

**DON COLE  
& COMPANY**

CERTIFIED PUBLIC ACCOUNTANT

2701 Del Paso Road, Suite 130-131  
Sacramento, California 95835  
Phone: (916) 925-5216  
Fax: (916) 285-7194

**BOULDER CREEK RECREATION  
AND PARK DISTRICT  
FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORTS  
FOR THE FISCAL YEAR ENDED  
JUNE 30, 2019 AND 2018**

**BOULDER CREEK RECREATION AND PARK DISTRICT  
ANNUAL FINANCIAL REPORT  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018  
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## **INDEPENDENT AUDITORS' REPORT**

To the Board of Directors  
Boulder Creek Recreation and Park District  
Boulder Creek, California

### **Report on the Financial Statements**

I have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of the Boulder Creek Recreation and Park District as of and for the years ended June 30, 2019 and 2018, and the related notes to the financial statements, which collectively comprise the Boulder Creek Recreation and Park District's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal

control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

### **Basis for Qualified Opinion**

Because of the inadequacy of accounting records pertaining to capital assets and accumulated depreciation I am unable to form an opinion regarding the amounts at which these items are recorded in the accompanying government-wide statement of net position as of June 30, 2019 and 2018 or the amount of depreciation expense recorded in the government-wide statement of activities for the year then ended. The capital assets were, as represented by management, acquired from inception through the 2015 fiscal year. Testing of current year capital asset transactions were not impaired.

### **Qualified Opinion**

In my opinion, except for the effects of the matter described in the “Basis for Qualified Opinion” paragraph, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Boulder Creek Recreation and Park District as of June 30, 2019 and 2018, and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America, as well as compliance requirements, prescribed by the State Controller, governing special districts.

### **Other Matters**

#### *Required Supplementary Information*

Management has omitted the Management Discussion and Analysis. The budgetary comparison information on pages 18 and 19 is presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

  
Don Cole & Company  
Sacramento, California

January 11, 2023

**BOULDER CREEK RECREATION AND PARK DISTRICT  
BASIC FINANCIAL STATEMENTS  
JUNE 30, 2019 AND 2018**

**BOULDER CREEK RECREATION AND PARK DISTRICT  
GOVERNMENT-WIDE STATEMENT OF NET POSITION  
AS OF JUNE 30, 2019 AND 2018**

	Governmental Activities	
	2019	2018
<b>ASSETS:</b>		
Current assets:		
Cash and investments	\$ 146,017	\$ 135,567
Total current assets	146,017	135,567
Noncurrent assets:		
Capital assets	2,441,577	2,441,577
Total noncurrent assets	2,441,577	2,441,577
Total assets	\$ 2,587,594	\$ 2,577,144
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	\$ 25,101	\$ 2,735
Accrued payroll	12,850	13,297
Long-term debt, due within one year	360,000	-
Total current liabilities	397,951	16,032
Noncurrent liabilities:		
Long-term debt, due after one year	-	360,000
Total noncurrent liabilities	-	360,000
Total liabilities	\$ 397,951	\$ 376,032
<b>NET POSITION:</b>		
Invested in capital assets, net of related debt	\$ 2,441,577	\$ 2,441,577
Unrestricted	251,934	240,465
Total net position	\$ 2,189,643	\$ 2,201,112

See accompanying notes to basic financial statements

**BOULDER CREEK RECREATION AND PARK DISTRICT  
GOVERNMENT-WIDE STATEMENT OF ACTIVITIES  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
GOVERNMENTAL ACTIVITIES:		
Recreation expenses	\$ 543,714	\$ 419,152
Program revenues:		
Charges for services	252,712	165,728
Operating contributions and grants	-	-
Capital contributions and grants	<u>-</u>	<u>-</u>
Total program revenues	<u>252,712</u>	<u>165,728</u>
Net (expense) / revenue	<u>(291,002)</u>	<u>(253,424)</u>
General revenues:		
Property taxes	222,011	207,341
Home owners property tax relief	1,250	1,247
Park dedication fees	16,454	18,544
Rents and concessions	22,111	35,099
Interest income	2,001	1,199
Other revenue	<u>15,706</u>	<u>5,610</u>
Total general revenues	<u>279,533</u>	<u>269,040</u>
Changes in net position	(11,469)	15,616
Net position, beginning of year	<u>2,201,112</u>	<u>2,185,496</u>
Net position, end of year	<u>\$ 2,189,643</u>	<u>\$ 2,201,112</u>

See accompanying notes to basic financial statements

**BOULDER CREEK RECREATION AND PARK DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
AS OF JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
<b>ASSETS:</b>		
Current assets:		
Cash and investments	\$ 146,017	\$ 135,567
Total assets	<u>\$ 146,017</u>	<u>\$ 135,567</u>
<b>LIABILITIES:</b>		
Current liabilities:		
Accounts payable	\$ 25,101	\$ 2,735
Accrued payroll	<u>12,850</u>	<u>13,297</u>
Total liabilities	<u>37,951</u>	<u>16,032</u>
<b>FUND BALANCES:</b>		
Unassigned	<u>108,066</u>	<u>119,535</u>
TOTAL FUND BALANCES	<u>108,066</u>	<u>119,535</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 146,017</u>	<u>\$ 135,567</u>

See accompanying notes to basic financial statements



**BOULDER CREEK RECREATION AND PARK DISTRICT  
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
FOR THE FISCAL YEARS ENDED JUNE 30, 2019 AND 2018**

	2019	2018
Total fund balances, governmental funds	\$ 108,066	\$ 119,535
Amounts reported for governmental activities in the Statement of Net Position are different because:		
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds:		
Cost of capital assets	2,441,577	2,441,577
Governmental funds do not report long-term liabilities.		
Loan	(360,000)	(360,000)
Total net position – governmental funds	\$ 2,189,643	\$ 2,201,112

See accompanying notes to basic financial statements

**BOULDER CREEK RECREATION AND PARK DISTRICT  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
FOR THE FISCALS YEAR ENDED JUNE 30, 2019 AND 2018**

	<u>2019</u>	<u>2018</u>
REVENUES:		
Charges for services	\$ 252,712	\$ 165,728
Intergovernmental	1,250	1,247
Donations	16,454	18,544
Rents and concessions	22,111	35,099
Interest income	2,001	1,199
Tax revenue	222,011	207,341
Miscellaneous revenue	<u>15,706</u>	<u>5,610</u>
 TOTAL REVENUES	 <u>532,245</u>	 <u>434,768</u>
EXPENDITURES:		
Salaries, wages and benefits	325,943	283,906
Maintenance	18,908	13,987
Utilities	52,585	36,091
Insurance	7,548	11,268
Professional services	59,287	21,915
Publications and printing	7,559	5,280
Administration	71,884	46,705
Capital outlay	<u>-</u>	<u>-</u>
 TOTAL EXPENDITURES	 <u>543,714</u>	 <u>419,152</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	(11,469)	15,616
OTHER FINANCING SOURCES (USES):		
Proceeds from the issuance of debt	<u>-</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	(11,469)	15,616
FUND BALANCE, beginning of year	<u>119,535</u>	<u>103,919</u>
FUND BALANCE, end of year	<u>\$ 108,066</u>	<u>\$ 119,535</u>

See accompanying notes to basic financial statements

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

ORGANIZATION

The Boulder Creek Recreation and Park District (District) was organized on December 18, 1951 in conformity with the Public Resources Code, Section 5680 et seq., now repealed and replaced by Section 5780 et seq. of the California Public Resources Code. The District operates under a Board of Directors and provides the following services: maintaining recreation and park facilities, playgrounds, and a recreation center for the town of Boulder Creek, California and the surrounding communities.

The District Board consists of five directors. The following were in office at June 30, 2019:

Brian Valdivia, Chair  
George Galt, Vice Chair  
Diane Hamilton, Director  
Tess Fitzgerald, Director  
Betsy Garties, Director

The District's financial statements include only the funds of the District. There are no separate legal entities (component units) for which the District is considered to be financially accountable.

BASIS OF PRESENTATION

The financial statements of the Boulder Creek Recreation and Park District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

A. Government-wide Financial Statements

The government-wide financial statements, comprised of the Statement of Net Position and the Statement of Activities, report aggregated information for the overall government for all the activities of the primary government.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues are reported separately. The Statement of Net Position presents the overall government's financial position at year-end. The Statement of Activities presents direct expenses of a given function or identifiable activity offset by program revenues for the fiscal reporting period. The resulting net expense or revenue is then totaled and offset by general revenues producing the aggregate change in net position for the period. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity of the government, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other non-exchange revenues not properly included among program revenues are reported as general revenues.

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

**B. Fund Financial Statements**

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund balance, revenues, and expenditures. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled.

The emphasis in fund financial statements is on the major funds in the governmental activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenue or expenditures) for the determination of major funds. There are no nonmajor District funds.

The General Fund is the general operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund. The District reports the General Fund as a major fund.

**MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

**A. Government-wide Financial Statements**

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

**B. Governmental Fund Financial Statements**

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or as soon enough thereafter to pay liabilities of the current period. For this purpose, the government considers revenues to be available if they are collected within 60 days of the end of the current fiscal period.

Taxes, intergovernmental revenue, licenses and permits, charges for services, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. All other revenue items are considered to be measurable and available only when cash is received by the government. Revenues, expenses, gains, losses, assets, and liabilities resulting from non-exchange transactions are recognized in accordance with the requirements of Governmental Accounting Standards Board Statement No. 33, Accounting and Financial Reporting for Non-exchange Transactions. Non-exchange transactions are grouped into four classes, based on their principal characteristics. The accounting treatment for each type of transaction is as follows:

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

Imposed Non-exchange Revenue, result from assessments on non-governmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes and fines, penalties, and property forfeitures. Assets from imposed nonexchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed nonexchange revenues are recognized in the same period that the assets are recognized.

Government-mandated Non-exchange Transactions, frequently established eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and the recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement (“expenditure-driven”) basis at the time the recipient has incurred allowable costs under the applicable program.

Voluntary Non-exchange Transactions, result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by non-governmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as deferred revenue.

Derived Tax Revenue, result from assessments imposed on exchange transactions. Examples include income taxes, sales taxes, and other assessments on earnings or consumption.

ACCOUNTS AND RECORDS

Financial transactions initiated by the District are processed by the Santa Cruz County Department of Finance, Auditor-Controller. The District maintains copies of source documents. The Department of Finance, Auditor-Controller provides related general ledger, revenue, and expenditure computer listings. In addition, claims are paid and warrants are issued by the Department of Finance, Auditor-Controller.

CASH AND CASH EQUIVALENTS

For purposes of the statement of net position/balance sheet, the District considers all short-term highly liquid investments, including restricted assets, and amounts held with the fiscal agent to be cash and cash equivalents. The District’s cash is held in a cash and investment pool with the County of Santa Cruz (County) which functions as an interest-bearing demand deposit account. As a participant in the County’s cash and investment pool, the District shares investment risk along with the County. At all times during the period and at June 30, 2019 and 2018, the deposits were entirely insured or collateralized with securities held by the County or by its agent in the County’s name.

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

CAPITAL ASSETS

Capital assets, which include property, facilities, and equipment are capitalized provided such cost exceeds \$300 or more for equipment and \$5,000 or more for structures and improvements, and the expected useful life of the asset is more than three years. Capital assets are reported at historical cost, or estimated historical cost if constructed. Contributed assets are reported at fair market value as of the date received.

The District elects not to depreciate its capital assets.

LONG-TERM DEBT

Long-term liabilities expected to be financed from governmental funds are accounted for separately, not in the governmental funds.

COMPENSATED ABSENCES

District employees are entitled to certain compensated absences based on the length of their employment, which will be paid to them upon separation from the District. Compensated absences accumulate and are accrued when they are earned. As of June 30, 2019 and 2018, all vacation time had been used and therefore no liability was accrued.

NET POSITION

The government-wide financial statements utilize a net position presentation. Net position comprises the various net earnings from operating income, non-operating revenues and expenses and capital contributions. Net position is classified in the following three components:

*Invested in capital assets net of related debt* consist of capital assets less accumulated depreciation and net of outstanding balances of any debts used to finance those assets, such as loans.

*Restricted* may be used only to finance specific types of transactions. These restrictions may be established by debt covenants, grantors, or laws or regulations of other governments. Restricted net position represents the balance of restricted assets less the outstanding balances of any liabilities that will be settled using restricted assets.

*Unrestricted* net position are those that do not meet the definition of either net position invested in capital assets net of related debt or restricted net position.

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

FUND BALANCE

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

*Nonspendable* – includes amounts that are not in a spendable form or are required to be maintained intact.

*Restricted* – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.

*Committed* – includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

*Assigned* – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the District Manager or Board of Directors.

*Unassigned* – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

PROPERTY TAXES

Under the laws of the State of California, the assessment and the collection of all ad valorem property taxes are consolidated in the office of the County Property Appraiser and County Tax Collector.

All property is assessed according to its fair market value January 1 of each year. All taxes become payable on November 1 and February 1 of each year or as soon thereafter as the assessment roll is certified and delivered to the County Tax Collector. All unpaid taxes become delinquent if not paid by December 10 and April 10, respectively.

INTERGOVERNMENTAL REVENUES

Grant agreements require the District to maintain accounting records and substantiating evidence sufficient to determine if all costs incurred and claimed are proper and that the District is in substantial compliance with other terms of the grant agreement. These records are subject to audit by the appropriate government agency. Any amounts disallowed will reduce future claims or be directly recovered from the District.

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)**

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

FAIR VALUE MEASUREMENT

The District uses a framework for defining and measuring fair value in accordance with generally accepted accounting principles, which maximizes the use of observable inputs and minimizes the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value;

Level 1 uses quoted prices and active markets for identical assets or liabilities when determining fair market value;

Level 2 uses non active quoted prices for similar assets and liabilities that can be corroborated with market data;

Level 3 uses unobservable information with little or no market data.

The District reports assets and liabilities using level 1 inputs.

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 for which the District carries insurance as described in Note 5.

**Note 2 CASH AND INVESTMENTS**

POOLED FUNDS

The District is one of the special district participants in the cash and investment pool managed by the County of Santa Cruz Treasurer, as their fiscal and investment officer. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. The deposit with the County functions as an interest-earning demand deposit; on a monthly basis, the County credits the District's account for its share of the investment earnings. Any investment losses are proportionately shared by all funds in the pool.

Because the deposits are maintained in a recognized pooled investment fund under the care of a third party and the share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classification is required.



**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 2 CASH AND INVESTMENTS (continued)**

DEPOSITS – CUSTODIAL CREDIT RISK

These accounts are fully insured or collateralized by the County or by its agent in the County's name. At June 30, 2019 and 2018, the District's share of the cash and investments balances was \$146,017 and \$135,567, respectively.

The California Government Code requires California banks and savings and loan associations to secure the County's cash deposits by pledging securities as collateral. This California Government Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the County's name.

The fair value of pledged securities must equal at least 110% of the County's cash deposits. State law also allows institutions to secure County deposits by pledging first trust deed mortgage notes having a value of 150% of the County's total cash deposits. The County may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The County, however, has not waived the collateralization requirements.

**Note 3 CAPITAL ASSETS**

Government-wide financial statements report capital assets whereas fund financial statements do not present general government capital assets but are shown in the Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position.

At June 30, 2019 and 2018, the District's capital assets consisted of the following:

	<u>July 1, 2018</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2019</u>
Land	\$ 1,306,890	\$ -	\$ -	\$ 1,306,890
Structures & improvements	1,039,177	-	-	1,039,177
Equipment	<u>95,510</u>	<u>-</u>	<u>-</u>	<u>95,510</u>
Total	<u>2,441,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,441,577</u>

	<u>July 1, 2017</u>	<u>Additions</u>	<u>Deletions</u>	<u>June 30, 2018</u>
Land	\$ 1,306,890	\$ -	\$ -	\$ 1,306,890
Structures & improvements	1,039,177	-	-	1,039,177
Equipment	<u>95,510</u>	<u>-</u>	<u>-</u>	<u>95,510</u>
Total	<u>2,441,577</u>	<u>\$ -</u>	<u>\$ -</u>	<u>2,441,577</u>

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 4 LONG-TERM DEBT**

\$360,000 promissory note with Land Trust of Santa Cruz County used by the District as a portion of the purchase price for the Bear Creek Country Club. The entire principal amount is due December 31, 2019. The note does not bear interest on the unpaid principal.

**Note 5 JOINT VENTURE**

The District is a member of the California Association for Park and Recreation Indemnity (CAPRI), a joint powers authority. The relationship between the District and CAPRI is such that CAPRI is not a component unit of the District for financial reporting purposes. CAPRI provided liability, property and workers' compensation coverage for the District. CAPRI is governed by a Board consisting of representatives from member agencies. The Board controls their operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available separately from the California Association for Park and Recreation Indemnity at 6341 Auburn Blvd., Suite A, Citrus Heights, California 95621.

Authority's limit of liability: \$ 25,000,000 inclusive of the \$ 750,000 self-insured retention.

A. Pool Layer: \$ 4,250,000

Ultimate net loss excess of the self-insured retention as the result of: any one occurrence, offense, wrongful act or any combination thereof, and annual aggregate as respects the completed operations hazard.

B. Primary Layer: Reinsured by Great American Insurance Co: \$ 5,000,000

Ultimate net loss excess of \$ 5,000,000 as the result of: any one occurrence, offense, wrongful act or any combination thereof, and annual aggregate as respects the completed operations hazard.

C. Excess Layer: Reinsured by Markel Global Reinsurance Co/Lloyds Syndicates: \$ 5,000,000

Ultimate net loss excess of \$ 10,000,000 as the result of: any one occurrence offense, wrongful act or any combination thereof, and annual aggregate as respects the completed operations hazard.

D. Excess Layer: Reinsured by Argonaut Insurance Co/Evanston Insurance Co: \$ 10,000,000

Ultimate net loss excess of \$ 15,000,000 as the result of: any one occurrence offense, wrongful act or any combination thereof, and annual aggregate as respects the completed operations hazard.

**BOULDER CREEK RECREATION AND PARK DISTRICT  
NOTES TO THE BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**Note 6 RECREATION HALL LEASE**

The District leases the Boulder Creek Recreation Hall from the Boulder Creek Fire Protection District. On execution of the lease the District paid the Boulder Creek Fire Protection District \$1.00 for the use of the hall for a term of twenty-five years ending June 30, 2020. The District has the option to renew the lease for another twenty-five years for the additional sum of \$1.00.

If during the term of the lease, the Boulder Creek Fire Protection District is merged into another entity, abolished, named in bankruptcy proceedings, or otherwise placed in control of persons or entities outside the Boulder Creek community, the District has the option to purchase the Hall for \$1.00 in order to preserve its recreational use benefiting the Boulder Creek Community.

**Note 7 SUBSEQUENT EVENTS**

**A. LAND TRUST OF SANTA CRUZ COUNTY PROMISSORY NOTE**

On January 31, 2020 the District obtained a loan of \$310,000 in order to meet its promissory note obligation. Additional funds required to meet the obligation were received through donations.

Debt service requirements for the long-term debt are due as follows:

Fiscal year ended <u>June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2021	\$ 13,327	\$ 3,673	\$ 17,000
2022	8,494	8,506	17,000
2023	8,738	8,262	17,000
2024	8,988	8,012	17,000
2025	9,246	7,754	17,000
2026 – 30	50,363	34,637	85,000
2031 – 35	58,008	26,992	85,000
2036 – 40	66,814	18,186	85,000
2041 – 45	<u>86,022</u>	<u>8,043</u>	<u>94,065</u>
	<u>\$ 310,000</u>	<u>\$ 124,065</u>	<u>\$ 434,065</u>

**B. OTHER**

Management of the District has evaluated the events subsequent to June 30, 2019 for disclosure and has determined that as of January 11, 2023, other than the above, there are no material subsequent events that should be disclosed. If events requiring disclosure have occurred between the balance sheet date and the date the financial statements were available to be issued they would be disclosed here.

**REQUIRED SUPPLEMENTARY INFORMATION**

**BOULDER CREEK RECREATION AND PARK DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**BUDGETARY INFORMATION**

The following budget comparison schedule is for the year ended June 30, 2019.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Charges for services	\$ 170,000	\$ 240,000	\$ 252,712	\$ 12,712
Intergovernmental	1,200	1,200	1,250	50
Donations	34,000	39,911	16,454	(23,457)
Rents and concessions	35,000	35,000	22,111	(12,889)
Interest income	2,500	2,500	2,001	(499)
Tax revenue	210,665	210,665	222,011	11,346
Miscellaneous revenue	<u>1,000</u>	<u>1,000</u>	<u>15,706</u>	<u>14,706</u>
Total revenues	<u>454,365</u>	<u>530,276</u>	<u>532,245</u>	<u>1,969</u>
<b>Expenditures:</b>				
Salaries, wages and benefits	289,100	315,100	325,943	(10,843)
Maintenance	18,200	18,200	18,908	(708)
Utilities	39,000	51,000	52,585	(1,585)
Insurance	8,000	8,000	7,548	452
Professional services	21,965	37,876	59,287	(21,411)
Publications and printing	6,000	6,000	7,559	(1,559)
Administration	62,100	84,100	71,884	12,216
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
Total expenditures	<u>454,365</u>	<u>530,276</u>	<u>543,714</u>	<u>(13,438)</u>
Excess of revenues over expenditures	-	-	(11,469)	(11,469)
Proceeds from the issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	(11,469)	<u>\$ (11,469)</u>
Fund balance – beg. of year			<u>119,535</u>	
Fund balance – end of year			<u>\$ 108,066</u>	

**BOULDER CREEK RECREATION AND PARK DISTRICT  
REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE FISCAL YEAR ENDED JUNE 30, 2019 AND 2018**

**BUDGETARY INFORMATION (continued)**

The following budget comparison schedule is for the year ended June 30, 2018.

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Favorable (Unfavorable)</u>
<b>Revenues:</b>				
Charges for services	\$ 140,000	\$ 170,000	\$ 165,728	\$ (4,272)
Intergovernmental	1,200	1,200	1,247	47
Donations	34,000	34,000	18,544	(15,456)
Rents and concessions	30,000	30,000	35,099	5,099
Interest income	2,500	2,500	1,199	(1,301)
Tax revenue	198,702	198,702	207,341	8,639
Miscellaneous revenue	<u>1,000</u>	<u>1,000</u>	<u>5,610</u>	<u>4,610</u>
<b>Total revenues</b>	<u>407,402</u>	<u>437,402</u>	<u>434,768</u>	<u>(2,634)</u>
<b>Expenditures:</b>				
Salaries, wages and benefits	260,358	290,358	283,906	6,452
Maintenance	17,844	17,844	13,987	3,857
Utilities	31,000	31,000	36,091	(5,091)
Insurance	7,500	7,500	11,268	(3,768)
Professional services	29,600	29,600	21,915	7,685
Publications and printing	6,000	6,000	5,280	720
Administration	45,100	45,100	46,705	(1,605)
Capital outlay	<u>10,000</u>	<u>10,000</u>	<u>-</u>	<u>10,000</u>
<b>Total expenditures</b>	<u>407,402</u>	<u>437,402</u>	<u>419,152</u>	<u>18,250</u>
Excess of revenues over expenditures	-	-	15,616	15,616
Proceeds from the issuance of debt	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	15,616	<u>\$ 15,616</u>
Fund balance – beg. of year			<u>103,919</u>	
Fund balance – end of year			<u>\$ 19,535</u>	