

**CALWA RECREATION AND PARK DISTRICT  
FINANCIAL STATEMENTS  
WITH ACCOMPANYING INFORMATION  
AND  
INDEPENDENT AUDITOR'S REPORT  
  
FOR THE YEAR ENDED JUNE 30, 2019**

**CALWA RECREATION AND PARK DISTRICT  
FINANCIAL STATEMENTS  
JUNE 30, 2019**

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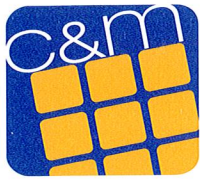
CALWA RECREATION AND PARK DISTRICT  
BOARD OF DIRECTORS AND ADMINISTRATION  
JUNE 30, 2019

Board of Directors

Mary L. Rosales	Chairperson
Raul Guerra	Vice-Chair
Gabriela Mares	Director
Jose Luis Sanchez	Director
Esmeralda Zamora	Director

Administration

Felix Ortiz	District Administrator
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Independent Auditor's Report

To the Board of Directors  
Calwa Recreation and Park District  
Fresno, California

We have audited the accompanying financial statements of the governmental activities of Calwa Recreation and Park District (a special district), as of and for the year ended June 30, 2019, and the related notes to the financial statements which collectively comprise the District's basic financial statements as listed in the table of contents.

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

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

***Auditor's Responsibility***

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

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

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

***Opinion***

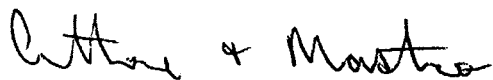
In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Calwa Recreation and Park District, as of June 30, 2019 and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

***Other Matters***

***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 16 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.

Management has omitted the management's discussion and analysis that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. Our opinion on the basic financial statements is not affected by this missing information.



December 30, 2019

**CALWA RECREATION AND PARK DISTRICT**  
**STATEMENT OF NET POSITION**  
**June 30, 2019**

	Governmental Activities
<b>ASSETS</b>	
Cash	\$ 310,677
Receivables	18,706
Prepaid Insurance	16,319
Restricted Assets - Cash	115,500
Capital Assets	336,145
	797,347
 <b>LIABILITIES</b>	
Accounts Payable	12,750
Accrued Payroll	2,651
Long-term Debt:	
Due Within One Year	3,407
Due in More Than One Year	2,334
Total Liabilities	21,142
 <b>NET POSITION</b>	
Net Investment in Capital Assets	330,404
Restricted for Pool Construction	115,500
Unrestricted	330,301
Total Net Position	\$ 776,205

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

**CALWA RECREATION AND PARK DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Year Ended June 30, 2019**

	Program Revenues			Net (Expense) Revenue and Change in Net Position		
	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
Functions/Programs						
Governmental activities:						
Community Services	\$ 381,631	\$ -	\$ 152,849	\$ (196,203)	\$ -	\$ (196,203)
Total Governmental Activities	<u>381,631</u>	<u>-</u>	<u>152,849</u>	<u>(196,203)</u>	<u>-</u>	<u>(196,203)</u>
General Revenues:						
Unrestricted				355,159	-	355,159
Property Taxes				5,490	-	5,490
Interest				360,649	-	360,649
Total General Revenues				<u>164,446</u>	<u>-</u>	<u>164,446</u>
Change in Net Position				<u>611,759</u>	<u>-</u>	<u>611,759</u>
Net Position - Beginning						
Net Position - Ending				<u>\$ 776,205</u>	<u>\$ -</u>	<u>\$ 776,205</u>

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

**CALWA RECREATION AND PARK DISTRICT  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
June 30, 2019**

	<u>General Fund</u>
<b>ASSETS</b>	
Cash	\$ 310,677
Receivables	18,706
Prepaid Insurance	16,319
Restricted Cash	<u>115,500</u>
 Total Assets	 <u>\$ 461,202</u>
 <b>LIABILITIES</b>	
Accounts Payable	\$ 12,750
Accrued Payroll	<u>2,651</u>
 Total Liabilities	 <u>15,401</u>
 <b>FUND BALANCE</b>	
Restricted	115,500
Reserved	<u>330,301</u>
 Total Fund Balance	 <u>445,801</u>
 Total Liabilities and Fund Balance	 <u>\$ 461,202</u>

RECONCILIATION TO STATEMENT OF NET POSITION:

Amounts reported for governmental activities in the Statement of Net Position are different because:

Total fund balance reported above.	\$ 445,801
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Capital assets (net of depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.	336,145
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Long-term liabilities applicable to governmental entities are not due and payable in the current period and accordingly are not reported as fund liabilities.	<u>(5,741)</u>
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Total Net Position - Governmental Activities	<u>\$ 776,205</u>
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The accompanying notes are an integral part of these financial statements.



**CALWA RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2019**

	<u>General Fund</u>
<b>REVENUES</b>	
Property Taxes	\$ 355,159
Investment Income	5,490
Park Rent and Service Revenue	32,579
Contributions	115,500
Grant	<u>37,349</u>
Total Revenues	<u>546,077</u>
 <b>EXPENDITURES</b>	
Payroll and Benefits	202,252
Directors Fees	3,682
Dues and Subscriptions	1,354
Election Costs	1,013
Insurance	13,249
Legal and Professional	20,653
Miscellaneous	7,760
Office	3,119
Repairs and Maintenance	36,612
Security	2,434
Supplies	1,423
Utilities	64,683
Debt Service	
Principal	3,573
Interest	151
Capital Outlay	<u>48,849</u>
Total Expenditures	<u>410,807</u>
 Net Change In Fund Balance	 135,270
 Fund Balance At Beginning Of Year	 <u>310,531</u>
 Fund Balance At End Of Year	 <u>\$ 445,801</u>

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

**CALWA RECREATION AND PARK DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES**  
**GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2019**

RECONCILIATION TO STATEMENT OF ACTIVITIES:

Net Changes in Fund Balance - Governmental Funds \$ 135,270

All capital outlays to purchase or build capital assets are reported in governmental activities as expenditures. However, for governmental activities those capital outlays other than non-capitalized items are shown in the statement of net position and allocated over their estimated useful lives as annual depreciation expense in the statement of activities. This is the amount by which depreciation exceeds capital outlays in the period.

Capital Outlay	\$ 48,849	
Depreciation Expense	<u>(23,246)</u>	25,603

Note proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balances. In the statement of net position, however, acquiring debt increases long-term liabilities and does not affect the state of activities. Additionally, repayment of principal is an expenditure in the governmental funds but reduces liability in the statement of net position.

Note Proceeds	-	
Principal Payments	<u>3,573</u>	<u>3,573</u>

Total Changes in Net Position - Governmental Activities \$ 164,446

**CALWA RECREATION AND PARK DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**

(1) Description of Entity

(a) Description of Operations

Calwa Recreation and Park District was formed March 17, 1955 as a special district in the State of California and is governed by a five-person board of directors. The District was established to provide community services for the Calwa, California area.

- (b) In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(2) Summary of Significant Accounting Policies

(a) Basic Financial Statements

The financial statements of the Calwa Recreation and Park District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

Basic financial statements are presented at both the government-wide and fund financial level. Government-wide financial statements report information about the reporting unit as a whole. For the most, the effect of interfund activity has been removed from these statements. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Position and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The District has no proprietary type funds, therefore only reports governmental type funds.

**CALWA RECREATION AND PARK DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**  
**(Continued)**

(b) Measurement Focus, Basis of Accounting, and Basis of Presentation

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

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

The District reports the following governmental funds:

*General Fund*

This is the general operating fund of the District. It is used to account for all financial resources concerned with operating the District.

(c) Cash Equivalents and Investments

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes bank certificates of deposit and deposits with the County of Fresno investment pool.

(d) Capital Assets

Capital assets which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are recorded at historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation. The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Position. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

The estimated useful lives of the various assets of the District are as follows:

<u>Type of Assets</u>	<u>Estimated Useful Life In Years</u>
Buildings and Improvements	10 - 40
Equipment	5 - 10

**CALWA RECREATION AND PARK DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**  
**(Continued)**

(e) Property Tax Revenues

The County of Fresno is the collection agency for taxes within the County. Taxes are recognized as revenues in the current year when the District is notified by the County of the amounts. They become a lien against the property on the date of levy. Taxes are due and payable at the County on April 10 and December 10 for real property and August 15 for personal property, and collections are remitted to the District.

(f) Economic Dependency

The District receives a substantial amount of its support from property tax revenue. During the year ended June 30, 2019, property tax revenues represent 92% of total revenue.

(g) Compensated Absences

Full-time, permanent employees are granted vacation benefits in specified maximums depending on tenure with the District. Unused vacation may be accumulated beyond each calendar year. Sick leave is granted to employees, and, upon separation of service, employees may be entitled to compensation for a portion of the unused amount.

(h) Equity Classifications

*Government-wide Statements*

Equity is classified as net position and displayed in three components:

- a. **Invested in capital assets, net of related debt**—Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. **Restricted net position**—Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. **Unrestricted net position**—All other net position that do not meet the definition of “restricted” or “invested in capital assets, net of related debt.”

Governmental fund equity is classified as fund balance. Fund balance is further classified as follows:

- a. **Restricted** – amounts that can be spent only for specific purposes because of enabling legislation or because of constraints that are externally imposed by creditors, grantors, contributors, or the laws or regulations of other governments.
- b. **Committed** – amounts that can be used only for specific purposes determined by a formal action of the District Board (Board). The Board is the highest level of decision-making authority for the District. Commitments may be established, modified, or rescinded only through resolutions or motions approved by the Board.

**CALWA RECREATION AND PARK DISTRICT**  
**NOTES TO FINANCIAL STATEMENTS**  
**For the Year Ended June 30, 2019**  
**(Continued)**

- c. **Assigned** – amounts that do not meet the criteria to be classified as restricted or committed but that are intended to be used for specific purposes. Only the Board has the authority to assign amounts for specific purposes.
- d. **Unassigned** – all other spendable amounts.

(i) Budgets

The District adopts an annual budget. The general fund budget is presented on the modified accrual basis of accounting which is consistent with generally accepted accounting principles ("GAAP").

(j) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(3) Cash and Cash Equivalents

All cash of the District is deposited in a Bank of the West bank account or the Fresno County Treasury where it is invested in savings accounts and short-term investments by the County Treasurer under the Fresno County cash management program. Interest income is allocated to the District by the Fresno County Treasury (the District's fiscal agent) quarterly based on its average cash balances. The District's investments in the Fresno County Treasury are stated at cost, which approximates market.

Cash and cash equivalents at June 30, 2019 consisted of the following:

Bank of the West	\$146,567
Fresno County	<u>279,610</u>
	<u>\$426,177</u>

Concentration of Credit Risk

The District does not have an investment policy that contains limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

**CALWA RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES-**  
**BUDGET AND ACTUAL-GOVERNMENTAL FUNDS**  
**For the Year Ended June 30, 2019**

	<u>Budget</u>	<u>Actual</u>	Variance Favorable (Unfavorable)
<b>REVENUES</b>			
Property Taxes	\$ 310,000	\$ 355,159	\$ 45,159
Contributions	-	115,500	115,500
Investment Income	-	5,490	5,490
Grant	40,000	37,349	(2,651)
Park Rents and Charges	<u>29,400</u>	<u>32,579</u>	<u>3,179</u>
Total Revenues	<u>379,400</u>	<u>546,077</u>	<u>166,677</u>
<b>EXPENDITURES</b>			
Payroll and Benefits	229,639	202,252	27,387
Directors Fees	-	3,682	(3,682)
Dues and Subscriptions	1,920	1,354	566
Election Costs	3,000	1,013	1,987
Insurance	6,400	13,249	(6,849)
Legal and Professional Fees	21,900	20,653	1,247
Miscellaneous	2,000	7,760	(5,760)
Office	5,686	3,119	2,567
Repairs and Maintenance	30,000	36,612	(6,612)
Security	2,504	2,434	70
Supplies	11,416	1,423	9,993
Utilities	61,640	64,683	(3,043)
Debt Service			
Principal	-	3,573	(3,573)
Interest	-	151	(151)
Capital Outlay	<u>54,800</u>	<u>48,849</u>	<u>5,951</u>
Total Expenditures	<u>430,905</u>	<u>410,807</u>	<u>20,098</u>
Net Change In Fund Balance	<u>\$ (51,505)</u>	135,270	<u>\$ 186,775</u>
Fund Balance At Beginning Of Year		<u>310,531</u>	
Fund Balance At End Of Year		<u>\$ 445,801</u>	