STRAWBERRY RECREATION DISTRICT

MILL VALLEY, CALIFORNIA

ANNUAL FINANCIAL REPORT

JUNE 30, 2023

O'CONNOR & COMPANY

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O'CONNOR & COMPANY

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INDEPENDENT AUDITORS' REPORT

Board of Directors
Strawberry Recreation District
Mill Valley, California

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Strawberry Recreation District as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise Strawberry Recreation 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 and the major fund of Strawberry Recreation District, as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for 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 Strawberry Recreation 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 Strawberry Recreation 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 auditing standards generally accepted in the Unites States of America 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 auditing standards generally accepted in the Unites States of America, 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 Strawberry Recreation 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 Strawberry Recreation 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, net pension liability information, and budgetary comparison information on pages 3-6 and page 28-31, as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's 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.

O'Connor & Company

O'Connor & Company

Novato, California
November 26, 2024

This section of Strawberry Recreation District's (the District's) basic financial statements presents management's overview and analysis of the financial activities of the organization for the fiscal year ended June 30, 2023. We encourage the reader to consider the information presented here in conjunction with the financial statements as a whole.

Introduction to the Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's audited financial statements, which are comprised of the basic financial statements. This annual report is prepared in accordance with the Governmental Accounting Standards Board (GASB) Statement No. 34, *Basic Financial Statements – and Management's Discussion and Analysis – for States and Local Governments.*

The required financial statements include the Combined Government-wide and Fund Financial statements; Statement of Net Position and Governmental Fund Balance Sheet; Statement of Activities and Governmental Fund Statement of Revenues, Expenditures and Change in Fund Balance; and the Statement of Revenues, Expenditures and Change in Fund Balance - Budget and Actual.

These statements are supported by notes to the financial statements. All sections must be considered together to obtain a complete understanding of the financial picture of the District.

The Basic Financial Statements

The basic financial statements comprise the Combined Government-wide Financial Statements and the Fund Financial Statements; these two sets of financial statements provide two different views of the District's financial activities and financial position.

The Government-wide Financial Statements provide a longer-term view of the District's activities as a whole, and comprise the Statement of Net Position and the Statement of Activities. The Statement of Net Position provides information about the financial position of the District as a whole, including all of its capital assets and long-term liabilities on a full accrual basis, similar to that used by corporations. The Statement of Activities provides information about all of the District's revenues and all of its expenses, also on the full accrual basis, with the emphasis on measuring net revenues or expenses of the District's programs. The Statement of Activities explains in detail the change in Net Position for the year.

All of the District's activities are grouped into Government Activities, as explained below.

The Fund Financial Statements report the District's operations in more detail than the Government-wide statements and focus primarily on the short-term activities of the District's Major Funds. The Fund Financial Statements measure only current revenues and expenditures and fund balances; they exclude capital assets, long-term debt and other long-term amounts.

Major Funds account for the major financial activities of the District and are presented individually. Major Funds are explained below.

The Government-wide Financial Statements

Government-wide financial statements are prepared on an accrual basis, which means they measure the flow of all economic resources of the District as a whole.

The Statement of Net Position and the Statement of Activities present information about the following:

<u>Governmental Activities</u> – The District's basic services are considered to be governmental activities. These services are supported by specific program revenues from state and federal grants.

Fund Financial Statements

The Fund Financial Statements provide detailed information about each of the District's most significant funds, called Major Funds. The concept of Major Funds, and the determination of which are Major Funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them in total. Instead, each Major Fund is presented individually, with all Non-major Funds summarized and presented only in a single column. Major Funds present the major activities of the District for the year and may change from year to year as a result of changes in the pattern of the District's activities.

In the District's case, the General Fund is the only major governmental fund.

Governmental Fund Financial Statements are prepared on the modified accrual basis, which means they measure only current financial resources and uses. Capital assets and other long-lived assets, along with long-term liabilities, are not presented in the Governmental Fund Financial Statements.

Analyses of Major Funds

Governmental Funds:
General Fund revenue increased $433,840 this fiscal year and actual revenues were more than budgeted amounts by $623,017 due to an increase in program participation. General Fund expenditures increased $319,583 from the prior year, due to the COVID 19 Pandemic recovery which increased programs and related participation.

Governmental Activities

Table 1
Governmental Net Position at June 30

	2023	2022
Current assets	$ 5,589,626	$ 4,519,655
Capital assets	2,150,640	2,201,251
Total assets	7,740,266	6,720,906
Deferred outflows of resources	201,546	74,466
Current liabilities	172,231	99,755
Long-term liabilities	314,030	111,859
Total liabilities	486,261	211,614
Deferred inflows of resources	34,612	137,042
Net position		
Net investment in capital assets	2,099,043	2,116,505
Restricted	1,653,747	1,519,778
Unrestricted	3,668,149	2,810,433
Total net position	$ 7,420,939	$ 6,446,716

The District's governmental net position amounted to $7,420,939 as of June 30, 2023, an increase of $974,223 from 2022. This increase is the Change in Net Position reflected in the Governmental Activities column of the Statement of Activities shown in Table 2.

The District's net position as of June 30, 2023 comprised the following:

- Cash and investments of $5,589,626 deposited with the County of Marin and commercial banks.
- Capital assets of $2,150,640 net of depreciation charges, which includes all the District's capital assets used in governmental activities.
- Accounts payable of $76,484, accrued liabilities of $61,604, and current bond principal of $34,143.
- Long-term debt of $17,454 and net pension liability of $296,576.

Restricted net position totaling $1,653,747 may only be used to construct specific capital projects and for debt service. The restrictions on these funds cannot be changed by the District.

Unrestricted net position is the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants or other legal requirements or restrictions. The District has $3,668,149 of unrestricted net position as of June 30, 2023.

The Statement of Activities presents program revenues and expenses and general revenues in detail. All of these are elements in the Changes in Governmental Net Position summarized below.

Table 2
Changes in Governmental Net Position at June 30

	2023	2022
Expenses		
Recreation and parks	$ 2,546,035	$ 2,017,378
Interest on long-term debt	1,786	2,767
Total expenses	2,547,821	2,020,145
Revenues		
Program revenues:		
Grants and contributions	326,306	86,507
Charges for services	1,898,625	1,663,803
Total program revenues	2,224,931	1,750,310
General revenues:		
Taxes, licenses and permits	648,609	936,137
Zone IV and V	551,104	309,576
Interest earnings and use of property	97,400	92,181
Total general revenues	1,297,113	1,337,894
Total revenues	3,522,044	3,088,204
Change in net position	$ 974,223	$ 1,068,059

As Table 2 above shows, $2,224,931 or 63% of the District's fiscal year 2023 governmental revenue, came from program revenues and $1,297,113 or 37%, came from general revenues such as taxes and interest.

Program revenues were composed of charges for services of $1,898,625. This is a portion of self-generated revenues which are not reported as general revenues in these basic financial statements.

General revenues are not allocable to programs. General revenues are used to pay for the net cost of governmental programs and facility operations.

Capital Assets

At the end of fiscal year 2023, the cost of infrastructure and other capital assets recorded in the District's financial statements was as shown in Table 3 below:

Table 3
Capital Assets at Year End

	Balance at June 30, 2023
Governmental Activities	
Land (not depreciated)	$ 183,790
Construction in progress	357,176
Structures and improvements	4,811,971
Dredging Zone IV	2,200,549
Less: accumulated depreciation	(5,402,846)
Governmental activity capital assets, net	$ 2,150,640

Detail on capital assets, current year additions and construction in progress can be found in Note 5.

Debt Administration

The District made all scheduled repayments of existing debt. Each of the District's debt issues is discussed in detail in Note 4 of the financial statements. As of June 30, 2023, the District's debt comprised:

Table 4
Outstanding Debt

	June 30, 2023
Government Activity Debt:	
2004 Series A General Obligation Bonds Zone IV	$ 51,597
Total Governmental Activity Debt	$ 51,597

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts, and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The District will continue to maintain a watchful eye over expenditures and remains committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area. The District is making annual contributions in an effort to reduce the unfunded pension liability. The District only pays the employers' portion of the contribution and District employees pay their portion.

Contacting the District's Financial Management

This comprehensive Annual Financial Report is intended to provide citizens, taxpayers, and creditors with a general overview of the District's finances. Questions about this report should be directed to Strawberry Recreation District, 118 East Strawberry Drive, Mill Valley, CA 94941.

Strawberry Recreation District

STATEMENT OF NET POSITION

June 30, 2023

	Governmental Activities
ASSETS	
Cash and investments	$ 3,935,879
Restricted cash and investments	1,653,747
Non-depreciable capital assets	183,790
Depreciable capital assets, net of accumulated depreciation	1,966,850
Total assets	7,740,266
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows of resources - pension	201,546
LIABILITIES	
Accounts payable	76,484
Accrued liabilities	56,169
Accrued interest	5,435
Non-current liabilities:	
Due within one year	34,143
Due in more than one year	17,454
Net pension liability	296,576
Total liabilities	486,261
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows of resources - pension	34,612
NET POSITION	
Net investment in capital assets	2,099,043
Restricted for:	
Debt service	1,653,747
Total restricted net position	1,653,747
Unrestricted net position	3,668,149
Total net position	$ 7,420,939

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

Strawberry Recreation District
STATEMENT OF ACTIVITIES
For the year ended June 30, 2023

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Capital Grants & Contributions	Net (Expense) Revenue and Changes in Net Position: Governmental Activities
Governmental activities:				
Recreation and parks	$ 2,546,035	$ 1,898,625	$ 326,306	$ (321,104)
Zone IV interest on long-term debt	1,786	-	-	(1,786)
Total governmental activities:	$ 2,547,821	$ 1,898,625	$ 326,306	(322,890)

General revenues:	
Property taxes	218,498
Measure A taxes	61,596
Zone IV income	542,452
Zone V income	8,652
Education Revenue Augmentation Fund	200,581
Licenses and permits	167,934
Facility rental	59,021
Use of money / interest earnings	38,379
Total general revenues	1,297,113
Change in net position	974,223
Net position - beginning of period	6,446,716
Net position - end of period	$ 7,420,939

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

Strawberry Recreation District
BALANCE SHEET
GOVERNMENTAL FUND
June 30, 2023

	General Fund
ASSETS	
Assets:	
Cash and investments	$ 3,935,879
Restricted cash and investments	1,653,747
Total assets	$ 5,589,626
LIABILITIES AND EQUITY	
Liabilities:	
Accounts payable	$ 76,484
Accrued liabilities	56,169
Total liabilities	132,653
Fund equity:	
Fund Balance	
Assigned:	
Capital replacement	592,048
Restricted for debt service	1,653,747
Unassigned	3,211,178
Total fund balances	5,456,973
Total liabilities and fund equity	$ 5,589,626

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

Strawberry Recreation District

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEET
WITH THE GOVERNMENTAL ACTIVITIES STATEMENT OF NET POSITION

June 30, 2023

Total Governmental Funds fund balances	$ 5,456,973
Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:	
Capital Assets	
Capital assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds.	2,150,640
Long-Term Liabilities	
The liabilities below are not due and payable in the current period and therefore are not reported in the Fund Financial Statements.	
Long-term debt - Zone IV	(51,597)
Accrued interest - Zone IV	(5,435)
Deferred outflows	201,546
Deferred inflows	(34,612)
Net Pension liability	(296,576)
Net Position of Governmental Activities	$ 7,420,939

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

Strawberry Recreation District

STATEMENT OF REVENUES,

EXPENDITURES AND CHANGE IN FUND BALANCE

GOVERNMENTAL FUND

For the year ended June 30, 2023

	General Fund
Revenues:	
Property taxes	$ 218,498
Zone IV income	542,452
Zone V income	8,652
Measure A taxes	61,596
Licenses and permits	167,934
Charges for service	1,898,625
Education Revenue Augmentation Fund	200,581
Facility rental	59,021
Use of money	38,379
Intergovernmental	326,306
Total revenues	3,522,044
Expenditures:	
Administration	439,884
Youth programs	573,088
Adult programs	41,776
Aquatics	540,082
Tennis	109,707
Facilities	439,882
Special events	22,711
Zone V maintenance	6,854
Zone IV maintenance	494
Measure A	176,872
Replacement reserves	-
Capital improvement projects	137,270
Debt service:	
Principal	33,149
Interest	1,786
Total expenditures	2,523,555
Excess (deficiency) of revenue over (under) expenditures	998,489
Fund balance, beginning of period	4,458,484
Fund balance, end of period	$ 5,456,973

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

Strawberry Recreation District

RECONCILIATION OF THE NET CHANGE IN FUND BALANCE

TOTAL GOVERNMENTAL FUND

WITH THE CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES

For the year ended June 30, 2023

The schedule below reconciles the Net Change in Fund Balance reported on the Governmental Fund Statement of Revenues, Expenditures and Change in Fund Balance, which measures only changes in current assets and current liabilities on the modified accrual basis, with the Change in Net Position of Governmental Activities reported in the Statement of Activities, which is prepared on the full accrual basis.

NET CHANGE IN FUND BALANCE - TOTAL GOVERNMENTAL FUNDS	$	998,489
Amounts reported for governmental activities in the Statement of Activities are different because:		
CAPITAL ASSETS TRANSACTIONS		
Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense:		
Capital outlay		235,269
Depreciation expense is deducted from the fund balance		(285,880)
LONG-TERM DEBT PROCEEDS AND PAYMENT		
Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities:		
Repayment of debt principal is added back to fund balance		33,149
Government funds record pension expense as it is paid. However, in the Statement of Activities those costs are reversed as deferred outflows/(inflows) and an increase/(decrease) in net pension liability.		(6,804)
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES	$	974,223

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

NOTE 1 - GENERAL

Strawberry Recreation District (the District) was formed on March 7, 1949, under the laws of the State of California Public Resources Code, Article 2, Chapter 3, Division 5, as a County Recreation District. In 1961 the District reorganized as a Park and Recreational District pursuant to the State of California Public Resources Code, Chapter 4, Division 5. The District is governed by a board of five elected directors.

The District offers a wide variety of recreational activities for persons of all ages, from pre-schoolers through senior citizens. Some of the major activities include: a wide range of aquatic programs, sports programs, special events, fitness classes, and special interest classes. The District also offers a summer camp with swim lessons.

To facilitate this wide range of recreational activities, the District has two ball fields, four tennis courts, a pool facility, spa, gymnasium, several small parks, and a dock on the Strawberry peninsula.

The District reporting entity includes all significant organizations, departments, and agencies over which the Board of Directors exercises oversight and budgeting responsibilities. Oversight responsibility is determined on the basis of appointment or selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters and the scope of public service.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying policies of the District conform to U.S. generally accepted accounting principles and are applicable to governments. The following is a summary of the significant policies:

A. Basis of Presentation

The District's basic financial statements are prepared in conformity with U.S. generally accepted accounting principles. The Governmental Accounting Standards Board (GASB) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the U.S.A.

These standards require that the financial statements described below be presented.

Government-wide Statements: The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall District government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

These statements distinguish between the governmental and business-type activities of the District. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions. Business-type activities are financed in whole or in part by fees charged to external parties. The District has no fiduciary or business-type activities.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

A. Basis of Presentation (concluded)

The statement of net position and the statement of activities are prepared using the *economic resources measurement focus* and the *accrual basis of accounting.* Revenues are recorded when earned and expenses are recorded when a liability is incurred regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Program revenues include (a) charges paid by the recipients of goods or services offered by the programs, (b) grants, sponsorships, donations and contributions that are restricted to meeting the operational needs of a particular program and (c) fees, grants and contributions that are restricted to financing the acquisition or construction of capital assets. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, including fiduciary funds and blended component units. The underlying accounting system of the District is organized and operated on the basis of separate 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 equity, revenues and expenditures or expenses, as appropriate. Governmental 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. Separate statements for each fund category – *governmental* and *proprietary* are presented. The emphasis of fund financial statements is on major individual governmental and enterprise funds, each of which is displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as non-major funds.

B. Major Funds

GASB Statement No. 34 defines major funds and requires that the District's major governmental funds be identified and presented separately in the fund financial statements. All other funds, called non-major funds, are combined and reported in a single column, regardless of their fund-type.

Major funds are defined as funds that have assets, liabilities, revenues or expenditures/expenses equal to ten percent of their fund-type total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The District reported the following major governmental fund in the accompanying financial statements:

General Fund: This is used for all the general revenues of the District not specifically levied or collected for other District funds and the related expenditures. The General Fund accounts for all financial resources of a governmental unit that are not accounted for in another fund.

C. Basis of Accounting

Governmental funds are reported using the *current financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when "measurable" and "available". The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty days after year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Accounting (concluded)

General capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as *other financing sources*. Because of their spending measurement *focus,* expenditure recognition for governmental fund types excludes amounts represented by non-current liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Those revenues susceptible to accrual are property taxes, certain other intergovernmental revenues, certain charges for services and interest revenue.

Amounts expended to acquire capital assets are recorded as *expenditures* in the year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include taxes, grants, entitlements, and donations. On the accrual basis, revenue from taxes is recognized in the fiscal year for which the taxes are levied or assessed. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District’s policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Certain indirect costs are included in program expenses reported for individual functions and activities.

D. Budgets and Budgetary Accounting

Budgets are used to control spending. Unexpended allocations lapse at the end of each fiscal year and are not carried forward to the following period. Preliminary budgets are determined by the first day of July. A notice of this budget is published, and no less than one month thereafter, the District’s Board of Directors approves the final budget. The final budget is reported by the tenth day of August.

The District’s budget, as included in these financial statements, represents the budget approved by the Board of Directors. The adopted budget is made for the District as a whole. The District uses the same basis of accounting for budget and financial statement purposes. All appropriations lapse at year-end. The budget was not amended during the fiscal year. Expenditures were below appropriations by $1,044,557.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes

Property Taxes are levied each November 1 on the assessed values as of the prior March 1. The County of Marin's property tax calendar is as follows:

	Secured	Unsecured
Valuation dates	March 1	March 1
Lien/levy dates	March 1	March 1
First installment due date	50% on November 1	July 1 (total due)
Delinquent as of	December 10	August 31
Second installment due date	50% on February 1	
Delinquent as of	April 10	

F. Contingent Liabilities

The District is involved in various claims and litigation arising in the ordinary course of business. District management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters will not have a materially adverse effect on the District's financial position or results of operations.

G. Use of Estimates

The basic financial statements have been prepared in conformity with U.S. generally accepted accounting principles, and as such, include amounts based on informed estimates and judgments of management with consideration given to materiality. Actual results could differ from those estimates.

H. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

I. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

NOTE 3 - CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent possible pursuant to the County of Marin's Investment Policy and Guidelines and State Government Code.

County of Marin Treasurer's Pool	$	5,442,947
Cash in banks and on hand		146,679
Total cash and investments	$	5,589,626

Restricted and Designated Cash and Cash Equivalents:
The District segregates certain cash and cash equivalents that have legal or Board of Directors' designated restrictions as to their uses.

		2023
Zone IV & V debt and services and capital outlay and Measure A	$	1,653,747

The District is required under the terms of certain long-term debt covenants to segregate and maintain certain funds for debt service. These funds were deposited with the County of Marin investment pool.

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 custodial credit risk for deposits and 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 requires California banks and savings and loan associations to secure an entity's deposits by pledging government securities with a value of 110% of an entity's deposits. California law also allows financial institutions to secure entity deposits by pledging first trust deed mortgage notes having a value of 150% of an entity's total deposits.

The entity's Treasurer may waive the collateral requirement for deposits which are fully insured up to $250,000 by the FDIC. The collateral for deposits in federal and state-chartered banks is held in safekeeping by an authorized agent of depository recognized by the State of California Department of Banking. The collateral for deposits with savings and loan associations is generally held in safekeeping by the Federal Home Loan Bank in San Francisco, California as an agent of depository. These securities are physically held in an undivided pool for all California public agency depositors.

County of Marin Treasurer's Pool:
The District maintains specific cash deposits with the County of Marin (the County) and involuntarily participates in the external cash pool of the County. The balance deposited with the County Treasurer at June 30, 2023 was $5,442,947. The County is restricted by state code in the types of investments it can make. Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, the County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134. The County's investment policy authorizes the County to invest in obligations of the U.S. Treasury, its agencies and instrumentalities, certificates of deposit, commercial paper rated A-1 by Standard & Poor's Corporation or P-1 by Moody's Commercial Paper Record, bankers' acceptances, repurchase agreements, and the State Treasurer's investment pool.

NOTE 3 - CASH AND INVESTMENTS (concluded)

At June 30, 2023, the District's cash with the County Treasurer is stated at fair value. However, the value of the pool shares in the County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool.

Fair Value Reporting - Investments
GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consisting of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability. The valuation method used for rental properties is the Leased Fee Market method, which is dependent on the income generated from the rental properties.

The District did not have investments subject to recurring fair value measurements as of June 30, 2023.

NOTE 4 - LONG-TERM DEBT

The following is a summary of changes in general long-term liabilities during the years ended June 30:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
2004 General Obligation Bonds				
Zone IV	$ 84,746	$ -	$ 33,149	$ 51,597
Less: current maturities	(33,149)			(34,143)
Total long-term liabilities	$ 51,597			$ 17,454

On January 30, 2014, the District issued General Obligation Bonds in the principal amount of $300,000 in Zone IV 2004 Series B Bonds. The Bonds bear interest at 2.98% and are due semi-annually on February 1 and August 1. Principal payments are due annually on August 1, through 2024. Proceeds from the sale of the Bonds were used for dredging the boundaries of Zone IV of the District.

Annual debt service obligations for the 2004 General Obligation Series A Bonds are as follows:

Year Ending June 30	Principal	Interest	Total
2024	$ 34,143	$ 776	$ 34,919
2025	17,454	260	17,714
Totals	$ 51,597	$ 1,036	$ 52,633

NOTE 5 - COMPENSATED ABSENCES

It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave benefits. All vacation and sick leave benefits are accrued as earned by employees. All vacation and sick leave pay is accrued when incurred in the government-wide financial statements. A liability for vacation pay is reported in the accrued liabilities account for governmental funds as follows:

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Compensated absences	$ 24,970	$ 7,022	$ -	$ 31,922

NOTE 6 - CAPITAL ASSETS

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair market value on the date contributed. The District's policy is to capitalize all capital assets with costs exceeding a minimum threshold of $5,000.

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro-rata share of the cost of capital assets.

Depreciation is provided using the straight-line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated.

The District has assigned the following useful lives to capital assets: Buildings – 30 years, Improvements – 20 years, Machinery and Equipment – 5-20 years.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

	Balance June 30, 2022	Additions	Retirements	Balance June 30, 2023
Land (not depreciated)	$ 183,790	$ -	$ -	$ 183,790
Construction in progress	357,176	-	-	357,176
Structures/improvements	4,727,374	84,597	-	4,811,971
Dredging Zone IV	2,049,877	150,672	-	2,200,549
Total	7,318,217	$ 235,269	$ -	7,553,486
Accumulated depreciation	(5,116,966)			(5,402,846)
Net capital assets	$ 2,201,251			$ 2,150,640

Depreciation Allocation

Depreciation expense is charged to functions and programs based on their usage of the related assets. The amounts allocated to each function or program are as follows:

Governmental Activities	
Recreation and park	$ 285,880

NOTE 7 - DEFINED BENEFIT PENSION PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (the Plan), administered by the California Public Employees' Retirement System (CalPERS). The Plan's benefit provisions are established by statute. The Plan is included as a pension trust fund in the CalPERS Comprehensive Annual Financial Report, which is available online at www.calpers.ca.gov.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

The Plan consists of a miscellaneous pool and a safety pool (referred to as “risk pools”), which are comprised of individual employer miscellaneous and safety rate plans, respectively, including those of the District. The District’s employer rate plans in the miscellaneous risk pool include the Miscellaneous plan (Miscellaneous) and the PEPRA Miscellaneous plan (PEPRA Misc.). The District does not have any rate plans in the safety risk pool.

Benefits Provided
The Plan provides service retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Classic members and PEPRA Safety members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. PEPRA Miscellaneous members with five years of total service are eligible to retire at age 52 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after five years of service. The death benefit is the Basic Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees’ Retirement Law. The Plans’ provisions and benefits in effect at June 30, 2023, are summarized as follows:

Employer Rate Plans in the Miscellaneous Risk Pool

Employer rate plan	**Miscellaneous**	**PEPRA Misc.**
Hire Date	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for life	Monthly for life
Retirement age	50	52
Monthly benefits, as of % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates	6.93%	6.75%
Required employer contribution rates	8.63%	7.47%

Contributions
Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the CalPERS actuary and shall be effective on the July 1 following notice of a change in the rate. Contribution rates for the employer rate plans are determined through the CalPERS’ annual actuarial valuation process. Each employer rate plan’s actuarially determined rate is based on the estimated amount necessary to pay the employer rate plan’s allocated share of the cost of benefits earned by employees during the year, and any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District’s contributions to the risk pools in the Plan for the year ended June 30, 2023, were as follows:

	Contributions
Miscellaneous Risk Pool	$ 67,693
Safety Risk Pool	-
Total contributions	$ 67,693

Pension Liabilities, Pension Expenses & Deferred Outflows/Inflows of Resources Related to Pensions
As of June 30, 2023, the District reported net pension liabilities for its proportionate shares of the net pension liability of each risk pool as follows:

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

	Proportionate Share of Net Pension Liability
Miscellaneous Risk Pool	$ 296,576
Safety Risk Pool	-
Total net pension liability	$ 296,576

*The proportionate share of the total NPL to each of the enterprise and internal service funds is not being allocated because it is deemed to have an immaterial effect on the financial statements.

The District's net pension liability for each risk pool is measured as the proportionate share of each risk pool's net pension liability. GASB 68 indicates that to the extent different contribution rates are assessed based on separate relationships that constitute the collective net pension liability, the determination of the employer's proportionate share of the collective net pension liability should be made in a manner that reflects those relationships. The allocation method used by CalPERS to determine each employer's proportionate share reflects those relationships through the employer rate plans they sponsor within the respective risk pools. An actuarial measurement of the employer's rate plan liability and asset-related information are used where available, and proportional allocations of individual employer rate plan amounts as of the valuation date are used where not available.

The District's proportionate share of the net pension liability as of June 30, 2021, the valuation date, was calculated as follows:

In determining an employer's proportionate share, the employer rate plans included in the Plan were assigned to either the Miscellaneous or Safety risk pool. Estimates of the total pension liability and the fiduciary net position were first determined for the individual rate plans and each risk pool as of the valuation date, June 30, 2021. Each employer rate plan's fiduciary net position was subtracted from its total pension liability to obtain its net pension liability as of the valuation date. The District's proportionate share percentage for each risk pool at the valuation date was calculated by dividing the District's net pension liability for each of its employer rate plans within each risk pool by the net pension liability of the respective risk pool as of the valuation date.

The District's proportionate share of the net pension liability as of June 30, 2022, the measurement date, was calculated as follows:

Each risk pool's total pension liability was computed at the measurement date, June 30, 2022, by applying standard actuarial roll-forward methods to the total pension liability amounts as of the valuation date. The fiduciary net position for each risk pool at the measurement date was determined by CalPERS' Financial Office. The net pension liability for each risk pool at June 30, 2022, was computed by subtracting the respective risk pool's fiduciary net position from its total pension liability.

The individual employer risk pool's proportionate share percentage of the total pension liability and fiduciary net position as of June 30, 2022, was calculated by applying the District's proportionate share percentage as of the valuation date (described above) to the respective risk pool's total pension liability and fiduciary net position as of June 30, 2022, to obtain the total pension liability and fiduciary net position as of June 30, 2022. The fiduciary net position was then subtracted from total pension liability to obtain the net pension liability as of the measurement date.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

The District's proportionate share percentage of the net pension liability for each risk pool as of June 30, 2021, and June 30, 2022, was as follows:

	Miscellaneous Risk Pool
Proportion at measurement date - June 30, 2021	0.003174%
Proportion at measurement date - June 30, 2022	0.006338%
Change – increase (decrease)	0.003164%

For the year ended June 30, 2023, the District recognized pension expense of $74,499. At June 30, 2023, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	$ 6,861	$ (4,575)
Changes of assumptions	34,858	-
Net difference between projected and actual earnings on pension plan investments	60,823	-
Adjustment due to differences in proportions	31,311	-
Differences between actual and required contributions	-	(30,037)
Contributions after measurement date	67,693	-
Total	$ 201,546	$ (34,612)

Amounts other than contributions subsequent to the measurement date reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Measurement Date June 30	Deferred Outflows/(Inflows) of Resources
2024	$ 29,159
2025	21,124
2026	9,486
2027	39,472
2028	-
Thereafter	-
Total	$ 99,241

Actuarial Assumptions

The total pension liabilities in the June 30, 2022 actuarial valuations were determined using the following actuarial assumptions:

NOTE 7 - DEFINED BENEFIT PENSION PLAN (continued)

	Miscellaneous
Valuation Date	June 30, 2021
Measurement Date	June 30, 2022
Actuarial Cost Method	Entry-Age Normal
Actuarial Assumptions:	
Discount Rate	6.90%
Inflation	2.30%
Payroll Growth	2.80%
Projected Salary Increase (1)	Varies by Age and Length of Service
Investment Rate of Return (2)	6.80%
Mortality Rate Table (3)	Derived Using CalPERS' Membership Data for all Funds

(1) Depending on age, service, and type of employment

(2) Net of Pension Plan Investment and Administrative Expenses; includes inflation

(3) The mortality table used was developed based on CalPERS-specific data. The rates incorporate Generational Mortality to capture ongoing morality improvement using 80% of Scale MP 2020 published by the Society of Actuaries. For more details, please refer to the 2021 experience study report that can be found on the CalPERS website.

Discount Rate

The discount rate used to measure the total pension liability was 6.90%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the Plan, CalPERS stress tested employer rate plans within the Plan that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested employer rate plans run out of assets. Therefore, the current 6.90% discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The stress test results are presented in a detailed report, *GASB Statements 67 and 68 Crossover Testing Report for Measurement Date June 30, 2022 based on June 30, 2021 Valuations,* that can be obtained from the CalPERS website.

According to Paragraph 30 of GASB 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. For the CalPERS Plan, the 6.80% investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 10 basis points. An investment return excluding administrative expenses would have been 6.90%. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account long-term market return expectations as well as the expected pension fund cash flows. Projected returns for all asset classes are estimated and, combined with risk estimates, are used to project compound (geometric) returns over the long term. The discount rate used to discount liabilities was informed by the long-term projected portfolio return.

NOTE 7 - DEFINED BENEFIT PENSION PLAN (concluded)

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return[1, 2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	(5.00%)	(0.59%)

(1) An expected price inflation of 2.3% used for this period.

(2) Figures are based on 2021-22 Asset Liability Management study

Sensitivity of District's Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following presents the District's proportionate share of the net pension liability of each risk pool as of the measurement date, calculated using the discount rate, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower or 1 percentage-point higher than the current rate:

	Discount Rate -1% (5.90%)	Current Discount Rate (6.90%)	Discount Rate +1% (7.90%)
The District's proportionate share of the Miscellaneous Risk Pool's net pension liability	$509,151	$296,576	$121,679

Expected Average Remaining Service Lives (EARSL) - The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2021, is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

NOTE 8 - RISK MANAGEMENT

The District manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below and by retaining certain risks.

NOTE 8 - RISK MANAGEMENT (concluded)

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the District's responsibility.

California Association for Park and Recreation Insurance

The District is self-insured for Comprehensive Liability coverage as a member of the California Association for Park and Recreation Insurance (CAPRI). CAPRI is a public agency risk pool created pursuant to a joint powers agreement between the numerous member districts. CAPRI manages one pool for all member agencies.

Each member pays an annual premium to the system based on numerous factors including the number of personnel, types and values of assets held, and an experience factor. CAPRI reinsures through a commercial carrier for claims in excess of $1,000,000 for each insured event. CAPRI is not a component entity of the District for purposes of GASB Statement No. 14.

Coverage provided under CAPRI is as follows:

- Comprehensive General and Automobile Liability coverage with a $25,000,000 limit per occurrence for personal injury and property damage to which the coverage applies. There is no deductible to the District.
- Public Officials and Employee Liability coverage with a $25,000,000 annual aggregate limit per member district because of a wrongful act(s) that occurs during the coverage period for which the coverage applies. There is a $20,000 deductible for any covered claim for employment practices liability payable by the District. If the District consults with its employment counsel prior to termination, layoffs, downsizing or other employment related matter, the deductible will be reduced to $5,000 for any employment liability lawsuit.
- Flood coverage with an annual aggregate of $10,000,000 and Earthquake coverage with an annual aggregate limit of $5,000,000 for all the member districts. The deductible for all loss or damage arising from the risks of flood and/or earthquake is $50,000 per occurrence or 5% of the value of the building, contents, and/or structure damaged, whichever is greater. Property coverage is $1,000,000,000 for each occurrence.

Financial statements for the risk pool may be obtained from CAPRI, 6341 Auburn Blvd., Suite A, Citrus Heights, CA 95621.

NOTE 9 - NET POSITION AND FUND BALANCES

GASB Statement No. 34 added the concept of Net Position. The Statement of Net Position reports the difference between the District's total assets and the District's total liabilities, including all the District's long-term assets and debt. The Statement of Net Position presents similar information to the old balance sheet format but presents it in a way that focuses the reader on the composition of the District's net position, by subtracting total liabilities from total assets.

NOTE 9 - NET POSITION AND FUND BALANCES (continued)

The Statement of Net Position breaks out net position as follows:

Restricted describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter.

Unrestricted describes the portion of net position that is not restricted from use.

Net investment in Capital Assets describes the portion of net position that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Net Position Flow Assumption
Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. To calculate the amounts to report as restricted - net position and unrestricted - net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are applied. It is the government's policy to consider restricted - net position to have been depleted before unrestricted - net position is applied.

Fund Equity
The accompanying financial statements reflect certain changes that have been made with respect to the reporting of the components of Fund Balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance.

Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

The District's Board of Directors approved a transfer of $250,000 on April 25, 2017, from the General Fund checking account to the Replacement Reserve Fund savings account as an allocation and savings for future capital replacement projects.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

NOTE 9 - NET POSITION AND FUND BALANCES (concluded)

Fund Balance Flow Assumption

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

REQUIRED SUPPLEMENTARY INFORMATION

Strawberry Recreation District
As of June 30, 2023
Last 9 Years*

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

	Miscellaneous Plan								
Measurement Date	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the PERF C net pension liability	0.025680%	0.001114%	0.002090%	0.001861%	0.001658%	0.001657%	0.001487%	0.000965%	0.001400%
Proportionate share of the net pension liability	$ 296,576	$ 60,262	$ 227,430	$ 190,655	$ 159,752	$ 164,318	$ 128,633	$ 66,259	$ 87,088
Covered - employee payroll	$ 90,735	$ 433,168	$ 443,698	$ 522,447	$ 443,954	$ 378,175	$ 300,120	$ 299,005	$ 205,477
Proportionate share of the net pension liability as a percentage of covered-employee payroll	326.86%	13.60%	51.26%	36.49%	35.98%	43.45%	42.86%	21.16%	42.38%
Plan fiduciary net position as a percentage of the total pension liability	80.98%	95.90%	82.90%	85.07%	86.33%	84.64%	86.19%	92.18%	88.82%

NOTES TO SCHEDULE:

Changes in Benefit Terms

There were no changes to benefit terms that applied to all members of the Public Agency Pool. However, individual employers in the Plan may have provided a benefit improvement to their employees by granting Two Years Additional Service Credit to members retiring during a specified time period (a.k.a. Golden Handshakes). Employers that have done so may need to report this information as a separate liability in their financial statement as CalPERS considers such amounts to be separately financed employer-specific liabilities. These employers should consult with their auditors.

Changes in Assumptions

There were no changes in assumptions.

*Schedule is intended to show information for 10 years. Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown. Additional years will be displayed as they become available.

Strawberry Recreation District
As of June 30, 2023
Last 9 Years*
SCHEDULE OF CONTRIBUTIONS

	CalPERS								
	Fiscal Year End								
MISCELLANEOUS PLAN	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution (actuarially determined)	$ 67,693	$ 29,702	$ 50,265	$ 41,930	$ 46,976	$ 32,889	$ 29,508	$ 17,049	$ 14,347
Contributions in relation to the actuarially determined contributions	(67,693)	(29,702)	(50,265)	(41,930)	(46,976)	(32,889)	(29,508)	(17,049)	(14,347)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered-employee payroll during the fiscal year	$ 600,780	$ 90,735	$ 443,168	$ 431,823	$ 508,464	$ 443,954	$ 367,160	$ 299,005	$ 205,477
Contributions as a percentage of covered-employee payroll	11.27%	32.73%	11.34%	9.71%	9.24%	7.41%	8.04%	5.70%	6.98%

NOTES TO SCHEDULE:

Contribution Valuation Date:	6/30/2020	6/30/2019	6/30/2018	6/30/2017	6/30/2016	6/30/2015	6/30/2014	6/30/2013	6/30/2012

*Schedule is intended to show information for 10 years. Fiscal Year 2015 was the first year of implementation, therefore only 7 years are shown. Additional years will be displayed as they become available.

Strawberry Recreation District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(UNAUDITED)

	General Fund		
	Original and Final Budget	Actual	Variance with Final Budget
Revenue:			
Property taxes	$ 490,000	$ 218,498	$ (271,502)
Zone IV income	452,700	542,452	89,752
Zone V income	7,932	8,652	720
Measure A taxes	39,850	61,596	21,746
Other Grants	260,000	326,306	66,306
Licenses and permits	140,000	167,934	27,934
Charges for service	1,231,715	1,898,625	666,910
Facility rental	145,330	59,021	(86,309)
Education Revenue Augmentation Fund	122,000	200,581	78,581
Use of money	9,500	38,379	28,879
Total revenue	2,899,027	3,522,044	623,017
Expenditures:			
Administration	486,209	439,884	46,325
Youth programs	497,138	573,088	(75,950)
Adult programs	31,100	41,776	(10,676)
Aquatics	530,459	540,082	(9,623)
Tennis programs	3,000	109,707	(106,707)
Facilities	542,171	439,882	102,289
Special events	18,036	22,711	(4,675)
Zone IV maintenance and improvements	797,864	6,854	791,010
Zone V maintenance	7,200	494	6,706
Capital improvement projects	560,000	176,872	383,128
Replacement reserves	-	-	-
Measure A	60,000	137,270	(77,270)
Debt service:			
Principal	33,149	33,149	-
Interest	1,786	1,786	-
Total expenditures	3,568,112	2,523,555	1,044,557
Excess (deficiency) of revenue over (under) expenditures	$ (669,085)	998,489	$ 1,667,574
Fund balance, beginning of period		4,458,484	
Fund balance, end of period		$ 5,456,973	

Strawberry Recreation District

STATEMENT OF REVENUES, EXPENDITURES AND CHANGE IN FUND BALANCE - BUDGET AND ACTUAL

For the year ended June 30, 2023

(UNAUDITED)

	General Fund (Without Zone IV)		
	Original and Final Budget	Actual	Variance with Final Budget
Revenue:			
Total revenue	$ 2,899,027	$ 3,522,044	$ 623,017
Less Zone IV revenue	(452,700)	(542,452)	(89,752)
Less Zone V	(7,932)	(8,652)	(720)
Total District revenue (without Zone IV)	2,438,395	2,970,940	532,545
Expenditures:			
Total District expenditures	3,568,112	2,523,555	1,044,557
Less Zone IV expenditures	(832,799)	(494)	(832,305)
Less Zone V	(7,200)	(6,854)	(346)
Total District expenditures (without Zone IV)	2,728,113	2,516,207	211,906
Excess (deficiency) of revenue over (under) expenditures (without Zone IV)	$ (289,718)	$ 454,733	$ 744,451