

**AMBROSE RECREATION AND PARK DISTRICT**  
**ANNUAL FINANCIAL REPORT**  
**With**  
**INDEPENDENT AUDITOR'S REPORT THEREON**  
**JUNE 30, 2021**

**AMBROSE RECREATION AND PARK DISTRICT**

Annual Financial Report  
June 30, 2021

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## **INDEPENDENT AUDITOR'S REPORT**

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

We have audited the accompanying financial statements of the governmental activities and major fund of the Ambrose Recreation and Park District as of and for the year ended June 30, 2021, which collectively comprise the District's basic financial statements as listed in the table of contents, and the related notes to the financial statements.

### **Management's Responsibility for the Financial Statements**

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

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit includes performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall financial statement presentation.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

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

**Opinion**

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, 2021 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.

**Other Matters**

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the Management’s Discussion and Analysis on pages 3-7 and budgetary comparison information on page 25 be presented to supplement the basic financial statements. Such information, 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 response to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

**Other Reporting Required by Government Auditing Standards**

In accordance with Government Auditing Standards, we have also issued our report dated March 7, 2022, on our consideration of the Ambrose Recreation and Park District’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's 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 Ambrose Recreation and Park District’s internal control over financial reporting and compliance.

Fechter & Company  
Certified Public Accountants



Sacramento, California  
March 7, 2022

## **AMBROSE RECREATION AND PARK DISTRICT**

### **Management's Discussion & Analysis For the Year Ended June 30, 2021**

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, 2021. 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 General Fund in the County decreased by \$121,072. This decrease was due to a decrease in grants received as well as an increase in capital outlay expenditures of \$358,322, offset by an increase in loan proceeds \$465,795 and property taxes of \$76,825.
2. \$13,635 was paid to Martell Water Systems, Inc for installation of new irrigation pump system at the Ambrose community garden.
3. \$9,500 was paid to Rick's Tree Service for removal of trees.
4. \$6,247 was paid to Delta Fence Co. for installation of barrier gates at the Ambrose Community Center.
5. \$4,042 was paid to Vega Consultants for firewall equipment at both maintenance shop and pool.
6. \$50,741 was paid to Grace Construction for installation of new auditorium doors at the Ambrose Community Center, of which \$18,575 was paid by Community Development Block Grant funds.
7. \$318,788 was approved by the Board of Directors to be paid to the City of Pittsburg for labor and installation of new restrooms and snack shack at Ambrose Park.

#### **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 (on pages 8 and 9) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 14. 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 MOST SIGNIFICANT FUNDS**

Our analysis of the District's major fund can be found on pages 10 and 12. The fund financial statements begin on page 14 and provide detailed information about the most 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 establishes other funds to help control and manage money for particular purposes (such as the Teen Center and the County Parks) or to show that it is meeting legal responsibilities for using certain taxes, grants and other money (such as the assessment funds).

## AMBROSE RECREATION AND PARK DISTRICT

### Management's Discussion & Analysis For the Year Ended June 30, 2021

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. 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

#### Changes in Net Position

The District had an increase in the net position of \$81,959 as shown in the Government-Wide Statement of Activities Report on page 9. The analysis below focuses on the net position (Table 1) and changes in net position (Table 2) of the District's governmental activities:

**Table 1**  
**Net Position**

	Governmental Activities	
	June 30, 2021	June 30, 2020 (restated)
Cash and deposits	\$ 1,462,416	\$ 1,502,365
Receivables	117,062	50,522
Capital assets, net	4,958,980	4,308,611
Total assets	6,538,458	5,861,498
Long-term liabilities	534,755	66,537
Other liabilities	147,936	123,283
Total liabilities	682,691	189,820
Net position:		
Net Investment in capital assets	4,493,185	4,308,611
Restricted	249,427	195,003
Unrestricted	1,011,025	1,168,064
Total net position	\$ 5,753,637	\$ 5,671,678

The long-term liabilities consist of long-term debt to the State of California and sick leave and vacation pay that were accrued as of June 30, 2021. The other liabilities in the amount of \$147,936 are our accounts payable, accrued wages, and deferred revenues at the end of the fiscal year. Our accounts payable refers to checks written in July and August for purchases or services provided before June 30, 2021.

## AMBROSE RECREATION AND PARK DISTRICT

Management's Discussion & Analysis  
For the Year Ended  
June 30, 2021

**Table 2**  
**Changes in Net Position**

	Governmental Activities	
	Year ended June 30, 2021	Year ended June 30, 2020
Revenue:		
Taxes and assessments	\$ 1,174,897	\$ 1,098,072
Use of money and property	87,773	112,999
Charges for services	8,890	67,339
Operating contributions	56,135	617,238
Miscellaneous	-	25,177
Total revenues	<u>1,327,695</u>	<u>1,920,825</u>
Expenses:		
Recreation	<u>1,245,735</u>	<u>1,375,225</u>
Total expenses	<u>1,245,735</u>	<u>1,375,225</u>
Increase (decrease in net position)	<u>81,960</u>	<u>\$ 545,600</u>
Prior period adjustment	<u>\$ 2,517,053</u>	

### General Fund Budgetary Highlights

The District received an increase of \$76,825 in the property taxes and assessment 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 five park parcels transferred to the District by Contra Costa County are not on well water as are all the District's original parks. The District installed a well at the largest park, Lynbrook Park, in June 2015. ARPD is now realizing the savings from the water bill and other cost cutting measures. The budget for 2020-2021 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, 2021

**Capital Asset and Debt Administration**

**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 year 2020-2021 and 2019-2020 (restated). The restated amount includes the aquatic center that was completed in the fiscal year 2017-2018.

**Table 3  
Capital Assets at Year End**

	<u>Governmental Activities</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020 (restated)</u>
Land	\$ 528,228	\$ 528,228
Construction in Progress	1,311,169	510,000
Ground Improvements	4,795,789	4,789,542
Buildings & Structures	2,368,605	2,317,864
Equipment	715,498	701,863
Total capital assets	<u>9,719,289</u>	<u>8,847,497</u>
Less: accumulated depreciation	<u>(4,760,309)</u>	<u>(4,538,886)</u>
Net capital assets	<u>\$ 4,958,980</u>	<u>\$ 4,308,611</u>

**Debt**

The District entered into a long-term debt to fund the installation of solar.

**Table 4  
Capital Assets at Year End**

	<u>Governmental Activities</u>	
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Long-term debt - State of California	<u>\$ 465,795</u>	<u>\$ -</u>



## **AMBROSE RECREATION AND PARK DISTRICT**

Management's Discussion & Analysis  
For the Year Ended  
June 30, 2021

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

The District adopted the Fiscal Year 2020-2021 Operating Budget at its regular meeting in June 2020. The "status quo" budget reflects the Board of Directors desire to continue implementing the fiscally sound strategies it has adopted over the past seven 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. The District has allocated funding for small capital projects including replacement of storefront doors and auditorium doors.

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 is currently on the market for sale.

### **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.

## **FINANCIAL STATEMENTS**

**GOVERNMENT - WIDE FINANCIAL STATEMENTS**

**AMBROSE RECREATION AND PARK DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2021**

<b>Assets</b>	
Cash	\$ 1,345,354
Accounts receivable	117,062
Deposits	14,932
Capital assets, net	4,958,980
	4,958,980
<b>Total Assets</b>	6,436,328
 <b>Liabilities</b>	
Accounts payable	39,248
Accrued payroll	14,338
Deferred revenues	94,350
Compensated absences	68,960
Note payable	465,795
	465,795
<b>Total Liabilities</b>	682,691
 <b>Net Position</b>	
Net invested in capital assets	4,493,185
Restricted	249,427
Unrestricted	1,011,025
	1,011,025
<b>Net Position</b>	\$ 5,753,637

**AMBROSE RECREATION AND PARK DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED  
JUNE 30, 2021**

Functions/Programs	Expenses	<u>Program Revenues</u>		Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	
Governmental Activities:				
Recreation	\$ 1,245,735	\$ 8,890	\$ 56,135	\$ (1,180,710)
<b>Total Governmental Activities</b>	<u>\$ 1,245,735</u>	<u>\$ 8,890</u>	<u>\$ 56,135</u>	<u>(1,180,710)</u>
General Revenues:				
				1,174,897
				<u>87,773</u>
				<u>1,262,670</u>
				81,960
				<u>3,154,624</u>
				2,517,053
				<u>5,671,677</u>
				<u>\$ 5,753,637</u>

**FUND FINANCIAL STATEMENTS**

**AMBROSE RECREATION AND PARK DISTRICT  
BALANCE SHEET  
JUNE 30, 2021**

	General Fund	Outdoor Education Fund	Combined Total
<b>Assets</b>			
Cash and investments	\$ 1,345,354	\$ -	\$ 1,345,354
Accounts receivable	117,062	-	117,062
Deposits	14,932	-	14,932
<b>Total Assets</b>	<b>\$ 1,477,348</b>	<b>\$ -</b>	<b>\$ 1,477,348</b>
<b>Liabilities</b>			
Current liabilities:			
Accounts payable	\$ 39,248	\$ -	\$ 39,248
Accrued payroll	14,338	-	14,338
Deferred revenues	94,350	-	94,350
<b>Total Liabilities</b>	<b>147,936</b>	<b>-</b>	<b>147,936</b>
<b>Fund Balances</b>			
Restricted	69,356	-	69,356
Committed for economic uncertainty	180,071	-	180,071
Unassigned	1,079,985	-	1,079,985
<b>Total Fund Balances</b>	<b>1,329,412</b>	<b>-</b>	<b>1,329,412</b>
<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,477,348</b>	<b>\$ -</b>	<b>\$ 1,477,348</b>

**AMBROSE RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2021**

Fund Balances of Governmental Funds	\$ 1,329,412
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	4,958,980
Long-term debt, compensated absences and accrued interest are not due in payable in the current period and therefore are not reported in the funds. Long-term liabilities relating to governmental activities consist of:	
Compensated absences	(68,960)
Notes payable	(465,795)
	(534,755)
Net position of governmental activities	\$ 5,753,637



**AMBROSE RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED**  
**June 30, 2021**

	General Fund	Outdoor Education Fund	Combined Total
<b>Revenues</b>			
Taxes and assessments	\$ 1,174,897	\$ -	\$ 1,174,897
Use of money and property	87,773	-	87,773
Charges for services	8,890	-	8,890
Grants and settlements	56,135	-	56,135
Debt proceeds	465,795		465,795
	<u>1,793,490</u>	<u>-</u>	<u>1,793,490</u>
<b>Expenditures</b>			
Current:			
Salaries and benefits	559,791	-	559,791
Services and supplies	462,098	-	462,098
Capital outlay	871,792	-	871,792
	<u>1,893,681</u>	<u>-</u>	<u>1,893,681</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(100,191)	-	(100,191)
Other Financing Sources (Uses)			
Operating transfers in	2,008	-	2,008
Operating transfers (out)	-	(2,008)	(2,008)
	<u>2,008</u>	<u>(2,008)</u>	<u>-</u>
Total Other Financing Sources (Uses)	<u>2,008</u>	<u>(2,008)</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	(98,183)	(2,008)	(100,191)
Fund Balances, at beginning of year	<u>1,450,484</u>	<u>2,008</u>	<u>1,452,492</u>
Prior Period Adjustment	<u>(22,889)</u>	<u>-</u>	<u>(22,889)</u>
Fund Balances, at end of year	<u>\$ 1,329,412</u>	<u>\$ -</u>	<u>\$ 1,329,412</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, 2021**

Net Change in Fund Balances - Total Governmental Funds \$ (100,191)

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	871,793
Depreciation expense	(221,424)

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.	(468,218)
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Change in net position of governmental activities	\$ 81,960
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**AMBROSE RECREATION AND PARK DISTRICT  
STATEMENT OF FIDUCIARY NET POSITION  
JUNE 30, 2021**

**Assets**

Investments	\$ 404,010
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**Liabilities & Net Position**

Liabilities:

Deferred compensation	\$ 404,010
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# AMBROSE RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2021

### 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 such significant policies.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2021**

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

***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.

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 nonfiduciary activities of the District.

The District Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities and Changes in Net Position. These statements present summaries of Governmental and Business-Type Activities for the District accompanied by a total column.

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.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2021**

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

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

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.

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 accounts are organized into major, and non-major funds, as follows:

- Major Governmental Fund - The General Fund 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.
- Non Major Governmental Fund - Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The District maintains one non-major special revenue fund:

*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.

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 Sheets. 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.

# AMBROSE RECREATION AND PARK DISTRICT

## Notes to the Financial Statements June 30, 2021

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

#### Fund Financial Statements - continued

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.

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.

As of June 30, 2021, 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, 2021**

**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 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.

During the 2013/2014 fiscal year, the District undertook a capital project with the City of Pittsburg. As part of this project, they are holding funds with the City in a pooled account. The total deposit at June 30, 2021 was \$14,932.

***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, 2021**

**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:

Asset Class	Examples	Estimated Useful Life in Years
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

***J. 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.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2021**

**Note 2: Cash and Investments**

Cash on Hand, in Banks, and in Revolving Fund

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 \$1,344,784 as of June 30, 2021. 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, 2021 is as follows:

Cash in County	\$	1,344,784
Cash on hand		<u>570</u>
Total	\$	<u><u>1,345,354</u></u>

**Note 3: Capital Assets**

Capital asset activity for the year ended June 30, 2021, is shown below:

	June 30, 2020 <u>restated</u>	<u>Additions</u>	<u>June 30, 2020</u>
Capital assets, not being depreciated:			
Land	\$ 528,228	\$ -	\$ 528,228
Construction in progress	510,000	801,169	1,311,169
Total capital assets, not being depreciated	<u>1,038,228</u>	<u>801,169</u>	<u>1,839,397</u>
Capital assets, being depreciated:			
Grounds improvements	4,789,542	6,248	4,795,790
Buildings & structures	2,317,864	50,741	2,368,605
Equipment	701,863	13,635	715,498
Total capital assets, being depreciated	<u>7,809,269</u>	<u>70,624</u>	<u>7,879,893</u>
Less accumulated depreciation	<u>(4,538,886)</u>	<u>(221,424)</u>	<u>(4,760,310)</u>
Total capital assets, being depreciated, net	<u>3,270,383</u>	<u>(150,800)</u>	<u>3,119,583</u>
Governmental activities capital assets, net	<u><u>\$ 4,308,611</u></u>	<u><u>\$ 650,369</u></u>	<u><u>\$ 4,958,980</u></u>

Depreciation expense for the year ended June 30, 2021 was \$221,424

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2021**

**Note 4: Long-Term Liabilities**

A schedule of changes in long-term liabilities for the year ended June 30, 2020, is shown below:

	<u>June 30,</u> <u>2020</u>	<u>Additions</u>	<u>Deductions</u>	<u>June 30,</u> <u>2020</u>
Compensated Absences	\$ 66,537	\$ 7,751	\$ (5,328)	\$ 68,960
Note to State of California	-	465,795	-	465,795
 Total	<u>\$ 66,537</u>	<u>\$ 473,546</u>	<u>\$ (5,328)</u>	<u>\$ 534,755</u>

The accrued vacation and sick leave will be paid by the General Fund and allocated to the program for which the employee worked.

In July 2020, the District entered into an Energy Conservation Assistance Act Loan Agreement and promissory note for \$517,550 to finance the purchase and installation of a solar system. Funding of the loan is provided on a reimbursement basis and once completed semi-annual payments of \$17,539 will begin. The loan bears an interest rate of 1% and has a payment term of 16 years. As of June 30, 2021, the solar project is not completed and the loan proceeds received were \$465,795.

**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 boards control 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.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2021**

**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.

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.

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, 2021 was as follows:

Number of Eligible Employees	7
Number of participants	7
District Contributions	\$ 3,650

**Note 7: Contingencies**

The District receives grants for specific purposes that are subject to review and audit by the grantor agencies. Although such audits could generate expenditure disallowances under terms of the grants, it is believed that any required reimbursements will not be material.

**Note 8: COVID-19**

In January 2020, the virus SARS-CoV-2 was transmitted to the United States from overseas sources; this virus, responsible for the Coronavirus disease COVID-19, has provided to be extremely virulent with transmission rates as yet unknown. The District has experienced a reduction in recreation and rental incomes of approximately \$111,767 and an increase in personal protection equipment (PPE) spending. The COVID impacts are ongoing and thus the long-term economic impact in Contra Costa County and in the State of California as yet has not been determined; therefore, the complete impact on the District is not yet known.

**Note 9: Prior Period Adjustment**

The District recorded a prior period includes an adjustment to capitalize the aquatic pool center that was not capitalized due to the funding and spending being done by the City of Pittsburg. The adjustment only impacts the Government Wide financials as the income and capital outlay spending were equal and netted to no change. There was also a prior period adjustment to fund financials to properly report prior year expenses.

**AMBROSE RECREATION AND PARK DISTRICT**

**Notes to the Financial Statements  
June 30, 2021**

**Note 10: Subsequent Events**

The District's management has evaluated events and transactions subsequent to June 30, 2021 for potential recognition or disclosure in the financial statements. Subsequent events have been evaluated through March 7, 2022; 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 BALANCE  
BUDGET AND ACTUAL  
FOR THE YEAR ENDED  
JUNE 30, 2021**

	<b>Budgeted Amounts</b>			Variance with Final Budget Positive (Negative)
<b>Revenues</b>	Original	Final	Actual	(Negative)
Taxes and assessments	\$ 1,001,428	\$ 1,162,680	\$ 1,174,897	\$ 12,217
Use of money and property	140,000	87,773	87,773	-
Charges for services	62,500	6,890	8,890	2,000
Grants and settlements	48,500	415,025	56,135	(358,890)
Debt proceeds	-	465,795	465,795	(0)
Miscellaneous revenues	100	-	-	-
	<b>1,252,528</b>	<b>2,138,163</b>	<b>1,793,490</b>	<b>(344,673)</b>
 <b>Expenditures</b>				
Salaries and benefits	582,030	564,608	559,791	4,817
Services and supplies	505,503	688,221	462,098	226,123
Capital outlay	164,995	885,334	871,792	13,542
	<b>1,252,528</b>	<b>2,138,163</b>	<b>1,893,681</b>	<b>-</b>
	<b>1,252,528</b>	<b>2,138,163</b>	<b>1,893,681</b>	<b>244,482</b>
 Excess (Deficit) of Revenues Over (Under) Expenditures	 <b>\$ -</b>	 <b>\$ -</b>	 <b>(100,191)</b>	 <b>\$ (589,155)</b>
 Other Financing Sources (Uses)				
Operating transfers in			2,008	
Operating transfers (out)			-	
Total Other Financing Sources (Uses)			<b>2,008</b>	
 Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses			 <b>(98,183)</b>	
 Fund Balances, July 1, 2020			 <b>1,450,484</b>	
Prior Period Adjustment			<b>(22,889)</b>	
 Fund Balances, June 30, 2021			 <b>\$ 1,329,412</b>	

**COMPLIANCE SECTION**





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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of governmental activities and the major fund and non-major fund information of the Ambrose Recreation and Park District ("the District"), as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated March 7, 2022.

**Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of 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 was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

**Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Ambrose Recreation and Park 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. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. **The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.**

**Purpose of this Report**

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

Fechter & Company  
Certified Public Accountants

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

Sacramento, California  
March 7, 2022