MISSION OAKS RECREATION & PARK DISTRICT

(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)

FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2022

HARSHWAL®
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
TABLE OF CONTENTS
JUNE 30, 2022

HARSHWAL & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Mission Oaks Recreation & Park District
Carmichael, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and aggregate remaining fund information of Mission Oaks Recreation & Park District (the "District"), (Component Unit of the County of Sacramento) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District as of June 30, 2022, and the changes in financial position of those activities and funds for the fiscal 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter - Change in Accounting Principle

As discussed in Note 2, the Governmental Accounting Standards Board (GASB) issued GASB Statement No. 87 - Leases (GASB 87). The statement enhances the relevance and consistency of reporting for leasing activities by establishing requirements for lease accounting based on the principle that leases are financings of underlying right-to-use assets. A lessee is required to recognize a lease liability and intangible right-to-use leased asset, and a lessor is required to recognize a lease receivable and deferred inflow of resources. The District adopted GASB 87 in fiscal year 2022. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going 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 opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standard* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standard*, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9 and required supplementary information on pages 41 through 46 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.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated October 23, 2024, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Harshwal & Company LLP

Oakland, California
October 23, 2024

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
FOR THE YEAR ENDED JUNE 30, 2022

Our discussion and analysis of the Mission Oaks Recreation & Park District (the "District") provides the reader with an overview of the District's financial position and performance for the period ending June 30, 2022. The Management's Discussion & Analysis (MD&A) describes the significant changes that occurred in general operations and discusses the activities during the year for capital assets. The discussion concludes with a description of currently known facts, decisions, and conditions that are expected to impact the financial position of the District's operations. We encourage the reader to consider the information presented here in conjunction with the additional information furnished in our letter of transmittal.

FINANCIAL HIGHLIGHTS

Government - Wide Financial Statements:

- The assets of the District exceeded liabilities at the close of the 2021 fiscal year by $14,975,722 (net position), an increase over the previous year by $1,125,213. Of this amount, $809,126 is the unrestricted net position, $647,756 is the restricted net position, and $13,518,840 is the net investment in capital assets.

Fund Financial Statements:

- As of June 30, 2022, the District’s governmental funds reported combined fund balances of $3,945,238, $647,756 is reserved for landscape and lighting assessment and $3,297,482 is available to meet the District’s current and future needs (unassigned fund balance).
- Unassigned fund balance for the general fund was $3,297,482 or 84.09% of total general fund expenditures as of June 30, 2022.

Overview of the Financial Statements

This discussion and analysis serves as an introduction to District’s basic financial statements. The basic financial statements include: (1) government - wide financial statements, (2) fund financial statements, and (3) notes to basic financial statements. In addition, the financial section of this report contains required supplementary information.

Government - Wide Financial Statements: The government-wide financial statements provide a broad overview of the District’s and the manner of presentation is similar to a private-sector business. The government - wide financial statements can be found on pages 10 - 12.

- *Statement of Net Position:* The statement of net position presents information on all the District assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position and is prepared using the accrual basis of accounting, which is similar to the accounting basis used by most private-sector organizations. Over time, increases or decreases in the net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

- *Statement of Activities:* The statement of activities provides information about all the District's revenues and expenses on the full accrual basis of accounting, with the emphasis on measuring net revenues or expenditures of each specific program. This statement explains in detail the change in Net Position for the year.

Overview of the Financial Statements - Cont'd

Fund Financial Statements: A fund is a grouping of related accounts used to maintain control over resources that have been segregated for specific activities. Like other state and local governments, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District are divided into one category which are all considered governmental funds.

The Governmental funds are used to account for essentially the same functions reported as governmental activities in the government - wide financial statements. However, unlike the government - wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District’s near-term requirements. Because the focus of governmental funds is narrower than that of the government - wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government - wide financial statements. By doing so, readers may better understand the long-term impact of the government’s near-term financing decisions. Reconciliations are provided to facilitate this comparison for the governmental funds balance sheet and the governmental funds statement of revenues, expenditures and changes in fund balances. The basic governmental fund financial statements can be found on pages 13 - 16 on this report.

Notes to Basic Financial Statements: The notes provide additional information that is essential to a full understanding of the data provided in the District’s basic financial statements. The notes are included immediately following the basic financial statements within this report. The notes to financial statements can be found on pages 17 - 40 on this report.

GOVERNMENT - WIDE FINANCIAL ANALYSIS

Overall, the District has started to experience a recovery of its property tax base and increases in program revenue generation while holding operational costs increases to the minimum possible to achieve objectives. The District has continued to work in partnership with other recreation & park Districts, schools, community organizations, and service groups, and business to address the mission to satisfy the recreational needs of the community by providing a wide range of facilities and opportunities to enrich the quality of life.

GOVERNMENT - WIDE FINANCIAL ANALYSIS - CONT'D

The following is a summary of the District's Statements of Net Position as of June 30, 2022, and June 30, 2021.

Table 1
Net Position
Governmental Activities

	June 30, 2022	June 30, 2021 *Restated*	Increase (Decrease) Amount	Percent Change
Assets:				
Current and other assets	$ 4,761,872	$ 4,134,167	$ 627,705	15.2%
Capital assets and lease receivable, net	13,518,840	13,346,353	172,487	1.3%
Total assets	18,280,712	17,480,520	800,192	4.6%
Deferred Outflows of Resources				
Related to pension	1,060,703	1,516,574	(455,871)	(30.1)%
Related to OPEB	13,179	9,770	3,409	34.9%
Total deferred outflows of resources	1,073,882	1,526,344	(452,462)	(29.6)%
Liabilities:				
Current and other liabilities	906,453	779,884	126,569	16.2%
Long-term liabilities	269,527	3,744,333	(3,474,806)	(92.8)%
Total liabilities	1,175,980	4,524,217	(3,348,237)	(74.0)%
Deferred Inflows of Resources				
Related to pension	3,007,257	596,631	2,410,626	404.0%
Related to OPEB	35,149	35,507	(358)	(1.0)%
Related to lease	160,486	-	160,486	100.0%
Total deferred inflows of resources	3,202,892	632,138	2,570,754	406.7%
Net Position:				
Net investment in capital assets	13,518,840	13,346,353	172,487	1.3%
Restricted	647,756	424,388	223,368	52.6%
Unrestricted	809,126	79,768	729,358	914.3%
Total net position	$ 14,975,722	$ 13,850,509	$ 1,125,213	8.1%

GOVERNMENT - WIDE FINANCIAL ANALYSIS - CONT'D

The following is a summary of the District's Statements of Activities for the fiscal year ended June 30, 2022, and June 30, 2021.

Table 2
Statements of Activities
Governmental Activities

	June 30, 2022	June 30, 2021 *Restated*	Increase (Decrease) Amount	Percent Change
Revenues				
Program revenues				
Recreation services	$ 669,417	$ 373,283	$ 296,134	79.3%
General revenues				
Property taxes and assessments	4,436,631	4,195,744	240,887	5.7%
Use of money and property	94,805	22,876	71,929	314.4%
Miscellaneous	132,559	74,088	58,471	78.9%
Total revenues	5,333,412	4,665,991	667,421	14.3%
Expenses				
Recreation and park activities	4,208,199	4,041,680	166,519	4.1%
Total expenses	4,208,199	4,041,680	166,519	4.1%
Change in net position	1,125,213	624,311	500,902	80.2%
Net position - beginning of year	13,850,509	13,226,198	624,311	4.7%
Net position - end of year	$ 14,975,722	$ 13,850,509	$ 1,125,213	8.1%

GOVERNMENT - WIDE FINANCIAL ANALYSIS - CONT'D

Capital Assets

As of June 30, 2022, the District's investment in capital assets totaled $13,376,248 net of accumulated depreciation. The investment in capital assets includes land, site improvements, buildings and improvements, and equipment. The capital assets are presented in the government-wide statement of net position. Additional information about the District's capital assets can be found in Note 4 to the Basic Financial Statements.

The following is a summary of the District's capital assets and related accumulated depreciation as of June 30, 2022, and June 30, 2021.

Table 3
Capital Assets at Year-End
Governmental Activities

	June 30, 2022	June 30, 2021	Increase (Decrease) Amount	Percent Change
Land	$ 2,696,540	$ 2,696,540	$ -	0%
Construction in progress	506,103	526,796	(20,693)	(3.9)%
Site improvements	11,956,704	11,309,463	647,241	5.7%
Buildings and improvements	7,334,600	7,334,600	-	0%
Equipment	594,910	515,561	79,349	15.4%
Total	23,088,857	22,382,960	705,897	3.2%
Less: accumulated depreciation	(9,712,609)	(9,036,607)	(676,002)	7.5%
Capital assets, net	$ 13,376,248	$ 13,346,353	$ 29,895	0.2%

All the 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. All capital assets are depreciated over their estimated useful lives, using the straight line method. See Note 2 in the basic financial statement for more detailed analyses.

Projects completed during 2022 include:

General Fund:

- Resurfaced the basketball court at Gibbons.
- Replaced ADA sidewalks at Oak Meadow, Cowan, and Maddox parks.

Assessment District:

- Slurry and restriped the parking lot at Gibbons.
- Replaced the splash pad surface at Swanston.
- Upgraded the district fleet by replacing two vehicles.

GENERAL FUND BUDGETARY HIGHLIGHTS

In reviewing the final budget versus actual activity, tax revenues were $208,012 higher than projected as assessed property values continued to grow. Intergovernmental revenues were higher than the budgeted by $574 due in part to excess grant funding than anticipated. Other revenues were $86,527 higher than budget due to unanticipated Sac Suburban Water reimbursements. Recreation revenues were $40,120 higher due to an increase in participants and new programs and activities. General fund expenditures were less than the budget by $823,847. The difference was due mainly to the saving in salaries & benefits and services & supplies and because the District did not spend the contingency fund appropriation. The complete general fund budget to actual comparison schedule is included as required supplementary information following the basic financial statements.

ECONOMIC FACTORS AND NEXT YEARS BUDGET

The District has weathered economic conditions of the last few years by being financially conservative and with a “pay as you go” approach to spending. This has enabled the District to continue ADA improvements and safety improvements at various parks.

The worldwide pandemic created many challenges for the District. Fortunately, due to the conservative approach to the budget process, the District has been able to avoid many of the challenges that have plagued other Districts. The District retained all its fulltime employees during the statewide shut down. Another fortuitous event occurred when two high salaried employees left for retirement and other employment. This helped maintain salaries and an increase in PPE and sanitization across the District. The CIP program continued with plans to improve the Swanston Park Splash Pad and more ADA improvements. The District continued its relationship with the Sacramento Off-Duty Sheriff’s Patrol and others to has handle the growth of homelessness. All recreation events and programs were reduced to virtual status.

The District is entering into its 21st year of the Maintenance and Improvement Assessment which is an essential part of maintaining and improving the park system and program. The District will continue to be a good partner of the San Juan Unified School District and will continue to seek potential partners for continued growth for the Arden Arcade and Carmichael communities.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide the District’s customers, investors, and other interested parties with an overview of the District’s financial operations and financial condition. Should the reader have questions regarding the information included in this report or wish to request additional financial information, please contact:

District Administrator Daniel Barton
(916) 488-7276 ext. 3011 or
Mission Oaks Recreation & Park District
(916) 488-2810.

BASIC FINANCIAL STATEMENTS

GOVERNMENT - WIDE FINANCIAL STATEMENTS

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	
ASSETS	
Current assets:	
Cash and investments	$ 4,645,831
Restricted cash and investments	79,638
Interest receivables	13,905
Lease receivable	22,498
Total current assets	4,761,872
Noncurrent assets:	
Non-depreciable capital assets	3,202,643
Depreciable capital assets, net	10,173,605
Lease receivable, net	142,592
Total noncurrent assets	13,518,840
Total assets	18,280,712
DEFERRED OUTFLOWS OF RESOURCES	
Related to pension	1,060,703
Related to OPEB	13,179
Total deferred outflows of resources	1,073,882
Total assets and deferred outflows of resources	19,354,594
LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION	
LIABILITIES	
Current liabilities:	
Accounts payable and accruals	115,924
Accrued payroll	154,321
Compensated absences	107,713
Total current liabilities	377,958
Noncurrent liabilities:	
Deposits payable	528,495
Net pension liability	169,540
Total OPEB liability	99,987
Total noncurrent liabilities	798,022
Total liabilities	1,175,980

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

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
STATEMENT OF NET POSITION
JUNE 30, 2022

	Governmental Activities
DEFERRED INFLOWS OF RESOURCES	
Related to pension	3,007,257
Related to OPEB	35,149
Related to lease	160,486
Total deferred inflows of resources	3,202,892
Total liabilities and deferred inflows of resources	4,378,872
NET POSITION	
Net investment in capital assets	13,518,840
Restricted	647,756
Unrestricted	809,126
Total net position	14,975,722
Total liabilities, deferred inflows of resources, and net position	$ 19,354,594

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

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Functions/Programs	Expenses	Program Revenues Charges for Services	Net (Expenses) Revenues and Changes in Net Position
Governmental activities:			
Recreation and park activities	$ 4,208,199	$ 669,417	$ (3,538,782)
Total governmental activities	$ 4,208,199	$ 669,417	(3,538,782)
General revenue:			
Property taxes			3,395,367
Intergovernmental revenues			54,903
Special assessments - assessment District			1,041,264
Use of money and property			94,805
Donations, insurance proceeds, and other			77,656
Total general revenue			4,663,995
Change in net position			1,125,213
Net position - beginning of year			13,828,817
Restatement			21,692
Net position - beginning of year, *restated*			13,850,509
Net position - end of year			$ 14,975,722

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

FUND FINANCIAL STATEMENTS

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
BALANCE SHEET- GOVERNMENTAL FUNDS
JUNE 30, 2022

	General Fund	Landscape and Lighting Assessment District	Other Nonmajor Funds	Total Governmental Funds
ASSETS				
Cash and investments	$ 3,592,333	$ 645,716	$ 407,782	$ 4,645,831
Restricted cash and investments	-	-	79,638	79,638
Interest receivables	9,992	2,040	1,873	13,905
Lease receivables	165,090	-	-	165,090
Total assets	3,767,415	647,756	489,293	4,904,464
LIABILITIES, DEFERRED INFLOW OF RESOURCES, AND FUND BALANCE				
LIABILITIES				
Accounts payable and accruals	115,924	-	-	115,924
Accrued payroll	154,321	-	-	154,321
Deposits	39,202	-	489,293	528,495
Total liabilities	309,447	-	489,293	798,740
DEFERRED INFLOWS OF RESOURCES				
Deferred inflow of resources - lease	160,486	-	-	160,486
Total deferred inflows of resources	160,486	-	-	160,486
FUND BALANCE				
Reserved for landscape and lighting assessment	-	647,756	-	647,756
Unassigned	3,297,482	-	-	3,297,482
Total fund balance	3,297,482	647,756	-	3,945,238
Total liabilities, deferred inflows of resources and fund balance	$ 3,767,415	$ 647,756	$ 489,293	$ 4,904,464

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

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

Fund balances of governmental funds	$ 3,945,238
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 governmental funds.	13,376,248
Liabilities are not due and payable with current financial resources and therefore are not reported in the governmental funds.	
Net pension liability and deferred inflows and outflows of resources	(2,116,094)
Total OPEB liability and deferred inflows and outflows of resources	(121,957)
Compensated absences payable	(107,713)
Net position - governmental activities	$ 14,975,722

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

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

	General Fund	Landscape and Lighting Assessment District	Other Nonmajor funds	Total Governmental Funds
REVENUES				
Property taxes	$ 3,395,367	$ -	$ -	$ 3,395,367
Intergovernmental revenues	54,903	-	-	54,903
Special assessments - assessment District	-	1,041,264	-	1,041,264
Charges for services	669,417	-	-	669,417
Use of money and property	91,592	3,213	-	94,805
Donations, insurance proceeds, and other	77,686	(30)	-	77,656
Total revenues	4,288,965	1,044,447	-	5,333,412
EXPENDITURES				
Current:				
Salaries and benefits	2,319,806	-	-	2,319,806
Services and supplies	1,223,754	429,174	-	1,652,928
Capital outlay	377,818	391,905	-	769,723
Total expenditures	3,921,378	821,079	-	4,742,457
Net change in fund balance	367,587	223,368	-	590,955
Fund balance - beginning of year	2,908,203	424,388	-	3,332,591
Restatement	21,692	-	-	21,692
Fund balances - beginning of year, *restated*	2,929,895	424,388	-	3,354,283
Fund balance - end of year	$ 3,297,482	$ 647,756	$ -	$ 3,945,238

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

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Net changes in fund balances - total governmental funds	$ 590,955
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental Funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlays	705,897
Depreciation	(676,002)
Some expenses and changes in deferred outflows and inflows of resources reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.	
Compensated absences	(16,659)
Total OPEB expenses	(3,150)
Net pension expenses	524,172
Change in net position - governmental activities	$ 1,125,213

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

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 1 - ORGANIZATION

Mission Oaks Recreation & Park District (the "District") was organized in 1975 by a resolution passed by the County of Sacramento (the "County") Board of Supervisors, under the California Public Resources Code, Section 5780. It is operated under the direction of a five-member Advisory Board of Directors appointed by the Sacramento County Board of Supervisors. The District is dependent on the Sacramento County Board of Supervisors and its financial activities are processed through the County Auditor-Controller's Office. The District serves approximately 60,500 residents in an area of 9.1 square miles. The District develop and maintain 11 parks, totaling 88.75 acres. Six school parks were originally developed and maintained by the park District; however, two of those (Billy Mitchell and Starr King) were given back to the San Juan Unified School District. The remaining four school parks (Greer, Del Paso Manor, Cowan and Sierra Oaks), which amount to about 14 acres, continue to be maintained by Mission Oaks. In addition, the District maintains the County-owned Hazelwood Greens, a stormwater detention facility of about 2 acres. All totaled, the District provides a bit over 105 acres of parkland for the community's enjoyment. The District merged with Windemere Recreation and Park District on October 12, 1993.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting policies of the District conform to the U.S. generally accepted accounting principles as applicable to governmental units. The District's significant accounting policies are described below:

A. Reporting Entity

The District has defined its reporting entity in accordance with generally accepted accounting principles, which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board. All such component units have been "blended" with the District's other fund types and account groups. All of the blended component units have June 30 year-ends.

Based upon the aforementioned oversight criteria, the following is a component unit:

- The Mission Oaks Landscape and Lighting District was formed by a majority vote of property owners as required by proposition 218. The property assessments began during the 1999-2000 fiscal year to provide additional funds needed for operational costs and capital improvements. The activities are included in the financial statements as a special revenue fund.

The District is a component unit of the County of Sacramento and its financial activities are included in the County's financial statements as a special revenue fund.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

B. Basis of Presentation

The District's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

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

Government - Wide Financial Statements: The statement of net position and statement of activities display information about the primary government (the District) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities.

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements: The Fund financial statements of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's resources are accounted for in these individual funds based on the purposes for which they are to be spent and the means by which spending activity is controlled.

The fund financial statements provide information about the District's funds, including blended component units. The emphasis of fund financial statements is on major governmental funds, each displayed in separate columns. All remaining governmental funds are separately aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

- *General Fund* - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government type activities.
- *Landscape and Lighting Assessment District* - This fund was established to account for a District-Wide assessment that can be used for certain operational expenditures and capital additions of the District.

C. Basis of Accounting and Measurement Focus

The government - wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of when the related cash flow takes place. Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

C. Basis of Accounting and Measurement Focus - Cont'd

Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources. The District considers property taxes available if they are collected within sixty-days after year-end.

D. Noncurrent Governmental Assets/Liabilities

GASB Statement 34 eliminated the presentation of account groups, but provided for these records to be maintained and incorporated the information into the Governmental Activities column in the government-wide statement of net position.

E. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements. These amounts are restricted, as their use is limited by external requirements.

F. Budgets and Budgetary Accounting

As required by State law, the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the source of financing.

Budgets for the general and special revenue funds are adopted on the modified accrual basis of accounting. The budgets for the general and special revenue funds are the only legally adopted budgets. Budgets for the debt service fund are used for management and control purposes only.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Advisory Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Advisory Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the final budgeted amount in the accompanying financial statements includes all revisions approved by the Advisory Board of Directors.

G. Property Taxes

The District receives property taxes from the County of Sacramento, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively, for the secured roll. Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

G. Property Taxes - Cont'd

The County, in return, receives all penalties and interest. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

H. Compensated Absences

Compensated absences represent the vested portion of accumulated vacation and sick leave. In accordance with GASB Statement No. 16, the liability for accumulated leave includes all salary - related payments that are directly and incrementally connected with leave payments to employees, such as Medicare taxes. A current liability has been recorded in the governmental fund type to account for these vested leave accruals, which are expected to be used within the next fiscal year. At June 30, 2022, a long-term liability for unpaid vacation and sick leave has been recorded in the government-wide statement of net position representing the District’s commitment to fund such costs from future operations.

I. Capital Assets and Depreciation

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in governmental activities column of the government-wide financial statements. Contributed capital assets are valued at their acquisition value. Capital assets include land, buildings and building improvements, and equipment. Capital assets are defined by the District as assets with an initial, individual cost of more than $5,000.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset's lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

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 useful lives listed below to capital assets:

Asset Type	Useful Life
Buildings	30 years
Buildings and improvements	15 years
Site improvements	10 to 20 years
Equipment and machinery	5 to 20 years

J. Right-to-use Assets

The District has recorded a right-to-use lease asset as a result of implementing GASB 87 - Leases. The right-to-use asset is initially measured at an amount equal to the related lease liability plus any lease payments made prior to the lease term, less lease incentives, and plus ancillary charges, necessary to place the lease into service. The right-to-use asset is amortized on a straight-line basis over the life of the related lease.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

K. Leases

For the year ended June 30, 2022, the financial statements include the adoption of Government Accounting Standards Board (GASB) Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about a government's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use leased asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources.

Lessee: The District leases various assets requiring recognition. A lease is a contract that conveys control of the right to use another entity's nonfinancial asset. Lease recognition does not apply to short-term leases, contracts that transfer ownership, leases of assets that are investments, or certain regulated leases. The District recognizes lease liabilities and right-to-use lease assets with an initial value of $5,000, individually or in the aggregate in the government-wide financial statements. The District recognizes a lease liability and a right-to-use lease asset in the Financial Statements of Governmental Activities.

At the commencement of the lease, the lease liability is measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease liability is reduced by the principal portion of payments made. The leased equipment is measured at the initial amount of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. The lease asset is amortized over the shorter of the lease term or the useful life of the underlying asset.

Lessor: The District recognizes leases receivable and deferred inflows of resources in the Financial Statements of Governmental Activities. At commencement of the lease, the lease receivable is measured at the present value of lease payments expected to be received during the lease term, reduced by the principal portion of lease payment`s received. The deferred inflow of resources is measured at the initial amount of the lease receivable, less lease payments received from the lessee at or before the commencement of the lease term (less any lease incentives).

Key estimates and judgments:

Lease accounting includes estimates and judgments for determining the (1) rate used to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

The District uses the interest rate stated in lease contracts. When the interest rate is not provided or the implicit rate cannot be readily determined, the District uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the noncancellable period of the lease and certain periods covered by options to extend to reflect how long the lease is expected to be in effect, with terms and conditions varying by the type of underlying asset.

Fixed and certain variable payments as well as lease incentives and certain other payments are included in the measurement of the lease liability (lessee) or lease receivable (lessor).

The District monitors changes in circumstances that would require a remeasurement or modification of its leases. The District will remeasure the lease asset and liability (lessee) or the lease receivable and deferred inflows of resources (lessor) if certain changes occur that are expected to significantly affect the amount of the lease liability or lease receivable.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

L. Fund Balances

The District's fund balances are classified in accordance with Governmental Accounting Standards Board Statement Number 54 (GASB 54), *Fund Balance Reporting and Governmental Fund Type Definitions,* which requires the District to classify its fund balances based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the District prioritizes and expends funds in the following order: Nonspendable, Restricted, Committed, Assigned, and Unassigned.

Each category in the following hierarchy is ranked according to the degree of spending constraint:

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

The District's policy is to spend restricted amounts first when an expenditure is incurred for purposes for which both restricted and unrestricted fund balances are available. When an expenditure is incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used, the assumed order of spending is first committed, assigned, and then unassigned.

M. Interfund Transactions

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

N. Pension Plan

For purposes of measuring the net pension liability, deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's Sacramento County Employees' Retirement System (SCERS) plan, and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by SCERS. 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 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

O. Postemployment Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District Retiree Benefits Plan and additions to/deductions from OPEB's fiduciary net position have been determined on the same basis as they are reported by OPEB. For this purpose, OPEB recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest-earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

P. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position and balance sheets reports a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has deferred outflows of resources of $1,060,703 and $13,179 for pensions and OPEB, respectively.

In addition to liabilities, the statement of net position and balance sheets reports a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents-an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as inflow of resources (revenue) until that time. The District has deferred inflows of resources of $3,007,257 and $160,486 for pensions and OPEB, respectively.

Q. Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles (GAAP) in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

R. Accounting Pronouncements

Implemented Accounting Pronouncements - The following Governmental Accounting Standards Board(GASB) Statements have been implemented in the current financial statements:

GASB Statement No. 87, Leases

The objective of this statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financing of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has implemented this Statement as of June 30, 2022.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

R. Accounting Pronouncements - Cont'd

Upcoming Accounting and Reporting Changes - The District is currently analyzing its accounting practices to determine the potential impact on the financial statements of the following recent GASB Statements:

GASB Statement No. 91, Conduit Debt Obligations

The objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement also clarifies the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitment and voluntary commitments extended by issuers and arrangements associated with the debt obligations; and improving required note disclosures. The requirements of this Statement were initially to be effective for financial statements for periods beginning after December 15, 2020 but have been delayed to periods beginning after December 15, 2021, pursuant to GASB Statement No. 95. Earlier application is encouraged.

GASB Statement No. 94, Public-Private Partnerships and Public-Public Partnerships and Availability Payment Arrangements

The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, a PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, an APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are to be effective for financial statements for periods beginning after June 15, 2022. Earlier application is encouraged.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

GASB 96 provides guidance on accounting for Subscription-Based Information Technology Arrangements (SBITA) where the government contracts for the right to use another party’s software. The standards for SBITAs are based on the standards established in GASB Statement No. 87, Leases. GASB 96 is effective for fiscal years beginning after June 15, 2022.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

R. Accounting Pronouncements - Cont'd

GASB Statement No. 99, Omnibus 2022

Omnibus statements are issued by GASB to address practice issues identified after other standards have been approved for implementation. Omnibus statements "clear up the loose ends" for recent prior statements GASB has issued. This Omnibus addresses recent pronouncements, including GASB 87 – Leases, GASB 94 – Public-Private and Public-Public Partnerships and Availability Payment Arrangements, and GASB 96 – Subscription-Based Information Technology Arrangements.

Effective Date: The requirements of this Statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

Earlier application is encouraged and is permitted by topic.

GASB Statement No. 100, Accounting Changes and Error Corrections–an amendment of GASB Statement No. 62

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. This Statement also prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections in previously issued financial statements. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, Compensated Absences

This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. Leave is attributable to services already rendered when an employee has performed the services required to earn the leave. Leave that accumulates is carried forward from the reporting period in which it is earned to a future reporting period during which it may be used for time off or otherwise paid or settled. In estimating the leave that is more likely than not to be used or otherwise paid or settled, a government should consider relevant factors such as employment policies related to compensated absences and historical information about the use or payment of compensated absences. However, leave that is more likely than not to be settled through conversion to defined benefit postemployment benefits should not be included in a liability for compensated absences.

NOTE 2 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D

R. Accounting Pronouncements - Cont'd

GASB Statement No. 101, Compensated Absences - Cont'd

This Statement requires that a liability for certain types of compensated absences—including parental leave, military leave, and jury duty leave—not be recognized until the leave commences. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities.

With respect to financial statements prepared using the current financial resources measurement focus, this Statement requires that expenditures be recognized for the amount that normally would be liquidated with expendable available financial resources. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter.

GASB Statement No. 102, Certain Risk Disclosures

This standard is expected to improve financial reporting by providing users of financial statements with essential information regarding certain concentrations or constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. This statement is effective beginning in 2024-2025. The District does not expect this statement to have an impact on its financial statements.

GASB Statement No. 103, Financial Reporting Model Improvements

This standard is intended to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision-making and assessing a government's accountability. This statement is effective beginning in 2025-2026. The District does not expect this statement to have an impact on its financial statements but will change how the information is presented.

NOTE 3 - CASH AND INVESTMENTS

Cash and investments as of June 30, 2022, were consisted of the following:

	Amount
Cash and investments with the County Treasurer	$ 4,723,469
Imprest cash	2,000
Total cash and investments with restricted	$ 4,725,469

NOTE 3 - CASH AND INVESTMENTS - CONT'D

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

The table below identifies the investment types that are authorized for the Mission Oaks Recreation & Park District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code or the District investment policy.

Authorized Investment Type	Maximum Maturity	Percentage of Portfolio	Investment in One Issuer
Investment pools authorized under CA Statutes governed by Government Code	N/A	None	$ 75 million
U.S. Treasury Obligations	5 years	100%	None
Bank Savings Accounts	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	270 days	40%	None
Negotiable Certificates of Deposit	180 days	30%	None
Repurchase Agreements	1 year	30%	None
Corporate Debt	5 years	25%	None

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment maturity:

		Remaining Maturity (in Months)			
Investment Type	Totals	12 Months or Less	13 - 24 Months	25 - 36 Months	37 - 48 Months
Sacramento County - Cash*	$ 4,643,831	$ 4,643,831	$ -	$ -	$ -
Sacramento County - Restricted*	79,638	79,638	-	-	-
Total	$ 79,638	$ 79,638	$ -	$ -	$ -

** Not subject to categorization*

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

NOTE 3 - CASH AND INVESTMENTS - CONT'D

D. 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 deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: The California Government Code requires that a financial institution secured deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits. Since the District holds all its investments with the County of Sacramento in an investment pool, more information can be gained from these investments from evaluating the annual report of Sacramento County. This report can be obtained directly from the Sacramento County Auditor-Controller's office. Investments are accounted for in accordance with the provisions of GASB Statement No. 31, which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in fair value of investments in the year in which the change occurred. The District reports its investment in the Sacramento County investment pool at fair value based on quoted market information obtained from fiscal agents or other sources if the change is material to the financial statements.

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
NOTES TO BASIC FINANCIAL STATEMENTS
JUNE 30, 2022

NOTE 4 - CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental Activities:				
Capital assets not being depreciated:				
Land	$ 2,696,540	$ -	$ -	$ 2,696,540
Construction in progress	526,796	362,461	(383,154)	506,103
Total capital assets, not being depreciated	3,223,336	362,461	(383,154)	3,202,643
Capital assets, being depreciated				
Site improvements	11,309,463	647,241	-	11,956,704
Buildings and improvements	7,334,600	-	-	7,334,600
Equipment	515,561	79,349	-	594,910
Total capital assets, being depreciated	19,159,624	726,590	-	19,886,214
Less: accumulated depreciation	(9,036,607)	(676,002)	-	(9,712,609)
Total capital assets, being depreciated net	10,123,017	50,588	-	10,173,605
Governmental activities capital assets, net	$ 13,346,353	$ 413,049	$ (383,154)	$ 13,376,248

Depreciation expense for the year ended June 30, 2022 was $676,002.

NOTE 5 - LONG-TERM LIABILITIES

The following is a summary of long-term liabilities for the year ended June 30, 2022:

	Beginning Balance	Additions	Deletions	Ending Balance
Net pension liability	$ 3,560,209	$ -	$ (3,390,669)	$ 169,540
Total OPEB liability	93,070	6,917	-	99,987
Compensated absences	91,054	16,659	-	107,713
Totals	$ 3,744,333	$ 23,576	$ (3,390,669)	$ 377,240

NOTE 6 - LEASE RECEIVABLES

The District entered into a lease agreement as a lessor with Sacramento-Valley Limited Partnership, DBA Verizon Wireless, a California limited partnership, for a Telecommunications Facility Permit. The lease terms range from 1 to 10 years. At June 30, 2022, the receivable balance was $165,090. The deferred inflow of resources was $160,486, and the revenue recognized was $25,351.

Minimum lease payments receivable are as follows:

Year Ending June 30	Principal	Interest	Total
2023	$ 22,458	$ 4,689	$ 27,147
2024	24,026	3,936	27,962
2025	25,670	3,131	28,801
2026	27,393	2,271	29,664
2027	29,200	1,354	30,554
2028	25,711	385	26,096
Total	$ 154,458	$ 15,766	$ 170,224

NOTE 7 - NET POSITION/FUND BALANCES

Net Position - The government-wide financial statements utilize a net position presentation. Net position are categorized as net investment of capital asset, restricted, and unrestricted.

- *Net Investment of Capital Asset:* This category groups all capital assets, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.
- *Restricted Net Position:* This category presents external restrictions imposed by creditors, grantors, contributors, or laws and regulations of other governments and restrictions imposed by law though constitutional provisions or enabling legislation.
- *Unrestricted Net Position:* This category represents net position of the District, not restricted for any project or other purpose.

Fund Balances - In the fund financial statements, reserves segregate portions of fund balance that are either not available or have been earmarked for specific purposes.

As of June 30, 2022, reservations of fund balance are as described below:

The term “reserved” is used to indicate that a portion of the reported fund balance is legally restricted to a specific purpose or not available for appropriation or expenditure. The District has reserved fund balances as follows:

- *Reserved for landscape and lighting assessment:* The unavailable for appropriation because the District must use these funds for future capital improvements in lieu of developers directly making improvements.

NOTE 8 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District together with other Districts in the State carry California Association of Park Recreation Insurance (CAPRI), a public entity risk pool currently operating as common risk management and insurance program for member Districts. The District pays an annual premium to CAPRI for its general insurance coverage and worker's compensation coverage. Membership in the California Association of Recreation and Park Districts is required when applying for either CAPRI. The Agreement for Formation provides that CAPRI will be self-sustaining through member premiums and will reinsure through commercial companies for claims up to $10,000,000 for general and automobile liability and all risk property insurance, including boiler and machinery coverage, is subject to a $2,000 deductible occurrence payable by the District. Financial statements for CAPRI are available at the District's office.

NOTE 9 - TRUST ACCOUNTS

Park Dedication Trust Fund

The County maintains two trust accounts for the benefit of the District. The corpus of the trusts consists of in-lieu fees paid by developers of subdivisions within the boundaries of the District including a separate trust established within the merged Windemere Recreation and Park boundaries. The use of the developer in lieu funds is restricted under the Quimby Act for the purpose of providing park and recreation facilities to serve the population. These funds are accounted for in a special revenue fund for financial statement presentation and are available to the District upon approval from the District's Advisory Board of Directors.

NOTE 10 - DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN

A. General Information about the Pension Plans

Plan Descriptions – The District contributes to the Sacramento County Employees' Retirement System (the "SCERS"), a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by the SCERS. The Plan provides retirement, disability, and survivor benefits to beneficiaries. Benefits are established by the County Employees' Retirement Act of 1937, section 31450, et seq., of the California Government Code. The SCERS issues a separate actuarial report that includes financial statements and required supplementary information at www.scers.org.

Benefits Provided – The SCERS 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. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. Active plan members in the District's defined pension plan are required to contribute 9.45% of their bi-weekly salary. Mission Oaks does not contribute to Social Security. The District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted by the SCERS Board of Administration. Under the actuarial funding method used by the System, investments are valued at fair value and all unrealized gains and losses are recognized over the next five years, therefore, contribution rates reflect the impact of market fluctuations on investments during the five-year period after they occur.

NOTE 10 - DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN - CONT'D

A. General Information about the Pension Plans - Cont'd

The Plan's provisions and benefits in effect at June 30, 2022 are summarized as follows:

Hire Date	Prior To January 1, 2013	On or After January 1, 2013
Benefit Formula	2.00% @ 55	2.00% @ 62
Benefit vesting schedule	5 years of service	5 years of service
Benefit payments	Monthly for Life	Monthly for Life
Retirement payments	50 - 55	52 - 67
Monthly benefits as a % of eligible	1.50% to 2.00%	1.00% to 2.00%
Required member contribution rates	6.01%	10.01%
Required employer contribution rates	37.28%	30.62%

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 actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2022, the total employer contributions made were $421,473. The District presently makes contributions on behalf of its employees.

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2022, the District reported a net pension liability of $169,540 in the Statement of Net Position for its proportionate share of the net pension liability. The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. For the June 30, 2022 reporting period, the net pension liability of each of the Plan is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

For the years ended June 30, 2022, the District recognized a pension expense of $(524,172). At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 10 - DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN - CONT'D

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions - Cont'd

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between actual and expected experience in the total pension liability	$ 142,465	$ -
Changes of assumptions or other inputs	210,089	319,032
Net differences between actual and projected earnings on pension plan investments	286,671	2,165,338
Change in proportion and differences between the employer's contributions and proportionate share of contributions	5	522,887
Pension contributions subsequent to measurement date	421,473	-
Totals	$ 1,060,703	$ 3,007,257

Net deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ending June 30,	Amount
2023	$ (634,188)
2024	(560,755)
2025	(526,732)
2026	(646,352)
Total	$ (2,368,027)

Actuarial Assumptions - The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

Valuation Date	June 30, 2021
Measurement Date	June 30, 2021
Actuarial Cost Method	Entry - Age Actuarial Cost Method
Actuarial Assumptions:	
Discount Rate	6.75%
Inflation Rate	2.75%
Projected salary increase	4.25% to 10.50%

NOTE 10 - DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN - CONT'D

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions - Cont'd

Discount Rate – The discount rates used to measure the total pension liability (TPL) was 6.75% as of valuation dates June 30, 2021 and June 30, 2020, respectively. The projection of cash flows used to determine the discount rate assumed plan member contributions will be made at the current contribution rate and that employer contributions will be made at rates equal to the actuarially determined contribution rates. For this purpose, only employer contributions that are intended to fund benefits for current plan members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension Plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability as of both June 30, 2021 and June 30, 2020.

Long-Term Expected rate of Return by Asset Class - The long-term expected rate of return on pension plan investments was determined in 2020 using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. These returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumptions as of June 30, 2020 is summarized in the following table. This information will change every three years in the actuarial experience study.

NOTE 10 - DEFINED BENEFIT PENSION COST-SHARING EMPLOYER PLAN - CONT'D

B. Pension Liabilities, Pension Expenses, and Deferred Outflows/Inflows of Resources Related to Pensions - Cont'd

Long-Term Expected rate of Return by Asset Class - Cont'd

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
U.S. Large Cap Equity	18.00%	5.42%
U.S. Small Cap Equity	2.00%	6.21%
International Developed Equity	16.00%	6.50%
Emerging Markets Equity	4.00%	8.80%
High Yield Bonds	1.00%	3.40%
Bank Loans	1.00%	3.89%
Core Plus Bonds	10.00%	1.13%
Global Bonds	3.00%	(0.04%)
U.S. Treasury	5.00%	0.30%
Real Estate	5.00%	4.57%
Cash	1.00%	(0.03%)
Liquid Real Return	2.00%	4.47%
Hedge Fund Growth	3.00%	2.40%
Hedge Fund Diversifying	7.00%	2.40%
Value Added Real Estate	2.00%	8.10%
Private Equity	9.00%	9.40%
Private Real Assets	7.00%	8.05%
Private Credit	4.00%	5.60%

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate -

The following presents the District's proportionate share of the net pension liability for each Plan, as of June 30, 2021, which is allocated to all employers, calculated using the discount rate of 6.75%, as well as what the SCERS' NPL would be if it were calculated using a discount rate that is 1-percentage-point lower (5.75%) or 1-percentage-point higher (7.75%) than the current rate. The determination of the NPL by employer is shown later in Section 2, Determination of proportionate share.

	1% Decrease	Discount Rate	1% Increase
Net pension liability	$ 886,074	$ 169,540	$ (417,220)

NOTE 11 - DEFINED CONTRIBUTION PENSION PLAN

Effective April 16, 2007, the District began a deferred compensation plan created in accordance with Internal Revenue Code Section 457. The plan is established as an alternative plan to social security and requires all District seasonal employees, who are not participants in SCERS, to defer a portion of their salary until future years. Plan provisions are established or amended by District board resolution. The District contributes 0% and the seasonal employees contribute 7.50% of their salary. Participants vest at service inception and are entitled to 100% of vested contributions.

NOTE 12 - POST-RETIREMENT HEALTHCARE BENEFITS

Regular Full-time and Regular part-time annuitants of the District are eligible to participate in the Retiree Health and Dental Insurance Program. Whether health plan offerings continue is vested within the sole discretion of the Sacramento County Board of Supervisors. Whether or not subsidization continues, and if so, the level of the subsidy, or whether or not the District continues participation in the County Retiree Medical and Dental Insurance Program is vested within the sole discretion of the District through agreement with the County of Sacramento. The District does not fund the retiree healthcare benefits, but rather utilizes the “pay as you go” method.

NOTE 13 - EMPLOYEE BENEFIT PLANS

A. Deferred Compensation Pension Plan

The plan is a single-employer plan with the assets held in trust by VALIC. All full-time salaried and/or part- time employees are eligible but not required to participate in the plan. The plan is defined in the Internal Revenue Code Section 457. The plan is funded by employee contributions. There are no employer matching contributions.

Participant’s accounts are credited with the employee contributions. Investment earnings and losses as well as administrative expenses are also charged to participant accounts. Allocations are based on participant’s earnings and losses of chosen investments or account balances. The benefit to which a participant is entitled is the benefit that can be provided from the vested portion of the participant’s account. In case of partial or complete termination of the plan the rights to the plan benefits become fully vested regardless of any other provisions of the plan and trusts. The trust accounts would continue until all accounts have been distributed in accordance with the provisions of the plan.

Upon participant termination from services due to death, disability or retirement, a participant may elect to receive either a lump sum amount equal to the value of the participant’s vested interest in his or her account or installments over a period selected by the participant. For termination of service due to other reasons, a participant may receive the vested interest in his or her account as a lump-sum distribution. The portion of the account that is not vested upon termination will be used to offset future employer contributions.

B. Other Post-Employment Benefits (OPEB)

At June 30, 2022, total OPEB liability and related deferred outflows/inflows of resources are as follows:

Deferred outflows of resources	$	13,179
Total OPEB liability	$	99,987
Deferred inflows of resources	$	35,149

NOTE 13 - EMPLOYEE BENEFIT PLANS - CONT'D

B. Other Post-Employment Benefits (OPEB) - Cont'd

Covered Participants - As of June 30, 2021, the measurement date, the following numbers of participants were covered by the benefit terms:

Inactive Employees Receiving Benefit Payments	3
Inactive entitled to but not yet receiving benefits	21
Active Employees	19
Total Number of Participants	43

The number of *"inactive employees currently receiving benefits"* includes all retirees participating in a County medical or dental healthcare plan. The number of *"inactive employees entitled to but not yet receiving benefits"* includes all retirees and vested terminations not participating in a County medical or dental plan as of the last actuarial valuation date of June 30, 2021 but can elect to participate in the future.

Actuarial Assumptions - The total OPEB liability in the June 30, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Measurement Date	June 30, 2021
Actuarial Valuation Date	June 30, 2021
Contribution Policy	No pre-funding
Discount Rate	2.16% at June 30, 2021 (Bond Buyer 20-Bond Index)
	2.21% at June 30, 2020 (Bond Buyer 20-Bond Index)
General Inflation	2.50% annually
Mortality, Retirement, Disability, Termination	June 30, 2021 SCERS valuation assumptions
Mortality Improvement	Post-retirement mortality projected fully generational with Scale MP-2019
Salary Increases	Aggregate - 2.75% annually
Medical Trend	Non-Medicare - 6.5% for 2023, decreasing to an ultimate rate of 3.75% in 2076
Healthcare Participation at Retirement	• Active: • Covered: 45% • Waived: 10% • Current and future vested terminations: 5%

NOTE 13 - EMPLOYEE BENEFIT PLANS - CONT'D

B. Other Post-Employment Benefits (OPEB) - Cont'd

Change in the Total OPEB Liability - Following are changes in total OPEB liability during the year:

Balance at June 30, 2021	$	93,070
Changes recognized for the year:		
Service cost		13,680
Interest		2,313
Actual vs. expected experience		(7,658)
Assumption changes		2,750
Benefit payments		(4,168)
Net changes		6,917
Balance at June 30, 2022	$	99,987

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate - The total OPEB Liability of the District, as well as what the District's total OPEB Liability would be if it were calculated using a discount rate that is one percentage point lower or one percentage point higher are as follows:

	1 % Discount Rate (1.16%)	Current Discount Rate (2.16%)	1 % Discount Rate (3.16%)
Total OPEB liability	$ 106,247	$ 99,987	$ 93,916

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates - The total OPEB Liability of the District, as well as what the District's total OPEB Liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower or one percentage point higher than current healthcare cost trend rates are as follows:

	1% Decrease	Current Trend	1% Increase
Total OPEB liability	$ 89,844	$ 99,987	$ 112,173

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - For the fiscal year ended June 30, 2022, the District recognized OPEB expense of $3,150. As of fiscal year ended June 30, 2022, the District reported deferred outflows/inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual experience	$ -	$ 18,888
Employer contributions made subsequent to the measurement date	6,051	-
Changes in assumptions	7,128	16,261
Total	$ 13,179	$ 35,149

NOTE 13 - EMPLOYEE BENEFIT PLANS - CONT'D

B. Other Post-Employment Benefits (OPEB) - Cont'd

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB - Cont'd

The $6,051 reported as deferred outflows of resources related to contributions subsequent to the June 30, 2021 measurement date will be recognized as a reduction of the total OPEB liability during the fiscal year ending June 30, 2022. Other amounts reported as deferred outflows of resources related to OPEB will be recognized as expense as follows

Year Ended June 30,	Deferred Outflows/ (Inflows) of Resources	
2023	$	(6,792)
2024		(6,295)
2025		(5,829)
2026		(5,744)
2027		(2,759)
Thereafter		(602)
	$	(28,021)

NOTE 14 - CONTINGENT LIABILITIES

Grants are subject to audit to determine compliance with their requirements. The District officials believe that if any refunds are required, they would not have a significant effect on the financial condition or liquidity of the District. The District is unaware of any pending litigation or other contingencies which would have a material effect on the financial condition or liquidity of the District.

NOTE 15 - PARK IMPACT FEES

The District Park Development Impact Fee Program was established to finance construction of park and recreational facilities including community use facilities, the District and County park impact fee administration costs, and other related facility costs resulting from population growth caused by new development in the District’s Park Development Impact Fee Program area. These funds are held by the County of Sacramento.

NOTE 16 - RESTATEMENT

During the fiscal year that ended June 30, 2022, the District found that the changes to the beginning's net position and fund balances were necessary because other payables were not properly recorded on its previous year's financial statement. As a result, following the prior period, adjustments have been made in the District's financial statement to record the proper beginning net position and fund balances:

NOTE 15 - RESTATEMENT - CONT'D

	Governmental Activities
Net position previously reported, June 30, 2021	$ 13,828,817
Decrease in other payables	21,692
Net position, as *restated*, July 1, 2021	$ 13,850,509

	General Fund
Fund balances previously reported, June 30, 2021	$ 2,908,203
Decrease in other payables	21,692
Fund balances, as *restated*, July 1, 2021	$ 2,929,895

NOTE 17 - SUBSEQUENT EVENTS

The management of the District has reviewed subsequent events through October 23, 2024, the date that the financial statements were available to be released. No items that required additional disclosure or adjustment to the June 30, 2022 financial statements were noted during this review.

REQUIRED SUPPLEMENTARY INFORMATION

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Property taxes	$ 3,187,355	$ 3,187,355	$ 3,395,367	$ 208,012
Intergovernmental revenues	54,329	54,329	54,903	574
Charges for services	629,297	629,297	669,417	40,120
Use of money and property	50,418	50,418	91,592	41,174
Donations, insurance proceeds, and other	32,333	32,333	77,686	45,353
Total revenues	3,953,732	3,953,732	4,288,965	335,233
EXPENDITURES				
Current:				
Salaries and benefits	2,544,210	2,544,210	2,319,806	224,404
Services and supplies	1,409,752	1,409,752	1,223,754	185,998
Interfund charges/Contingency	150,000	150,000	-	150,000
Property Taxes	2,263	2,263	-	2,263
Capital outlay	639,000	639,000	377,818	261,182
Total expenditures	4,745,225	4,745,225	3,921,378	823,847
Net change in fund balance	(791,493)	(791,493)	367,587	1,159,080
Fund balance - beginning of year	2,908,203	2,908,203	2,908,203	-
Restatement	21,692	21,692	21,692	-
Fund balances, beginning of year, *restated*	2,929,895	2,929,895	2,929,895	-
Fund balance - end of year	$ 2,138,402	$ 2,138,402	$ 3,297,482	$ 1,159,080

See accompanying notes to required supplementary information.

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
BUDGETARY COMPARISON SCHEDULE - LANDSCAPE AND LIGHTING ASSESSMENT DISTRICT
FOR THE YEAR ENDED JUNE 30, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget Positive (Negative)
REVENUES				
Special assessments - assessment District	$ 1,032,486	$ 1,032,486	$ 1,041,264	$ 8,778
Donations, insurance proceeds, and other	100	100	3,183	3,083
Total revenues	1,032,586	1,032,586	1,044,447	11,861
EXPENDITURES				
Current:				
Services and supplies	460,000	460,000	429,174	30,826
Capital outlay	655,500	655,500	391,905	263,595
Total expenditures	1,115,500	1,115,500	821,079	294,421
Net change in fund balance	(82,914)	(82,914)	223,368	306,282
Fund balance - beginning of year	456,208	456,208	424,388	-
Fund balance - end of year	$ 373,294	$ 373,294	$ 647,756	$ 306,282

See accompanying notes to required supplementary information.

MISSION OAKS RECREATION & PARK DISTRICT

(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)

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

FOR THE LAST 10 YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015	2014
Proportionate share percentage of collective net pension liability (%)	0.040%	0.131%	0.128%	0.147%	0.154%	0.100%	0.095%	0.083%	0.099%
Proportionate share of collective net pension liability	$ 169,540	$3,560,209	$2,635,102	$2,892,660	$3,224,108	$1,751,847	$1,090,155	$ 643,111	$1,406,740
Covered payroll	$ 974,000	$1,120,000	$1,101,000	$1,148,000	$1,116,000	$ 782,000	$ 851,000	$ 826,000	$ 790,000
Proportionate share of the net pension liability as a percentage of covered payroll	17.41%	317.88%	239.34%	251.97%	288.90%	224.02%	128.10%	77.86%	178.07%
Plan fiduciary net position as a percentage of the total pension liability	98.92%	80.55%	85.10%	84.67%	82.52%	83.21%	89.46%	93.16%	83.94%

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30.

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS - PENSION PLAN
FOR THE LAST TEN YEARS*

	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	$ 421,473	$ 349,288	$ 338,000	$ 315,000	$ 330,000	$ 221,000	$ 258,000	$ 232,000
Contributions in relation to the contractually determined contribution	421,473	349,288	338,000	315,000	330,000	221,000	258,000	232,000
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 974,000	$ 1,120,000	$ 1,101,000	$ 1,148,000	$ 1,116,000	$ 782,000	$ 851,000	$ 826,000
Contributions as a percentage of covered payroll	43.27%	31.19%	30.70%	27.44%	29.57%	28.26%	30.32%	28.09%

* Fiscal year 2015 was the 1st year of implementation, therefore only eight years are shown.

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS
FOR THE LAST TEN YEARS*

	Fiscal Year Ending				
	June 30, 2022	June 30, 2021	June 30, 2020	June 30, 2019	June 30, 2018
Total OPEB Liability:					
Service cost	$ 13,680	$ 11,370	$ 10,931	$ 11,027	$ -
Interest	2,313	2,957	4,485	3,895	-
Differences between expected and actual experience	(7,658)	-	(20,398)	-	-
Changes of assumptions	2,750	6,464	(24,297)	(1,381)	-
Benefit payments	(4,168)	(1,691)	(3,411)	(9,316)	-
Net change in total OPEB liability	6,917	19,100	(32,690)	4,225	-
Total OPEB Liability - beginning	93,070	73,970	106,660	102,435	-
Total OPEB Liability - ending	$ 99,987	$ 93,070	$ 73,970	$ 106,660	$ 102,435
OPEB-eligible payroll for the measurement period	N/A	N/A	N/A	N/A	N/A
Total OPEB Liability as a % of eligible payroll	N/A	N/A	N/A	N/A	N/A

* Fiscal year 2019 was the 1st year of implementation, therefore four years are shown.

NOTE 1 - BUDGETS AND BUDGETARY ACCOUNTING

As required by State law, the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the source of financing.

The budgets for the general fund and special revenue funds are adopted on the modified accrual basis of accounting

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.

COMPLIANCE SECTION

HARSHWAL®
& COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

To the Board of Directors
Mission Oaks Recreation & Park District
Carmichael, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and aggregate remaining fund information of the Mission Oaks Recreation & Park District (the "District"), (Component Unit of the County of Sacramento) as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 23, 2024.

Report on Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

Report on Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

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

Harshwal & Company LLP

Oakland, California
October 23, 2024

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - SUMMARY OF AUDITOR'S RESULTS

Financial Statements

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
• Noncompliance material to financial statements noted?	No

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
SCHEDULE OF FINDINGS AND RESPONSES
FOR THE YEAR ENDED JUNE 30, 2022

SECTION II - FINANCIAL STATEMENT FINDINGS

There were no findings related to the financial statements for the fiscal year ended June 30, 2022.

MISSION OAKS RECREATION & PARK DISTRICT
(A COMPONENT UNIT OF THE COUNTY OF SACRAMENTO)
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2022

SECTION I - STATUS OF PRIOR YEAR AUDIT FINDINGS

There were no findings reported in prior year.