAL LEVIES. After the close of each fiscal year, SCI will determine the final special levies based on final lien roll data as of July 1. All new or changed parcels will be identified, and the final special levies will be determined on a parcel-by-parcel basis.

COORDINATION WITH COUNTY TAX COLLECTOR. Once the special levies have been internally approved, SCI will prepare the final assessment levy roll for submittal to the County Tax Collector. We will meet the Tax Collector's submission requirements and provide all necessary documentation for the inclusion of the special levies on the County's consolidated property tax bill, ensuring deadlines are met. Electronic levy rolls sorted by Assessor Parcel Number and Property Owner's Name will also be prepared and submitted to the District. SCI will receive written confirmation of the approval of the special levies and communicate this confirmation with the District. We will confirm the final assessments prior to the issuance of tax bills. SCI takes pride in our flawless record of never missing a levy submission deadline.

RESOLUTIONS, NOTICES, AND STAFF REPORTS. SCI will prepare all resolutions for the preliminary and final approval of the Engineer's Report, confirmation of special levies, and other necessary resolutions and associated staff reports. We will prepare and publish a notice of public hearing for the continuation of the assessments and attend the public meeting to review the preliminary Engineer's Report and the public hearing for the continuation of the assessments.

INQUIRIES AND INFORMATION REQUESTS. SCI will coordinate with the County Tax Collector for our taxpayer inquiry line (800) 273-5167 to place aside the assessment levy amount on the County tax bill. This allows property owners, title companies, realtors, and other interested parties to directly reach SCI with any questions or concerns regarding the special levies throughout the fiscal year. Our team of representatives is fluent in both English and Spanish, ensuring clear and effective communication. We are committed to providing prompt service, returning all inquiries within 24 hours, and assisting the District and other stakeholders with any assessment issues, including tax roll rejections. Our goal is to represent the District professionally and minimize any inconvenience to both inquiring taxpayers and District staff.

APPEALS ADMINISTRATION. SCI will manage appeals related to special levies and special tax levies. Appeals will be reviewed by the Engineer of Record or appropriate technical staff and evaluated

based on the approved methodology. SCI will communicate directly with appellants, explain findings and outcomes, and keep the District informed throughout the process.

PROPERTY TAX BILL REVISIONS. When County Assessor's lien roll data or other information used to calculate levies is determined to be inaccurate, SCI will coordinate with the County Tax Collector to request corrected property tax bills. SCI will prepare supporting documentation, communicate with property owners as needed, and ensure revised levies accurately reflect the approved methodology.

DELINQUENCY MONITORING AND NOTIFICATION. SCI will monitor delinquent assessment and special tax payments following the December 10 and April 10 installment deadlines. At least 2 delinquency reports will be provided annually. As necessary, SCI will prepare and mail delinquency notices on District letterhead, respond to public inquiries, and coordinate with the County regarding the removal of delinquent charges upon payment.

DATA SYSTEMS AND RECORD-KEEPING. SCI maintains a secure, proprietary database for parcel, levy, and compliance data. All information is archived electronically in formats accessible to District staff, with the ability to export data to standard file types such as Excel. This system supports transparency, ease of access, and compliance with public records standards.

IN-PERSON MEETINGS. We anticipate the need for up to one in-person meeting each fiscal year. Additional in-person meetings will be billed at our then-current in-person meeting billing rate. All other project meetings and presentations will be conducted remotely via video or voice conference. Video and voice conferences are not considered in-person meetings in this Service Plan.

PROJECT SCHEDULE AND MILESTONES. SCI will adhere to the annual levy administration timeline outlined in this proposal, ensuring that all deliverables, including draft and final Engineer's Reports, public hearings, and levy submissions, are completed in advance of the County's August 10 deadline.

Deliverables

- Annual Timeline (PDF)
- Project meetings as necessary (Virtual)
- Preliminary Engineer's Report (PDF)
- Final Engineer's Report (PDF)
- Final Assessment Levy Roll with APN and Property Owner Name (PDF)
- 3 draft resolutions (MS Word)
- 3 draft staff reports (MS Word)
- Draft notice of public hearing (MS Word)
- Attendance at District Board meetings as necessary

Task 2: CFD Annexation Proceedings

SCI will first assist the District in establishing and adopting CFD annexation proceedings, utilizing the streamlined annexation provisions available under the Mello-Roos Community Facilities Act. This approach is designed to minimize administrative burden and provide an efficient process for both the District and applicants. As part of this effort, SCI will develop a standardized annexation process applicable to all CFDs administered by the District to ensure procedural consistency and full compliance with legal requirements.

In support of the District's development review responsibilities, SCI will also prepare condition-of-approval language for use in responses to development applications that trigger annexation into a

CFD. This language will clearly define the requirement to annex into an existing CFD as a condition of development approval, reinforcing the District's adopted financing strategy and promoting consistent implementation across projects.

Once the annexation framework is in place, SCI will lead and facilitate individual annexations on behalf of the District. SCI will coordinate closely with District staff and applicants to manage each annexation from initiation through completion. This includes preparing all necessary documents, including annexation request forms, Board resolutions, staff reports, annexation maps, and amended Notices of Special Tax Lien. SCI will also ensure timely and accurate processing of each annexation in accordance with statutory deadlines and procedural requirements. While SCI will prepare and deliver all required materials, the District will retain responsibility for recording annexation maps and notices.

All costs associated with the annexation process may be paid by the District or by the applicant and collected prior to the initiation of annexation activities. SCI's goal is to streamline the process to minimize the time and effort required of both the District and applicants while ensuring the annexation is completed accurately and efficiently.

Task 3: Measure Implementation Support (As Needed)

As part of our annual levy administration services, and consistent with the support SCI has provided to the District since 2010, SCI will continue to offer on-call measure implementation support related to the formation or modification of special tax districts, assessment districts, Community Facilities Districts, and other local funding mechanisms. This ongoing support helps ensure the District has access to timely, knowledgeable guidance when considering new or updated revenue mechanisms. SCI will provide general consultation for these efforts at no additional charge, as we have done for the District for more than 15 years. This complimentary consultation may include preliminary feasibility discussions, funding strategy evaluation, statutory pathway review, timing and process planning, and high-level coordination with District staff and legal counsel. These services are intended to help the District understand available options and next steps prior to initiating a formal funding effort.

If the District elects to proceed with the formal formation or modification of a special tax or assessment district, including Community Facilities Districts, benefit assessment districts, or related voter or landowner approval proceedings, SCI will prepare a separate, mutually agreed-upon scope of work and fee schedule tailored to the specific financing mechanism and level of effort required. This subsequent work may include assessment engineering, special tax consulting, preparation of Engineer's Reports, rate and methodology development, statutory noticing and hearing support, ballot proceedings, and coordination with County and election officials.

Additionally, SCI will continue to provide no-charge consultation, as needed, regarding the District's park impact fee program, Quimby Act land dedication or in-lieu fee program, and related developer negotiations. Should the District request formal preparation of nexus studies, fee program updates, ordinance amendments, or negotiated developer agreements, such work would similarly proceed under a separate, mutually agreed-upon scope of work and associated fee schedule.

District Resources

SCI will carry out all tasks specified in the Service Plan and any other related services, as appropriate, for the annual administration of the special levies. The District would be responsible for the following:

- Meet or periodically participate in video or voice conference calls with SCI as needed.
- Provide information and documentation regarding the District's special levies and additional related data as requested.
- Designate a District point of contact with authority to act on its behalf regarding the annual levy administration.
- Assist with planning, review, and coordination of action items.

Assessment Support and Validation

In the event of a challenge to the assessments, any claims by one or more property owners that they do not receive the special benefits indicated in the Engineer's Report, or other allegations challenging the validity of the Engineer's Report and its methodology in determining the assessments, SCI will provide any necessary professional assessment engineering assistance to support the assessments without additional charge.

Tentative Levy Administrative Timeline, FY 2026-27

At the beginning of each levy administration season, SCI will work with District staff to review the project tasks in detail and finalize a timeline to complete the special levies by the County's levy submission deadline, normally by August 10. The tentative timeline for FY 2026-27 is provided below.

Tentative Date	Task to Be Completed (Partial List)	Responsible Party
By April 9, 2026	Submit resolution and staff report for the April Board meeting	SCI
April 23	**District Board Meeting:** Consider resolution directing the preparation of the Engineer's Report	Board
May	Provide draft budget to SCI for the Engineer's Report	District
By June 11	Complete and file the Engineer's Report & resolution and staff report for the June meeting with the District	SCI
June 25	**District Board Meeting:** Consider resolution preliminarily approving the Engineer's Report and scheduling the public hearing	Board
Week of June 29	Publish notice of public hearing	SCI
By July 9	Submit resolution and staff report for the July Board meeting	SCI
July 23	**District Board Meeting:** Public hearing and consider resolution approving the Engineer's Report and levying the annual assessment	Board
August 10	Submit the special levies to the County Tax Collector	SCI
September	Confirm the final special levies with the County Tax Collector	SCI
Sep 2026 – Jun 2027	Administer the special levies and collections	SCI

The District Board typically meets on the 4th Thursday of every month at 4:00 p.m.

FIRM AND PROJECT TEAM QUALIFICATIONS EXPERIENCE

About SCI Consulting Group

Established in 1985, **SCIConsultingGroup** is a recognized public finance consulting firm with leading expertise in assisting California public agencies with local funding of public services and improvements. SCI employs approximately 22 people at its primary location in Fairfield, California. The annual assessment engineering, and administration work for this project will be conducted at the Fairfield office. SCI staff are well-experienced and well-trained in all aspects of assessment engineering, data analysis, mapping, and legal, political, and administrative work required for these services.

We also possess industry-leading expertise with the important legal and procedural requirements for establishing Community Facilities Districts, Benefit Assessment Districts, development impact fee programs, utility rate fees and charges, and other local financing mechanisms. Moreover, SCI annually administers over 1,000 special taxes, assessments, fees, and charges for over 200 public agencies throughout the State. This expertise and experience will ensure that your goals and objectives are met successfully, collaboratively, on schedule, and on budget.

SCI's Proven Expertise

1,000 + special taxes, assessments, fees, and charges administered annually.

Trusted by **200 + public agencies** across California.

We respectfully offer the following for your consideration:

MOST COMPREHENSIVE LEVY ADMINISTRATION SCOPE The administration of the District's special levies is a very important fiduciary responsibility that should entail significant effort to ensure that the special levies are collected accurately and defensibly. Through the process of designing and establishing numerous new post-Proposition 218 benefit assessments, we have gained unparalleled, comprehensive Proposition 218 data-flow and compliance expertise.

EXISTING LEVY OPTIMIZATION EXPERTISE As noted, SCI Consulting Group's primary expertise is the levy administration of assessments, fees, charges, and special taxes for public agencies. With over 40 years of experience in this specialized field, we have never missed a levy submission deadline and have an unparalleled track record of finding additional revenue for agency levies that another firm previously administered. In fact, in nearly every case in which SCI has begun to administer special levies previously handled by another firm or public agency, we have uncovered significant additional revenue due to incorrect prior amounts or missing parcels that should have been subject to the levies.

EXTENSIVE KNOWLEDGE OF THE DISTRICT AND BUTTE COUNTY We have worked extensively throughout Butte County, including serving as the Assessment Engineer and Levy Administrator for the District since 2010.

ACTIVE INVOLVEMENT WITH CSDA, CARPD, AND CPRS SCI is an active member of the California Special Districts Association ("CSDA"), the California Association of Recreation and Park Districts ("CARPD"), and the California Park and Recreation Society ("CPRS"). We are committed to staying at the forefront of special district funding and policy by actively engaging with these organizations. Our team frequently presents at annual conferences, regional workshops, and specialized training sessions, sharing insights on funding strategies, Proposition 218 compliance, park impact fees, Quimby land dedication and in-lieu fees, and other critical topics affecting recreation and park districts. Through our participation, we not only contribute to industry knowledge but also stay informed on emerging trends, legislative changes, and best practices that help us better serve our clients.

COLLECTIVE LEGAL EXPERTISE SCI has also gained a considerable and unmatched advantage from the collective input of most of the State's leading Proposition 218 specialized attorneys with whom we worked on formations and on the continued justification of the over 200 post-Proposition 218 agency-wide assessments we created and annually reauthorized.

UNMATCHED ABILITY TO HANDLE LARGE AREA/COMPLEX LEVIES SCI has successfully formed more agency-wide benefit assessments than all other firms in the State combined. This is further evidence of our ability to form and administer large levy assessments. These include new assessments covering all parcels in Alameda, Orange, San Diego, San Joaquin, San Mateo, and Santa Clara Counties.

UNMATCHED TECHNICAL CAPABILITIES Every person in our firm, aside from our administrative staff, is a database expert. We have developed specialized in-house programs to improve our levy administration services. We are also GIS and mapping experts. We invite you to compare, or better yet, test our database and technical expertise with the staff of any other firm.

LOW OVERHEAD/LOW-COST PROVIDER We understand that levy administration services must be provided cost-effectively, particularly to keep the District's costs within budget constraints. For this reason, we maintain the lowest overhead and leanest structure in the industry. While other firms maintain multiple offices, hierarchical administration, and much higher overhead costs, we operate more effectively and with much lower overhead from a single central office in an economically favorable business area.

UNMATCHED RESPONSIVENESS AND CUSTOMER SERVICE We invite you to call our toll-free property owner assistance line at (800) 273-5167 and compare our level of service and responsiveness with any other firm. We answer calls directly with knowledgeable levy administration staff. We also provide the highest level of customer service and responsiveness to all our clients, including same-day responses.

PARK AND RECREATION AGENCY CLIENTS (PARTIAL LIST) *

Arbuckle RPD
Arcade Creek RPD
Arden Park RPD
Auburn Area RPD
Bear River RPD
Cameron Park CSD
Carmichael RPD
City of Amador City
City of Angels
City of Belmont
City of Benicia
City of Colusa
City of Diamond Bar
City of Dixon
City of Hayward
City of Ione
City of Jackson
City of Lompoc
City of Los Alamitos
City of Menlo Park
City of Moorpark

City of Palm Spring
City of Placentia
City of Placerville
City of Pleasanton
City of Pleasant Hill
City of Plymouth
City of Richmond
City of San Diego
City of Sutter Creek
City of Temple City
City of Vacaville
City of Vallejo
Chico Area RPD
Conejo RPD
Cordova RPD
Cosumnes CSD
County of Amador
County of Contra Costa
County of El Dorado
County of Placer
County of Sacramento
County of San Joaquin
County of Santa Cruz
County of Solano
County of San Diego
County of Ventura
County of Yolo
Durham RPD
Easton CSD
Esparto CSD
Fair Oaks RPD
Feather River RPD
Fulton-El Camino RPD
Garden Valley Ranch Estates CSD
Georgetown Divide RD
Isla Vista RPD
Mission Oaks RPD
Monterey Peninsula Regional PD
Mtn. Rec. Conservation Auth.
North Highlands RPD
Orangevale RPD
Paradise RPD
Puente Hills Habitat Preservation Authority
Pleasant Valley RPD
Rancho Simi RPD
Rio Linda Elverta RPD
Santa Clara Valley OSA
Spreckels Memorial District
Soledad-Mission RD
Southgate RPD
Sunrise RPD
Truckee-Donner RPD
Twain Harte CSD

* Park and Recreation Levy Administration Clients in **Bold**

References

FAIR OAKS RECREATION & PARK DISTRICT
4150 Temescal Street
Fair Oaks, CA 95628
(916) 966-1036
Contact: Mike Aho, District Administrator
Email: maho@forpd.org

COSUMNES COMMUNITY SERVICES DISTRICT
8820 Elk Grove Blvd.
Elk Grove, CA 95624
(916) 405-5600
Contact: Traci Farris, Parks Administrator
Email: tracifarris@cosumnescsd.gov

TRUCKEE-DONNER RECREATION & PARK DISTRICT
10981 Truckee Way
Truckee, CA 96161
(530) 582-7720
Contact: Sven Leff, General Manager
Email: sven@tdrpd.org

PLEASANT HILL RECREATION & PARK DISTRICT
147 Gregory Lane
Pleasant Hill, CA 94523
(925) 682-0896
Contact: Michelle Lacy, General Manager
Email: mlacy@pleasanthillrec.com

Assessment Engineering, Special Tax and Levy Administration Team

SCI will take a collaborative, team-based approach, working closely with the District to deliver comprehensive, hassle-free services that reduce the District's workload while ensuring full compliance with all technical, procedural, and legal requirements.

If selected, **Blair Aas, Vice President**, will serve as Levy Administrator and Principal-In-Charge, bringing 24 years of experience in benefit assessment and CFD special tax levy administration. **Melanie Lee, Senior Consultant**, will provide analytical and administrative support and has 20 years of experience supporting assessment and special tax administration. John will serve as Engineer-of-Work and brings 24 years of experience in assessment engineering and Proposition 218 expertise. **John Bliss, President**, will serve as Engineer-of-Work and will be responsible for the preparation of the Engineer's Report, including special and general benefit determinations. Property owner response services will be managed by a dedicated in-house team led by Ginger Quichocho. No subconsultants are anticipated for these services. Together, the team brings 68 years of combined experience in benefit assessment engineering, special tax consulting, and levy administration, providing deep institutional knowledge, technical expertise, and consistent, reliable execution of services.

FEE SCHEDULE AND MANNER OF PAYMENT

In consideration of the work accomplished, as outlined in the Service Plan, SCI shall be compensated as detailed below. Our professional fees are based on our understanding of the District's needs and the level of effort we expect is necessary to complete the Service Plan successfully.

TASK [1,2]	FY 26-27	FY 27-28	FY 28-29
Task 1: Annual Levy Administration	$17,500	$17,500	$17,500
Incidental Costs NTE [3]	$1,000	$1,000	$1,000
Total Authorization	**$18,500**	**$18,500**	**$18,500**

[1] The Service Plan assumes that all meetings and presentations shall be conducted virtually. Compensation for in-person meetings shall be billed at $1,380 per consultant per meeting. Out-of-scope services shall be billed at an hourly rate of $230. These rates, along with any mutually agreed-upon contract extensions, shall be adjusted annually based on changes to the San Francisco Bay Area Consumer Price Index (CPI), as published by the U.S. Bureau of Labor Statistics.

[2] Upon submission of the special levies to the County Tax Collector each fiscal year, 65% of the annual fixed fees and any incidental expenses are due. The remaining 35% of the annual fixed fees, plus any outstanding incidental expenses, shall be due on January 15 of each fiscal year.

[3] Customary incidental expenses, such as travel, lodging, printing, postage, data, or other out-of-pocket costs, will be billed at actual cost plus 10%, not exceeding $1,000, without prior authorization from the District. Mileage expenses will be billed at the IRS-approved rate. It should be noted that most of these incidental expenses are for publishing the notice and purchasing assessor data.

Task 2: CFD Annexation Proceedings. Compensation for CFD annexation proceedings is set at a fixed fee of $6,250 for the first developer, plus an additional $2,550 for each additional landowner participating in the CFD annexation. Customary incidental expenses, such as travel, lodging, printing, postage, data, and other out-of-pocket costs, will be billed at actual cost plus 10%. Mileage expenses will be billed at the IRS-approved rate. Payment is due upon submission of the final documents for the annexation proceedings.

As provided in the CFDs' Rate and Method of Apportionment, all costs associated with annexation proceedings may be borne by the applicant. It is recommended, and consistent with common practice, that applicants pay SCI directly for annexation services prior to preparing annexation documents, thereby ensuring the District incurs no costs related to the annexation.

Task 3: Measure Implementation Support. General consultation services for potential new or modified funding measures are included at no additional charge. Should the District choose to proceed with any formal formation or modification effort, SCI will prepare a separate, mutually agreed-upon scope of work and fee schedule tailored to the specific project.

OTHER INFORMATION

Conflict of Interest Statement. SCI has no known past, ongoing, or potential conflicts of interest for working with the District, performing the Service Plan, or any other service.

Insurance. SCI carries professional Errors and Omissions insurance in the amount of $2 million per occurrence and $2 million aggregate. SCI also carries general liability insurance in the amount of $2 million per occurrence and $4 million aggregate.

Employment Policies. SCI does not and shall not discriminate against any employee in the workplace or against any applicant for such employment or against any other person because of race, religion, sex, color, national origin, handicap, age, or any other arbitrary basis. SCI Consulting Group ensures compliance with all civil rights laws and other related statutes.

Independent Contractor. If selected, SCI shall perform all services included in this proposal as an independent contractor.

Cancellation. The District or SCI may end the engagement without cause with reasonable written notice. In the event that the engagement is canceled, payment shall still be due for all work performed, including any portion of a task, by SCI through the date of the notification of cancellation.

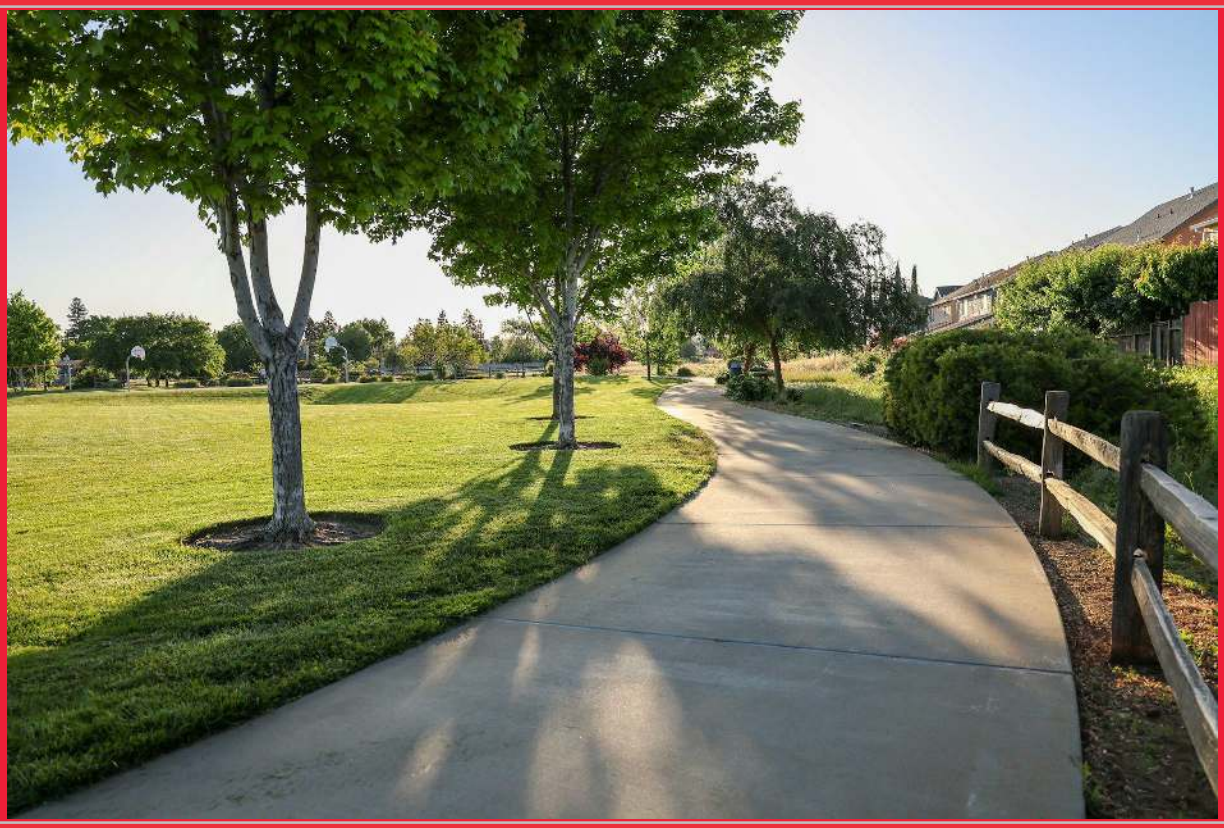
Indemnification. The Service Plan is provided by a design professional as defined by California Civil Code Section 2782.8(c)(1). As such, the SCI duty to defend and indemnify shall be limited as provided in California Civil Code Section 2782.8 and shall apply only to claims that arise out of, pertain to, or relate to our negligence, recklessness, or willful misconduct.

PROPOSAL

TAX AND LEVY ADMINISTRATION SERVICES

February 13, 2026

Response to RFP



CHICO AREA RECREATION AND PARK DISTRICT

SUBMITTED BY:

Andrea Roess
Managing Director

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San Jose, CA 95113
(800) 969-4382
Andrea@FinanceDTA.com

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CHICO AREA RECREATION AND PARK DISTRICT

TAX AND LEVY ADMINISTRATION SERVICES

PROPOSAL SUBMISSION DEADLINE:

FEBRUARY 13, 2026, AT 5:00 P.M.

Prepared for:

Chico Area Recreation and Park District
545 Vallombrosa Avenue
Chico, CA 95926
Attention: Philip Aviles, Finance & HR Director

Project Contact:

Andrea Roess
Managing Director, DTA
99 Almaden Boulevard, Suite 600
San Jose, CA 95113
Phone: (800) 969-4DTA x208

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I COVER LETTER

Mr. Philip Aviles
Finance & HR Director
Chico Area Recreation and Park District
545 Vallombrosa Avenue
Chico, CA 95926
Email: Info@ChicoRec.gov

February 13, 2026

RE: Request for Proposals ("RFP") for Tax and Levy Administration Services

Dear Mr. Aviles:

DTA Public Finance, Inc. ("DTA"), formerly David Taussig & Associates, is pleased to submit this proposal to the Chico Area Recreation and Park District (the "District"). It is our understanding that the District is seeking a qualified firm to provide tax and levy administration services to support the District in the administration, projection, and reporting of its special taxes, benefit assessments, and other levies as authorized under California law. The District currently administers five funding mechanisms, specifically Community Facilities District ("CFD") Tax Zone 1 and Tax Zone 2, Baroni Neighborhood Park and Open Space Landscaping and Lighting District ("LLD") No. 001-05, Oak Way Park Landscaping and Lighting Assessment District ("LLAD"), and Amber Grove/Greenfield LLAD.

DTA's Northern California experience is substantial and longstanding. We currently provide public finance advisory services to the Cities of Alameda, Antioch, Campbell, Palo Alto, Redwood City, Richmond, San Mateo, South San Francisco, Stockton, and Vallejo, along with many others; the Counties of Monterey, San Mateo, and Santa Clara, among others; and dozens of school districts (28 in Santa Clara County alone) and fire protection districts. In fact, most recently, DTA was hired by the City of Sacramento to perform all of the tasks associated with the administration of the City's 14 bonded CFDs. In addition, DTA has worked extensively with municipalities in Sonoma and Napa Counties, including the Schell-Vista Fire Protection District and City of Rohnert Park, and performed work for the Napa Pipe Redevelopment Project.

As described in greater detail in the enclosed proposal, DTA is a public finance and urban economics consulting firm specializing in infrastructure and public services finance with offices in Irvine, San Francisco, San Jose, and Riverside, California, as well as Dallas and El Paso, Texas, Raleigh, North Carolina, and Tampa, Florida. DTA has completed consulting assignments for over 3,000 clients in 26 states. **During this period, the firm has been involved in the formation of over 2,000 public finance districts, with total bond authorizations exceeding $75 billion**. In addition to the planning and formation of a variety of types of special districts, DTA has provided annual administration services since its formation for special districts and municipalities nationwide to levy special assessments, special taxes, and various rates and charges on property tax bills. We have also been involved in fiscal and economic analyses of land development impacts, project feasibility studies, and economic development studies. DTA has prepared approximately 700 fee justification studies for a variety of public improvements, including water, sewer, and flood control facilities, fire and police stations, parks, libraries, transportation, and other types of infrastructure.

Given our extensive experience in special district formation and administration, we believe our firm is well qualified to provide consulting services for this project. DTA's high level of experience in providing financial and administrative services related to assessments and taxes has positioned us as a leader within the municipal finance industry. In fact, our assessment/special tax formulas have generated revenues to support hundreds of bond issues over the past 40 years, all of which have withstood the test of time. **The result of this experience and expertise is that DTA has never been sued.** During this period, we have developed a number of assessment/special tax methodologies that have become the standards of our industry. **In addition, DTA is a registered Municipal Advisor with the U.S. Securities and Exchange Commission ("SEC") and Municipal Securities Rulemaking Board (MSRB ID #K0961).**

Our proposal has been prepared to establish the following:

- **DTA's experience/qualifications**. DTA's level of experience with levying assessments and the formation and issuance of bonds for special financing districts is unequaled as our firm is the State of California's leading Special Tax Consultant and Assessment Engineer, having prepared assessment or special tax formulas on behalf of public agencies for the establishment of over 1,500 special financing districts. We take a hands-on, detail-oriented approach with an emphasis on accuracy, efficiency, and reliability. Automation via our proprietary software, MuniAnalytics, is a key component of our services as it aids in the elimination of errors, documentation of procedures, and development of audit trails. These capabilities are frequently combined with our infrastructure finance consulting services to develop public infrastructure and services financing strategies and plans. Additional information on DTA is available on our website (www.FinanceDTA.com).
- **DTA's commitment to providing superior service to the District**. DTA's staff members, all of whom are directly involved solely in public finance, come from backgrounds in a number of fields, including civil engineering, land development, public administration, investment banking, economic consulting, redevelopment, law, and land use planning. This diversity of experience and expertise allows DTA to meet a wide variety of challenges related to both the actual work product and client management. DTA has earned the trust of public agencies, bond investors, and other industry participants. Our name is synonymous with quality, accuracy, and responsiveness. DTA's clients understand there is a quantifiable difference to our consulting services that gives us a clear edge over the competition. We are committed to excellence and innovation, which allows us to attract and retain the most experienced and knowledgeable personnel in the industry. Let us show you how our dedication to our clients' needs and expectations is unsurpassed.
- **DTA's high-level support**. Perhaps DTA's most outstanding qualification is the dedication and loyalty of the senior employees in our firm, many of whom have worked with us for 20 years or more, enabling our clients to count on the same personnel year after year on the job. As a result, DTA is able to offer a level of management expertise

that is unequalled throughout the fields of assessment engineering and special tax consulting.

DTA has assembled a project team for the District with the breadth of experience required to provide tax and levy administration services in a professional and timely manner. This project would be handled out of **DTA's San Jose office at 99 Almaden Blvd., Suite 600, San Jose, CA 95113, with support from DTA's Irvine office**. Andrea Roess, a Managing Director at DTA, would serve as the Principal-in-Charge and have the District's primary account responsibility. Ms. Roess would be assisted by Steve Runk, a Vice President at DTA, and Nehal Thumar, a Vice President at DTA, in addition to other support staff, as needed. Kuda Wekwete, a Managing Director at DTA, will provide technical advisory services. Brief resumes for each of our senior team members are included in Section III of this proposal. All proposed project team members may be reached by phone at (800) 969-4DTA.

If you have any questions regarding DTA, our team members, or the enclosed proposal, please contact Andrea Roess at (800) 969-4DTA x208 or by e-mail at Andrea@FinanceDTA.com. Thank you for the opportunity to work with you on this engagement.

Best Regards,

Kelly Wright
Chief Executive Officer
Phone: (800) 969-DTA
Kelly@FinanceDTA.com

II FIRM QUALIFICATIONS AND EXPERIENCE

A Firm Overview

DTA is a public finance and urban economics consulting firm specializing in infrastructure and public services finance. Our firm, which provides public finance consulting services to clients nationwide, has offices in Irvine, San Francisco, San Jose, and Riverside, California, as well as Dallas and El Paso, Texas, Raleigh, North Carolina, and Tampa, Florida. Since its formation in 1985, DTA has assisted over 3,000 clients in meeting their infrastructure and public services goals. **DTA has been licensed and registered with the SEC and MSRB as a Municipal Advisor (No. 867-01160) and follows all the fiduciary requirements associated with this designation**.

DTA, a corporation, was incorporated in the State of California on May 15, 1986 (Entity No. 1374460), and has been providing public finance consulting services for over 39 years. The firm's headquarters are located at 18201 Von Karman Avenue, Suite 220, Irvine, CA 92612. The corporation has two officers, specifically David Taussig, Chairman/Managing Director, and Cecily Burke, Secretary, both of whom are authorized to bind the firm. DTA does not hold controlling or financial interests in any other organization and is not owned or controlled by another person or organization. DTA's management personnel consists of four principals identified as David Taussig, Chairman/Managing Director, Kelly Wright, Chief Executive Officer, Andrea Roess, Managing Director, and Kuda Wekwete, Managing Director.

DTA currently has a staff of approximately 50 employees, all of whom are directly involved solely in public finance. Staff members come from backgrounds in a number of fields, including land development, public administration, civil engineering, investment banking, economic consulting, redevelopment, law, and land use planning. This diversity of experience and expertise allows DTA to meet a wide variety of challenges related to both the actual work product and client management. Each of DTA's staff members has considerable experience in computer-based financial analyses and modeling, which is a key component of the firm's consulting services.

We have assembled an experienced and accomplished team with expertise in all the requirements of the tax and levy administration services requested by the District. This project would be handled out of **DTA's San Jose office, with support from DTA's Irvine office**. Andrea Roess, a Managing Director at DTA, would serve as the Principal-in-Charge and have the District's primary account responsibility. Ms. Roess would be assisted by Steve Runk, a Vice President at DTA, and Nehal Thumar, a Vice President at DTA, in addition to other support staff, as needed. Kuda Wekwete, a Managing Director at DTA, will provide technical advisory services. DTA staff shall complete all the tasks of the project within the agreed-upon budget and schedule. Time and time again, we have proven our ability to adhere to contract agreements, understand the importance of good project management, and have never failed to meet a deadline.

Since its establishment, DTA has completed consulting assignments for more than 3,000 clients in 26 states. During this period, the firm has been involved in the formation of more than 2,000 public finance districts, with total authorized bonded indebtedness in excess of $75 billion. Our financing programs have utilized a variety of public financing mechanisms, such as ADs, Community Facilities Districts ("CFDs"), Certificates of Participation, Tax Allocation Bonds, Sewer

and Water Revenue Bonds, Marks-Roos Bond Pools, Landscaping and Lighting Districts ("LLDs"), Enhanced Infrastructure Financing Districts ("EIFDs"), Integrated Financing Districts, and various types of fee programs. DTA has served as the Special Tax Consultant and/or Assessment Engineer for numerous cities, counties, water districts, and school districts.

DTA's consulting services include:

- **Annual administration of special districts;**
- **Special tax and assessment engineering;**
- Public infrastructure and public services financing strategies;
- Proposition ("Prop") 218 and Assembly Bill ("AB") 1600 compliance studies;
- Fiscal and economic impact analyses;
- Property Assessed Clean Energy ("PACE") financing;
- Federal and state grant and loan applications;
- Economic development and revitalization studies; and
- Public improvement construction management services.

On a national basis, DTA has planned and implemented Public Facilities Financing Plans ("PFFPs") that have ranged from the quantitative analysis of a single financing mechanism for an individual facility to the preparation of a comprehensive public financing plan covering multiple facilities and public services through a series of financing mechanisms. Our financial analyses provide public officials, landowners, and other interested parties with the level of information necessary to make fully informed decisions regarding land use, infrastructure, and public services financing issues. Furthermore, DTA staff has extensive experience working with various stakeholder groups, including public agencies, local residents and businesses, property owner associations, land developers, public finance professionals, local Chambers of Commerce, and other interested parties.

DTA's special tax and assessment formulas are based on a variety of methodologies that have withstood the test of time and legal scrutiny. Our firm's objective has been to take a balanced approach and utilize innovative and state-of-the-art techniques that enable all parties to receive the maximum benefit from public financing. DTA is aware of and has contributed to the most innovative and creative concepts in land-secured public financing.

DTA has provided public finance consulting services to virtually every major city and urban county in the State of California. Our city clients are too numerous to list individually but include the Cities of Anaheim, Fresno, Long Beach, Los Angeles, Oceanside, Sacramento, San Diego, San Francisco, and San Jose. Our county clients have included the Counties of Alameda, Butte, Contra Costa, Fresno, Imperial, Los Angeles, Madera, Marin, Orange, Placer, Riverside, Sacramento, San Bernardino, San Diego, San Francisco, Santa Barbara, Shasta, Sutter, Stanislaus, and Yuba. DTA has also provided public finance consulting services to over 325 school districts, water districts, and fire protection districts throughout California.

B Overview of DTA's AD, CFD, and LLD Formation and Administration Experience

Listed below is a summary of our fixed charge formation and administration experience. As described below, our knowledge in this field allows us to perform the work related to formation and annual administration for a variety of charges.

- **AD Experience:** Over the past 40 years, DTA has represented hundreds of municipalities in their negotiations with developers and other property owners related to the formation and implementation of ADs. This experience has included deliberations related to Development Agreements, Acquisition and Funding Agreements, and a variety of formation documents, including Engineer's Reports and special assessment apportionments. We understand developer proformas and the impacts of AD special assessments on property owners' investment returns. Our reputation for developing creative solutions and designing specialized AD apportionments to resolve conflicts between municipalities and property owners has been well established with our municipal clients, underwriters, bond counsels, and other financial professionals. From the drafting of appropriate special district goals and policies through the preparation of AD apportionments that constitute a win-win for both public agencies and property owners, DTA has been a leader in the industry. Additionally, we have been able to automate our work through state-of-the-art cloud-based proprietary software developed in-house that enables our firm to handle AD formation and administration work quickly and efficiently for a competitive price.

- **LLD Experience:** DTA has unique experience with the application of LLDs. Since 1991, DTA has acted as the Assessment Engineer for dozens of public agency and school district initiated LLDs in California. Three of our school district LLDs were challenged by the Howard Jarvis Taxpayers Association ("HJTA") in the California Superior Court and all of them were upheld. On August 20, 1992, a Superior Court ruling on DTA's methodology was issued for both the Whittier Union High School District and Bonita Unified School District. In its written opinion, the Superior Court gave its unqualified support for DTA's apportionment methodology.

  DTA has also been involved in the formation of numerous LLDs since November 5, 1996, when Prop 218 was passed. Specifically, DTA was the architect of the first successful post-Prop 218 school district LLD in Southern California, the Bonita Unified School District. In addition, DTA contributed to the design of the apportionment methodology, managed the ballot mailing process, and computed the ballot results for the San Marin LLD of the City of Novato, which was approved by 80% of the assessment-weighted ballots. DTA was also involved in the formation of post-Prop 218 LLDs for the Cities of San Jose and Fresno.

  In 2003, DTA provided assessment engineering services for an LLD initiated by the Irvine Unified School District ("IUSD"). The purpose of the LLD is to pay for maintenance and operating costs of IUSD recreational facilities. The Orange County Register issued an editorial in which HJTA indicated its opposition to the LLD. However, there was no court challenge, which we believe was due in large part to the detailed assessment methodology DTA employed to separate general benefits from special benefits and determine the proportional benefit of each parcel.

- **SCIP/PACE Experience**: DTA is the Assessment Engineer for California Statewide Communities Development Authority's ("CSCDA's") Statewide Community Infrastructure Program ("SCIP"). SCIP partners with local jurisdictions to finance Development Impact Fees ("DIFs") and public infrastructure through assessment bonds issued by CSCDA. SCIP is designed to provide economies of scale for financings that would otherwise be too small to achieve the economies of scale necessary for stand-alone financing. SCIP is also involved in the formation of standalone ADs.

  To date, DTA has been the Assessment Engineer for the formation of over 200 ADs for SCIP. DTA is also the Assessment Engineer for numerous residential and commercial PACE programs sponsored by CSCDA, Los Angeles County, the Western Riverside Council of Governments ("WRCOG"), California Municipal Finance Authority ("CMFA"), and Golden State Finance Authority ("GSFA") in California, as well as the Missouri Clean Energy District ("MCED") and Florida PACE Funding Agency programs, among others. PACE programs offer qualified residential and commercial property owners the opportunity to finance energy efficiency and water conservation improvements for their properties. **To date, DTA is the Assessment Engineer for 211,913 PACE assessment contracts totaling over $6.45 billion of funding for eligible improvements for residential and commercial properties**.

  The combination of SCIP and PACE gives DTA more exposure to new ADs (formation and administration) than any other firm in the State. With assessment law changing now more than ever, DTA believes this experience is critical.

- **CFD Experience**: DTA developed and implemented the first CFD **"backup"** taxes, the first efficient special tax prepayment formula (which is now employed industry-wide), special tax zones and improvement areas, principal buydown formulas that allow for flexibility in the land uses ultimately developed within a CFD, and other innovations that strengthen the credit worthiness of CFD bonds. DTA has also implemented numerous innovative CFD mechanisms that include but are not limited to the following:

  - Utilization of escalating debt service to increase bonding capacity in CFDs.
  - Employment of a series of CFDs or one CFD with a series of improvement areas or zones for a multi-issue bond program, so future residents cannot lower the special tax and therefore void future bond issues, to increase bonding proceeds by reflecting increases in property values when later improvement areas or zones are established.
  - Combining a series of small CFD bond issues, sometimes on separate properties owned by small landowners, into a Marks-Roos Bond Pool to attain economies of scale and build regional and local improvements.
  - Establishment of boundaries for a CFD that include properties affected by the CFD's improvements and properties located elsewhere (sometimes owned by the same landowner) to increase the CFD's land values for value-to-lien purposes. The properties located elsewhere can be removed from the CFD when the properties affected by the financing have appreciated to a satisfactory level of value.

- Combining tax-exempt and taxable bonds within a CFD bond issue to finance public and private improvements.
- Establishment of an A-B bond structure, with senior and junior liens, where B bonds convert to A bonds automatically as property within the CFD is developed.

C Special District Experience

Typically, municipalities seek out the services of an Assessment Engineer to utilize the consultant's specialized qualifications to advise and provide technical assistance to ensure numerical and technical accuracy in the assessments being charged, develop a legally defensible and equitable distribution of public improvement and/or services costs, and otherwise assist with the structuring and implementation of each special district in a manner consistent with the municipality's stated goals and policy objectives. DTA has the necessary expertise to provide these consulting services by virtue of its professional staff's many years of experience specializing in the formation and administration of special districts. In fact, the firm has been involved in the enrollment and collection of special assessments since 1985. DTA's special district experience takes many forms, as illustrated in the discussion below.

- **Broad-Based Experience**: DTA has considerable experience with virtually every CFD/AD scenario imaginable. We have participated in districts with single and multiple property owners, improvement areas or zones, single and multiple series of bonds, escrowed bonds, fixed and variable rate and capital appreciation bonds, and residential and non-residential land uses. DTA has developed apportionment methodologies for the financing of Master Plan capital improvements, local subdivision improvements, public services, and even the undergrounding of existing overhead utilities. We have participated in the formation of land-secured districts containing fewer than 20 dwelling units and those with more than 38,000 dwelling units. Our staff has participated in numerous refundings and restructurings as well. This experience gives us the ability to analyze our clients' needs and match those needs with the financing mechanism that will maximize the capacity of the financing program while minimizing burdens on homebuyers and other property owners. Furthermore, the variety of financing structures for which we have provided these services have given us a perspective and level of skill that is unmatched. DTA's financial consulting services and work products reflect the scrutiny and refinement that can only come through such extensive experience. This proficiency can be crucial in identifying and resolving issues and helping our clients avoid the pitfalls that we have seen cause problems for other municipalities.

  DTA's assessment apportionment methodologies and special tax formulas have been utilized for the sale of hundreds of bond issues and provided the firm with considerable experience working with property owners, public agencies, underwriters, bond counsels, and financial advisors to provide benefit apportionment methods satisfactory to all parties. In the process, DTA has also worked frequently with institutional bond purchasers, all of whom are familiar with the firm and its expertise in the field of assessment engineering and special tax consulting.

- **Legal Knowledge**: Our senior professional staff is not only intimately familiar with the Mello-Roos Community Facilities Act of 1982, Municipal Improvement Act of 1911, Municipal Improvement Act of 1913, Improvement Bond Act of 1915, Landscaping and Lighting Act of 1972, Benefit Assessment Act of 1982, and Prop 218, but also has extensive real-world experience with each of their respective applications. This means that our advice and consulting services are grounded in a true understanding of each law and not merely restatements of industry practices.

  As a result, DTA's work products are designed specifically to comply with the California Courts' latest findings. For example, several of the Maintenance Assessment Districts ("MADs") for which DTA is currently acting as Assessment Engineer on behalf of the City of San Buenaventura will be utilized to fund park maintenance services and, as such, are being specifically structured to comply with the State Court of Appeals' decision in ***Beutz v. County of Riverside***. We have also previously acted as an Assessment Engineer in the establishment of ADs to incorporate the Court's findings in ***Silicon Valley Taxpayers Association, Inc. v. Santa Clara County Open Space Authority***, ***Golden Hills Neighborhood Association v. City of San Diego***, and ***Concerned Citizens v. West Point Fire Protection District***. In addition, we are frequently asked to provide expert witness testimony to support litigation efforts and have previously provided testimony on behalf of the City of San Diego in its lawsuit against the assessment engineering firm that poorly structured and administered the Golden Hills MAD.

- **District Administration Innovations**: DTA utilizes MuniAnalytics, a proprietary software developed by DTA as the most advanced cloud-based software available, for all its assessment/special tax administration. This software allows DTA to easily automate the management of district data, including parcels, property ownership, and the calculation of assessment/special tax rates. MuniAnalytics is capable of managing large, complex districts, year after year, while maintaining historical data for audit and compliance purposes. MuniAnalytics leverages a rule-based approach, allowing DTA to model each district's special tax/assessment formula in order to consistently automate the assignment of property classifications and calculation of assessment/special tax rates for individual parcels. In addition to system validations, DTA can visually verify the results using detailed summarization screens to show the allocation of tax classifications and combined totals for each class. Extensive reporting and dashboards provide even further visualization of the resulting data that can be easily shared among the team. With MuniAnalytics, DTA can enforce governance over each phase of a district's administration life cycle. This allows DTA staff to focus on quality and consistency while leveraging technology to ensure process and data compliance.

  - **Web-Based**: MuniAnalytics is web-based and accessible using a browser anytime and anywhere. Data is encrypted using 128-bit encryption and only available to users with authorization. Authorized users have access to district data and can view district information at any point in a district's administration life cycle.
  - **Data Governance**: MuniAnalytics performs data consistency and validation checks for data entered into the system. This ensures the integrity and completeness of all district data. Once a district is established in MuniAnalytics,

the data is automatically versioned each fiscal year. This maintains a snapshot in time for past work completed and ensures the current fiscal year is always working with the latest version of the data. Versioning the data also eliminates the need for manual data processing, which is subject to human error and transposition.

- **Process Governance**: MuniAnalytics enforces a consistent process for administering districts. This allows DTA staff to focus on quality and customer service. The system guides administrators through a process of calculations and validation steps while providing tools to inspect and verify the quality and consistency of the resulting calculations.
- **Partitioning, Data Isolation, and Integrity**: MuniAnalytics is based on a cloud computing paradigm. Data is stored on highly redundant and encrypted disk arrays. The data for each district is partitioned and versioned. This allows MuniAnalytics to store historical data going back decades that can be searched and recalled instantly using a simple web browser. This data is also available for reporting and trend analyses.
- **Security, Authorization, and Auditing**: The district administration functions of MuniAnalytics are only accessible to authorized users. Every access attempt, whether successful or not, is audited. Once authorized, any changes to district data are also audited. In addition to the versioning capabilities of the system, it is possible to determine who changed what and when.

- **Adaptability**: Each member of DTA's professional staff has considerable experience in computer-based financial analyses and modeling. This experience gives DTA the ability to adapt and create new models to meet any of the District's changing needs.
- **High-Level Support**: DTA's clients receive high levels of personal attention from senior staff, with a Principal, Senior Vice President, or Vice President always available to meet with public agency staff and other groups. Due to the loyalty of DTA's senior staff, many of whom have worked with us for 20 years or more, DTA is able to offer a level of management expertise that is unequalled throughout the field of assessment/special tax consulting.

D Administration Experience

In addition to being the State of California's leading Special Tax and Assessment Consultant for the formation of various public financing districts, DTA has also been a State leader in the enrollment and collection of special taxes and assessments since 1985. Therefore, unlike many consulting firms, we bring a depth of experience that is only achieved by providing consulting services on both the formation and administration of special districts. Furthermore, DTA's ability to retain the vast majority of its senior employees enables our firm to provide management expertise that is without peer in the special tax consulting field. The fact that DTA, unlike other firms, encourages its employees to work on both the formation and administration of special financing districts has provided our staff with a much more comprehensive understanding of the details involved in implementing a successful special financing district.

DTA is currently administering over 800 special financing districts annually. Our staff is extremely knowledgeable with respect to the relevant law governing the enrollment of special taxes and assessments and has helped establish the industry's practices through our participation in various trade groups, such as the California Society of Municipal Finance Officers ("CSMFO"), CASTOFF, and CASH. We are also intimately familiar with County Auditor-Controller, Assessor, Treasurer-Tax Collector, and Recorder practices, which are critical for the successful administration of special districts. DTA fully utilizes all internet resources, and our staff regularly accesses Assessor and title company files, as necessary, to establish overlapping debt information and perform other due diligence functions related to special district formation and annual administration.

Specifically, assessment liens are typically apportioned on an acreage or dwelling unit basis, with the requirement that the sum of the apportioned liens equals the lien for the "parent" parcel. DTA staff is experienced with the preparation of boundary maps, assessment diagrams, apportionment diagrams, and Bond Holder Notices and has staff that is skilled in the operation of AutoCAD. As we have prepared boundary maps for various Butte County ("County") special districts, we are familiar with the County's procedures and specifications for boundary maps and assessment diagrams.

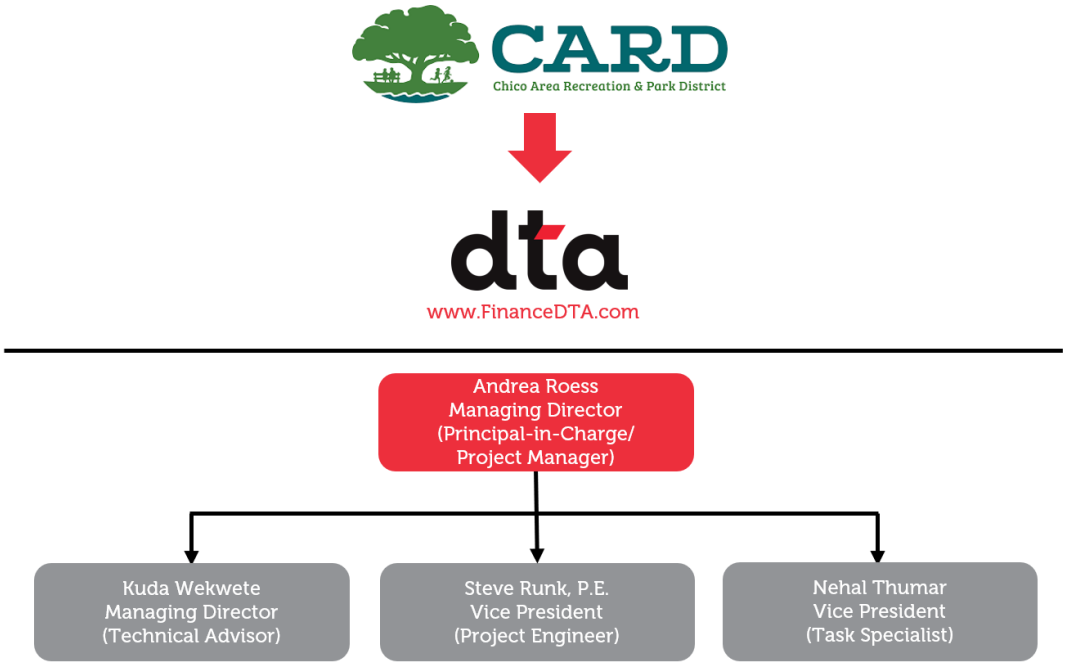
- **Data Collection**: DTA will establish procedures for capturing parcel data (e.g., approved tentative maps, recorded final maps, parcel changes, County Assessor's roll, and parcel payment status). District information will be maintained in a relational database with the Assessor's Parcel Number ("APN") as the key field. Changes to the district database will be recorded independently, with actual updates made programmatically to increase accuracy, preserve history, and leave an audit trail. In other words, parcel deletions and additions and building permit information will be recorded in separate files and then programmatically linked to the district database in order to reflect changes.
- **Fund Accountability Analysis**: DTA maintains its own fund account database, which allows us to produce management level account activity reports. This facilitates indenture compliance review and the reconciliation of disbursements, special tax and assessment receipts, and investment earnings. In our experience, trust account statements are virtually useless for management purposes. There is simply too much paper with a 5- to 10-page statement produced for each account each month. DTA rekeys the statement data into a database and is able to run consolidated reports for any time period showing all accounts on a single page. Inconsistencies with the indenture will be communicated to the trustee.
- **Calculation and Enrollment of Special Taxes**: Using the data compiled in the fund accountability analysis, DTA will evaluate year-end sources and uses of funds. Budgeted revenues and expenditures will be compared to actuals and year-end balances will be estimated. DTA will determine the coming year's special district expenditures, calculate the assessment installments, and enroll the assessments installment with the applicable county.

- **Public Information**: DTA will serve as the point of contact for taxpayers and other interested parties. Our professionals can be reached using a toll-free "800" number and will respond to telephone inquiries directly and/or in writing as requested.
- **Delinquency Management**: DTA will review property tax payment data and prepare a report that lists each delinquent parcel and the corresponding amount of delinquent special taxes. Delinquency data will be reviewed after each tax installment due date and at fiscal year-end. At the request of the District, DTA can mail Delinquency Notices to property owners and/or lenders in accordance with the established delinquency management procedures.

III KEY PERSONNEL

DTA has assigned personnel to this project who bring experience and technical expertise to each unique element of this engagement. Our team organization is illustrated below. Project roles of our key team members are described below and followed by professional biographies. All personnel will be available full-time (100%) for the duration of the project. **DTA does not anticipate employing subconsultants for any portion of this engagement**.

Figure 1: Team Organization Chart



DTA has assembled a project team for the District with the breadth of experience required to provide tax and levy administration services in a professional and timely manner. **This project would be primarily handled out of DTA's San Jose office, with support from DTA's Irvine office.** Andrea Roess, a Managing Director at DTA, would serve as the Principal-in-Charge of DTA's project team and handle primary account responsibilities for this engagement. Ms. Roess will attend meetings as necessary and supervise all project staff.

Ms. Roess will also serve as the Project Manager for the DTA team and be the District's primary point of contact throughout this engagement. She will oversee all day-to-day activities and attend all meetings. This will include scheduled meetings with District staff at which she will provide regular updates regarding progress and any problems that have arisen. In addition, Ms. Roess will be setting up conference calls with District staff and other interested parties whenever necessary. She may schedule these conference calls once per month on a date in-between any scheduled meetings with District staff.

Ms. Roess will handle the ongoing execution and completion of the entire Scope of Services and match DTA's work and deliverables with the District's needs and objectives. She will also manage the work of DTA's project team, including leading data collection efforts, providing senior-level analysis, reviewing progress and work products with District staff and stakeholders, and presenting findings at project meetings. Ms. Roess will be assisted in these tasks by support staff, as needed.

Kuda Wekwete, a Managing Director at DTA, will provide technical advisory services. Steve Runk, P.E., the Vice President of Engineering Services, will provide engineering expertise, prepare and/or review facilities cost estimates, and contribute to the apportionment analysis for property included in each district.

Key personnel will be available to the extent proposed, or designated by the District, for the duration of the project and no person designated as "key" to the project shall be removed or replaced without the prior written concurrence of the District. In addition, DTA is not behind schedule or past the completion date for any active projects and has a long history of delivering projects on a timely basis and adhering to agreements.

According to the SEC, as of September 12, 2017 (due to a new regulatory requirement), representatives of Municipal Advisor firms must have earned the Series 50 license to engage in municipal advisory activities. **DTA managers at the Vice President level and above are Series 50 licensed and therefore duly authorized by the SEC/MSRB to engage in municipal advisory activities**.

A DTA Team Resumes

Andrea Roess

Managing Director | Andrea@FinanceDTA.com
Project Role – Principal-in-Charge/Project Manager

Since joining DTA in 1992, Ms. Roess has participated in all aspects of the formation and implementation of special finance districts to fund infrastructure and services. She has managed the formation and annual administration of more than 300 land-secured financing districts, including several PACE programs. In addition, Ms. Roess established and manages DTA's water and sewer practice and is a leader in the development of PACE programs.

Ms. Roess has utilized her computer skills to develop numerous state-of-the art computer models that evaluate cash flows related to funding infrastructure and public services. This ability has enabled her to develop sophisticated bond structuring concepts for CFDs and ADs, as well as complex fiscal impact and fee impact models. She has also prepared hundreds of Engineer's Reports for ADs and been involved in the development of escrow release formulas and bond pool financing structures. In addition, Ms. Roess has experience in the preparation of PFFPs, Water/Sewer Revenue Bond analyses, and tax increment analyses. She is also the Project Manager in charge of annual special tax administration for more than 120 financing districts throughout California, Florida, Hawaii, Missouri, and Nevada.

In addition, Ms. Roess has become an influential voice in the world of CFDs and public finance through an intimate understanding of CFD subject matter that is unrivaled in the industry. Her direct and innovative approach to solving problems has led to a variety of innovative and successful solutions for her clients. This success has not gone unnoticed in the CFD circle. For years, industry professionals have sought her guidance and insights on a wide variety of issues that they faced. She is regularly asked to participate at speaking engagements and conferences to share her experiences and knowledge related to CFD structuring and other public finance topics.

For your reference, listed below is a sampling of current clients to whom Ms. Roess provides both district formation and annual administration consulting services.

- Borrego Water District
- City of Anaheim;
- City of Blythe;
- City of Brawley;
- City of Calexico;
- City of Cathedral City;
- City of Los Angeles;
- City of Oceanside;
- County of Imperial;
- County of Imperial;
- County of Los Angeles;
- County of Orange;
- County of San Bernardino;
- County of Santa Barbara;
- Laguna Beach Unified School District;
- Riverside Unified School District;
- San Diego County Fire Protection District; and
- Upland Unified School District.

Ms. Roess holds an M.B.A. degree with a concentration in finance from San Francisco State University and a B.A. in psychology/public policy analysis from Pomona College.

Ms. Roess is active in industry groups, including CSMFO, the Association of Women in Water, Energy, and Environment ("AWWEE"), and many others. In addition, Ms. Roess has been elected the Director of Mentorship of the Women in Public Finance Los Angeles Chapter Board and has participated on numerous panels and workshops related to public financing. **She also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010**.

Kuda Wekwete
Managing Director | Kuda@FinanceDTA.com
Project Role – Technical Advisor

Since joining DTA in 2005, Mr. Wekwete has been involved in all aspects of the formation and implementation of special districts to fund infrastructure and services, as well as the sale of over $300 million in CFD bonds. His work has involved the preparation of tax spreads and overlapping debt analyses for the formation and/or sale of bonds for over 175 special districts established throughout California. In this role, Mr. Wekwete has prepared Rates and Methods of Apportionment ("RMAs"), CFD and Engineer's Reports, and documents required for the formation of CFDs, sale of property, and annual levying of special taxes. He has also been responsible for preparing PFFPs involving CFDs and other public finance mechanisms.

For your reference, listed below is a sampling of current clients to whom Mr. Wekwete provides both CFD formation and annual administration consulting services.

- City of South San Francisco;
- RPOSD;
- CSCDA (20 CFDs/250 ADs);
- County of Los Angeles;
- City of Paso Robles;
- City of San Mateo;
- City of Stockton; and
- City of Santa Clara.

In addition, Mr. Wekwete has been actively involved in the preparation of dozens of impact fee studies, especially in the area of transportation infrastructure costing, and apportionment of these costs over various land use types based on benefit criteria. His engineering background has enabled him to assist DTA's Vice President of Engineering Services in applying a variety of apportionment methodologies to the development of fee studies and establishment of Benefit ADs for public sector clients. Mr. Wekwete's recent work on DIF studies has included engagements for the Cities of Colton, Desert Hot Springs, Fontana, Paso Robles, Perris, and Torrance and the Counties of Riverside, San Bernardino, San Luis Obispo, and Santa Barbara, among others.

Mr. Wekwete also has experience in the preparation of Fiscal Impact Reports ("FIRs"), tax increment analyses, and PFFPs and has performed due diligence services and developed disclosure documentation for land purchasers, public agencies, and lenders.

Mr. Wekwete received his B.S. and M.S. in operations research and industrial engineering from Cornell University and Columbia University, respectively. **He also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010**.

Steve Runk, P.E.
Vice President, Engineering Services | Steve@FinanceDTA.com
Project Role – Engineer (State License Number C23473 – California Registered Civil Engineer)

Mr. Runk has over 45 years of experience in the design and construction management of major civil engineering projects, including roadways, bridges, sewer and water improvements, and flood control facilities, grading for public works projects, and construction of commercial and industrial buildings. Mr. Runk's specific responsibilities have included design, quality control, specifications, estimates, construction bid packages, construction coordination and management, cost analyses and cost control, scheduling, manpower forecasting, staffing, and marketing. He has also assisted public agencies and developers in the procurement of funding from the California Department of Transportation ("Caltrans") and other federal and state agencies.

Mr. Runk has a proven track record of meeting schedules and adhering to budgets. Since joining DTA in 2000, he has worked with local agencies to resolve community issues and negotiate scope changes with contractors to ensure the timely and satisfactory completion of construction projects. He has also acted as the Project Manager for the establishment of ADs and preparation of numerous AB 1600 DIF justification studies. Mr. Runk specializes in preparing assessment apportionment formulas and fee studies for roads, storm drains, and water and wastewater facilities.

Since 2012, DTA has served as the on-call Assessment Engineer for the City of San Buenaventura's MADs. Mr. Runk, in collaboration with DTA support staff, prepared the Engineer's Report for MAD No. 28 in late 2021. He also assisted with the formation of MAD Nos. 21 through 27, in addition to preparing and submitting updated Engineer's Reports to amend the prior reports for MAD Nos. 17 and 18 to better document their assessment methodologies and conform to Prop 218's strict benefit requirements.

Prior to joining DTA, Mr. Runk, as the Senior Construction Manager for Holmes & Narver, Inc., successfully completed the construction of the SR-41 Freeway in Fresno County, which was the County's first Measure "C" sales tax-funded freeway. Prior to this project, Mr. Runk successfully completed the construction of the SR-71 Freeway in Chino/Chino Hills, California. This $98 million project was the first Measure "M" sales tax-funded project for the San Bernardino Associated Governments ("SANBAG"). Mr. Runk's responsibilities on both projects included contract management, quality control, public relations, cash flow analyses, project closeout, and compliance with federal and State funding requirements.

Previously, Mr. Runk held positions with various public and private engineering entities in which he delivered projects requiring a wide variety of engineering expertise. He holds a B.S. in engineering from the University of California at Los Angeles and an M.S. in civil engineering from California State University at Long Beach. Mr. Runk is a registered Civil Engineer in the State of California.

Nehal Thumar
Vice President | Nehal@FinanceDTA.com
Project Role – Task Specialist

Since joining DTA in 2000, Mr. Thumar has been involved in all aspects of the formation and implementation of numerous Mello-Roos CFDs located throughout California. His responsibilities related to these CFDs have included the preparation of tax spread proforma analyses, RMAs, Public Reports, and overlapping debt analyses. In addition, Mr. Thumar has managed the annual administration of over 25 CFDs in Southern California and prepared due diligence, tax projections, and Disclosure Reports related to land-secured bond issuances for numerous clients in Arizona, California, and Nevada.

Additionally, Mr. Thumar's involvement in both the CFD formation and annual administration has provided him with a unique perspective. For instance, he has reviewed numerous CFD formation and legal documents from the standpoint of how each CFD may impact interested stakeholders down the line through an annual administration point of view. This type of exposure to both CFD formation and annual administration has afforded Mr. Thumar the ability to identify any future pitfalls prior to the actual formation of a district.

For your reference, listed below is a sampling of current clients to whom Mr. Thumar provides both district formation and annual administration consulting services.

- Borrego Water District
- City of Anaheim;
- City of Blythe;
- City of Brawley;
- City of Calexico;
- City of Cathedral City;
- City of Los Angeles;
- City of Oceanside;
- County of Imperial;
- County of Imperial;
- County of Los Angeles;
- County of Orange;
- County of San Bernardino;
- County of Santa Barbara;
- Laguna Beach Unified School District;
- Riverside Unified School District;
- San Diego County Fire Protection District; and
- Upland Unified School District.

Mr. Thumar has also prepared FIRs for various public agency clients. In addition, he has worked on the preparation of DIF justification studies. His work during the impact fee justification and apportionment analysis process for each respective project has included the preparation of the capital improvement and public facilities needs list(s), fee model development, report writing, data collection, and interactions with city/county staff and key stakeholders.

Mr. Thumar earned an M.B.A. degree with a concentration in finance and a B.A. in economics from the University of Southern California. **He also holds a Series 50 license as a registered Municipal Advisor with the SEC/MSRB under rules promulgated following the Dodd-Frank Act in 2010.**

IV PROPOSED APPROACH AND WORK PLAN

A Project Approach

DTA is able to perform all services requested in the Scope of Services and does not anticipate employing subconsultants for any portion of this engagement. DTA's client contact and interaction continue beyond the basic deliverables. DTA is a customer and community-centric firm committed to excellence, quality products, and an open and interactive communication environment. We employ these practices in the workplace, in cities, counties, and towns, and with the many clients that we have served. DTA realizes that every client, like every person, is a distinct entity best understood and served in a direct and collaborative manner.

This dedication to prompt, excellent service extends to property owners and other parties that may call with questions regarding a special tax or assessment amount. We strive to return calls on the same or next day received and place great emphasis on quantitative skills. DTA's contract managers must have a minimum of 5 years' experience in the formation and administration of ADs and CFDs and the supervision of subordinate staff on such assignments. Subordinate professional staff must demonstrate excellent quantitative abilities and have a track record of performing well under pressure and deadlines, showing initiative, and being detail-oriented.

Our multidisciplinary team members come from diverse backgrounds and we put people first. Our staff understands the complexities and local sensitivities when navigating highly complex or potentially controversial situations, especially around the issues related to land use and urban planning. Our multidisciplinary team members come from diverse backgrounds and we put people first. We pride ourselves on developing strong relationships with our clients and working closely with them to understand their individual needs. **At DTA, we understand that public finance mechanisms, such as ADs, LLDs, and CFDs, ensure that communities can thrive and sustain municipal growth goals**.

DTA staff will be available to assist the District throughout the duration of the contract term. The firm is dedicated to providing public infrastructure financing and financial analysis services. From unique deadlines to potentially shifting priorities that may arise during the process, DTA is ready to serve as an extension of District staff upon project kickoff.

We have assembled an experienced and accomplished team with expertise in all the requirements of the tax and levy administration services requested by the District. DTA staff complete all the tasks of the project within the agreed-upon budget and schedule. Time and time again, we have proven our ability to adhere to contract agreements, understand the importance of good project management, and have never failed to meet a deadline.

Finally, DTA will provide independent and objective work products. DTA staff regularly reviews legal opinions, regulations, and statutes that impact or modify special district administration-related case law. DTA is committed to providing unbiased deliverables that reflect the most current developments in public finance and real property law. We do not anticipate any potential problems. In order to avoid and/or resolve potential issues in the most efficient manner possible, DTA employs several routine strategies on our engagements, including the comprehensive review of work products by DTA staff to ensure compliance with applicable legal codes.

B Quality Control Procedures

DTA utilizes MuniAnalytics, a proprietary software developed by DTA as the most advanced cloud-based software available, for all its assessment/special tax administration. This software allows DTA to easily automate the management of district data, including parcels, property ownership, and the calculation of assessment/special tax rates. MuniAnalytics is capable of managing large, complex districts, year after year, while maintaining historical data for audit and compliance purposes. MuniAnalytics leverages a rule-based approach, allowing DTA to model each district's special tax/assessment formula in order to consistently automate the assignment of property classifications and calculation of assessment/special tax rates for individual parcels. In addition to system validations, DTA can visually verify the results using detailed summarization screens to show the allocation of tax classifications and combined totals for each class. Extensive reporting and dashboards provide even further visualization of the resulting data that can be easily shared among the team. With MuniAnalytics, DTA can enforce governance over each phase of a district's administration life cycle. This allows DTA staff to focus on quality and consistency while leveraging technology to ensure process and data compliance.

DTA makes every effort to ensure that our data collection processes and models are error-free. As part of our special district administration process, our Engineer's Reports go through multiple levels of review, with at least two senior-level staff members performing a final review. We provide an independent review of the current consultant's work by performing multiple types of queries. These types of checks have identified inaccuracies in the past and allowed us to correct data as early as possible.

Several cost-saving strategies employed for DTA's clients are listed below.

- Ensuring the applicable District staff has approved the methodology prior to calculating the final assessments and writing the Engineer's Report, so work need not be duplicated;
- Setting up standing conference calls (i.e., bi-weekly), in addition to scheduled meetings with District staff to stay on track with tasks and deliverables and discuss critical project elements; and
- Preparing internal report drafts for District staff review and discussion on conference call(s).

DTA utilizes the software application BQE CORE to track project expenditures. This program is always available to DTA's employees and provides detailed project information ranging from the execution of the contract to completion of the project, including any supplementary as-needed services requested by our clients. To manage this contract effectively in terms of team performance, schedule compliance, and budget adherence, Ms. Roess will utilize these tools:

- Bi-weekly assignment checklists throughout the life of the contract to ensure each task remains on schedule by proper staffing assignments.
- Consistent communication with District staff via e-mail, telephone, and in-person meetings, as needed.

- Weekly budget review to ensure no budget overruns occur. DTA's customized accounting system will enable us to track the expenditures to date each week and ensure budget compliance.
- Regular meetings with District staff to discuss progress and any issues and receive guidance.

C Proposed Scope of Services

DTA shall provide comprehensive annual administration services to update the tax rolls for the District's special districts, specifically CFD Tax Zone 1 and Tax Zone 2, Baroni Neighborhood Park and Open Space LLD No. 001-05, Oak Way Park LLAD, and Amber Grove/Greenfield LLAD. The tasks listed below represent the typical tasks that we expect to perform as part of the annual administration process for the District's special districts. Please note that the scope may vary slightly for each type of charge (i.e., CFD vs. AD, etc.).

Task 1 – Kickoff Meeting

DTA will attend an initial meeting with District staff to review the existing district information, establish a levy timeline, and identify and discuss possible changes to each district for the upcoming fiscal year, including budget requirements, annexations, scheduling for proceedings, etc. This task also involves the transition of services from the current Special Tax Consultant/Administrator to DTA. We will provide a request to obtain parcel data, prior year reports, and other materials. DTA will collect and review all necessary documents required to successfully fulfill the scope of work. DTA assumes all prior year data and reporting is accurate. An audit of such data would be covered under a separate scope and budget.

Task 2 – Annual Budget

DTA shall review last year's expenditures and develop an annual budget for each district based on costs provided by the District. The annual budget shall be independently based on the specific services required for each district and an analysis of the available revenues.

Task 3 – Parcel Research

DTA will identify and obtain copies of new subdivision maps recorded with the County of Butte ("County") and review new Assessor's parcel maps to compile a list of the parcel changes and APNs within each district that will be valid for the upcoming fiscal year. DTA assumes that the District's current consultant will provide all existing electronic database files and other applicable information.

Task 4 – Parcel Database Update

DTA shall update the parcel database provided by the District using the County Assessor's roll. The updated database shall include the necessary property characteristics for each parcel (i.e., the APN; tract, lot, and unit number; acreage; tax class; Benefit Assessment Units ("BAUs"); owner name; mailing and situs address; legal description; and other relevant information).

Task 5 – Annual Administration Reports/Engineer's Reports

For the CFDs, DTA will prepare the Annual Administration Report for each district. Each Annual

Administration Report will include an estimate of costs, an explanation of the methodology employed to calculate the annual levy, and the assessment roll. For the ADs formed under the 1972 Act and 1911 Act, DTA will prepare, in accordance with the Landscaping and Lighting Act of 1972, Municipal Improvement Act of 1911, and provisions of California Constitution Article XIIID (Prop 218), the Preliminary and Final Annual Engineer's Reports for each of the districts. Each Annual Engineer's Report will include plans and specifications, an estimate of costs, an explanation of the methodology employed to calculate the annual assessment installments, the assessment roll, and assessment diagram. DTA will provide one (1) electronic copy in PDF format for each of the districts.

Task 6 – Staff Reports

DTA shall assist the District with the preparation of Staff Reports for the District Board of Directors ("Board") at the following stages of the process:

- Setting of rates and the Public Hearing date; and
- Approval of rates and the Public Hearing.

Task 7 – Public Meetings

DTA will assist District staff and/or legal counsel in the preparation of the necessary resolutions to be adopted in connection with the approval of the annual levy of assessments and presentations to be made to the District Board. We shall virtually attend the District Board meeting(s) at which the levies are presented for approval per fiscal year. In-person meetings shall be billed on a time and materials basis at additional cost. In addition, DTA will assist the District with the published notice requirements for the ADs set forth in Streets and Highways Section 22626(a).

Task 8 – Submittal

DTA will prepare the County enrollment package, including the Certification of Fixed Charge Special Assessments and Agreement for the Collection of Taxes and Special Assessments, and submit the assessment roll, revised to reflect the County's parcel exemptions list, to the County Auditor-Controller's Office in the media, format, and configuration required by the County for placement on the annual property tax bills.

Task 9 – Parcel Exceptions

DTA will review exceptions as reported by the County Auditor-Controller to identify any rejected parcels. DTA will determine the reason for the rejection and, as necessary, coordinate with the Treasurer and Tax Collector, Auditor-Controller, and/or Assessor to address instances where neither the old nor new parcel is active. Corrections will be submitted as specified in the Auditor-Controller's *Fixed Charge Processing Manual*.

Task 10 – Delinquent Property Owner Research

This task involves the review and research of the County's records to determine which parcels are delinquent in the payment of property taxes and assessments and includes the following subtasks:

10A **Static Delinquency Report**: We will review the 1st and 2nd installment Paid/Unpaid Status Reports provided for each district by the County to determine which parcels are delinquent and the corresponding amount of delinquent assessments. We will also prepare a report summarizing the amount of delinquent assessments for each district.

10B **Dynamic Delinquency Report**: As necessary, DTA will conduct a review of online records to provide an up-to-the-minute Status Report for any given number of delinquent parcels.

10C **Delinquency Reminder Letters**: At the District's request, we will send reminder letters to each delinquent property owner after the December 10th and April 10th installments requesting payment be made to the County or directly to the District, if applicable. If payment is made to the District, DTA will coordinate with the County to strip such charges from the County tax roll.

Task 11 – Property Owner Contact

DTA will be the primary contact for property owners and professionals regarding information pertaining to each district. The following subtasks are included:

11A **Property Owner Inquiries**: DTA will have trained staff prepared to respond to inquiries from property owners or other interested parties regarding the District's districts. DTA's policy is to respond to all inquiries within one (1) business day. In order to efficiently and effectively handle these property owners' requests, DTA has an "800" number that will be provided for placement on the tax bill. DTA will log all inquiries using our PACEAnalytics application. The log will include the date of the call, applicable district, APN, property owner name and contact information, purpose for the call, and name of the DTA staff member who handled the call.

11B **Notices of Special Tax for the CFDs**: DTA will prepare a Notice of Special Tax for each of the District's CFDs, as needed. DTA will provide the Notice(s) of Special Tax to sellers of property, realtors, and other interested parties upon request. Pursuant to the requirements of the Mello-Roos Act, DTA will prepare and transmit these notices within five (5) business days of receipt of each request.

Task 12 – Annual Report of Revenues, Expenditures, and Status of Improvements

For the CFDs, DTA will assist the District with meeting all annual disclosure requirements. The following requirements are included:

- California Debt and Investment Advisory Commission ("CDIAC") Reports;
- Senate Bill No. 165 ("SB 165") Reports;
- AB 2109 Reports;

- SB 1029 Reports; and
- Annual Continuing Disclosure Reports.

The RFP does not explicitly call for the preparation and filing of the Annual Report required pursuant to Government Code Section 50075.3 for certain CFDs without bonds and/or assistance with compliance with AB 1666. DTA assumes that the District itself or its counsel prepares this Annual Report for each of the District 's CFDs subject to this reporting requirement. However, DTA would be happy to assist in this undertaking.

Task 13 – Additional Annual Administration Tasks

We can assist with any other tasks related to the financing and administration of each district as agreed upon with the District. Such tasks may include providing the District with a calendar displaying key annual administration events, giving direction to the District on the proper uses of funds held in each district's accounts, preparing deposit instruction letters to the trustee, and providing general and technical advice to the District on an as-needed basis.

V REFERENCES

Listed below are four (4) references for DTA's recent work involving assessment engineering and special tax consulting services for clients in California. We encourage you to contact our references to learn firsthand how well our staff meets the needs of our clients.

A CSCDA

Table 1: Reference Information

Location	City of Alamo, CA
Client Name	James Hamill
Title	Managing Director
Address	3201 Danville Blvd., Suite 267, Alamo, CA 94507
Phone Number	(925) 476-5644
E-mail Address	JHamill@CSCDA.org
Project Dates	2014-Present
Project Team	Andrea Roess (Principal-in-Charge), Kuda Wekwete (Project Manager), Nehal Thumar (Co-Project Manager), and Steve Runk (Engineer)

SCIP is an AD financing program established by CSCDA. The program was established to serve development projects that are of insufficient size to make a stand-alone AD or CFD financing cost-effective. With the major exceptions of school fees, police and fire protection facilities fees, and affordable housing in-lieu fees, SCIP can finance most DIFs and public improvements. By pooling together a series of separate ADs established for small development projects Statewide with Engineer's Reports prepared by DTA, bond issues can be created under SCIP that collectively are of sufficient magnitude to provide all participating property owners with AD tax-exempt financing that is normally only available to larger projects. **Over the past 3 years, DTA has participated in preparing Engineer's Reports for more than 165 small ADs that have been pooled together in five separate AD financings exceeding $240 million in bonded indebtedness**. DTA is also the Administrator for 90 ADs that have been formed by CSCDA through SCIP over the last few years. These ADs are comprised of 10,000 parcels spread across 12 counties. **In addition, DTA has formed and currently administers 12 CFDs and is currently working on four (4) CFD formations**.

DTA is also the Assessment Engineer for numerous residential and commercial PACE programs sponsored by CSCDA, Los Angeles County, WRCOG, CMFA, and GSFA in California, as well as the MCED and Florida PACE Funding Agency programs, among others. PACE programs offer qualified residential and commercial property owners the opportunity to finance energy efficiency and water conservation improvements for their properties. **To date, DTA is the Assessment Engineer for 211,913 PACE assessment contracts totaling over $6.45 billion of funding for eligible improvements for residential and commercial properties**.

The combination of SCIP and PACE gives DTA more exposure to new ADs (formation and administration) than any other firm in the State. With assessment law changing now more than ever, DTA believes this experience is critical.

B County of Orange

Table 2: Reference Information

Location	County of Orange, CA
Client Name	Louis McClure
Title	Administrative Manager County Executive Office
Address	10 Civic Center Plaza, 3rd Floor, Santa Ana, CA 92701
Phone Number	(714) 834-5999
E-mail Address	Louis.McClure@OCGov.com
Project Dates	1986-Present
Project Team	Andrea Roess (Project Manager), Steve Runk (Engineer), and Nehal Thumar (Task Specialist)

DTA has assisted the County of Orange with the formation of all the County's special districts since 1994. DTA is currently the Administrator for nine of the County's CFDs, one AD (AD No. 01-1), and one Reassessment District ("RAD" No. 17-1R). There were 15 CFDs for which there was no levy beginning in fiscal year 2021-22 and each year thereafter since bonds matured for such CFDs.

The AD and RAD encompass approximately 907 acres of land located in the central coastal portion of the County in an area that was annexed to the City of Newport Beach. The RAD is further broken into four zones. Multiple bond issues have been sold for the ADs, including AD No. 88-1 and AD No. 92-1, since 2003. In addition, fiscal year 2017-18 was the last year of the levy for AD No. 88-1 and AD No. 92-1 since those bonds matured.

DTA prepares and disseminates Annual Disclosure Reports for the County's CFDs and ADs. In addition, DTA was the Special Tax Consultant to the County in 2014 for the refunding of special tax bonds for three County CFDs in the Ladera Ranch area, totaling $172,465,000 in special tax refunding bonds. DTA also assisted the County with the sale of refunding bonds for three CFDs in Ladera Ranch, which was completed in January 2018. In addition, DTA worked with the County on the formation and sale of bonds for three CFDs in the Village of Esencia, including $90,845,000 for CFD No. 2015-1 in 2015, $93,110,000 for CFD No. 2016-1 in 2016, $76,950,000 for CFD No. 2017-1 Improvement Area No. 1 in February 2018, and $21,565,000 for CFD No. 2017-1 Improvement Area No. 2 in August 2020. In addition, DTA also assisted the County with the formation of CFD No. 2021-1 (Rienda) in 2021, which is expected to include approximately 950 taxable residential units at build-out. The first series of bonds for CFD No. 2021-1 was issued in the amount of $118,720,000 in the fall of 2022. More recently, DTA assisted with the formation of CFD No. 2023-1 in early 2023 and is currently assisting with the formation of CFD No. 2025-1, which is the next phase of the Rienda development.

DTA has been involved in all CFD bond issues sold by the County since 1986 and retained continuously through a series of extensive Request for Proposals ("RFPs") for the past 30 years. **For fiscal year 2025-26, DTA enrolled over $45.5 million in taxes on over 10,900 parcels for the County's CFDs and ADs.**

C City of Anaheim

Table 3: Reference Information

Location	City of Anaheim, CA	
Client Name	Debbie Moreno	D'Anne Lee
Title	Finance Director	Budget Supervisor
Address	200 South Anaheim Blvd., Suite 276, Anaheim, CA 92805	
Phone Number	(714) 765-5195	(714) 765-4574
E-mail Address	DMoreno@Anaheim.net	DKLee@Anaheim.net
Project Dates	1989-Present	
Project Team	Andrea Roess (Project Manager), Steve Runk (Engineer), and Nehal Thumar (Task Specialist)	

DTA is the Assessment Engineer/Special Tax Consultant for an existing MAD for the City of Anaheim's Disneyland resort area and two existing CFDs.

As requested by the City, DTA analyzed the feasibility of implementing a land-secured financing program to fund the proposed public infrastructure and maintenance within the area known as the Platinum Triangle. Our recommended structure included both CFDs and ADs and is intended to provide a high likelihood that the program can be successfully implemented, while at the same time providing flexibility, equity, and an ability to accommodate the needs resulting from the relatively extended anticipated build-out period. In addition, DTA analyzed various funding mechanisms for the City related to the proposed 3.5-mile monorail system, or fixed guideway, that would run from the new transportation hub, known as ARTIC, to Disneyland.

The City plans to issue approximately $388 million in multiple bond issues to pay for the Platinum Triangle improvements and levy an assessment for annual maintenance. As the Special Tax Consultant, DTA has prepared the Rates and Methods of Apportionment ("RMAs"), Public Reports, and boundary maps. As the Assessment Engineer, DTA will formulate the benefit apportionment methodology for the AD in strict accordance with Prop 218 and prepare the required Engineer's Report and assessment diagram.

In addition, DTA is currently assisting the City with the annexation of property known as ocV!BE to the Platinum Triangle CFD along with a new overlay CFD. The ocV!BE development is expected to include 1,500 residential units and over 1.3 million building square feet of non-residential space subject to a CFD special tax.

DTA currently provides annual administration services related to the City's CFDs and Resort MAD. **For fiscal year 2025-26, DTA enrolled over $11.2 million in taxes for the City's CFDs and AD.**

D City of San Buenaventura

Table 4: Reference Information

Location	City of San Buenaventura, CA
Client Name	Chandra Chandrashaker
Title	Associate Engineer
Address	501 Poli Street, San Buenaventura, CA 93002
Phone Number	(805) 654-7714
E-mail Address	CChandrashaker@CityofVentura.CA.gov
Project Dates	February 2012-Present
Project Team	Andrea Roess (Project Manager), Steve Runk (Engineer), and Nehal Thumar (Task Specialist)

DTA currently serves as the on-call Assessment Engineer for the City of San Buenaventura's MADs. Most recently, DTA assisted with the formation of MAD No. 26 and MAD No. 27. DTA also assisted with the formation of MAD Nos. 21 through 25. In addition, DTA prepared and submitted updated Engineer's Reports to amend the prior reports for MAD Nos. 17 and 18 to better document their assessment methodologies and conform to Prop 218's strict benefit requirements.

As the Assessment Engineer, DTA prepares the Engineer's Report and assessment diagram, identifies the improvements to be maintained and assists the City in determining the costs to maintain such improvements, and develops the assessment methodology. The City's ADs fund the maintenance of a neighborhood park, streetlights, street landscaping, and a stormwater system for new development project(s).

In addition, DTA was selected by the City for another term to continue providing special assessment engineering services.

VI FEE PROPOSAL

Fees for services shall be charged on an hourly basis according to the rates set forth in the **fee schedule** below, with invoices being submitted to the District on a monthly basis. The estimated budget for each of the services to be performed under the Scope of Services described in the RFP is summarized in Table 5 below, plus out-of-pocket expenses. All work will be performed on a time and materials basis and billed at the labor rates listed in Table 6, not to exceed the maximum annual budgets listed below. **Notably, the figures listed in Table 5 for each district are just estimates and the charges assigned to any one district may be transferred to another district, as long as the overall invoices submitted by DTA do not exceed $26,000 per year, including out-of-pocket expenses.** Further work at that point would require additional fees to be billed at the hourly rates listed in Table 6.

Table 5: Estimated Budget

No.	Name of District	Annual Fee [1]
1	CFD Tax Zone 1	$5,000
2	CFD Tax Zone 2	$5,000
3	Baroni Neighborhood Park and Open Space LLD No. 001-05	$5,000
4	Oak Way Park LLAD	$5,000
5	Amber Grove/Greenfield LLAD	$5,000
	Subtotal	**$25,000**
	Out-of-Pocket Expenses	$1,000
	Total Annual Fee	**$26,000**

Note:

1. The proposed base fee per district assumes that each district identified in this table encompasses less than 250 parcels. If any district contains more than 250 parcels, such parcels shall be subject to a per parcel fee of $3.50. The final budget will depend on the number of parcels in each district, and DTA shall provide an updated fee breakdown upon receipt of the parcel counts for each district.

For your reference, DTA's hourly rate schedule is provided in the table below.

Table 6: DTA's Fee Schedule

Labor Category	Labor Rate
President/Managing Director	$335/Hour
Senior Vice President	$310/Hour
Vice President	$285/Hour
Senior Manager	$240/Hour
Manager	$225/Hour
Senior Associate	$205/Hour
Associate III	$195/Hour
Associate II	$185/Hour
Associate I	$170/Hour
Research Associate II	$160/Hour
Research Associate I	$145/Hour

The proposed budget includes attendance at virtual meetings with the District staff, including a virtual kickoff meeting, to the extent allowable under the proposed maximum budget. DTA staff shall also schedule standing conference calls (i.e., bi-weekly) with District staff to stay on track with tasks and deliverables, to the extent allowable under the proposed maximum budget. In-person meetings shall be billed on a time and materials basis, not to exceed **$2,500 per in-person meeting**.

Out-of-pocket and administrative expenses shall be equal to 3% of DTA's billings for labor, plus travel expenses and any outside vendor payments, not to exceed $1,000 per year. All hourly rates for services apply through December 31, 2026, and are subject to a cost-of-living increase at that time. On or about the first two weeks of each month during which consulting services are rendered hereunder, DTA shall present to the District an invoice covering the current consulting services performed and reimbursable expenses incurred pursuant to this Notice of Authorization. Invoices shall be paid by the District within 30 days of the date of each invoice. A 1.2% charge may be imposed monthly against accounts that are not paid within 45 days of the date of each invoice. The prevailing party in any legal action brought by one party against the other and arising out of this Consultant Agreement shall be entitled, in addition to any other rights and remedies it may have, to reimbursement for its expenses, including court costs and reasonable attorneys' fees.

A Disclaimer

While DTA has a fiduciary responsibility as a licensed Municipal Advisor, DTA is not, unless otherwise stipulated, acting as the District's Municipal Advisor. The services discussed herein do not constitute any financial advice or fall under the category of municipal advisory services as defined by the SEC.

B Information to be Provided by the District

DTA requests that the information listed below be provided by the District at no charge.

- Original district formation documents, including Engineer's Reports, CFD Reports, etc.;
- Fiscal Year 2025-26 Administration Reports and Engineer's Reports;
- Fiscal year 2025-26 parcel databases that include all relevant levy information, such as APNs, BAUs, building square footage, lot size, etc.; and
- Any other information required to set the levy for each district.

C Limitations

The proposed budget includes attendance at virtual meetings with the District staff, to the extent allowable under the proposed maximum budget. Attendance at any in-person meetings, detailed written responses to resolve disputes, and tasks related to the foreclosure of delinquent parcels will be classified as additional consulting services beyond those included in the Scope of Services ("Additional Work") and billed at the hourly rates identified in Table 6. DTA will notify the District if Additional Work has been requested by District staff or any other parties before proceeding with Additional Work. Additional Work will be billed at the hourly rates listed above.

DTA assumes it will receive from the prior Assessment Engineer/Special Tax Consultant the historical information and data it used to provide special tax and/or assessment engineering services to all special districts, including the electronic database with the APN, land use code, service level, dwelling unit count, assigned Equivalent Dwelling Unit ("EDU") for each service level, situs address, and corresponding levy amounts; Assessor's maps; assessment diagrams and boundary maps; street and storm drain plans, street lighting plans, and landscaping plans, as necessary; conceptual improvement plans; subdivision maps and condominium plans; supporting documents for EDU calculations; historic Engineer's Reports and Annual Reports; and service budgets and special tax requirements. Any tasks required of DTA to recreate any such documents will be considered Additional Work.

www.FinanceDTA.com

99 ALMADEN BLVD., SUITE 600
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PHONE: (800) 969-4DTA

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Chico Area Recreation & Park District

BOARD OF DIRECTORS

Facility Committee

STAFF REPORT

DATE: January 21, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Community Park Road Extension Site Plan

BACKGROUND
At the Regular Board Meeting on March 15, 2018, District staff introduced a potential project to develop a road connection from the north end of the parking lot at Community Park to Ohio Street. The Board directed staff to conduct community outreach to surrounding neighbors of Community Park to seek input and support for a road connection from the north end of the parking lot at Community Park to Ohio Street.

At the Regular Board Meeting held on November 21, 2019, the Board directed staff to discuss the project with the City of Chico and Butte County to determine their interest in participating in a more comprehensive study and report back to the Board. Shortly following this meeting, the District had to transition to remote work following a national state of emergency related to the pandemic.

At the June 27, 2024 regular board meeting, the board directed staff to proceed with the project and to conduct a traffic study in collaboration with the City of Chico. In December 2024, District staff provided an update on the findings regarding the Community Park Traffic Study, which determined that there are significant delays in traffic and limited parking. The Board directed staff to gain community input on the project, and a meeting was held on July 23, 2024, which results in overwhelming community support of the project.

DISCUSSION
The Community Park Road Extension project involves extending the existing road at Community Park to Ohio Street to create an additional ingress/egress location for the park.

Purpose:
- Provide an additional entrance/exit point for Community Park
- Improve traffic flow and access to the park
- Reduce fire lane blockage
- Add approximately 70+ parking spaces (with potential for expansion)

A community input session was held in October 2025 to collect feedback; Input indicated strong support for the project to reduce parking impacts in the neighborhood adjacent to Community Park.

545 Vallombrosa Avenue, Chico, CA 95926 | Phone (530) 895-4711

The Chico Builders Association has approached CARD to donate for the installation of the new road within the park. Additional scope to the project include increased parking spaces in a new lot located on the North side of the park. This new parking is currently outside the scope of the potential donation from the Chico Builders Association.

A necessary next step in the process to implementing the important improvements to the park is the creation of construction documents capturing the full scope of the project. Rolls, Anderson, and Rolls (RAR) has done previous work on the project and is able to leverage existing RAR data at the site to offer a cost saving proposal to the district to capture the full scope of the project.

Total cost for the proposal is $18,700. This includes future construction administration for the project and can be deducted from the total cost at the District's discretion based upon the contractor performing the future construction and staff resources.

RECOMMENDATION

The Board of Directors recommends approval to proceed with the proposal for professional services at Community Park for the Ohio Street Connection Project for $18,700 with Rolls, Anderson, and Rolls.

115 YELLOWSTONE DRIVE · CHICO, CALIFORNIA 95973-5811 · TELEPHONE 530-895-1422 · www.rarcivil.com

RAR
ROLLS ANDERSON & ROLLS
CIVIL ENGINEERS

January 7, 2026

Mr. Luke Pyle
Chico Area Recreation & Park District
lpyle@chicorec.gov

SUBJECT: PROPOSAL FOR PROFESSIONAL SERVICES
COMMUNITY PARK
OHIO STREET CONNECTION PROJECT

Dear Luke:

Based on our discussions and our review of the conceptual layout, we propose to provide you with the following professional services:

Task 1 - would involve performing a detailed topographic survey of the project area and would include locating edge of pavement, curbs, storm drain catch basins and visible pipe inverts, fences, gates, signs, utility poles, light poles, edge of turf areas and trees with trunk diameters of 4" or larger. The project area would be an approximate 100-foot-wide strip between the northerly termination of the existing parking lot and the easterly end of Ohio Street along the proposed road alignment depicted on the Conceptual Ohio Street Connection exhibit. Surveying would also include the edge of pavement, signs, utility poles and pavement markings along Ohio Street between the park and Guill Street and would include the intersection of Ohio and Guill Streets.

Task 2 - would involve plotting the topographic survey data in AutoCAD software, drafting topographic survey sheets on 30"x42" sheets and providing the client and project landscape architect a PDF file and AutoCAD electronic file.

Task 3 - would involve utilizing the Conceptual Ohio Street Connection exhibit layout and preparing a layout of the proposed improvements. A PDF would be provided to CARD for review and comments. Refinements to the layout based on CARD review comments and updated PDF's would be provided a maximum of twice to receive CARD's final approval of the site layout.

Task 4 - would involve providing the final site layout to the project landscape architect in AutoCAD software format.

Task 5 - would involve design and preparation of a site grading plan for the project area. Work would include regrading an existing catch basin area that is shown within the new road.

Task 6 - would involve design and preparation of a utility plan to modify the existing storm drain system shown within the new road and design of a new storm drain system to collect stormwater along the new road. All storm drain systems would be designed to be infiltration trenches. Sleeves for future utility crossings of the new road would be included.

Task 7 - would involve design of features within the project area to comply with the City of Chico's post-construction standards for storm water. It is anticipated that infiltration trenches would be used for the project. Post-construction measures would be shown on other civil plan sheets. Work would include preparation of a City of Chico Post-Construction Project Worksheet, DMA site plan and operations and maintenance plat.

Task 8 - would involve preparation of a site plan that would include notes for pavement, pavement markings, signs and demolition information.

Task 9 - would involve preparation of a site plan for the intersection of Ohio Street and Guill Street depicting relocating the existing stop signs and stop pavement markings as shown on the

Conceptual Ohio Street Connection.

Task 10 - would involve preparation of erosion and sediment control plans for the project area including notes and details for BMP's and preparation of the city's Worksheet.

Task 11 - would involve preparation of plan sheets with details for the proposed improvements.

Task 12 - would involve preparation of a quantity and cost estimate based on the published City of Chico unit prices for submittal to the city.

Task 13 - would involve compiling documents from the project landscape architect and submitting the project to the City of Chico for review and approval. Work would include revising the project and responding to a maximum of two rounds of comments from the city to receive approval.

Task 14 - would involve attending a maximum of five conference calls or project meetings via the internet or in Chico.

Task 15 - would involve reviewing and responding to RFI's during project bidding and construction, reviewing material submittals for items designed by *RAR*, performing a final project walk prior to the completion of construction and preparing a punchlist of items observed to be incomplete during the final project walk.

The not to exceed cost to complete the above tasks would be as follows:

Phase	Task	Cost
Topographic Survey	Tasks 1 – 2	$4,400.00
Final Site Layout	Tasks 3 – 4	$1,390.00
Construction Documents	Tasks 5 – 14	$10,950.00
Construction Administration	Task 15	$1,960.00

Prevailing wage rates have been used for field surveying.

The following items are not included in the scope of professional services:

1. Payment of any fees including application fees, plan check fees, inspection fees, etc.
2. Surveying the location of landscape sprinkler heads. If sprinkler are field marked prior to the topographic surveying we can locate them.
3. Determining the location of property lines or easements.
4. Excavating or "potholing" existing utilities to determine the existence, location, size or depth.
5. Preparation of a soils report or performing any soils testing. <u>The city has been requiring percolation tests to be performed for storm drain design.</u>
6. Performing any redesign work after approval of the final site layout.
7. Preparing a dimensioned site plan.
8. Design or preparation of plans for the phase 2 future parking area shown on the Conceptual Ohio Street Connection.
9. Design of pavement structural sections or sidewalk sections. This information is typically provided in the project geotechnical report or could be based on prior projects at the site.
10. Design or preparation of plans for a stormwater detention system.

11. Design or preparation of plans for sanitary sewer infrastructure.
12. Design or preparation of plans for water infrastructure.
13. Design or preparation of plans or specifications for landscape or irrigation improvements.
14. Design or preparation of plans or specifications for “dry” utilities.
15. Design or preparation of plans or specifications for retaining walls or seat walls.
16. Design or preparation of plans or specifications for fencing.
17. Design or preparation of plans or specifications for onsite or offsite lighting.
18. Design or preparation of plans for improvements within Ohio Street or Guill Street except as provided in Task 9.
19. Design or preparation of plans or specifications for relocation of existing utilities.
20. Coordination with the Chico Fire Department and design for an additional fire hydrant.
21. Calculating quantities of cut and fill for the site grading.
22. Preparation of a construction quantity or cost estimate.
23. Preparation of technical specifications.
24. Preparation of a Storm Water Pollution Prevention Plan (SWPPP). The project appears to be less than 1 acre.
25. Performing construction staking.
26. Performing field measurements of constructed items or preparation of as-built plans.
27. Providing survey control data.
28. Except as provided in Task 12, preparation for and attendance at meetings, virtual meetings and conference calls that are required by the owner, architect or public agencies will be provided on a time and materials basis and would be in addition to the proposed cost.

Thank you for the opportunity to submit this proposal for your review and consideration. Please call if you have any questions.

Sincerely,

ROLLS, ANDERSON & ROLLS

Keith Doglio

Keith Doglio

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Updated Policies

BACKGROUND

District staff have reviewed and updated Policy 2170 – Refunds and Credits and are introducing Policy 3120 – Pre-Employment Verification as part of the District's ongoing policy maintenance process.

Proposed revisions to *Policy 2170 – Refunds and Credits* clarify refund eligibility, processing procedures, and credit issuance to ensure compatibility with the District's new registration software capabilities and improve administrative efficiency and customer service consistency.

Staff are also presenting *Policy 3120 – Pre-Employment Verification* as a new Board policy for adoption. The procedures contained in this policy have historically been included within the District's Employee Handbook. District staff recommend formally codifying these requirements as a Board-approved policy to ensure transparency, governance oversight, and alignment with current human resources best practices.

RECOMMENDATION

The Board of Directors approves the updated policies.

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Policy and Procedure

POLICY #2170	Refunds and Credits		
EFFECTIVE DATE	12/11/2025		VERSION # 2
DATE OF LAST REVISION	12/1/2025	NEXT REVIEW DATE	7/1/2027

APPLIES TO	
Division	Parks, Recreation, Administration
Sub-Division	Facilities, After-School, Youth Sports, Adult Sports, Camps/Classes

VERSION	REVISION DATE	DESCRIPTION OF CHANGE/SUPERSEDE	AUTHOR
1	7/20/2023	Initial	Senior Leadership Team
2	12/01/2025	Updates credit and refund terms for camps and classes, superseding all previous versions	Administrative Coordinator
3	2/18/2026	Additional refinement of language in preparation for registration software implementation	Recreation Director

RATIONALE

It is the policy of the District to provide guidance regarding refunds and credits to ensure that customers receive an excellent experience and that District practices are fiscally responsible.

PROCEDURE

Refunds and Account Credits

Refunds or account credits for program cancellations are determined based on the timing of the request. If a cancellation is made five days or more before the program start date, a 100% refund will be issued. Cancellations made four days or fewer before the start date are not eligible for refunds. Exceptions may be considered for documented emergencies and require administrative approval. Cancellations made less than 24 hours before the program begins are not eligible for refunds or account credits.

Refunds will be issued to the original payment method. If cash, expired credit card, or check were used in the original payment, we must issue a check for the refund amount. Monetary credit can be made to a customer's account for future use, which will expire in two years. In the event that a credit expires, all efforts will be made to contact the client about the pending expiration.

District Cancellations

All program cancellations due to low enrollment or any other unforeseen circumstance will be refunded. Cancellations due to rain, heat, or air quality will be rescheduled for up to one week at the end of the season, when possible.

Rentals

In the event the rental facility/field should become unavailable due to any such circumstances (flooding, fire, natural disaster, severe weather, health and safety, pandemic, Federal, State or local mandates, power outages, criminal acts), the District reserves the right to cancel the reservation and will refund all fees paid. Fees will not be refunded for reservation times not used.

Picnic

The following procedures will be adopted for picnic rentals. Any extenuating circumstances will need to be approved by the Business Services Manager.

1) *Customer Cancellation:* Picnic reservation cancellations must be made two weeks in advance to receive a full refund.
2) *Reschedule:* Reservations can be rescheduled up to 3 days in advance of the original event date.
    a. In the instance that a new date is not selected, the credit will be issued to the account and the user can reschedule at their convenience.
    b. The credit will expire two years from the original cancellation date.
3) *Weather:* Refunds will not be issued due to weather (rain, extreme heat, etc.) A credit will be issued on the account and the user can reschedule at their convenience.
4) *Air Quality:* If the AQI is 151 or higher, a credit will be issued to the account and the user can reschedule at their convenience.

Field

The following procedures will be adopted for field rentals. Any extenuating circumstances will need to be approved by the Recreation Manager.

1) *Customer Cancellation:* Field and court reservation cancellations must be made two weeks in advance to receive a full refund. If the request is made within two weeks, a reservation can be rescheduled at no cost.
2) *Reschedule:* Reservations can be rescheduled up to 3 days in advance.
    a. In the instance that a new date is not selected, the credit will be issued to the account and the user can reschedule at their convenience.
    b. The credit will expire two years from the original cancellation date.
3) *Weather:* Refunds will not be issued due to weather (rain, extreme heat, etc.)
4) *Air Quality:* In the event that the AQI is 151 or higher, a credit will be issued on the account and the user can reschedule at their convenience.

Facilities/Venues

The following procedures will be adopted for facility/venue rentals. Any extenuating circumstances will need to be approved by the Business Services Manager.

1) *Customer Cancellation:*
    a. Weddings
        i. Notice received 180 days or more in advance of event date – The District will retain 50% of the security deposit.
        ii. Notice received 179 days or less before the event date – The District will retain 100% of the security deposit.
        iii. Notice received 30 days or less before the event date – The District will retain 50% of the rental fee and 100% of the security deposit.
    b. Event Packages/Meetings
        i. Notice received 31 days or more before the event date – The District will retain 50% of the security deposit.
        ii. Notice received 30 days or less before the event date – The District will retain 100% of the Security Deposit.
        iii. Notice received 7 days or less of event date – The District will retain 50% of the rental fee and 100% of the security deposit.
2) *Reschedule:* Rescheduling of the reservation is subject to the conditions identified in the Wedding section with the inclusion of:
    a. Whatever compensation that was not retained by the District will be credited to the account for future rental use.
    b. The rescheduled date must be no later than one year after the original event date.

Customer Satisfaction
In the instance that a customer is not satisfied with their experience, the District will respond according to the type of service/program.

<u>Recreation Programs</u>
1) Repeat the program at no charge.
2) Receive full credit that can be applied to any other program.
3) If the program is facilitated by a contracted instructor, the instructor will be immediately notified, and they will not receive payment for that participant.
    a. If a participant chooses to repeat the program, the instructor will not receive payment for the repeated class.
    b. Should concerns arise that a customer is abusing the policy, District leadership will review options for handling the situation.

<u>After-School Program:</u>
1) If a customer wants to end participation in the program, a refund will be provided for the days that they have paid for, effective from that day forward.
2) The District does not prorate for days unattended.
3) Refunds shall not be provided for days they have already attended the program.

<u>Facility Rentals:</u>

2170 Refunds and Credits

1) Refunds for Facility Rentals are not standard practice.
2) At the Administrative Director's discretion, a partial refund may be awarded depending on the severity of the situation.

Authority: General Manager, Board of Directors

Approved by the Board of Directors on: **December 11, 2025**

Policy and Procedure

POLICY #3120	Pre-Employment Verification	
EFFECTIVE DATE	2/26/2026	**VERSION # 1**

APPLIES TO	
Division	Districtwide
Sub-Division	Human Resources

VERSION	REVISION DATE	DESCRIPTION OF CHANGE/SUPERSEDE	AUTHOR
1	2/26/2026	Removing from Employee Handbook	Strategic Initiatives Manager

PROCEDURE

Post-Offer, Pre-Employment Background Checks:
It is the District's policy to hire the most qualified individuals for open positions. This includes necessary steps to ensure the continued safety and security of our employees and the public as well as the financial security of the District's business. Depending upon the degree of access to financial records and funds, certain positions will require an additional background check before making the decision to hire a prospective candidate.

Before filling selected positions within the District, and as appropriate to the position and requirements, background checks will be performed by review of the following:

- Verification of Work History
- Driving Record (for positions where the majority of time is spent in the field or the position otherwise requires regular operation of a motor vehicle)
- Education Verification (when positions require certain professional degrees)
- Criminal Records, including the national and local registries for sex offenders

If an applicant's motor vehicle record indicates numerous moving violations, accidents, or a citation for driving under the influence, they may not be eligible for a position that requires operation of a motor vehicle.

In addition to one or more of the above, individuals in positions that deal with check preparation and distribution to third parties (payment to vendors, providers, contractors, employees, etc.) or accounts receivable, cash handling or management and payroll (payment made to or received from banks, providers, employers, vendors, contractors, members/patients or from program participants or positions that involve working with minors, may be subject to a more extensive background check to include a criminal record and credit report.
If an applicant has been convicted of a crime involving theft, dishonesty, fraud, or mishandling of funds they will not be eligible for a position involving finances or accounting or other sensitive or confidential District information.

DRAFT

Post-Offer, Pre-Employment Medical Examinations:
All applicants for specified job positions are required to take a job-related, pre-employment medical examination, consistent with business necessity, before they begin work. The list of specified job positions shall be maintained by the General Manager and the Human Resources Department. All offers of employment for specified job positions are conditioned upon successful completion of this examination.

Post-offer, pre-employment medical examinations will be performed at the District's expense by a medical examiner of the District's choice. The medical examiner will be furnished with the physical requirements needed to perform the work for which the employee is to be employed. The medical examiner shall notify the District only as to whether an employee is fully fit to perform the essential functions of the specified job position for which the employee has received an offer. No other medical information will be obtained by the District, unless further information is necessary to engage in the interactive process for reasonable accommodation requests or for accommodations for physical limitations that, if provided, will allow the employee to fully and safely carry out the work responsibilities for which the person is to be employed. The General Manager in consultation with the Human Resources Department shall decide if the employee shall be employed based on the reports of the medical examiner(s) and if any conditions must be satisfied before employment or during the introductory period of employment for the employee to satisfactorily perform in the position for which the individual is to be employed. All medical information shall be maintained in a confidential medical file for each employee.

Authority: General Manager; Board of Directors

Approved by the Board of Directors on: **February 26, 2026**

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

Facility Committee

STAFF REPORT

DATE: January 21, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Depot Park Transfer

BACKGROUND
Depot Park is a small but historically significant public space located in downtown Chico adjacent to the former Southern Pacific Railroad depot. The park has long functioned as a passive recreation area and civic gathering space, providing seating, landscaping, and pedestrian connectivity near key downtown destinations. Its central location makes it a visible and well-used community asset for residents, visitors, and downtown employees.

DISCUSSION
Historically owned and maintained by the City of Chico, Depot Park was identified as a site where consistent maintenance, coordinated programming, and long-term stewardship could be enhanced through the management of the District.

On January 6th, the City of Chico authorized the conveyance of the existing Deport Park to the District. The Facility Committee will review the feasibility of the operation and maintenance of the park and make a recommendation to the Board.

RECOMMENDATION

Review and consider the transfer of Depot Park to District operations.

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RESOLUTION 26-01 OF THE BOARD OF DIRECTORS OF THE CHICO AREA RECREATION AND PARK DISTRICT

Accepting The Conveyance Of Depot Park From The City Of Chico & Authorizing Execution Of Related Documents

WHEREAS, Depot Park is a public park located within the City of Chico that has historically served as a community open space and passive recreation area; and

WHEREAS, on January 6, 2026, the City of Chico authorized the conveyance of Depot Park to the District for the purpose of long-term ownership, operation, and maintenance; and

WHEREAS, on January 21, 2026, the District's Facility Committee reviewed the feasibility of assuming operational and maintenance responsibility for Depot Park and recommended that the Board accept the transfer; and

WHEREAS, the transfer of Depot Park to the District supports ongoing interagency collaboration and aligns with the District's mission to provide high-quality park stewardship and recreational opportunities for the community; and

WHEREAS, acceptance of the conveyance will allow the District to incorporate Depot Park into its park system and maintain the property in accordance with established District standards.

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors of the District as follows:

1. The Board of Directors hereby approves and accepts the conveyance of Depot Park from the City of Chico to the District.
2. The General Manager is authorized to execute all agreements, deeds, and related documents necessary to complete the transfer of ownership.
3. Upon completion of the conveyance, the District shall assume responsibility for the operation, maintenance, and stewardship of Depot Park.
4. This Resolution shall take effect immediately upon adoption.

PASSED AND ADOPTED at a Regular Meeting of the Board of Directors of the Chico Area Recreation and Park District on the 26th day of February 2026 by the following vote:

Ayes:
Noes:
Abstain:
Absent:

ATTEST:

_____
Michael McGinnis, Chair
Board of Directors

_____
Holli Drobny
Clerk of the Board of Directors

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Standing Committees

BACKGROUND

Director Lando requested a Board discussion regarding the continued need for the District's current standing committees: the Finance Committee and the Facility Committee. The request stems from the consideration that all official actions ultimately require approval by the full Board of Directors, regardless of prior committee review.

DISCUSSION

The Board may wish to discuss the overall purpose and effectiveness of maintaining standing committees. Committees can be helpful for taking a deeper dive into complex or time-consuming topics and providing early feedback before items come to the full Board.

When Regular Board meeting agendas are relatively manageable, committee meetings may not always be necessary. However, when agendas are lengthy or involve detailed operational, financial, or capital planning matters, committee review can help streamline Board meetings and allow for more thorough discussion in advance.

This discussion provides an opportunity for the Board to consider whether the current standing committee structure continues to meet the District's needs or if adjustments should be explored.

RECOMMENDATION

Discuss and provide direction to staff regarding the future use and structure of standing committees.

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CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: Creation of Assistant General Manager Position

BACKGROUND

Parks and Facilities Director, Scott Schumann, has been an invaluable member of the Chico Area Recreation and Park District leadership team, demonstrating exceptional performance, dedication, and strategic vision throughout his tenure. His contributions have been instrumental in the District's growth and operational excellence.

Scott currently acts in an Assistant capacity, representing the District when the General Manager is unavailable. He has consistently demonstrated the leadership capabilities, judgment, and decision-making skills necessary for this elevated role.

DISCUSSION

Scott has consistently exceeded performance expectations and has been central to numerous District achievements, including:

- Leadership in major capital projects and facility improvements that have enhanced community access to quality parks and facilities
- Development and implementation of innovative programs that have increased efficiency and significant cost savings
- Cultivation of productive partnerships with community organizations, schools, and municipal agencies
- Mentorship of staff members, contributing to a culture of professional development and excellence
- Strategic planning initiatives that have positioned the District for long-term sustainability and growth
- Financial stewardship that has improved the District's fiscal health and operational efficiency

Under the current leadership team, including Scott's contributions, the District has experienced remarkable growth:

- Expanded program offerings serving diverse community demographics
- Increased operational revenue and improved cost recovery ratios
- Enhanced facility infrastructure and amenities
- Acquisition, development, and construction of additional parks and facilities
- Strengthened community relationships and public support
- Improved organizational capacity and staff expertise

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- Elevated the District's regional reputation and standing

The current leadership team operates at a high level of functionality, with clear communication, shared vision, and collaborative problem-solving. This team cohesion has been essential to recent successes and positions the District favorably for future challenges.

The creation of an Assistant General Manager position serves multiple strategic objectives:

Retention of Critical Talent: This position change acknowledges Scott's value to the organization and provides compensation more commensurate with his contributions, responsibilities, and the current market for professionals of his caliber.

Succession Planning: An Assistant General Manager role establishes a clear succession pathway and ensures leadership continuity. This protects the District's institutional knowledge and operational stability.

Organizational Capacity: As the District has grown in complexity, size, and scope, the executive leadership structure should evolve accordingly. An Assistant General Manager can assume substantial operational oversight, allowing the General Manager to focus on strategic initiatives, board relations, external partnerships, and long-term planning.

Formalizing Current Practice: Scott already functions in an Assistant capacity, representing the District when the General Manager is unavailable. This position change formalizes responsibilities he is already fulfilling and ensures appropriate compensation for this level of authority and accountability.

Operational Efficiency: The Assistant General Manager would serve as the acting General Manager during absences, eliminating potential gaps in executive decision-making authority and maintaining operational continuity.

Risk Mitigation: Investing in retention is significantly more cost-effective than recruiting, hiring, and training a replacement. The disruption costs associated with losing a key executive extend beyond direct compensation, including lost productivity, institutional knowledge, and relationship capital.

Enhanced Leadership Structure: The position formalizes the senior leadership team structure and creates clear lines of authority and accountability that support efficient operations.

RECOMMENDATION

Staff recommend that the Board of Directors approve the creation of an Assistant General Manager position and the promotion of Scott Schumann to this role.

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Pay Schedule Fiscal Year 2025-2026

Union	Status	Classification	Positions		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Unrepresented	Exempt		General Manager	150,000 - 200,000							
			Assistaant General Manager								
Unrepresented	Exempt	**Director**	Admin Director								
			Finance/HR Director								
			Parks Director	Annaul	106,122	111,426	117,000	122,845	129,002	135,450	
			Rec Director	Monthly	8,844	9,286	9,750	10,237	10,750	11,288	
Unrepresented	Exempt	**Manager**									
			Program & Staff Development Manager								
			Strategic Initiative Manager	Annual	82,742	86,882	91,229	95,805	100,589	105,622	
			Project Manager	Monthly	6,895	7,240	7,602	7,984	8,382	8,802	
Supervisors Unit - Local 39	Exempt	**Supervisor**									
			Recreation Supervisor	Annual	72,405	76,024	79,830	83,824	88,005	92,414	97,032
			Parks Supervisor	Monthly	6,034	6,335	6,653	6,985	7,334	7,701	8,086
Parks Unit - SEIU	Non-Exempt	**Utility II**									
				Annual	67,122	70,491	74,006	77,709	81,598	85,675	89,960
				Monthly	5,593	5,874	6,167	6,476	6,800	7,140	7,497
			Utility II	Hourly	32.27	33.89	35.58	37.36	39.23	41.19	43.25
Unrepresented	Non-Exempt	**Specialist**	Engagement & Sponsorship Specialist								
			Finance/HR Specialist	Annual	66,706	70,034	73,528	77,210	81,078	85,114	89,378
			Marketing & Communications Specialist	Monthly	5,559	5,836	6,127	6,434	6,757	7,093	7,448
			Public Outreach Specialist	Hourly	32.07	33.67	35.35	37.12	38.98	40.92	42.97
Unrepresented	Non-Exempt	**Technician**									
				Annual	58,344	61,256	64,334	67,538	70,907	74,464	78,187
				Monthly	4,862	5,105	5,361	5,628	5,909	6,205	6,516
			Finance Technician	Hourly	28.05	29.45	30.93	32.47	34.09	35.80	37.59
Parks Unit - SEIU	Non-Exempt	**Utility I**									
				Annual	57,970	60,882	64,043	67,122	70,470	73,986	77,688
				Monthly	4,831	5,073	5,337	5,593	5,873	6,165	6,474
			Utility I	Hourly	27.87	29.27	30.79	32.27	33.88	35.57	37.35
Unrepresented	Non-Exempt	**Coordinator**									
			Admin Coordinator	Annual	55,162	57,928	60,819	63,856	67,059	70,408	73,923
			Coordinator I	Monthly	4,597	4,827	5,068	5,321	5,588	5,867	6,160
			Coordinator II	Hourly	26.52	27.85	29.24	30.70	32.24	33.85	35.54
Unrepresented	Non-Exempt	**Generalist**									
				Annual	54,122	56,826	59,675	62,650	65,790	69,077	72,530
				Monthly	4,510	4,735	4,973	5,221	5,483	5,756	6,044
			HR/Recruitment Generalist	Hourly	26.02	27.32	28.69	30.12	31.63	33.21	34.87

Note: Any varations between actual monthly salaries and the pay schedule are unintentional and based on the District's ERP software rounding and calculations.

Pay Schedule Fiscal Year 2025-2026

Union	Classification		Positions		Step A	Step B	Step C	Step D	Step E	Step F	Step G
Unrepresented	Non-Exempt	**Assistant - FT/PT**	Admin Assistant II								
			Rental & Events Assistant	Annual	47,091	49,442	51,917	54,517	57,242	60,091	63,107
			Public Outreach Assistant	Monthly	3,924	4,120	4,326	4,543	4,770	5,008	5,259
			Parks Analyst	Hourly	22.64	23.77	24.96	26.21	27.52	28.89	30.34
Parks Unit - SEIU	Non-Exempt	**Maintenance Worker**									
				Annual	39,936	41,933	44,013	46,218	48,526	50,960	53,498
				Monthly	3,328	3,494	3,668	3,851	4,044	4,247	4,458
			Maintenance Worker	Hourly	19.20	20.16	21.16	22.22	23.33	24.50	25.72
Unrepresented	Non-Exempt	**Associate - PT**									
				Annual	34,211	34,897	35,599	36,301	37,034	37,768	38,532
				Monthly	2,851	2,908	2,967	3,025	3,086	3,147	3,211
			Program Associate	Hourly	21.93	22.37	22.82	23.27	23.74	24.21	24.70
Unrepresented Seasonal and Part-Time				**Step 1**	**Step 2**	**Step 3**	**Step 4**	**Step 5**	**Step 6**	**Step 7**	**Step 8**
	Non-Exempt	**Leader**									
			Leader I	16.90	17.00						
			Leader II	17.50	18.00	18.50					
			Leader III	19.50	20.00	20.50	21.00	21.50	22.00	22.50	23.00
			Leader IV	22.50	23.00	23.50	24.00	24.50	25.00	25.50	26.00
	Non-Exempt	**Assistant - PT/Seasonal**									
			Admin Assistant I	16.90	17.00	17.50	18.00	18.50			
	Non-Exempt	**Aquatics**									
			Swim Instructor	16.90	17.00						
			Lifeguard I	19.00	19.50	20.00	20.50				
			Lifeguard II	21.50	22.00						
			Lifeguard III	22.50	23.00	23.50					
	Non-Exempt	**Events**									
			Event Attendant I	17.00	17.50						
			Event Attendant II	18.00	18.50						
	Non-Exempt	**Maintenance Aide**									
			Maintenance Aide	17.50	18.00	18.50					
	Non-Exempt	**Intern**									
			Intern 200								
			Intern 300	16.90	17.00						
	Non-Exempt	**Officials**	Flag Football	19.00	20.00	21.00					
			Kickball	20.00	21.00	22.00					
			Volleyball	20.00	21.00	22.00					
			Basketball	20.00	21.00	22.00	23.00	24.00			
			Softball	20.00	21.00	22.00	23.00	24.00	25.00	26.00	27.00
			Soccer	25.00	26.00	27.00	28.00	29.00			

Note: Any varations between actual monthly salaries and the pay schedule are unintentional and based on the District's ERP software rounding and calculations.

CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

Finance Committee

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Scott Schumann, Parks & Facilities Director
SUBJECT: Addition of Solar Energy to Aquatic Center

BACKGROUND

Solar power was explored during the Aquatic Center's initial design phase but was set aside due to overall project budget constraints. Now that construction is on schedule and under budget, staff have taken the opportunity to revisit the idea. Working with a Chico-based solar design firm, staff have developed a proposal for a photovoltaic array at the site, with design and installation costs based on the Aquatic Center's plan set and actual energy usage data from comparable facilities.

DISCUSSION

The possible design would leverage existing space within the parking lot with 3 solar carport-style arrays to address annual usage of approximately 926,935 kWh. Additional savings would also be realized as a result of deduction for light poles and landscaping. Lead time for design and installation is approximately 7 months.

Electrical Utility Costs	
Projected Yearly Energy Cost:	$352,770
Post-Solar Yearly Energy Cost:	149,021
Total Savings Per Year	**203,749**

Solar PV System Rating
DC Power Rating: 640.7 kW-DC
AC Power Rating: 500.0 kW-AC

System Cost	
Solar PV System Cost	2,182,220
Reduction Scope	(70,000)
Federal Tax Credit	(654,666)
Solar PV System Cost	1,457,554
GC Cost	72,887
Total Cost	**1,530,431**
Energy Cost Offset Per Year	63.50%
Pay back Period	7.5yrs
Annual ROI	13.3%

RECOMMENDATION

Approve the change order to include the cost of solar at the Chico Aquatics Center and include the additional budget allocation of $1,530,431 for the project.

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CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Erin Morrissey, Recreation Director
SUBJECT: Recreation Update – February

Program & Staff Development Update

The Program & Staff Development team is firing on all cylinders. This month marked a significant shift from reactive delivery to proactive, future-focused operations — with meaningful progress in staffing infrastructure, cross-departmental collaboration, and program innovation that positions CARD for an exceptional summer season. Staffing efforts have been both strategic and decisive. The team ran multiple rounds of group interviews to sharpen how we identify and select top talent, while streamlining screening criteria and hiring workflows to move faster without sacrificing quality. Proactive steps are already underway to close historical gaps in seasonal hiring, with Aquatics staffing receiving dedicated, early-stage attention to ensure we're fully resourced when it matters most.

On the program side, the energy has been equally high. The team has been deep in cross-departmental conversations around programming registration, content, and staff development-building the kind of district-wide alignment that sets summers up for success. A true highlight this month was a forward-looking planning session with Nature Center and Inclusion staff, where the teams collaborated to forecast and craft an exciting programming vision for the year ahead. Aquatics program design is also in motion, with setup and planning already underway to meet upcoming registration timelines.

Culture and leadership development remain a cornerstone of everything we do. The expansion of CARD 101 continues to grow our team's capacity for connection-driven leadership, investing in the people who make great programming possible.

The momentum is real, and we're just getting started. In the coming month, the team will finalize Spring and Summer recruitment, execute the Aquatics implementation plan, and push forward on training systems designed to match our ambitions for program growth and staff excellence.

Adult Sports

All winter adult sports leagues continue to run smoothly, with strong community engagement and consistent participation across programs. As the season begins to wind down, playoffs and championship games will take place over the next few weeks, bringing an exciting close to winter league play.

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Our second annual Adult Volleyball Mini Matches are off to a strong start. This offering continues to be a valuable way to keep participants active between seasons while providing teams the opportunity to refine their skills in a flexible, competitive format.
We are also looking forward to launching our new Adult Sports Social event. This initiative is designed to connect new and prospective participants with current players and staff, provide guidance on registration, and create a welcoming, low-pressure environment for adults interested in getting involved in our programs.

Senior Programming

Our ever popular, Senior Luncheons are locked in for the year. The first one of the year was held at PV Rec. Community partners Reading Pals joined to share about their programs and Gerald Darling also came to share about his free class Surviving and Thriving starting up again. We are working on plans for Senior Dances, including Line Dancing also at PV Rec.

After School Programs

The After School Program team is currently focused on staff expansion, and re-tooling our hiring and onboarding steps. We have recently brought on over 30 new team members while returning to in-person interviews and are continuing to expand the team with intentionality to meet the needs of the community and our CUSD partners. We have just completed our spring training with over 120 of our staff in partnership with CUSD which was a great opportunity for collaboration and sharing resources between the team.

Inclusion

The Inclusive Social Club has transitioned to a new schedule of 3:30–5:00 PM every other Tuesday. This time adjustment has proven highly successful, resulting in improved attendance, stronger participant engagement, and smoother transitions for families and staff. Feedback indicates the later start time better aligns with school dismissal schedules and participant energy levels.
The Inclusion Team has strengthened its capacity through the hiring of 16 new inclusion leaders to support 11 sites, with additional staff starting at our 12th and final CUSD campus. The Inclusion Team also participated in professional development at the Neurodiversity & Disability Symposium at Chico State which focused on inclusive practices, neurodiversity-affirming supports, and accessibility in community-based programs. The resources shared and learned there are particularly helpful for our increased onboarding and training of new staff.

Nature Education

February has been marked by steady engagement and solid participation across our programs. The first session of the Park Explorers Survival Club has completed five of its eight scheduled classes and, as a brand-new offering, has drawn notable interest. Weekly attendance has been consistently strong, and participants have responded enthusiastically to the hands-on activities and topics covered.

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Preparations for the spring field trip season are well underway, and demand continues to be high. At this point, only nine days across the three-month season remain fully open, and we anticipate another busy and successful spring.

We look forward to our upcoming Voices of Nature: Frogs program, scheduled for Saturday, February 28th. While current registration for this month's session is modest, interest in the series remains steady overall, and we anticipate additional sign-ups as the program date approaches.

Our CSU, Chico Child Development intern and two Youth Leaders have had a strong start by actively engaging with participants and staff, asking good questions and bringing excitement to learn. Overall, February has been productive and encouraging, setting the stage for continued growth and community engagement in the months ahead.

Youth Sports

The CARD Youth Sports Department is wrapping up our second round of winter basketball and gearing up for an exciting spring season ahead!

- Basketball (4th-5th Grade & Junior High): We are in the final weeks of our second basketball season! We had a very successful CARD Night with Chico State, and this round has truly highlighted the strength of our staff and volunteers. The growth, sportsmanship, and positivity we've seen at games and practices have been outstanding!
- ShortE (Ages 3–5) & Little Sports (Ages 5–7): Our youngest athletes have been thriving at Chapman Park through fun, engaging drills and games. Our staff continue to bring incredible energy, encouragement, and positivity each week, helping foster physical activity and a lifelong love of sports. Although we've faced a few weather challenges, we've adapted and kept the momentum going!

Spring registration is growing quickly, and we are excited to transition into a new season! We are also in the final stages of hiring and preparing our staff for a strong spring launch.

- Kickin' Into Spring Break Camp: We're thrilled for Soccer Spring Break Camp at DFJ! This will be a fantastic opportunity to showcase the Chapman Park area and fully utilize our equipment while providing a high-energy camp experience for participants.
- Volleyball & Flag Football Leagues: We are in the early stages of preparing for our spring leagues, and spots are already filling quickly. Volunteer recruitment and staff hiring are underway, and practices will begin the final week of March.
- ShortE (Ages 3–5) & Little Sports (Ages 5–7): These programs will continue throughout the spring with additional session options, giving our youngest athletes ongoing opportunities to stay active while building foundational skills.
- Saturday Programs: Volleyball Clinics will continue this spring, offering players extra time to develop and strengthen their skills. We will also be launching Basketball Clinics for athletes who want to continue improving after the winter season concludes.
- Outdoor Basketball & Futsal: We're excited to bring back 3v3 outdoor basketball and introduce outdoor futsal at Chapman Park. This allows us to provide even more opportunities for 6th–8th graders and marks an exciting addition of futsal programming to CARD Youth Sports.

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CARD
Chico Area Recreation & Park District

BOARD OF DIRECTORS

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Scott Schumann, Parks and Facilities Director
SUBJECT: Parks and Facilities Update – February

Capital Project Updates

Chico Bike Park

Progress continues onsite with the break in storms early in the month of January. Staff identified potential long-term maintenance issues related to stabilization of the landscape and asphalt margins. Chico Velo, Butte Construction, and their respective sub-contractors responded to resolve issues and plan for stable installation. The issues will be address with a combination of additional asphalt, infill to reduce slope grades, and modification of landscaping. Project completion and opening remains projected for the late Summer of 2026.

Chico Aquatic Center

Pool A (50M) and B (25yd) slabs have been poured and the Myrtha pools have arrived on site. Construction of Pool A and B is underway. Pool C is onsite. Building construction continues with CMU blocks and water proofing underway. The project is on track with the projected completion for Fall of 2026.

Community Park Shop and Restroom

CalWater has installed a new hydrant on sight per code in compliance with the installation with the new shop and restroom. This hydrant was collaboratively donated to the project with both City of Chico and CalWater allocating the hydrant to the park site.

District-Wide Irrigation

This project continues to progress on schedule, with Baseline smart irrigation controls recently installed at DeGarmo Park and systems at Oak Way, Peterson, Lakeside, and Baroni Parks now coming online.

CIP Planning

Park staff have begun the Capital Improvement Project planning process defining current project timelines and updating the scope of future projects for the 2027 fiscal year.

Park Improvements and Maintenance

DeGarmo Shop Yard

The shop yard has been significantly expanded to accommodate the growth of both staff numbers and equipment alongside the growth of park acreage and maintenance needs in the District.

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Additional storage has been installed as well as parking for large trailers in the effort to improve shop yard safety and optimization of space.

Hooker Oak/Doryland Shed
The aging CMU block structure has been removed and replaced with base rock pad for future use during games and tournaments. Existing irrigation control and electrical utility has been retained.

Nature Center Conditions Report
Staff have completed the annual conditions report for the leased Nature Center site with the City of Chico. Areas of note include the condition of the parking lot containing potholes. Repairs are anticipated in the coming month.

Master Planning Process
The CARD Master Plan was last published in 2018 and is due for update. Staff conducted 3 input sessions which were well attended, with input continuing to be gathered online through the month of January 2026.

Tree Work
Through combined efforts of inhouse staff and contractors, the urban tree canopy in the District has experienced significant improvements across multiple sites. This work has been captured in the Treekeeper software for documentation and systematic efforts to address priority trees in the future.

Community Park Tennis/Pickleball Bathrooms
This project is being conducted by the Project Crew with a complete upgrade to fixtures, flooring, stalls, paint, and exterior siding. The new facilities opened in time for the Spring Chico Youth Soccer League season to begin. Exterior painting remains

Light Audit
Staff have completed District-wide audit of lighting and a begun replacements as needed.

Vandalism
Staff have observed several occasions where vehicles have been driven onto park sites causing damage to turf or infrastructure. These sites include Veterans Park, Centennial Park, and Hartley Park.

Softball Infield Lip-Repairs
As part of the lip repair plan, both DeGarmo and Community Parks have had infield and outfield repairs completed with installation of new sod at reduced grade heights to improve the playability and safety of these recreation resources. Fields with repairs will be closed to public use for the coming weeks to ensure establishment of the new turf.

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Preparation for 2027 Sites

Staff have been diligent in reviewing and submitting comments for future or current construction projects on park sites planned to come to CARD in 2026/2027. These sites include Hicks Lane Park, Oak Valley Park, and Otaki Park.

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CARD
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BOARD OF DIRECTORS

STAFF REPORT

DATE: February 26, 2026
TO: Board of Directors
FROM: Annabel Grimm, General Manager
SUBJECT: General Manager Update – February

Presentation: The 2026 Chico State of the City was presented by the Chico Chamber of Commerce on January 29, 2026, at the Lakeside Pavilion. The annual event brought together city leaders from various sectors, including government, public works, and public safety, who shared their accomplishments from 2025 and discussed plans for the upcoming year.

District General Manager shared updates on a slate of ambitious upcoming projects, spotlighting the new bike park and the highly anticipated aquatic center slated for completion in fall 2026. This presentation was a reminder that the District impacts community life in ways that go beyond parks and programs. The Lakeside Pavilion, a District facility, served as a fitting setting for the event; a natural gathering place for the kind of community conversations that the State of the City represents.

Recognition: At the Chico Chamber of Commerce Annual Dinner, the Community Service Award was presented to District and received by the General Manager. This award is reserved for those whose dedication to service has made a meaningful and lasting impact on our city. It recognizes outstanding commitment to giving back. Not just through leadership, but through a deep sense of responsibility to the people of Chico. The District is very proud to be recognized.

Fundraising: Staff continues to pursue philanthropic opportunities for Aquatic Center improvements. We have engaged potential major donors and are continuing conversations with local business leaders which have shown promising interest in major gift commitments.

Master Planning: The District completed a comprehensive feedback gathering process for five-year master planning update to guide strategic decisions through 2030. Community meetings took place throughout the month of January throughout the District and were successful and well attended. The survey remained open until February 13th with a total of 588 submissions. District staff are analyzing the input and will provide report on the findings at a future meeting.

Notable Meetings

- 1/26- Social Services Leadership Coordination Council
- 1/27- Rotary
- 1/29- Chico State of the City
- 2/3- Rotary
- 2/3- Chico City Council Meeting
- 2/4- Explore Butte County Workshop

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- 2/6- Butte Humane Brunch
- 2/10- Rotary
- 2/11- Chamber Business Connections
- 2/11- Syserco – Solar/LED Financed Project
- 2/12- CCSA School Scholarship Night
- 2/17- Chico Chamber Advocacy Committee
- 2/17- Rotary
- 2/18- Chamber Executive Committee Meeting
- 2/18- Garner Lane Coordination Meeting w/ City
- 2/24- Butte County LAFCo Open House
- 2/25- Non-Profits Leaders Group

Upcoming Community Events
March 28th- Spring Jamboree at Caper Acres
April 12th - Kite Day

News Stories

- CARD Board to hear updates on construction for Chico Aquatic Center, Chico Bike Park
- Annual State of the City address for the City of Chico held at Lakeside Pavilion | News
- Issue of homelessness brought up during Chico's annual State of the City address
- Chico Chamber of Commerce hosts 2026 'State of the City' address, highlights progress
- CARD five year plan discussion | Snapshot - Chico Enterprise-Record

Contracts over $20,000

- None

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