

**AMBROSE RECREATION AND PARK DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**WITH**  
**INDEPENDENT AUDITOR'S REPORT THEREON**  
**JUNE 30, 2023**

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## INDEPENDENT AUDITOR'S REPORT

Board of Directors  
Ambrose Recreation and Park District  
Bay Point, California

### **Opinion**

We have audited the accompanying financial statements of the governmental activities of the Ambrose Recreation and Park District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Ambrose Recreation and Park District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Ambrose Recreation and Park District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Ambrose Recreation and Park District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ambrose Recreation and Park District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Ambrose Recreation and Park District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Ambrose Recreation and Park District's ability to continue as a going concern for a reasonable period of time.

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

Board of Directors  
Ambrose Recreation and Park District  
Bay Point, California

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information, as listed under 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.

Fechter & Company  
Certified Public Accountants

Sacramento, California  
April 29, 2024

# **AMBROSE RECREATION AND PARK DISTRICT**

## **Management's Discussion & Analysis For the Year Ended June 30, 2023**

The discussion and analysis of the Ambrose Recreation and Park District's (the District) financial activities provides a summary of the financial transactions for the fiscal year ending June 30, 2023. The intent of this discussion and analysis is to look at the District's financial performance as a whole; readers should also review the basic financial statements and notes to enhance their understanding of the District's financial performance.

### **FINANCIAL HIGHLIGHTS**

1. The District expended \$194,787 in capital outlay.
2. \$43,300 was paid to A.S.A.P. Heating and Cooling for the replacement of four air conditioning units.
3. \$13,924 was paid to BrightView Landscape Services, Inc. for storm drain replacement at Ambrose Park..
4. \$60,375 was paid to BrightView Landscape Services, Inc. for the grading and hydroseeding at Ambrose Park.
5. \$41,535 was paid to Pacific Site Management for irrigation improvements at Ambrose Park.
6. \$6,360 was paid to Alta Fence Co. Inc. for removal and installation of a fence at the baseball field.

### **USING THIS ANNUAL REPORT**

There are a series of financial statements included in this report. The Statement of Net Position and the Statement of Activities, as listed under the Table of Contents, provide information about the activities of the District as a whole and present a longer-term view of the District's finances. For governmental activities, these statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the government.

### **REPORTING THE DISTRICT'S SIGNIFICANT FUNDS**

The fund financial statements provide detailed information about the significant funds, not the District as a whole. Some funds are required to be established by State law and by bond covenants. However, the District may establish other funds to help control and manage money for particular reporting purposes, or as legally necessary for using certain taxes, grants, and other inflows of resources.

All of the District's basic services are reported in governmental funds, which focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash and all other financial assets that can readily be converted to cash.

**AMBROSE RECREATION AND PARK DISTRICT**

**Management's Discussion & Analysis  
For the Year Ended  
June 30, 2023**

**REPORTING THE DISTRICT'S SIGNIFICANT FUNDS - continued**

The governmental fund statements provide a detailed short-term view of the District's general government operations and the basic services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. The District describes the relationship (or differences) between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation at the bottom of a fund financial statement.

**THE DISTRICT AS A WHOLE**

**Government-wide Statements Analysis**

The following is an analysis of net position (Table 1) and changes in net position (Table 2) for the District's governmental activities:

**Table 1  
Condensed Statement of Net Position**

	June 30, 2023	June 30, 2022	\$ Change
Cash and deposits	\$ 1,731,862	\$ 1,417,396	\$ 314,466
Receivables	256,605	329,472	(72,867)
Capital assets, net	4,924,248	5,034,237	(109,989)
Total assets	<u>6,912,715</u>	<u>6,781,105</u>	131,610
Current liabilities	237,936	243,251	(5,315)
Long-term liabilities	547,850	564,991	(17,141)
Total liabilities	<u>785,786</u>	<u>808,242</u>	(22,456)
Deferred inflows - leases	223,326	312,656	(89,330)
Net position:			
Net Investment in capital assets	4,430,640	4,540,629	(109,989)
Restricted	906,548	252,280	654,268
Unrestricted	566,415	867,298	(300,883)
Total net position	<u>\$ 5,903,603</u>	<u>\$ 5,660,207</u>	<u>\$ 243,396</u>

Current liabilities include accounts payable, accrued wages, and deferred revenues at fiscal year-end. Accounts payable is comprised of unpaid vendor payables for goods or services acquired prior to fiscal year-end. The long-term liabilities consist of long-term debt outstanding to the State of California and compensated absences accrued as of June 30, 2023 and 2022.

**AMBROSE RECREATION AND PARK DISTRICT**

**Management’s Discussion & Analysis  
For the Year Ended  
June 30, 2023**

**THE DISTRICT AS A WHOLE - continued**

**Government-wide Statements Analysis – continued**

**Table 2  
Changes in Net Position**

	Year ended June 30, 2023	Year ended June 30, 2022	\$ Change
Revenues:			
Taxes and assessments	\$ 1,306,364	\$ 1,203,855	\$ 102,509
Use of money and property	152,268	143,994	8,274
Charges for services	58,074	47,308	10,766
Operating contributions	75,583	47,861	27,722
Parkland dedication fees	354,688	-	354,688
Miscellaneous	31,577	5	31,572
Total revenues	<u>1,978,554</u>	<u>1,443,023</u>	<u>535,531</u>
Expenses:			
Recreation	1,735,158	1,536,453	198,705
Total expenses	<u>1,735,158</u>	<u>1,536,453</u>	<u>198,705</u>
Change in Net Position	243,396	(93,430)	336,826
Net Position, beginning of fiscal year	<u>5,660,207</u>	<u>5,753,637</u>	<u>(93,430)</u>
Net Position, end of fiscal year	<u><u>\$ 5,903,603</u></u>	<u><u>\$ 5,660,207</u></u>	<u><u>\$ 243,396</u></u>

**OTHER INFORMATION**

**General Fund Budgetary Highlights**

The District received an increase of \$102,509 in property taxes and assessments over last year.

The District's major lease for space in the community center is with Contra Costa County. The current lease agreement is for three years with an option to extend the lease for an additional two years. However, in the event the County is no longer a tenant, the District should maintain a strong reserve fund.

The District’s original parks along with five park parcels transferred to the District by Contra Costa County are on well water. The District installed a well at the largest park, Lynbrook Park, in June 2015. The District is now realizing the savings from the water bill and other cost cutting measures. The budget for fiscal year ended 2023 reflects the District’s commitment to keeping the District financially secure.



**AMBROSE RECREATION AND PARK DISTRICT**

**Management's Discussion & Analysis  
For the Year Ended  
June 30, 2023**

**OTHER INFORMATION - continued**

**Capital Assets**

The District has capital assets that include park facilities, buildings, and equipment. Table 3 shows the value of our capital assets at the end of the fiscal years 2023 and 2022.

**Table 3  
Capital Assets at Year End**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Land	\$ 528,228	\$ 528,228
Construction in Progress	120,974	223,970
Ground Improvements	5,066,981	4,814,694
Buildings & Structures	3,806,421	3,763,121
Equipment	721,088	718,893
Total capital assets	<u>10,243,692</u>	<u>10,048,906</u>
Less: accumulated depreciation	<u>(5,319,444)</u>	<u>(5,014,669)</u>
Capital assets net of depreciation	<u>\$ 4,924,248</u>	<u>\$ 5,034,237</u>

**Debt**

The District entered into a long-term debt agreement to fund a solar installation project. Outstanding debt balances at the end of fiscal years 2023 and 2022 is as follows:

**Table 4  
Long-Term Debt**

	<u>June 30, 2023</u>	<u>June 30, 2022</u>
Promissory Note - State of California	<u>\$ 493,608</u>	<u>\$ 517,550</u>

# **AMBROSE RECREATION AND PARK DISTRICT**

## **Management's Discussion & Analysis For the Year Ended June 30, 2023**

### **OTHER INFORMATION - continued**

#### **Economic Factors and Next Year's Budgets and Rates**

The District adopted the Fiscal Year 2023 Operating Budget at its regular meeting in June 2022. The "status quo" budget reflects the Board of Directors desire to continue implementing the fiscally sound strategies it has adopted over the past eight fiscal years including contracting for park maintenance, keeping salary and wages in the lower percentile as compared to neighboring public agencies, and ensuring that the District maintains a healthy reserve fund.

In 2016, a District-wide Facilities Condition Assessment and an Americans with Disabilities Act Title II Assessment were completed. The assessments provide detailed information about current and future capital project needs. This document will assist the Board in formulating a Capital Budget and serve as a guide for strategically allocating capital project funds.

In 2020, the District entered into an Energy Service Agreement for the installation of energy efficient equipment. The new equipment and systems are Title 24 compliant and highly energy efficient providing for a more comfortable, safe, and reliable operation reducing annual operating costs associated with both utility cost savings as well as operations and maintenance cost savings.

The District is selling 1.99 acres of land located at Clearland Avenue and Willow Pass Road. The proceeds from the sale will be placed in the District's unassigned reserve until assigned through Board action. The property sale is currently pending.

#### **Contacting the District's Financial Management**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the General Manager at Ambrose Community Center, 3105 Willow Pass Road, Bay Point, CA 94565.

## **BASIC FINANCIAL STATEMENTS**

**GOVERNMENT-WIDE FINANCIAL STATEMENTS**

**AMBROSE RECREATION AND PARK DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**Assets**

Current assets:

Cash	\$ 1,731,862
Accounts receivable	24,487
Lease receivable	232,118
Total current assets	1,988,467

Non-current assets:

Capital assets, net	4,924,248
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<b>Total Assets</b>	6,912,715
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**Liabilities**

Current liabilities:

Accounts payable	58,240
Accrued payroll	-
Interest payable	-
Deferred revenues	149,048
Note payable - current portion	30,648
Total current liabilities	237,936

Non-current liabilities:

Compensated absences	84,890
Note payable - noncurrent	462,960
Total non-current liabilities	547,850

<b>Total Liabilities</b>	785,786
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Deferred inflows of resources - leases	223,326
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**Net Position**

Net invested in capital assets	4,430,640
Restricted	906,548
Unrestricted	566,415
Total Net Position	5,903,603

<b>Net Position</b>	\$ 5,903,603
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**AMBROSE RECREATION AND PARK DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2023**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	
Governmental Activities:				
Recreation	\$ 1,735,158	\$ 58,074	\$ 75,583	\$ (1,601,501)
Total Governmental Activities	<u>\$ 1,735,158</u>	<u>\$ 58,074</u>	<u>\$ 75,583</u>	<u>(1,601,501)</u>
General Revenues:				
Taxes and assessments				1,306,364
Use of money and property				152,268
Parkland dedication fees				354,688
Miscellaneous revenues				<u>31,577</u>
Total General Revenues				<u>1,844,897</u>
Change in net position				243,396
Net position at beginning of fiscal year				<u>5,660,207</u>
Net position at end of fiscal year				<u>\$ 5,903,603</u>

## **FUND FINANCIAL STATEMENTS**

**AMBROSE RECREATION AND PARK DISTRICT  
BALANCE SHEET  
JUNE 30, 2023**

	General Fund
<b>Assets</b>	
Cash and investments	\$ 1,731,862
Accounts receivable	24,487
Lease receivable	232,118
<b>Total Assets</b>	<b>\$ 1,988,467</b>
<b>Liabilities</b>	
Accounts payable	\$ 58,241
Accrued payroll	-
Deferred revenues	149,048
<b>Total Liabilities</b>	207,289
<b>Deferred Inflows of Resources</b>	
Unavailable lease revenue	223,326
<b>Fund Balances</b>	
Nonspendable - leases	8,792
Restricted	906,548
Committed for economic uncertainty	180,071
Unassigned	462,441
<b>Total Fund Balances</b>	1,557,852
<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 1,988,467</b>



**AMBROSE RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2023**

Fund Balances of Governmental Funds	\$	1,557,852
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds		4,924,248
Long-term debt, compensated absences, and accrued interest are not due and payable in the current period and therefore are not reported in the fund statements. Long-term liabilities relating to governmental activities consist of:		
Compensated absences		(84,890)
Notes payable		(493,608)
		(578,500)
Net Position of Governmental Activities	\$	5,903,603

**AMBROSE RECREATION AND PARK DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES  
FOR THE YEAR ENDED  
JUNE 30, 2023**

	<u>General Fund</u>
<b>Revenues</b>	
Taxes and assessments	\$ 1,306,364
Use of money and property	152,268
Charges for services	58,074
Grants and settlements	75,583
Parkland dedication fees	354,688
Miscellaneous revenues	<u>52</u>
Total Revenues	<u>1,947,029</u>
<b>Expenditures</b>	
Salaries and benefits	747,329
Services and supplies	664,527
Capital outlay	194,787
Debt Service:	
Interest	11,579
Principal	<u>23,942</u>
Total Expenditures	1,642,164
Excess of revenues over expenditures	304,865
<b>Other Financing Sources</b>	
Insurance proceeds	<u>31,525</u>
Net changes in fund balances	336,390
Fund Balances, at beginning of year	<u>1,221,462</u>
Fund Balances, at end of year	<u><u>\$ 1,557,852</u></u>

**AMBROSE RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,  
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED  
JUNE 30, 2023**

Net Change in Fund Balances - Total Governmental Funds	\$	336,390
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Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:

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

Cost of assets capitalized		194,786
Depreciation expense		(304,775)

Long-term debt and compensated absences reported in the Statement of Activities do not require the use of current financial resources and, therefore, are not reported in governmental funds:

Debt service payments		23,942
Interest payable		6,560
Compensated absences		(13,507)
		(13,507)

Change in Net Position of Governmental Activities	\$	243,396
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**AMBROSE RECREATION AND PARK DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**JUNE 30, 2023**

**Assets**

Investments	\$ 91,235
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**Liabilities & Net Position**

Liabilities:

Deferred compensation	\$ 91,235
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# AMBROSE RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2023

### Note 1: Summary of Significant Accounting Policies

#### A. Reporting Entity

The Ambrose Recreation and Park District operates under a Home Rule. The District was organized in September 1946. On February 14, 1961, the District became the Ambrose Recreation and Park District by reorganization under Chapter 4, Division 5, Section 5750, et. Seq., of the Public Resources Code.

The initial park property was acquired by gift from Mrs. Clementine Enes. Subsequently, three additional adjoining parcels were purchased and approximately five acres of land adjacent to Arnold Freeway were sold to the State of California. The park presently covers approximately 10 acres.

The facilities of the park include maintenance and storage buildings, a large swimming pool, picnic grounds, picnic tables, barbecue pits, ball fields, and blacktopped parking areas. An irrigation and sprinkler system is located within the park area proper. The pool is enclosed by a high cyclone fence.

In 1978, the District purchased Ambrose School. The building was renovated with the use of Federal and State funds. The Ambrose Community Center was dedicated on November 10, 1979. The District's administration office is located there. There are recreation rooms, an auditorium, a kitchen and dining room, a tot lot, a ball field, a snack bar, restrooms, and a garage.

A mini-park of approximately 1.8 acres located in the Presley Development was dedicated to the District and is called Anuta Park. The park includes playground equipment, park benches, barbecue pits, and picnic tables.

During the fiscal year ended June 30, 1988, the District purchased 1.99 acres on the corner of Willow Pass Road and Clearland Drive for future development.

During the fiscal year ended June 30, 2000, the District purchased a vacant lot of approximately 1033 square feet adjacent to the Community Center; Alves Lane Mini-Park. The park includes a grass area and picnic tables.

During the 2013 fiscal year, the District was quitclaimed 5 parks from the County of Contra Costa.

The accounting policies of the Ambrose Recreation and Park District conform to generally accepted accounting principles. The following is a summary of the significant policies.

#### ***B. Basis of Presentation***

##### Principles Determining Scope of Reporting Entity

The financial statements of the District consist only of the funds of the District. The District has no oversight responsibility for any other governmental entity since no other entities are considered to be controlled by or dependent upon the District. Control or dependence is determined on the basis of budget adoption, taxing authority, funding, and appointment of the respective governing board.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2023**

**Note 1: Summary of Significant Accounting Policies - continued**

***B. Basis of Presentation - continued***

Government-Wide Financial Statements:

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the non-fiduciary activities of the District.

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities.

These statements are presented on an economic resources measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets and liabilities, including capital assets as well as infrastructure assets and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for the District are reported in three categories: 1) charges for services and 2) operating grants and contributions.

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regard to interfund activities, payables, and receivables. All internal balances in the Statement of Net Position have been eliminated except those representing balances between the governmental activities and the business-type activities, which are presented as internal balances and eliminated in the total primary government column. In the Statement of Activities, internal service fund transactions have been eliminated; however, those transactions between governmental and business-type activities have not been eliminated.

The District's government-wide fund balance is classified in the following categories:

- Net Investment in Capital Assets – Includes amount of the fund balance that is invested in capital assets net of any related debt.
- Restricted – Includes amounts that can be spent only for the specific purposes stipulated by a formal action of the government's highest level of decision-making authority, external resource providers, constitutionally, or through enabling legislation.
- Unrestricted – Includes amounts that are technically available for any purpose and includes all amounts not contained in other classifications.

# AMBROSE RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2023

### Note 1: Summary of Significant Accounting Policies - continued

#### *B. Basis of Presentation - continued*

##### Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balances, changes in fund balances as presented in these statements to the net position, and changes in net position presented in the Government-Wide financial statements. The District's financial statements include 3 funds:

- General Fund – The General Fund is the only major fund and is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- Special Revenue Fund – The District maintains one non-major special revenue fund for revenue sources that are legally restricted to expenditures for specific purposes. *The Outdoor Education Fund* was established in 1997 to account for a grant received from Keller Canyon Mitigation Funds to Ambrose Recreation and Park District in conjunction with Mt. Diablo Unified School District to provide outdoor education programs to community children.
- Fiduciary Fund – As discussed in Note 6, the District acts as a fiduciary for an employee benefit plan. The balances and activity of this fund are excluded from the governmental activities and government-wide presentation.

All governmental funds are accounted for on a spending or “current financial resources” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the Balance Sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due.

The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, intergovernmental revenues, and other taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

## AMBROSE RECREATION AND PARK DISTRICT

### Notes to the Financial Statements June 30, 2023

#### Note 1: Summary of Significant Accounting Policies – continued

##### *B. Basis of Presentation - continued*

##### Fund Financial Statements – continued

The District's fund balances are broken out in five categories:

- Nonspendable Fund Balance – this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e. – prepaid expenses) or legally or contractually required to be maintained intact.
- Restricted Fund Balance – this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- Committed Fund Balance – this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (i.e. – fund balance designations passed by board resolution).
- Assigned Fund Balance – this fund balance classification are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- Unassigned Fund Balance – this fund balance classification is the residual classification for the general fund.

The District applies restricted resources first when expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the governing board has provided otherwise in its commitment or assignment actions.

As of June 30, 2023, restrictions of fund balance are described below:

- *Restricted assessment fees*– unavailable for appropriation because the District must use these funds for future park expenses.

##### *C. Budgets and Budgetary Accounting*

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds. By state law, the District's governing board must adopt a final budget no later than July 1. A public hearing must be conducted to receive comments prior to adoption. The District's governing board satisfied these requirements.

These budgets are revised by the District's governing board and District management during the year to give consideration to unanticipated income and expenditures. The original and final revised budgets are presented for the General Fund in the financial statements. Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.



**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2023**

**Note 1: Summary of Significant Accounting Policies – continued**

***D. Use of Estimates***

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

***E. Assets, Liabilities, and Equity***

Deposits and Investments

Cash balances held in banks and in revolving funds are insured up to \$250,000 by the Federal Depository Insurance Corporation.

The District maintains substantially all of its cash in the County Treasury. The county pools these funds with those of other districts in the county and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The county is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the county are either secured by federal depository insurance or all collateralized.

***F. Allowance for Doubtful Accounts***

Management considers its accounts receivable to be fully collectible and thus they do not consider an allowance necessary.

***G. Compensated Absences***

All vacation pay is accrued when incurred in the government-wide financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

Accumulated sick leave benefits are recognized as liabilities of the District. The District's policy provides that employees may accrue sick leave up to 120 days (960 hours). Upon termination and/or retirement from the District, any accumulated sick leave in excess of thirty (30) days shall be paid to the employee at the rate of one quarter (1/4) of his/her existing pay.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2023**

**Note 1: Summary of Significant Accounting Policies – continued**

***H. Capital Assets***

Capital assets are those purchased or acquired with an original cost of \$1,000 for equipment and \$5,000 for buildings and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market values as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Examples</u>	<u>Estimated Useful Life in Years</u>
Land		N/A
Grounds improvements	Paving, flagpoles, retaining walls, sidewalks, fencing, outdoor lighting, pool and aquatic center	20
Buildings		50
HVAC systems	Heating, ventilation, air-conditioning systems	20
Carpet replacement		20
Outdoor equipment	Playground, fuel tanks, pumps, wells	20
Machinery & tools	Shop & maintenance equipment, tools	15
Custodial equipment	Floor scrubbers, vacuums, other	15
Furniture & accessories	Furniture	20
Business machines	Fax, duplicating & printing equipment	10
Copiers		5
Communication equipment	Mobile, portable radios, non-computerized	10
Computer hardware	PCs, printers, network hardware	5
Audio visual equipment	Projectors, cameras (still & digital)	10
Athletic equipment	Gymnastics, football, weight machines, wrestling mats	10
Grounds equipment	Mowers, tractors, attachments	15

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2023**

**Note 1: Summary of Significant Accounting Policies – continued**

***I. Long-Term Obligations***

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position.

**Note 2: Cash and Investments**

**Cash on Hand, in Banks, and in Revolving Funds**

Cash balances on hand, in banks, and in revolving funds are insured up to \$250,000 by the Federal Deposit Insurance Corporation (FDIC). These accounts are held within various financial institutions.

**Cash in County Treasury**

The District maintains substantially all of its cash with the County Treasury as part of the common investment pool, which totaled \$1,416,826 as of June 30, 2023. Interest is deposited into participating funds. The county is restricted by Government Code Section 53635, pursuant to Section 53601, to invest in time deposits, U.S. government securities, state registered warrants, notes or bonds, State Treasurer’s investment pool, bankers’ acceptance, commercial paper, negotiable certificates of deposit, and repurchase or reverse repurchase agreements.

A summary of deposits as of June 30, 2023 is as follows:

Cash in County Treasury	\$ 1,731,292
Cash on hand	<u>570</u>
Total Cash	<u><u>\$ 1,731,862</u></u>

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2023**

**Note 3: Capital Assets**

Capital asset activity for the year ended June 30, 2023, is shown below:

	<u>June 30, 2022</u>	<u>Additions</u>	<u>Disposals</u>	<u>Transfers</u>	<u>June 30, 2023</u>
Capital assets, not being depreciated:					
Land	\$ 528,228	\$ -	\$ -	\$ -	\$ 528,228
Construction in progress	223,970	116,524	-	(219,520)	120,974
Total capital assets, not being depreciated	752,198	116,524	-	(219,520)	649,202
Capital assets, being depreciated:					
Grounds improvements	4,814,694	32,767	-	219,520	5,066,981
Buildings & structures	3,763,121	43,300	-	-	3,806,421
Equipment	718,893	2,195	(407,384)	-	313,704
Total capital assets, being depreciated	9,296,708	78,262	(407,384)	219,520	9,187,106
Less accumulated depreciation for:					
Grounds improvements	(2,282,963)	(200,033)	-	-	(2,482,996)
Buildings & structures	(2,050,895)	(96,634)	-	-	(2,147,529)
Equipment	(680,811)	(8,108)	407,384	-	(281,535)
Less total accumulated depreciation	(5,014,669)	(304,775)	407,384	-	(4,912,060)
Total capital assets, being depreciated, net	4,282,039	(226,513)	-	219,520	4,275,046
Total capital assets, net	\$ 5,034,237	\$ (109,989)	\$ -	\$ -	\$ 4,924,248

Depreciation expense of \$304,775 for the year ended June 30, 2023 was charged to recreation for governmental activities.

**Note 4: Long-Term Liabilities**

A schedule of changes in long-term liabilities for the year ended June 30, 2023, is shown below:

	<u>June 30, 2022</u>	<u>Increases</u>	<u>Reductions</u>	<u>June 30, 2023</u>	<u>Current Portion</u>
Compensated Absences	\$ 73,806	\$11,084	\$ -	\$ 84,890	\$ -
Promissory Note	517,550	-	(23,942)	493,608	30,648
Total long-term liabilities	\$ 591,356	\$11,084	\$ (23,942)	\$ 578,498	\$ 30,648

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2023**

**Note 4: Long-Term Liabilities - continued**

In July 2020, the District entered into an Energy Conservation Assistance Act Loan Agreement for a promissory note in the amount of \$517,550 to finance the purchase and installation of a solar panel system. The loan was fully funded as of June 30, 2022 and semi-annual payments of \$17,761 begin in December 2022. The loan bears an interest rate of 1% and has a payment term of 16 years.

The following are the future minimum payments for the loan:

Year ended June 30,	Interest	Principal	Total
2024	\$ 4,873	\$ 30,648	\$ 35,521
2025	4,553	30,969	35,521
2026	4,242	31,279	35,521
2027	3,929	31,593	35,521
2028	3,622	31,900	35,521
Thereafter	17,995	337,219	355,214
Total	<u>\$ 39,212</u>	<u>\$493,608</u>	<u>\$532,820</u>

**Note 5: Joint Ventures (Joint Powers Agreement)**

The Ambrose Recreation and Park District participates in two joint ventures under joint powers agreements (JPAs). The relationship between Ambrose Recreation and Park District and the JPAs is such that the JPAs are not component units of the Ambrose Recreation and Park District for financial reporting purposes. California Association for Park and Recreation Insurance (CAPRI) arranges for and provides property and liability insurance for its members. California Association of Recreation and Park Districts (CARPD) provides insurance for its members. The JPAs are governed by a board consisting of a representative from each member district. The board controls the operations of the JPAs, including selection of management and approval of operating budgets, independent of any influence by the member districts beyond their representation on the board. Each member district pays a premium commensurate with the level of coverage requested and share surpluses and deficits proportionate to their participation in the JPAs.

**Note 6: Deferred Compensation Plan**

The District has established a tax-sheltered annuity plan (the plan) under IRS Code Section 457(b) whereby annuity accounts are established for eligible employees. The District acts as a fiduciary of the plan and has included a Statement of Fiduciary Net Position in the financial statements.

Plan Description

All full-time employees of Ambrose Recreation and Park District are eligible for the retirement contribution if they have completed their one-year introductory employment period.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2023**

**Note 6: Deferred Compensation Plan - continued**

Funding Status

The District contributes \$50 per month for each eligible employee. Employees may make additional deposits to their account up to a maximum of 25% of their gross salary.

Contributions

The District contributions information for the year ended June 30, 2023 was as follows:

Number of eligible employees	5
Number of participants	4
District contributions	\$ 2,400

**Note 7: Contingencies and Deferred Revenues**

The District receives grants for specific purposes and performance periods that are subject to review and audit by the grantor agencies. Additionally, the District carries forward balances from expired grant periods for which grantors have permitted continued expenditure in the future. Although such audits or previous grant proceeds carried forward could result in amounts due back to the grantors under terms of the respective grant agreements, it is believed that any required reimbursements will not be material.

The District receives allocations of park dedication fees under the Quimby Act. This Act allows local agencies to establish ordinances requiring residential subdivision developers to provide land or in lieu fees for park and recreation purposes, and allows those agencies to specify acceptable uses or restrictions on the expenditures of fees. During the year, the District received park dedication fees from the County of Contra Costa for subdivisions under the District's jurisdiction, totaling \$354,688. The respective revenues have been deferred as a result of these fees not being expended for their intended purpose by the end of the fiscal year.

The District's deferred revenue balance at June 30, 2023 is comprised of unexpended grant funding and park dedication fees, totaling \$149,048.

**Note 8: Subsequent Events**

The District's management has evaluated events and transactions subsequent to June 30, 2023 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through April 29, 2024, the date the financial statements became available to be issued.

**REQUIRED SUPPLEMENTARY INFORMATION**

**AMBROSE RECREATION AND PARK DISTRICT  
GENERAL FUND  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED  
JUNE 30, 2023**

	<u>Budgeted Amounts</u>			Variance with Final Budget Positive (Negative)
	Original	Final	Actual	(Negative)
<b>Revenues</b>				
Taxes and assessments	\$ 1,041,428	\$ 1,201,002	\$ 1,306,364	\$ 105,362
Use of money and property	140,000	137,866	152,268	14,402
Charges for services	49,500	47,307	58,074	10,767
Grants and settlements	43,800	148,110	75,583	(72,527)
Miscellaneous revenues	100	4	52	48
	<u>1,274,828</u>	<u>1,534,289</u>	<u>1,592,341</u>	<u>58,052</u>
<b>Expenditures</b>				
Salaries and benefits	570,155	676,098	747,329	(71,231)
Services and supplies	501,573	566,977	664,527	(97,550)
Capital outlay	203,100	342,969	194,787	148,182
Debt Service:				
Interest	-	-	11,579	(11,579)
Principal	-	-	23,942	(23,942)
	<u>1,274,828</u>	<u>1,586,044</u>	<u>1,642,164</u>	<u>(56,120)</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	<u>\$ -</u>	<u>\$ (51,755)</u>	<u>(49,823)</u>	<u>\$ 114,172</u>
<b>Other Financing Sources</b>				
Insurance proceeds			31,525	
Net changes in fund balances			<u>(18,298)</u>	
Fund Balances, beginning of year			<u>1,221,462</u>	
Fund Balances, end of year			<u>\$ 1,203,164</u>	