

**CARMICHAEL RECREATION  
AND PARK DISTRICT**  
(A Component Unit of Sacramento County)

**FINANCIAL REPORT**  
With Independent Auditor's Report Thereon

**June 30, 2024**

**CARMICHAEL RECREATION AND PARK DISTRICT**

Financial Report

June 30, 2024

Table of Contents

INDEPENDENT AUDITOR’S REPORT .....	1-3
MANAGEMENT’S DISCUSSION AND ANALYSIS .....	4-12
BASIC FINANCIAL STATEMENTS	
GOVERNMENT-WIDE FINANCIAL STATEMENTS	
Statement of Net Position .....	13
Statement of Activities .....	14
FUND FINANCIAL STATEMENTS	
Balance Sheet – Governmental Funds .....	15
Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position .....	16
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	17
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities.....	18
NOTES TO THE FINANCIAL STATEMENTS.....	19-42
REQUIRED SUPPLEMENTARY INFORMATION	
Budgetary Comparison Information	
Statement of Revenues, Expenditures, and Change in Fund Balances of General Fund .....	43
Statement of Revenues, Expenditures, and Changes in Fund Balances of Capital Improvement Fund.....	44
Statement of Revenues, Expenditures, and Changes in Fund Balances of Debt Service Fund .....	45
Note to Required Supplementary Information – Budgetary Comparison Information .....	46
Required Supplementary Information – Pension.....	47
Required Supplementary Information – OPEB .....	48

## INDEPENDENT AUDITOR'S REPORT

Advisory Board of Directors  
Carmichael Recreation and Park District  
Carmichael, California

### *Opinions*

We have audited the accompanying financial statements of the governmental activities of the Carmichael Recreation and Park District (the District) as of and for the year ended June 30, 2024 and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Carmichael Recreation and Park District, as of June 30, 2024 and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Basis for Opinions*

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

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

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

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

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

Advisory Board of Directors  
Carmichael Recreation and Park District  
Carmichael, 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 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  
March 19, 2025

**Carmichael Recreation and Park District  
Management’s Discussion and Analysis  
June 30, 2024**

This section of the Carmichael Recreation and Park District’s (the District) annual financial report presents an analysis of the District’s financial performance during the fiscal year ended June 30, 2024. This information is presented in conjunction with the audited basic financial statements, which follow this section.

- The assets of the District exceeded liabilities at the close of the 2023-24 fiscal year by \$10,246,736 (net position). Of this amount, (\$1,247,451) (unrestricted net deficit), and \$10,278,397 is invested in capital assets.
- As of June 30, 2024, the District’s governmental funds reported combined fund balances of \$11,843,641 of which \$536,019 is available to meet the District’s current and future needs (unassigned fund balance).
- At the end of the 2023-24 fiscal year, the unassigned fund balance for the general fund was \$536,019, or approximately 9.3% of total general fund revenues and 9.9% of general fund expenditures.
- During the fiscal year 2023-24, there was program growth in revenue of \$392,700 or 9.19% in charges for program services and building rentals over the prior two years as more program services and building rentals have returned following the impact of the SARS-CoV-2 (COVID-19).

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

**REQUIRED FINANCIAL STATEMENTS**

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

*The Statement of Net Position*

This statement includes information on the District’s assets and liabilities and provide information about the nature and amount of investments in resources (assets) and the obligations to District creditors (liabilities). Over time, increases or decreases in net position *may* serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

*The Statements of Activities*

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

**Carmichael Recreation and Park District  
Management's Discussion and Analysis  
June 30, 2024**

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

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

*Governmental funds* are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. The District has the following governmental funds:

- General Fund
- Park Maintenance and Improvement
- Park Impact Fees
- Parkland Dedication Trust
- Capital Improvement Public Fund (2022 General Obligation Bond, Series 2023)
- Debt Service Fund (2022 General Obligation Bond, Series 2023)

Unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term requirements.

The District presents the following governmental fund statements:

*Balance Sheet*

This statement includes information on the District's short-term assets and liabilities and provides information about the District's ability to finance its short-term obligations with the use of current assets.

*Statement of revenues, expenditures and changes in fund balance*

This statement presents information showing how fund balances changed during the most recent fiscal year. All changes in fund balances are reported on the modified accrual basis of accounting.

*Reconciliation between the Fund and Government Wide Statements*

Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities.

**Carmichael Recreation and Park District  
Management's Discussion and Analysis  
June 30, 2024**

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions.

**NOTES TO THE FINANCIAL STATEMENTS**

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

**Other Information**

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

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

**Condensed Statement of Net Position  
June 30, 2024 and 2023**

	<b>2024</b>	<b>2023 (Restated)</b>	<b>% Change FY24 vs FY23</b>
Cash and investments	\$ 12,346,918	\$11,921,157	3.57%
Other assets	5,454,851	947,103	475.95%
Capital assets, net	11,003,769	10,203,153	7.85%
Deferred outflows of resources	674,809	355,042	90.06%
Total assets and deferred outflows	<u>\$ 29,480,347</u>	<u>\$23,426,455</u>	25.84%
Accounts payable and accrued expenses	\$ 934,385	\$ 615,357	51.84%
Total current liabilities	934,385	615,357	51.84%
Net OPEB liability	67,273	84,531	100.00%
Net pension liability	2,400,388	2,061,923	16.41%
Deferred inflows of resources	5,208,259	681,036	664.76%
Long-term debt	10,623,306	10,638,401	-0.14%
Total liabilities and deferred outflows	<u>19,233,611</u>	<u>14,081,249</u>	36.59%
Net position	<u>\$ 10,246,736</u>	<u>\$ 9,345,206</u>	9.65%



**Carmichael Recreation and Park District  
Management's Discussion and Analysis  
June 30, 2024**

**Condensed Statement of Activities  
For the Years Ending June 30, 2024 and 2023**

	<b>2024</b>	<b>2023 (Restated)</b>	<b>% Change FY24 vs FY23</b>
Program revenues	\$ 2,265,094	\$ 2,074,399	9.19%
Program expenses	<u>6,261,662</u>	<u>5,216,508</u>	20.04%
Net program expense	(3,996,568)	(3,142,109)	27.19%
Property taxes and assessments	3,681,837	2,563,983	43.60%
Other revenues	<u>1,216,261</u>	<u>1,485,850</u>	-18.14%
Total general revenues	<u>4,898,098</u>	<u>4,049,833</u>	20.95%
Change in net position	901,530	907,724	-0.68%
Net position - beginning of year	9,345,206	8,437,482	10.76%
Net position - end of year	<u><u>\$ 10,246,736</u></u>	<u><u>\$ 9,345,206</u></u>	9.65%

**CAPITAL ASSETS**

	<b>2024</b>	<b>2023</b>
Land	\$ 4,621,519	\$ 4,621,519
Construction-in-progress	864,743	934,745
Buildings	6,276,231	5,309,401
Structures	7,379,749	7,138,767
Equipment	1,062,062	980,732
Leasehold improvements	<u>1,383,535</u>	<u>1,383,535</u>
Total capital assets	21,587,839	20,368,699
Less accumulated depreciation:	<u>(10,584,070)</u>	<u>(10,165,546)</u>
Net capital assets	<u><u>\$ 11,003,769</u></u>	<u><u>\$10,203,153</u></u>

**Carmichael Recreation and Park District  
Management's Discussion and Analysis  
June 30, 2024**

During the year-ended June 30, 2024, the District performed renovations and improvements from general fund, Quimby/in-lieu fees, and park impact fees, in the following parks:

Carmichael Park	\$137,144
La Sierra Community Center	\$227,216
Sutter Jensen Community Park	\$95,454
Del Campo Park	\$6,885

Planning and improvements from the 2022 General Obligation Bond Funds, Series 2023 are covered in a separate list.

Carmichael Park projects consisted of final invoices on FY2023-24 CIP:

Basketball/Soccer Court (Over/Under Initiative Project)	\$5,072
Tennis Courts–LED Lighting (improved lighting & energy savings)	\$3,840

New projects in Carmichael Park:

Bleachers/Drinking Fountain (support softball/baseball programs)	\$52,797
Electronic Reader board (facilitate marketing/notifications)	\$70,938
Maintenance Shop Door (ADA Compliance)	\$4,497

La Sierra Community Center projects consisted of:

Kids Hang Out (Facility Improvements/New Parking Area)	\$144,796
800 Wing Water Damage (Property damage loss restoration)	\$65,914
Maintenance Shop Door (ADA Compliance)	\$7,657
Drinking Fountains for Johnson/Villareal Gyms	\$8,849

Sutter Jensen Community Park improvement consisted of:

Landscape/Walkway addition (improve access and connection to	\$95,454
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Del Campo Park improvement consisted of:

Cameras' installation (improve security)	\$6,885
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Capital Equipment purchases in support of the Turf Management Program during the year-ended June 30, 2024:

New Truck	\$65,220
New Turf cart	\$16,110

**Carmichael Recreation and Park District  
Management’s Discussion and Analysis  
June 30, 2024**

During the year-ended June 30, 2024, the District had established the Budget allocations to begin using the 2022 General Obligation Bond Funds, Series 2023 CIP Program. The District contracted with a construction management consultant (CM) to assist the District with planning and implementation of the Bond CIP Program and used some of the funds for District-managed projects.

Initial Programming Costs for the CM:

A-1 (Tax exempt)	\$26,394
A-2 (Taxable)	\$25,100

District-managed projects occurred at La Sierra Community Center and consisted of:

A-1 (Tax Exempt)	
HVAC	\$16,956
Roofing	\$211,489

A-2 (Taxable)	
HVAC	\$28,127
Roofing	\$417,306

**LONG-TERM DEBT**

During the year ended June 30, 2023, the District issued long-term debt as part of the voter approved 2022 General Obligation Bonds totaling over \$31.9M. The first Bond issuance occurred in March 2023 (Series 2023), totaling \$10,445,309. During the year ended June 30, 2024, the first payments towards Debt Service occurred, interest only for the A-1 (Tax Exempt) fund; principal and interest for the A-2 (Taxable) fund.

	<u>2024</u>	<u>2023</u>
2022 General Obligation Bonds:		
Series 2023A-1 (Tax Exempt)	\$ 5,360,000	\$ 5,360,000
Series 2023A-2 (Taxable)	4,640,000	4,640,000
Premium, Series 2023A-1	430,214	445,309
2022 General Obligation Bonds	<u>\$ 10,430,214</u>	<u>\$10,445,309</u>

**Carmichael Recreation and Park District  
Management's Discussion and Analysis  
June 30, 2024**

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The District's primary funding sources for ongoing operations are property tax revenues, leases/building rental income, and recreation services income. In fiscal year 2023-24, the District experienced aggregate property tax growth of 43.6% and program revenue growth of 9.2% over the previous year. Property taxes continue to show modest, stable growth. The District's 2023-24 assessed value growth is 5% from a year ago.

Over the period, the District has not only pivoted from the impact of COVID-19 in its programs and services but has experienced growth surpassing pre-pandemic levels in its facility rental programs. Tenant lease revenue is up due to rate structure and escalation factor changes for two tenants. The District has continued to use lessons learned from the pandemic as public use of parks and programs expanded to include both passive and active ways to engage in leisure and sports activities. District programming continues to respond to community need.

There have been some operational changes to meet demand, increasing the operations budget to support the increased programming.

During FY2023-24, in the wake of the Total Compensation Study and to address concerns over rising health benefit costs, a committee was formed from volunteer, non-exempt employees representing each division, demographic, and time in service to evaluate the benefit program. Their findings were shared with management who worked on solutions to address rising health insurance costs while enhancing benefits to improve recruitment and retention. The outcome included both monetary and non-monetary enhancements; incentives to drive down health insurance costs which will be realized during FY2024-25.

Program revenues continue to cover direct cost delivery. The District continues to partner with other local agencies, such as San Juan Unified School District and non-profits, such as Carmichael Parks Foundation, Kiwanis Club of Carmichael, and Rotary Club of Carmichael who not only provided financial resources but volunteered in delivery of services. In FY 2023-24, the District introduced an Event Sponsorship Program, receiving \$28.5K to offset the cost of events. This program secures the resources to offer premium events that are gratis to the community.

Other examples of some improvements made and continued efforts for responsive, well maintained and safe parks, facilities, and programs:

The District is committed to continuation of the turf management program both in supplies and equipment; the use of sheep to deal with weed abatement three parks; ongoing tree inspection and maintenance, including the removal of hazardous trees; contracting for preventative maintenance and repair of HVAC systems and to clean and sanitize all the ice machines, at a cost savings in-lieu of staffing and improved air quality for the health and safety of staff, residents, and visitors; improved signage at district parks to improve communication and safety, ongoing care and maintenance of the hardwood flooring at La Sierra Community Center in the gymnasiums and the Sierra Rooms; ongoing inspection, care, and maintenance of district playgrounds, including equipment and fall zone material to ensure safety.

**Carmichael Recreation and Park District  
Management's Discussion and Analysis  
June 30, 2024**

In the program area, we kept the use of QR Codes for marketing and returned with new and improved program offerings of Kids Hang-Out after-school/summer camps and numerous youth and adult sports; Middle School STEM Programs (sponsored by the Carmichael Parks Foundation), Senior Valentine's Dance, in-person Breakfast with the Bunny, Concerts in the Park shifted to spring and fall concert offerings, Founders Heritage Festival, Red, White, & Blue Celebration, Tree Lighting with "snow" (co-sponsored by Events Sponsorship Program) and more. More community members are engaging with the District through all our social media channels, community surveys, and meetings.

We continue to benefit from improved communications and efficiencies, with a low cost VoIP system; completed the phasing out of desktop computers as applicable with laptop computers to facilitate hybrid/remote workplace when needed; contracting with Zoom to host virtual meeting to support Hybrid Advisory Board Meetings allowing for in-person and online engagement; supports other meetings and training; continue to use a subscription for an online, integrated HR/Time-tracking software to streamline and improve communication between employees and with administrative services; use for employee recruitment activities.

As part of future planning, the CEQA process was completed for the Master Plan. The findings in the Master Plan combined with the Deferred Maintenance Assessment Study, and ADA Transition Study were used to share with the Community about the condition of District facilities to explore alternative financial resources to address infrastructure restoration, improvements, and development needs and as part of Measure G. With the passage of Measure G, these findings were used to develop the Bond CIP Program.

While COVID-19 had a tremendous impact on our fund resources and programs, it provided an opportunity to reevaluate, plan, and improve how we deliver programs.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET**

The District continues to move forward with the recommendations made in the Consolidation Feasibility Study and the Staff Assessment to achieve better efficiency and cost effectiveness of programs and operations, along with the Master Plan, Deferred Maintenance Assessment Study, Financial Planning and Advisory Services recommendations to address the current and future infrastructure needs and secure the necessary funding. The successful passage of Measure G, General Obligation Bonds of \$31.9M was a game changer for the District and the Community. We now have funds to address a portion of the ADA/Deferred Maintenance priorities and implementation of some of the Master Plan. The District will continue to evaluate recommendations, prioritizing, planning, and maximizing opportunities and to implement park and facility improvements and services, deemed possible.

The District's property tax base continues to remain stable and exhibit growth with increases in the assessed valuation of the properties and new in-fill development in the tax rate area, the building rental and program revenue areas continue to recover following the effects of Covid-19. The District remains committed to providing services within its financial means, adding services as the funding permits and looking for creative solutions through partnerships. No matter what happens, the District has always looked for creative solutions and opportunities whenever faced with an economic or polycrisis challenge.

**Carmichael Recreation and Park District  
Management's Discussion and Analysis  
June 30, 2024**

The District will continue to work in collaboration with other recreation and park districts, schools, the Carmichael Recreation and Park District Foundation, community organizations and service groups, business, and residents to address its mission to satisfy the recreational needs of the Community by providing a wide range of facilities and opportunities to enrich the quality of life.

This financial report is designed to provide the District's residents and other interested parties with an overview of the District's financial conditions and operations. More information can be found on the District's website at [www. http://carmichaelpark.com](http://carmichaelpark.com). Should the reader have questions, please contact the Carmichael Recreation and Park District, District Administrator, 5750 Grant Avenue, Carmichael, California 95608, (916) 485-5322.

## **BASIC FINANCIAL STATEMENTS**

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2024**

**Assets**

Current:

Cash and investments	\$ 1,667,945
Receivables	460,605
Lease receivable - current	1,131,500
Restricted cash	10,678,973
Total current assets	<u>13,939,023</u>

Non-current:

Lease receivable, net of current	3,862,746
Capital assets, net	11,003,769
Total non-current assets	<u>14,866,515</u>
Total Assets	28,805,538

Deferred Outflows of Resources:

Pension	661,845
OPEB	12,964

**Liabilities**

Current:

Accounts payable	525,506
Accrued liabilities	31,564
Deferred revenue	49,316
Tenant deposits	111,062
Accrued interest	216,937
Total current liabilities	<u>934,385</u>

Non-current:

Compensated absences	193,092
2022 General Obligation Bonds	10,000,000
Bond premium payable	430,214
Net OPEB liability	67,273
Net pension liability	2,400,388
Total non-current liabilities	<u>13,090,967</u>
Total Liabilities	14,025,352

Deferred Inflows of Resources:

Leases	4,824,193
Pension	306,671
OPEB	77,395

**Net Position:**

Invested in capital assets, net of related debt	10,278,397
Restricted	1,215,790
Unrestricted	(1,247,451)
Total Net Position	<u><u>\$ 10,246,736</u></u>

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



**CARMICHAEL RECREATION AND PARK DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED  
JUNE 30, 2024**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
Governmental Activities:					
Recreation	\$ 5,740,207	\$ 2,205,432	\$ 59,662	\$ -	\$ (3,475,113)
Interest on long-term debt	521,455	-	-	-	(521,455)
Total Governmental Activities	<u>\$ 6,261,662</u>	<u>\$ 2,205,432</u>	<u>\$ 59,662</u>	<u>\$ -</u>	(3,996,568)

General Revenues:

Property taxes	3,681,837
Use of money and property	839,491
Impact and in-lieu fees	184,311
Intergovernmental	28,400
Other revenues	<u>164,059</u>

Total General Revenues 4,898,098

Change in Net Position 901,530

Net Position at Beginning of Fiscal Year 9,333,985

Prior Period Adjustment 11,221

Restated Net Position 9,345,206

Net Position at End of Fiscal Year \$ 10,246,736

The accompanying footnotes are an integral part of these financial statements

**FUND FINANCIAL STATEMENTS**

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**BALANCE SHEET**  
**JUNE 30, 2024**

	General Fund	Park Maintenance and Improvement Assessment	Park Impact Fees	Parkland Dedication Trust	Capital Improvement Public Fund	Debt Service Fund	Total Government Funds
<b>Assets</b>							
Cash and investments	\$ 342,509	\$ 111,523	\$ 377,732	\$ 836,181	\$ -	\$ -	\$ 1,667,945
Receivables	433,841	-	8,777	17,987	-	-	460,605
Lease receivable	4,994,246	-	-	-	-	-	4,994,246
Due from (to) other funds	569,760	-	(112,122)	(457,638)	-	-	-
Restricted cash	-	-	-	-	9,551,399	1,127,574	10,678,973
<b>Total Assets</b>	<b>\$ 6,340,356</b>	<b>\$ 111,523</b>	<b>\$ 274,387</b>	<b>\$ 396,530</b>	<b>\$ 9,551,399</b>	<b>\$ 1,127,574</b>	<b>\$ 17,801,769</b>
 <b>Liabilities and Fund Balances</b>							
<b>Liabilities</b>							
Accounts payable	\$ 313,185	\$ -	\$ -	\$ -	\$ 212,321	\$ -	\$ 525,506
Accrued liabilities	31,564	-	-	-	-	-	31,564
Tenant deposits	111,062	-	-	-	-	-	111,062
Deferred revenue	49,316	-	-	-	-	-	49,316
<b>Total Liabilities</b>	<b>505,127</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>212,321</b>	<b>-</b>	<b>717,448</b>
<b>Deferred Inflows</b>							
Receivables	416,487	-	-	-	-	-	416,487
Leases	4,824,193	-	-	-	-	-	4,824,193
<b>Total Deferred Inflows</b>	<b>5,240,680</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5,240,680</b>
<b>Fund Balances</b>							
Nonspendable - leases	170,053	-	-	-	-	-	170,053
Restricted	-	-	274,387	396,530	9,339,078	1,127,574	11,137,569
Unassigned	424,496	111,523	-	-	-	-	536,019
<b>Total Fund Balances</b>	<b>594,549</b>	<b>111,523</b>	<b>274,387</b>	<b>396,530</b>	<b>9,339,078</b>	<b>1,127,574</b>	<b>11,843,641</b>
 Total Liabilities, Deferred inflows, and Fund Balances	 <b>\$ 6,340,356</b>	 <b>\$ 111,523</b>	 <b>\$ 274,387</b>	 <b>\$ 396,530</b>	 <b>\$ 9,551,399</b>	 <b>\$ 1,127,574</b>	 <b>\$ 17,801,769</b>

The accompanying footnotes are an integral part of these financial statements

**CARMICHAEL RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
JUNE 30, 2024**

Total fund balances of the District's governmental funds differ from net position of governmental activities primarily because of the long-term focus of the Statement of Net Position versus the current financial resources focus of the governmental fund Balance Sheet. The differences are described below:

Fund Balances of Governmental Funds	\$ 11,843,641
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In governmental funds, only current assets are reported. In the Statement of Net Position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	11,003,769
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Long-term liabilities not due and available in the current period, and therefore, are not reported in the governmental funds Balance Sheet. Those liabilities consist of:

Compensated absences	(193,092)
Net pension liability	(2,400,388)
Net OPEB liability	(67,273)
2022 General Obligation Bonds	(10,000,000)
Bond premium payable	(430,214)
Accrued interest	(216,934)
Deferred outflows of resources reported in the Statement of Net Position	674,809
Deferred inflows of resources reported in the Statement of Net Position	(384,066)

Long-term receivables are not available to pay current period expenditures and are reported as deferred inflows for unavailable revenue in governmental funds.

	416,487
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Net Position of Governmental Activities

	\$ 10,246,736
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The accompanying footnotes are an integral part of these financial statements

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2024**

	General Fund	Park Maintenance and Improvement Assessment	Park Impact Fund	Parkland Dedication Trust	Capital Improvement Fund	Debt Service Fund	Total Government Funds
<b>Revenues</b>							
Property taxes	\$ 2,671,620	\$ -	\$ -	\$ -	\$ -	\$ 1,010,217	\$ 3,681,837
Intergovernmental	19,783	-	-	-	-	8,617	28,400
Impact and in-lieu fees	-	-	156,884	27,427	-	-	184,311
Charge for services and building	2,205,432	-	-	-	-	-	2,205,432
Grants and contributions	59,662	-	-	-	-	-	59,662
Investment earnings	226,005	-	15,430	33,868	405,032	159,156	839,491
Other revenue	552,386	-	-	-	-	-	552,386
Total Revenues	<u>5,734,888</u>	<u>-</u>	<u>172,314</u>	<u>61,295</u>	<u>405,032</u>	<u>1,177,990</u>	<u>7,551,519</u>
<b>Expenditures</b>							
Salaries and benefits	3,033,148	-	-	-	-	-	3,033,148
Services and supplies	2,205,146	-	-	-	234,957	-	2,440,103
Capital outlay	179,183	-	95,454	237,810	725,372	-	1,237,819
Debt service							
Principal	-	-	-	-	-	-	-
Interest	-	-	-	-	-	438,206	438,206
Total Expenditures	<u>5,417,477</u>	<u>-</u>	<u>95,454</u>	<u>237,810</u>	<u>960,329</u>	<u>438,206</u>	<u>7,149,276</u>
Excess (Deficit) of Revenues Over Expenditures	<u>317,411</u>	<u>-</u>	<u>76,860</u>	<u>(176,515)</u>	<u>(555,297)</u>	<u>739,784</u>	<u>402,243</u>
<b>Other Financing Sources (Uses)</b>							
Operating transfers in	171,603	-	-	-	-	-	171,603
Operating transfers (out)	-	(171,603)	-	-	-	-	(171,603)
Total Other Financing Sources (Uses)	<u>171,603</u>	<u>(171,603)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	489,014	(171,603)	76,860	(176,515)	(555,297)	739,784	402,243
<b>Fund Balances</b>							
Beginning of year	56,491	283,126	197,527	573,045	9,794,420	387,790	11,292,399
Prior period adjustment	49,044	-	-	-	99,955	-	148,999
Beginning of Year, Restated	<u>105,535</u>	<u>283,126</u>	<u>197,527</u>	<u>573,045</u>	<u>9,894,375</u>	<u>387,790</u>	<u>11,441,398</u>
End of year	<u>\$ 594,549</u>	<u>\$ 111,523</u>	<u>\$ 274,387</u>	<u>\$ 396,530</u>	<u>\$ 9,339,078</u>	<u>\$ 1,127,574</u>	<u>\$ 11,843,641</u>

The accompanying footnotes are an integral part of these financial statements

**CARMICHAEL RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND  
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED  
JUNE 30, 2024**

The net change in fund balances of governmental funds differs from the change in net position of governmental activities primarily because of the long-term focus of the Statement of Net Position versus the current financial resources focus of the governmental funds Balance Sheet. The differences are described below:

Net Change in Fund Balances - Total Governmental Funds	\$	402,243
Some revenues are reported as deferred inflows in governmental funds because they do not represent current financial resources that are recognized in the Statement of Activities. Amount represents the change in deferred inflows recognized.		
		(388,327)
Governmental funds report capital outlays as expenditures. In the Statement of Activities, however, the cost of capital assets is allocated over their estimated useful lives as depreciation expense. The change in capital assets consists of:		
Cost of assets capitalized		1,237,819
Depreciation expense		(418,524)
Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.		
Change in accrued interest		(98,345)
Amortization of bond premium		15,095
Change in deferred outflows and inflows of resources related to pension plan		483,962
Change in deferred outflows and inflows of resources related to OPEB		(11,187)
Change in net OPEB liability		17,258
Change in net pension liability		(338,465)
		(338,465)
Change in Net Position of Governmental Activities	\$	901,530

The accompanying footnotes are an integral part of these financial statements

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 1 - DEFINING THE FINANCIAL REPORTING ENTITY**

The Carmichael Recreation and Park District (the District) was organized in 1945 under the laws of the State of California, in accordance with the Public Resources Code section 5780. The District operates under the control of an Advisory Board of Directors appointed by the Sacramento County Board of Supervisors. The District is a component unit of Sacramento County, and, as such, is included within the County's financial reporting entity as a special revenue fund.

The District provides recreation and park community services to its citizens through its thirteen park sites on 180 acres, a botanical garden, a 17-acre nature area, and a large community center.

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant accounting policies of the District are described below:

**Basis of Presentation**

**Government-Wide and Fund 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 primary government. The effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenue, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenue. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenue includes (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and (2) the use of property for both short-term and long-term use.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Fund Accounting**

The accounts of the District are organized on the basis of funds, each of which is considered a separate entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance/equity, revenue, and expenditures or expenses, as appropriate. Government resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The funds are organized as follows:

**Governmental Funds**

General Fund – This is the primary 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 Funds – The District maintains the following Special Revenue funds:

Park Maintenance and Improvement Assessment Fund – This Fund was established by vote of the taxpayers in 2014. The purpose of this fund is to comply with the reporting and accounting requirements of the special assessment. This assessment was found to be illegal and has since been rescinded.

Park Impact Fund – Real estate developers, property owners, and similar entities are required to pay a fee to the District for the additional financial impact placed upon the District from the additional usage of District park and recreational facilities as a result of their real estate projects. This revenue source, restricted by enabling legislation, is to be expended in accordance with the provision of the enabling legislation.

Parkland Dedication Trust – The trust consists of in-lieu fees paid by developers of subdivisions within the boundaries of the District. The use of the funds is restricted under the Quimby Act for the purpose of providing park and recreational facilities to serve the population. These funds are accounted for in a special revenue fund for financial statement presentation.

Capital Improvement Public Fund – This Fund was established by vote of the taxpayers in November 2022. The purpose of this fund is to comply with the reporting and accounting requirements of the use of funds received from the issuance of general obligation bonds.



**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Fund Accounting - continued**

Debt Service Fund – This Fund was established by vote of the taxpayers in November 2022. The purpose of this fund is to comply with the reporting and accounting requirements for repayment of the general obligation bonds.

**Basis of Accounting and Measurement Focus**

Basis of accounting refers to when revenue and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of measurement made, regardless of the measurement focus applied.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenue is recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements have been met.

In the fund financial statements, all Governmental Funds and Agency Funds are accounted for using the modified accrual basis of accounting. Revenue is recognized when it becomes both measurable and available to finance the expenditures of the current period (susceptible to accrual). Major revenue sources susceptible to accrual include substantially all property taxes, taxpayer-assessed taxes (such as sales and use, utility users, business license, transient occupancy, franchise fees, and gas taxes), interest, special assessments levied, state and federal grants, and charges for current services. Revenue from licenses, permits, fines, and forfeits is recorded as received. Expenditures are recorded when the related fund liability is incurred. Fiduciary Fund revenue and expenses or expenditures (as appropriate) are recognized on the basis consistent with the fund’s accounting measurement objective.

All Governmental Funds are accounted for using a current financial resources measurement focus. This means that only current assets and current liabilities are generally included on their Balance Sheet. Their reported fund balance is considered a measure of “available spendable resources.” Governmental Fund operating statements present increases (revenue and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they present a summary of sources and uses of “available spendable resources” during a period.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES – continued**

**Basis of Accounting and Measurement Focus - continued**

The government-wide financial statement is accounted for on a flow of economic resources measurement focus. This means that all assets and all liabilities (whether current or non-current) associated with their activity are included on their Statement of Net Position.

**Cash and Investments** – Deposits in financial institutions, money market funds, and the County Treasurer’s investment pool are reported as cash and investments since funds can be spent at any time without prior notice or penalty. Investments are stated at fair value.

**Receivables and Payables** – Property, sales, and use taxes related to the current fiscal year are accrued as revenue and accounts receivable, and considered available if received within 60 days of fiscal year end. Federal and State grants are considered receivable and accrued as revenue when reimbursable costs are incurred under the accrual basis of accounting in the government-wide Statement of Net Position. The amount recognized as revenue under the modified accrual basis of accounting is limited to the amount that is deemed measurable and available. The District considers these taxes available if they are received during the period when settlement of prior fiscal year accounts payable and payroll charges normally occur. Grants, entitlements, or shared revenue are recorded as receivables and revenue in the general, special revenue, and capital projects funds when they are received or susceptible to accrual.

**Due To/Due From Other Funds** – Balances representing lending/borrowing transactions between funds outstanding at the end of the fiscal year are reported as either “due to/due from other funds” (amounts due within one year), “advances to/from other funds” (non-current portions of interfund lending/borrowing transactions), or “loans to/from other funds” (long-term lending/borrowing transactions as evidenced by loan agreements). Advances and loans to other funds are offset by a fund balance reserve in applicable Governmental Funds to indicate they are not available for appropriation and are not expendable available financial resources.

**Allowance for Doubtful Accounts** – Management has elected to record bad debts using the direct write-off method. Accounting principles generally accepted in the United States of America require that the allowance method be used to reflect bad debts. However, the effect of the use of the direct write-off method is not materially different from the results that would have been obtained had the allowance method been followed.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Property Taxes** – Property taxes in the State of California are administered for all local agencies at the County level and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

**Property Valuations** – are established by the Assessor of Sacramento County for the secured and unsecured property tax rolls; the utility property tax roll is valued by the California State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13, adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations and is subject to annual reappraisal.

**Tax Levies** – are limited to 1% of full assessed value, which results in a tax rate of \$1.00 per \$100 assessed valuation under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

**Tax Levy Dates** – are attached annually on January 1, preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

**Tax Collections** – are the responsibility of the Sacramento County's tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: The first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payments.

**Tax Levy Apportionments** – due to the nature of the District-Wide maximum levy, it is not possible to identify general-purpose tax rates for specific entities. Under State legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by each County Auditor-Controller based primarily on the ratio that each agency represented of the total District-Wide levy for the three fiscal years prior to fiscal year 1979.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Property Taxes - continued**

**Property Tax Administration Fees** – the State of California fiscal year 1990-91 Budget Act authorized Counties to collect an administrative fee for its collection and distribution of property taxes.

**Capital Assets** – Capital assets are reported in the government-wide Statement of Net Position. Capital assets are stated at historical cost, when available, and at estimated replacement cost when original cost was not available. Donated assets are stated at estimated market value at date of donation. The District generally follows Sacramento County’s policy to capitalize all capital assets with costs exceeding a minimum threshold of \$25,000. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets, which range from five to fifty years.

**Compensated Absences** – Compensated absences represent the vested portion of accumulated vacation/other time for employees. Compensated absences is accrued in the government-wide statements. The District excludes additional accruals for salary-related payments associated with the payment of compensated absences, for example, the employer’s share of pension contributions, social security, and Medicare taxes, have not been accrued as that amount is not considered significant or material to the financial statements taken as a whole.

**Use of Estimates** – Financial statement preparation, in conformity with accounting principles generally accepted in the United States of America, requires the use of 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 revenue and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

**Long-Term Obligations** – In the government-wide financial statements, long-term debt and obligations are reported as liabilities in the applicable Statement of Net Position. Bond premiums, issuance costs, and discounts are deferred and amortized over the life of the bond. In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. Proceeds received from the issuance of debt is reported as other financing sources.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Net Position and Fund Balances** – Net position designations are classified on the government-wide Statement of Net Position as follows:

- Invested in capital assets, net of related debt – represents the District’s total investment in capital assets reduced by any outstanding debt used to acquire these assets.
- Restricted net position – includes resources that the District is legally or contractually obligated to spend in accordance with restrictions imposed by external third parties.
- Unrestricted net position – represents resources derived from sources without spending restrictions, are used for transactions relating the general operations of the District, and may be used at the discretion of those charged with governance to meet current expenses or obligations for any purpose.

Fund balance designations are classified on the governmental funds Balance Sheet as follows:

- Nonspendable – amounts that cannot be spent because they are either (a) legally or contractually required to be maintained intact, or (b) not in spendable form.
- Restricted – amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation.
- Committed – amounts that can be used only for the specific purposes determined by a formal action of the Board, to establish, modify, or rescind a fund balance commitment.
- Assigned – amounts that are constrained by the government’s intent to be used for specific purposes but do not meet the criteria to be classified as restricted or committed, as determined by a formal action or policy of the Board or its appointed official.
- Unassigned – the residual classification for the government’s general fund and includes all spendable amounts not contained in the other classifications.

Major Funds – The District’s Major Funds are as follows:

- General Fund
- Park Maintenance and Improvement Assessment Fund
- Park Impact Fee
- Parkland Dedication Trust
- Capital Improvement Public
- Debt Services

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Stewardship, Compliance, and Accountability**

Budgetary Information – The District follows these procedures annually in establishing the budgetary data reflected in the financial statements:

The District Advisory Board approves and recommends a recommended budget annually each spring, which the County Board of Supervisors adopts in June concurrent with the adoption of the County’s recommended budget.

The County conducts public hearings on the proposed budget to obtain comments from interested persons.

At a special meeting in August, adjustments to the recommended budget are tentatively approved through the District Advisory Board of Directors. The adjustments to the recommended budget are submitted to the County.

In September, public hearings are held by the County of Sacramento to receive taxpayer comments prior to final budget adoption. The budget becomes legally authorized when it is subsequently approved by the Sacramento County Board of Supervisors by resolution during final budget hearings.

From the effective date of the budget, which is adopted and controlled at the department level, the amounts stated therein as proposed expenditures become appropriations to the various District departments. The County Board of Supervisors may amend the budget by resolution during the fiscal year.

**Economic Dependency** – In the 2024 fiscal year, the District received 51% of its revenues from property taxes. Any reduction in assessed property values or reductions in the District’s property tax share due to the State’s ongoing budget crisis could have serious consequences to the District’s operating budget.

**Revenue Limitations Imposed By California Proposition 218** – Proposition 218, which was approved by the voters in November 1996, regulates the District’s ability to impose, increase, and extend taxes, assessments, and fees. Any new, increased, or extended taxes, assessments, and fees subject to the provisions of Proposition 218 require voter approval before they can be implemented. Additionally, Proposition 218 provides that these local taxes, assessments, or fees are subject to the voter initiative process and may be rescinded in future years by the voters.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - continued**

**Transfers** - Operating transfers are transactions to allocate resources from one fund to another fund not contingent on the incurrence of specific expenditures in the receiving fund. Interfund transfers are generally recorded as operating transfers in and operating transfers out in the same accounting period.

**Leases** - Leases are accounted for under GASB Statement No. 87 *Leases*, which requires a lessor to recognize a lease receivable and a deferred inflow of resources. The District uses the interest rate on the date of lease inception obtained from the agreement, if stated, or a risk-free interest rate obtained from U.S. Bond Treasury to calculate the lease receivable at the onset or modification of a lease.

**New Accounting Pronouncement** - GASB Statement No. 100 (effective for fiscal years beginning after June 15, 2023) – Requires that changes in accounting principles and errors be reported retroactively by restating prior periods. Also, requires that changes in accounting estimates be reported prospectively in the current period. Prior year information in the Required Supplementary Information and Management’s Discussion and Analysis, must be restated if there is a correction of an error, but not for changes in accounting principle.

**NOTE 3 - CASH AND INVESTMENTS**

The District follows the practice of pooling cash and investments of all funds except for restricted funds required to be held by outside custodians, fiscal agents, or trustees under the provisions of bond indentures. Cash and investments at the year ended June 30, 2024 are classified in the accompanying financial statements as follows:

Deposits with financial institutions:	
Imprest cash	\$ 31,366
County investment pool	12,315,554
	\$ 12,346,920

**Investment in County Investment Pool** – The District is an involuntary participant in the Sacramento County Department of Finance investment pool. Investments are stated at fair value. The County investment pool is subject to regulatory oversight by the Treasury Oversight Committee, as required by section 27134 of the California Government Code.

**Disclosures Relating to Interest Rate Risk** – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 3 - CASH AND INVESTMENTS - continued**

**Concentration of Credit Risk** – The District does not have its own investment policy but follows the allowable investments guidelines under section 53635 of the California Government Code. Substantially all of the District’s cash and investments at June 30, 2024 were invested with the County pool.

**Disclosures Relating to Credit Risk** – Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Sacramento County investment pool does not have a rating provided by a nationally recognized statistical rating organization.

**Custodial Credit Risk** – Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: “the California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit).

The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.” California law also allows financial institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. At June 30, 2024, the District had \$0 that was not covered by depository insurance but collateralized by either marketable securities, first trust deed mortgage notes, or a combination of both.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the District’s investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government’s indirect investment in securities through the use of mutual funds or government investment pools.



**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 4 - CAPITAL ASSETS**

The following is a summary of the District's capital assets, as reported in the Government-Wide Financial Statements, for the year ended June 30, 2024:

	<u>June 30, 2023</u>	<u>Additions</u>	<u>Deletions</u>	<u>Transfers</u>	<u>June 30, 2024</u>
Non-depreciable Assets:					
Land	\$ 4,621,519	\$ -	\$ -	\$ -	\$ 4,621,519
Construction-in-progress	934,745	189,703	(18,679)	(241,026)	864,743
Total non-depreciable	<u>5,556,264</u>	<u>189,703</u>	<u>(18,679)</u>	<u>(241,026)</u>	<u>5,486,262</u>
Depreciable Assets:					
Buildings	5,309,401	795,790	-	171,040	6,276,231
Structures	7,138,767	170,996	-	69,986	7,379,749
Equipment	980,732	81,330	-	-	1,062,062
Leasehold improvements	1,383,535	-	-	-	1,383,535
Total depreciable assets	<u>14,812,435</u>	<u>1,048,116</u>	<u>-</u>	<u>241,026</u>	<u>16,101,577</u>
Accumulated depreciation:	<u>(10,165,546)</u>	<u>(418,524)</u>	<u>-</u>	<u>-</u>	<u>(10,584,070)</u>
Net depreciable assets	<u>4,646,889</u>	<u>629,592</u>	<u>-</u>	<u>241,026</u>	<u>5,517,507</u>
 Total assets, net	 <u>\$ 10,203,153</u>	 <u>\$ 819,295</u>	 <u>\$ (18,679)</u>	 <u>\$ -</u>	 <u>\$ 11,003,769</u>

Depreciation expense was recorded in recreation activities in the amount of \$418,524 in the 2024 fiscal year.

**NOTE 5 - LONG-TERM OBLIGATIONS**

The District's long-term debt and obligations activity, as reported in the Government-Wide financial statements for the fiscal year ended June 30, 2024, is as follows:

	<u>Restated Balance June 30, 2023</u>	<u>Net Additions</u>	<u>Net Reductions</u>	<u>Balance June 30, 2024</u>
Compensated absences	\$ 193,092	\$ 140,450	\$ (140,450)	\$ 193,092
Net pension liability	2,061,923	338,465	-	2,400,388
Net OPEB liability	84,531	-	(17,258)	67,273
2022 General Obligation Bonds:				
Series 2023A-1 (Tax Exempt)	5,360,000	-	-	5,360,000
Series 2023A-2 (Taxable)	4,640,000	-	-	4,640,000
Premium, Series 2023A-1	445,309	-	(15,095)	430,214
Total 2022 General Obligation Bonds	<u>10,445,309</u>	<u>-</u>	<u>(15,095)</u>	<u>10,430,214</u>
 Total long-term obligations	 <u>\$ 12,784,855</u>	 <u>\$ 478,915</u>	 <u>\$ (172,803)</u>	 <u>\$ 13,090,967</u>

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5 - LONG-TERM OBLIGATIONS - continued**

**Compensated Absences** - The District employees accumulate earned but unused vacation benefits, which can be converted to cash at termination of employment. No expenditure is reported for these amounts in the governmental fund statements. However, in the Statement of Activities, vested compensated absences are recorded and expensed in accordance with collective bargaining agreements and the balance outstanding at year-end was reported in the Statement of Net Position.

**Defined Benefit Pension Plan** - The District participates in a defined benefit pension plan as described in Note 6.

**General Obligation Bonds** - In November 2022, the District held an election that received more than a two-thirds vote from qualified voters to authorize the District's issuance of general obligation bonds in the principal amount of \$31,900,000 to upgrade, construct, renovate, and expand park facilities. In March 2023, the District purchased the initial Series, Series 2023 of 2022 General Obligation Bonds for the purposes of capital project improvements for an aggregate principal amount of \$10,000,000. The total proceeds of \$10,182,210, which includes the bond premium and issuance costs, were required to be deposited into a separately established account held within the County Treasury, and are restricted only for capital improvements projects within District boundaries, and cannot be used for salaries or other administrative functions.

Because a portion of the projects will be financed with proceeds of the bonds that will be leased by non-governmental entities, a portion of the bonds must be issued on a federally taxable basis and the remaining portion can be issued on a federally tax-exempt basis. The tax-exempt Series 2023A-1 was issued with a principal of \$5,360,000 and a coupon rate of 5.000%, while the taxable Series 2023A-2 was issued with a principal of \$4,640,000 that carries a coupon rate ranging from 4.950% to 5.800%. Series 2023A-1 matures in August 2052 and Series 2023A-2 matures in August 2043. Bond debt service payments commenced August 2023 and the first principal payments will commence in fiscal year ending 2025.

The Series 2023A-1 bonds maturing on August 1, 2052 are subject to redemption prior to maturity, at the option of the District, in whole or in part by lot within a maturity, from any available source of funds on or after August 1, 2033. Additionally, those bonds maturing August 1, 2052 are also subject to redemption prior to their stated maturity in part by lot from mandatory sinking account payments made annually on and after August 1, 2044, to and including August 1, 2052 at the principal amount together with accrued interest.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5 - LONG-TERM OBLIGATIONS - continued**

**General Obligation Bonds - continued**

The Series 2023A-2 bonds maturing on or before August 1, 2033 are not subject to redemption prior to maturity. However, the bonds maturing on or after August 1, 2034 are subject to redemption prior to maturity, at the option of the District, in whole or in part by lot within a maturity, from any available source of funds. Additionally, those bonds maturing August 1, 2043 are also subject to redemption prior to their stated maturity in part by lot from mandatory sinking account payments made annually on and after August 1, 2036, to and including August 1, 2043 at the principal amount together with accrued interest.

As of June 30, 2024, the mandatory sinking fund account payments for these bonds are as follows:

<b>Payment Date</b>	<b>Series 2023A-1</b>	<b>Series 2023A-2</b>
<b>August 1,</b>		
2036	\$ -	\$ 210,000
2037	-	235,000
2038	-	260,000
2039	-	285,000
2040	-	315,000
2041	-	350,000
2042	-	385,000
2043	-	420,000
2044	395,000	-
2045	435,000	-
2046	485,000	-
2047	530,000	-
2048	585,000	-
2049	640,000	-
2050	700,000	-
2051	760,000	-
2052	830,000	-
Total	\$ 5,360,000	\$ 2,460,000

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 5 - LONG-TERM OBLIGATIONS - continued**

**General Obligation Bonds - continued**

The net purchase prices of the Series 2023A-1 and Series 2023A-2 bonds were \$5,661,471 and \$4,520,739, respectively. This includes \$10,000,000 principle, a premium of \$445,309 related to the Series 2023A-1 Bond, and issuance costs of \$263,099. In accordance with accounting policies adopted by the County of Sacramento, premiums on bonds payable are amortized on a straight-line basis, resulting in \$15,095 of annual bond interest expense recognized over the 59 interest payments beginning in the fiscal year ending June 30, 2024.

As of June 30, 2024, the schedule of debt service payments are as follows:

**2022 General Obligation Bonds, Series 2023A-1**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2025	\$ -	\$ 268,000	\$ 268,000
2026	-	268,000	268,000
2027	-	268,000	268,000
2028	-	268,000	268,000
2029	-	268,000	268,000
2030-2034	-	1,340,000	1,340,000
2035-2039	-	1,340,000	1,340,000
2040-2044	-	1,340,000	1,340,000
2045-2049	2,430,000	1,060,000	3,490,000
2050-2053	2,930,000	308,750	3,238,750
Total	<u>\$ 5,360,000</u>	<u>\$ 6,728,750</u>	<u>\$ 12,088,750</u>

**2022 General Obligation Bonds, Series 2023A-2**

<b>Fiscal Year</b>	<b>Principal</b>	<b>Interest</b>	<b>Total Payments</b>
2025	\$ 690,000	\$ 235,563	\$ 925,563
2026	145,000	214,933	359,933
2027	160,000	207,461	367,461
2028	185,000	199,008	384,008
2029	70,000	192,726	262,726
2030-2034	580,000	889,656	1,469,656
2035-2039	1,055,000	674,323	1,729,323
2040-2044	1,755,000	274,195	2,029,195
Total	<u>\$ 4,640,000</u>	<u>\$ 2,887,864</u>	<u>\$ 7,527,864</u>

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN**

**Plan Description** – The Carmichael Recreation and Park District contributes to the Sacramento County Employees Retirement System (SCERS), a multiple-employer, cost sharing public employee pension plan. SCERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. Copies of the SCERS annual financial report may be obtained from their Administrative Office, 980 – 9th Street, Suite 1800, Sacramento, California 95814 and is available on the County System’s web site: <http://www.scers.org>.

**Funding Policy** – Contributions to the plan are made pursuant to Section 31584 of the County Employees Retirement Law of 1937. The System’s funding policy provides for periodic contributions at actuarially-determined rates that, expressed as percentages of annual covered payroll, are sufficient to accumulate adequate assets to pay benefits when due. The District is obligated by state law to make all required contributions to the plan, ranging from 12.04% to 72.96% of covered payroll for fiscal year 2022-23. The required contributions include current service cost and amortization of prior service cost over a 30-year closed amortization period with 15 years remaining as of June 30, 2024. Employer contribution rates are determined using the entry age normal funding method based on a level percentage of payroll. The System also uses this actuarial method to amortize the unfunded liability, if applicable. The contributions made to SCERS in fiscal year 2024 was \$506,404.

**Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions** – At June 30, 2024, the District reported net pension liabilities of \$2,400,388 in the Statement of Net Position for its proportionate share of the net pension liability for each fiscal year. The net pension liabilities were measured as of June 30, 2023. The total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN - continued**

The District's proportionate share of the net pension liability for all Miscellaneous Plans with actuarial valuation dates of June 30, 2024 and 2023 (measurement dates June 30, 2023 and 2022) were as follows:

Proportion of measurement date - June 30, 2022	0.2200%
Proportion of measurement date - June 30, 2023	0.2200%
Change - increase (decrease)	<u>0.0000%</u>

For the fiscal year ended June 30, 2024, the District recognized pension (income)/expense of \$360,907, in its Government-Wide financial statements. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions, and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits.

At June 30, 2024, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 378,238	\$ -
Changes in assumptions	80,136	174,676
Changes in employer's proportion		
Difference between employer's contributions and employer's proportionate share of contributions	-	131,995
Net differences between projected and actual earnings on plan investments	<u>203,471</u>	<u>-</u>
Total	<u>\$ 661,845</u>	<u>\$ 306,671</u>

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN - continued**

Pension amounts reported as deferred outflows of resources and deferred inflows of resources at June 30, 2024 will be recognized in pension expense as follows:

<u>Year Ending June 30,</u>	
2025	\$ (38,312)
2026	(186,614)
2027	501,490
2028	78,610
	<u>\$ 355,174</u>

**Actuarial Methods and Assumptions** – The District’s annual pension cost for the year ended June 30, 2024 and required and actual contributions were determined as part of the June 30, 2022 actuarial valuations using the entry age normal actuarial cost method. The major actuarial assumptions were as follows:

- Discount/investment rate of return – 6.75%, net of investment expenses
- Inflation Rate – 2.50%
- Projected salary increases – 4.25 to 9.75%

The long-term expected rate of return on pension plan investments (6.75%) was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Global equity	40.00%	7.05%
Private equity	11.00%	10.12%
Public credit - High yield	1.00%	4.63%
Public credit - Leveraged loan	1.00%	4.07%
Private credit	5.00%	6.69%
Fixed income - Core	12.00%	1.97%
Fixed income - U.S. Treasury	4.00%	1.31%
Core real estate	6.00%	3.86%
Value added real estate	1.50%	6.70%
Opportunistic real estate	1.50%	8.60%
Absolute return	7.00%	3.00%
Real assets	7.00%	7.30%
Liquid real return	2.00%	4.40%
Cash	1.00%	0.63%

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 6 - DEFINED BENEFIT PENSION PLAN – continued**

The discount rate used to measure the total pension liability was 6.75 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund’s fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund’s fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

**Sensitivity of the District’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate** – The following presents what the District’s proportionate share of the net pension liability would be at June 30, 2024 if it were calculated using a discount rate that is 1 percentage point lower (5.75%) or 1 percentage point higher (7.75%) than the current rate:

	<b>1% Decrease</b>	<b>Discount Rate</b>	<b>1% Increase</b>
	<b>5.75%</b>	<b>6.75%</b>	<b>7.75%</b>
District's proportionate share of the net pension liability:			
2024 fiscal year	\$ 4,722,020	\$ 2,400,388	\$ 493,995

Detailed information about the pension fund’s fiduciary net position is available in the separately issued SCERS comprehensive annual financial report, which may be obtained by contacting SCERS.

**NOTE 7 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB)**

**Plan Description** – The plan is a single-employer plan and it does not issue a publicly available report. Sacramento County provides medical insurance and dental insurance, and subsidy/offset payments as authorized by the Board of Supervisors on an annual basis. The Board of Supervisors must approve the benefit annually or it is terminated. All annuitants are eligible to enroll in a retiree medical and/or dental insurance plan in a given calendar year if (1) they began receiving a continuing retirement allowance from SCERS during that calendar year, or (2) they were enrolled in the annual plan previously approved by the County, or (3) they previously waived coverage but elected to enroll during the County authorized enrollment period with a coverage date effective January of the given calendar year (continuous coverage).



**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) -  
continued**

**Plan Description - continued**

The Public Employment Relations Board (PERB) ruled on complaints filed by several Recognized Employee Organizations (REOs) challenging the County's elimination of the subsidy for County retirees approved by the Board of Supervisors June 5, 2007, and effective January 1, 2008. On June 30, 2009, the PERB decision ordered the County to (1) cease and desist from implementing the subsidy elimination; (2) rescind the changes in eligibility; and (3) make whole the affected parties. On March 11, 2010, the 3rd District Court of Appeals declined the County's request to review the PERB decision. Annuitants who retired on or before May 31, 2007, as well as those Recognized Employee Organizations (REOs) who filed suit are eligible for the monthly medical premium subsidy. If the annuitant met the eligibility criteria to receive a subsidy absent a retirement date of June 1, 2007, or later, the retiree will only receive a subsidy if retired from one of the REOs who filed the complaint with PERB. Annuitants who retired after May 31, 2007, and were not in an REO that filed suit are not eligible for this subsidy.

The amount of any medical subsidy/offset payments made available to eligible annuitants shall be calculated based upon the annuitant's Sacramento County Employees Retirement System (SCERS) service credit. For calendar year 2013, the Sacramento County Board of Supervisors approved a monthly subsidy of \$40 to each subsidy-eligible retiree receiving a benefit from the Sacramento County Retirement System of less than \$2,000 (dollars not expressed in thousands). Neither SCERS nor the County guarantees that a subsidy/offset payment will be made available to annuitants for the purchase of County-sponsored medical and/or dental insurance. Subsidy/offset payments are not a vested benefit of County employment or SCERS membership. The amount of the subsidy/offset payment, if any, payable on account of enrollment in a County sponsored retiree medical and/or dental insurance plan shall be established within the sole discretion of the Board of Supervisors. The District follows the County's policy on the subsidy amount.

At the OPEB liability valuation date of June 30, 2023, the following employees were covered by the benefit terms:

Inactives currently receiving benefits – 9  
Inactives entitled to but not yet receiving benefits – 18  
Active employees – 24

**Net OPEB Liability** - The District's net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of June 30, 2023. Standard actuarial update procedures were used to project/discount from valuation to measurement dates.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - continued**

**Actuarial Assumptions** - The total OPEB liability in the June 30, 2023 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

<b>Actuarial Assumption</b>	<b>June 30, 2023 Measurement Date</b>
Actuarial Valuation Date	June 30, 2023
Contribution Policy	No pre-funding
Discount rate	3.65% at June 30, 2023 (Bond Buyer 20-Bond Index) 3.54% at June 30, 2022 (Bond Buyer 20-Bond Index)
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination, Salary Increases	6/30/2023 SCERS valuation assumptions Mortality projected fully generational with Scale MP-2021 Salary increase aggregate – 2.75% annually
Medical Trend	Non-Medicare – 8.50% for 2025, decreasing to an ultimate rate of 3.45% in 2076
Medical Plan Participation at Retirement	Active: - Covered: 45% - Waived: 10% - Current and future vested terminations: 5%

The actuarial assumptions used in the June 30, 2023 valuation were based on the results of the most recent applicable experience study.

**Changes Since June 30, 2022 Measurement Date:**

<b>Actuarial Assumption</b>	<b>June 30, 2023 Measurement Date</b>
Changes of assumptions	- Discount rate was updated based on municipal bond rate as of the measurement date - Updated medical trend - Medical plan at retirement was changed for waived actives and vested terminations. See 6/30/2023 valuation report for details. - SCERS demographic assumptions were changed from SCERS 6/30/2021 to 6/30/2023 valuation. - Mortality improvement scale was updated to Scale MP-2021
Changes in benefit terms	None
Events subsequent to June 30, 2023 measurement date and before June 30, 2024	None

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) -  
continued**

**Total OPEB Liability**

	<b>Fiscal Year Ended</b>	
	<b>June 30, 2023</b>	<b>June 30, 2024</b>
	<b>Measurement Date</b>	<b>Measurement Date</b>
	<b>6/30/2022</b>	<b>6/30/2023</b>
Total OPEB Liability	\$ 84,531	\$ 67,273

**Changes in the Total OPEB Liability**

	<b>Total OPEB Liability</b>
Balance at June 30, 2023 (6/30/2022 measurement date)	\$ 84,531
Changes for the year:	
Service cost	7,570
Interest	3,201
Actual vs. expected experience	(33,189)
Assumption changes	8,499
Benefit payments	(3,339)
Net Changes	(17,258)
Balance at June 30, 2024 (6/30/2023 measurement date)	\$ 67,273

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) - continued**

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

	<b>Discount Rate</b>		
	<b>1% Decrease (2.65%)</b>	<b>Current Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB Liability	\$ 72,622	\$ 67,273	\$ 62,714

**Sensitivity of the District’s Total OPEB Liability to Changes in the Healthcare Cost Trend Rates** - The following presents the total OPEB liability of the District, as well as what the District’s total OPEB liability would be if it were calculated using a healthcare cost-trend rate that is 1-percentage point lower or 1-percentage point higher than the healthcare cost-trend rate:

	<b>Healthcare Trend Rate</b>		
	<b>1% Decrease (2.65%)</b>	<b>Current Rate (3.65%)</b>	<b>1% Increase (4.65%)</b>
Total OPEB Liability	\$ 58,339	\$ 67,273	\$ 77,721

**OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB** - For the year ended June 30, 2024, the District recognized OPEB of (\$6,074). OPEB expense is the sum of the initial valuation of the plan on the effective date plus the change in Net OPEB Liability, the change in deferred outflows, and the change in deferred inflows, reduced by the employer contributions.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 7 – POST-EMPLOYMENT BENEFITS OTHER THAN PENSIONS (OPEB) -  
continued**

For the reporting year ending June 30, 2024, the District recognized deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ -	\$ 47,980
Changes in assumptions	11,787	29,415
Employer contributions made subsequent to the measurement date	1,177	-
Total	<b>\$ 12,964</b>	<b>\$ 77,395</b>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

	<b>Deferred Outflows/(Inflows) of Resources</b>
2025	\$ (15,668)
2026	(15,278)
2027	(14,573)
2028	(7,781)
2029	(6,611)
Thereafter	(5,697)
	<b>\$ (65,608)</b>

**NOTE 8 - RISK MANAGEMENT**

The District is exposed to various risks of loss related to torts, theft of, damage to, and destruction of assets, errors and omissions, injuries to employees, and natural disasters. The District is a member of the California Association for Park and Recreation Indemnity (CAPRI), an established public entity risk pool that operates as a common risk management and insurance program for government members. This policy covers the District’s general liability, property, and equipment located in Carmichael, California. The District pays an annual premium to the pool for its worker’s compensation, excess worker’s compensation, property, and general coverages.

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**Notes to the Financial Statements**  
**June 30, 2024**

**NOTE 9 - COMMITMENTS AND CONTINGENCIES**

The District occasionally receives funding from a number of federal, state, and local grant programs. These programs are subject to financial and compliance review by grantors. Accordingly, the District’s compliance with applicable grant requirements will be determined at some future date. Expenditures, if any, which may be disallowed by the granting agencies, cannot be determined at this time. The District does not expect the undeterminable amounts of disallowed expenditures, if any, to materially affect the financial statements. Receipt of this federal, state, and local grant revenue is not assured in the future.

**NOTE 10 – PRIOR PERIOD ADJUSTMENT**

A prior period adjustment was presented to account for corrections of errors in prior year including under reporting of imprest funds held, OPEB balances not properly accounting for under GASB 75, and prior year interest earned on restricted funds held in the Capitol Improvement Fund. The following is a summary of the cumulative effect on the net position and fund balances as of July 1, 2023.

	Cumulative effect	
	Government Fund Balances	Government-Wide Net Position
Imprest funds	\$ 49,044	\$ 49,044
Capital Improvement Fund investment income	99,955	99,955
OPEB liability	-	(84,531)
Deferred inflows - OPEB	-	(62,080)
Deferred outflows - OPEB	-	8,833
Total prior period adjustment	148,999	11,221
Prior year Reported	11,292,399	9,333,985
Restated Balance	\$ 11,441,398	\$ 9,345,206

**NOTE 11 - SUBSEQUENT EVENTS**

The management of the District has reviewed the results of operations for the period from its years ending June 30, 2024 through March 19, 2025, the date the financial statements were available to be issued, and have determined that no adjustments are necessary to the amounts reported in the accompanying financial statements.

**REQUIRED SUPPLEMENTARY INFORMATION**

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GENERAL FUND**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED**  
**JUNE 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<b>Variance with</b>
	<u>Original</u>	<u>Final</u>		<b>Final Budget</b>
				<b>Positive</b>
				<b>(Negative)</b>
<b>Revenues</b>				
Property taxes	\$ 2,551,448	\$ 2,627,042	\$ 2,671,620	\$ 44,578
Intergovernmental	438,000	1,066,967	19,783	(1,047,184)
Charge for services	576,500	634,500	681,040	46,540
Use of money and property	1,483,000	1,596,000	1,750,397	154,397
Other revenue	75,500	178,323	612,048	433,725
Total Revenues	<u>5,124,448</u>	<u>6,102,832</u>	<u>5,734,888</u>	<u>(367,944)</u>
<b>Expenditures</b>				
Salaries and benefits	3,135,252	3,253,070	3,033,148	219,922
Services and supplies	2,119,477	2,395,379	2,205,146	190,233
Capital outlay	505,000	1,395,721	179,183	1,216,538
Appropriation for contingencies	647,693	500,000	-	500,000
Total Expenditures	<u>6,407,422</u>	<u>7,544,170</u>	<u>5,417,477</u>	<u>2,126,693</u>
Excess (Deficit) of Revenues Over Expenditures	(1,282,974)	(1,441,338)	317,411	1,758,749
Other Financing Sources (Uses)	<u>147,693</u>	<u>171,603</u>	<u>171,603</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (1,135,281)</u>	<u>\$ (1,269,735)</u>	<u>\$ 489,014</u>	<u>\$ 1,758,749</u>



**CARMICHAEL RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**CAPITAL IMPROVEMENT FUND**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED**  
**June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Use of money and property	\$ 64,637	\$ 80,797	\$ 405,032	\$ 324,235
Total Revenues	<u>64,637</u>	<u>80,797</u>	<u>405,032</u>	<u>324,235</u>
<b>Expenditures</b>				
Services and supplies	60,000	60,000	234,957	(174,957)
Capital outlay	9,815,217	9,815,217	725,372	9,089,845
Total Expenditures	<u>9,875,217</u>	<u>9,875,217</u>	<u>960,329</u>	<u>8,914,888</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(9,810,580)</u>	<u>(9,794,420)</u>	<u>(555,297)</u>	<u>9,239,123</u>
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u><u>\$ (9,810,580)</u></u>	<u><u>\$ (9,794,420)</u></u>	<u><u>\$ (555,297)</u></u>	<u><u>\$ 9,239,123</u></u>

**CARMICHAEL RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**DEBT SERVICE FUND**  
**BUDGET AND ACTUAL**  
**FOR THE YEAR ENDED**  
**June 30, 2024**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
				<u>Positive</u>
				<u>(Negative)</u>
<b>Revenues</b>				
Property taxes	\$ 100,000	\$ 100,000	\$ 1,010,217	\$ 910,217
Intergovernmental	-	-	8,617	8,617
Use of money and property	1,911	3,810	159,156	155,346
Total Revenues	<u>101,911</u>	<u>103,810</u>	<u>1,177,990</u>	<u>1,074,180</u>
<b>Expenditures</b>				
Debt service				
Principal	-	-	-	-
Interest	405,281	405,281	438,206	(32,925)
Total Expenditures	<u>405,281</u>	<u>405,281</u>	<u>438,206</u>	<u>(32,925)</u>
Excess (Deficit) of Revenues Over Expenditures	<u>(303,370)</u>	<u>(301,471)</u>	<u>739,784</u>	<u>1,041,255</u>
Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Excess (Deficit) of Revenues and Other Sources Over (Under) Expenditures and Other Uses	<u>\$ (303,370)</u>	<u>\$ (301,471)</u>	<u>\$ 739,784</u>	<u>\$ 1,041,255</u>

**CARMICHAEL PARK AND RECREATION DISTRICT**  
**Note to Required Supplementary Information – Budgetary Comparison Information**  
**June 30, 2024**

The District follows these procedures in establishing the budgetary data reflected in the financial statements:

- At a regular meeting, several months prior to the close of each fiscal year, the District Administrator submits to the District Advisory Board of Directors a proposed recommended budget for the fiscal year commencing the following July 1. The recommended budget includes proposed revenue and expenditures.
- The recommended budget is submitted to the County. In June, public hearings are conducted at a regular meeting held by the County Board of Supervisors to receive taxpayer comments prior to adoption of the District recommended budget as part of the County Budget process.
- At a special meeting in August, the adjustments to the recommended budget are tentatively approved through the District Advisory Board of Directors. The adjustments to the recommended budget are submitted to the County.
- In September, public hearings are held by the County of Sacramento to receive taxpayer comments prior to final budget adoption. The budget becomes legally authorized when it is subsequently approved by the Sacramento County Board of Supervisors by resolution during final budget hearings.
- The District Administrator is authorized to transfer budget amounts within and between services and supplies, other charges (principal and interest on long-term debt), and capital expenditure accounts in the general fund as deemed desirable and necessary in order to meet the District's needs; however, revisions that affect salaries and employee benefits, contingency, and/or reserve accounts or which alter the total expenditures must be approved by the Sacramento County Board of Supervisors.
- Budgets are adopted on a basis consistent with generally accepted governmental accounting principles. Budgeted amounts presented are as originally adopted and as further amended.

**CARMICHAEL PARK AND RECREATION DISTRICT**  
**Required Supplementary Information – Pensions**  
**June 30, 2024**

Schedule of the District's proportionate share of the Net Pension Liability  
Last 10 Fiscal Years\*:

	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>	<b>June 30, 2019</b>
District's proportion of the net pension liability	0.102%	0.119%	0.140%	0.128%	0.139%
District's proportionate share of the net pension liability	787,256	1,373,257	2,457,342	2,686,756	2,718,183
District's covered employee payroll	1,040,000	1,096,000	1,138,000	1,039,000	1,143,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	75.70%	125.30%	215.94%	258.59%	237.81%
Plan fiduciary net position as a percentage of the total pension liability	93.16%	89.46%	83.21%	82.52%	84.67%
	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>
District's proportion of the net pension liability	0.135%	0.140%	0.047%	0.118%	0.120%
District's proportionate share of the net pension liability	2,806,617	3,789,899	198,561	2,061,923	2,400,388
District's covered employee payroll	1,239,000	1,249,000	1,156,000	1,222,000	1,360,000
District's proportionate share of the net pension liability as a percentage of its covered-employee payroll	226.52%	303.43%	17.18%	168.73%	176.50%
Plan fiduciary net position as a percentage of the total pension liability	85.10%	80.55%	98.92%	89.09%	87.97%

Schedule of District Contributions  
Last 10 Fiscal Years\*:

	<b>June 30, 2015</b>	<b>June 30, 2016</b>	<b>June 30, 2017</b>	<b>June 30, 2018</b>	<b>June 30, 2019</b>
Actuarially determined contribution	\$ 241,000	\$ 325,000	\$ 310,000	\$ 275,000	\$ 296,000
Total actual contributions	(241,000)	(325,000)	(310,000)	(275,000)	(296,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,040,000	\$ 1,096,000	\$ 1,138,000	\$ 1,039,000	\$ 1,143,000
Contributions as a percentage of covered employee payroll	23.17%	29.65%	27.24%	26.47%	25.90%
	<b>June 30, 2020</b>	<b>June 30, 2021</b>	<b>June 30, 2022</b>	<b>June 30, 2023</b>	<b>June 30, 2024</b>
Actuarially determined contribution	\$ 360,000	\$ 396,000	\$ 390,000	\$ 430,000	487,000
Total actual contributions	(360,000)	(396,000)	(390,000)	(430,000)	(487,000)
Contribution deficiency (excess)	\$ -	\$ -	\$ -	\$ -	\$ -
District's covered-employee payroll	\$ 1,239,000	\$ 1,249,000	\$ 1,156,000	\$ 1,222,000	\$ 1,360,000.00
Contributions as a percentage of covered employee payroll	29.06%	31.71%	33.74%	35.19%	35.81%

**CARMICHAEL PARK AND RECREATION DISTRICT**  
**Required Supplementary Information – OPEB**  
**June 30, 2024**

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	<b>2023/24</b>
	<b>Measurement Period</b>
	<b>2022/23</b>
Changes in Total OPEB Liability:	
Service cost	\$ 7,570
Interest	3,201
Actual vs. expected experience	(33,189)
Assumption changes	8,499
Benefit payments	(3,339)
Net Changes	(17,258)
Total OPEB Liability (beginning of year)	84,531
Total OPEB Liability (end of year)	\$ 67,273

**Schedule of Changes in Total OPEB Liability and Related Ratios**

	<b>2023/24</b>
	<b>Measurement Period</b>
	<b>2022/23</b>
Total OPEB Liability	\$ 67,273
Covered employee payroll*	1,367,058
Total OPEB Liability as a percentage of covered employee payroll	4.9%

\* For the 12 months ended June 30, 2023 (Measurement Date). As reported by the District.