



Mendocino Coast Recreation & Park District

BOARD OF DIRECTORS

Dave Shpak
Chair

Angela Dominguez
Vice Chair

Craig Comen
Secretary

Zach Hayward
Director

Dana Vogele
Director

MISSION

The mission of MCRPD is to provide opportunities on the Mendocino Coast that promote physical and mental well-being for everyone through active play, community enrichment, programs and events.

REGULAR MEETINGS

Third Wednesday of every month
@ 5:30PM@ various locations designated in advance by the Board. Meeting locations are listed on agendas and MCRPD's Website.

AGENDA
Special Board of Directors Meeting

Thursday, March 6th, 2025, at 4:00PM
Location:
MCRPD Studios
579 S. Franklin St. Fort Bragg, CA 95437

1.0 CALL TO ORDER

Call to order and roll call.

2.0 APPROVAL AND ADOPTION OF AGENDA

Items to be removed from or changes to the agenda should be made at this time

3.0 PUBLIC PARTICIPATION, NON-AGENDA ITEMS

A maximum of 3 minutes is reserved for members of the public to address the Board on items not listed on the agenda and the total time for public input on a particular issue is limited to 20 minutes (Government Code 54954.3). The Board is prohibited from discussing or acting on matters not on the agenda but may briefly respond or ask a question for clarification (Government Code 54954.2).

4.0 DISCUSSION/ACTION:

- 4.1 Review and consider Audit JJACAP 2023-2024 (Page 1-50)
- 4.2 Discuss and consider nominating Director Dana Vogele to the District Services Committee
- 4.3 Discuss and Consider General Manager nomination of MCRPD Board Member to LAFCo (Page 51-52)

Each DISCUSSION/ACTION item consists of the following steps to be carried out by the Board Chair in the subsequent order. 1) Announces agenda item by number and states the subject. 2) Staff and advisory committee reports. 3) Receive Board questions and requests for clarification 3) Receive public comments (limit of 3 minutes per person per item). 4) Motion and second from the Board. 5) Moderates a discussion of the item until a final motion is ready for a vote or other disposition. Please refer to the District's Bylaws and Rosenberg's Rules of Order for more information.

5.0 ADJOURNMENT - Next MCRPD Regular Board of Directors Meeting will be held on March 19th, 2025, at St Paul’s Community Center – 40 School St. Point Arena, CA 95468

PLEASE NOTE: District special meeting agendas are posted at least 24 hours in advance of Regular Board of Director’s meetings at the District Office, 100 N Main St. Fort Bragg, CA 95437 and at mendocoastrec.org. District agendas are emailed to individuals upon request at least 24 hours in advance of regular meetings. Written public comments can be submitted to the District prior to the meeting by emailing board-admin@mcrpd.us. Written comments received by email prior to 3 P.M. on the day of the meeting and any other supplemental materials will be forwarded to the Board prior to the meeting, made a part of the public record, and be available for public review at this [LINK](#)

NOTICE TO THE PUBLIC

All disabled persons requesting disability related modifications for accommodations including auxiliary aids or service may make such a request to ensure full participation in a MCRPD public meeting. Such a request should be made to Kylie Felicich, District Manager, MCRPD, 100 N Main St. Fort Bragg, CA 95437 707-409-0760

MENDOCINO COAST RECREATION AND
PARK DISTRICT ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED
JUNE 30, 2024



Prepared by:

Kylie Felicich
District Manager

This page intentionally left blank.

**Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024**

Table of Contents

Page

INTRODUCTORY SECTION

Table of Contents..... i

Organization Chart ii

List of Officials..... iii

FINANCIAL SECTION

Independent Auditor’s Report 1

Management’s Discussion and Analysis (Required Supplementary Information) 4

Basic Financial Statements:

Government-Wide Financial Statements:

 Statement of Net Position 16

 Statement of Activities 17

Fund Financial Statements:

 Balance Sheet – General Fund 20

 Reconciliation of Governmental Funds Balance Sheet to the
 Statement of Net Position 21

 Reconciliation of Fund Based Balance Sheet to Government-wide
 Statement of Net Position – Governmental Activities..... 22

 Statement of Revenues, Expenditures, and Changes
 in Fund Balances – General Fund..... 23

 Reconciliation of Fund Basis Statements to Government-wide
 Statement of Activities 24

 Reconciliation of the Statement of Revenues, Expenditures, and Changes
 in Fund Balances of Governmental Funds to the Statement of Activities..... 25

 Notes to the Basic Financial Statements..... 28

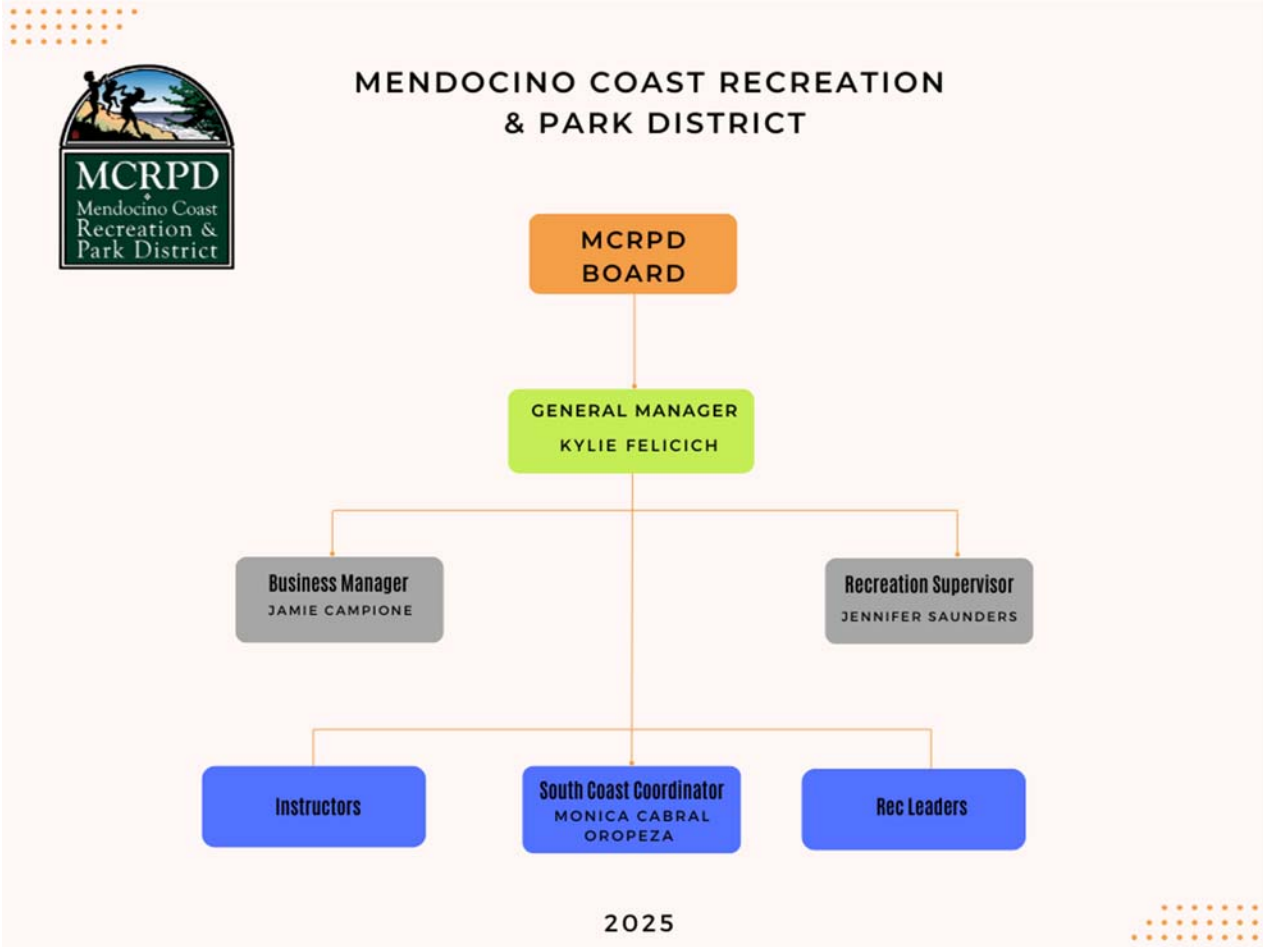
Required Supplementary Information:

 Statement of Revenues, Expenditures, and Changes in
 Fund Balances - Budget and Actual – General Fund 42

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 43

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Organization Chart



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

List of Officials

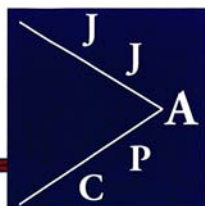
District Board

- Barbara Burkey Chair
- Angela Dominguez Vice Chair
- Dave Shpak Secretary
- Craig Cormen Director
- John Huff Director

District Officials

- Kylie Felicich District Manager

This page intentionally left blank.



JJACPA, Inc.

A Professional Accounting Services Corp.

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of the
Mendocino Coast Recreation and Park District
Fort Bragg, California

Report on the Audit of the Financial Statements

Opinions

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

In our opinion, the accompanying financial statements present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the District, as of June 30, 2024, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* (GAS), 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.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS 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 GAAS, 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 4–13 and the budgetary comparison information on page 42 be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated February 25, 2025 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 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.

February 25, 2025

JJACPA, Inc.
JJACPA, INC.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis

As management for the Mendocino Coast Recreation and Park District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2024. We encourage readers to consider this document in conjunction with the Basic Financial Statements.

FINANCIAL HIGHLIGHTS

◆ Government-Wide – Assets, Liabilities and Net Position

- The assets of the District exceeded its liabilities by about \$3.47 million at the end of the 2024 fiscal year. The District's total net position increased by \$170,110.
- The District's net investment in capital assets for its governmental activities as of June 30, 2024 was \$2,611,867.

◆ Government-Wide – Revenues and Expenses

- The District wide revenue from property taxes increased by 237,785 due to an increase in property values from real estate turnover in recent years.
- The programming revenue from Gymnastics increased by \$48,540 from the previous year due to one full year of gymnastics vs. only one quarter of gymnastics in the previous fiscal year.
- The District had an increase in salary and wages of \$74,556 due to an increase in program delivery which resulted in expansion of staff.
- The District had an increase of \$25,055 in equipment and supplies due to purchasing of office furniture and equipment and recreation equipment.
- The District had an increase in rent of \$55,128 as they no longer use C.V. Starr Community Center for their offices.
- The District had an increase of \$18,122 for insurance expenses due to inflation and overall increase in insurance nationwide.
- The District experienced a decrease in professional services of \$46,413 due to a one-time expense for legal services in 2023.
- The District experienced an increase in staff reimbursements of \$24,211 due to District not having a credit card. Expenses for moving, set up and office equipment had to be purchased and reimbursed.
- The District wide expenditures from all governmental activities increased by \$107,281, compared to the 2023 fiscal year.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT

This Annual Financial Report has two major parts:

- 1) **Introductory section**, which includes general information;
- 2) **Financial section**, which includes the Management's Discussion and Analysis (this part), the Basic Financial Statements, which include the Government-wide and the Fund Financial Statements along with the notes to these financial statements.

The Basic Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of the government-wide financial statements, the fund financial statements, and the notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements present the financial picture of the District from the economic resources measurement focus using the accrual basis of accounting similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

Both of the government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (*governmental activities*) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (*business-type activities*).

The governmental activities of the District consist of community services/recreation and services and supplies.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management's Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into two categories: governmental funds and proprietary funds.

Governmental funds. 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 Fund Financial Statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of the Governmental Fund Financial Statements 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 Statement. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities. The Governmental Fund Financial Statements provide detailed information about the District's most significant funds, called major funds. The concept of major funds, and the determination of which are major funds, was established by GASB Statement No. 34 and replaces the concept of combining like funds and presenting them as one total. Instead, each major fund is presented individually, with all nonmajor funds summarized and presented only in a single column. Subordinate schedules present the detail of these nonmajor funds. Major funds present the major activities of the District for the year, and may change from year to year as a result of changes in the pattern of the District's activities.

For the fiscal year ended June 30, 2024, the District has one major fund:

GOVERNMENTAL FUNDS:

- General Fund

The District maintains one individual governmental fund, the General Fund. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for this fund.

The District adopts an annual appropriated budget for the General fund. A budgetary comparison statement has been provided for this fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20-25 of this report.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

OVERVIEW OF THE ANNUAL FINANCIAL REPORT, Continued

Notes to the basic financial statements. The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28-40 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government’s financial position. In the case of the District, assets exceeded liabilities by \$3.47M as of June 30, 2024. The Summary of Net Position as of June 30, 2024, and 2023, follows:

	Summary of Net Position		
	2024	2023	
	Govern- mental Activities	Govern- mental Activities	Change
Current and other assets	\$ 912,965	\$ 707,292	\$ 205,673
Noncurrent assets	2,741,813	2,627,186	114,627
Total assets	<u>3,654,778</u>	<u>3,334,478</u>	<u>320,300</u>
Current and other liabilities	70,264	28,432	41,832
Long-term liabilities	108,358	-	108,358
Total liabilities	<u>178,622</u>	<u>28,432</u>	<u>150,190</u>
Net position:			
Net investment in capital assets	2,611,867	2,627,186	(15,319)
Restricted	100,000	100,000	-
Unrestricted	764,289	578,860	185,429
Total net position	<u><u>\$ 3,476,156</u></u>	<u><u>\$ 3,306,046</u></u>	<u><u>\$ 170,110</u></u>

Overall, total net position increased by \$170,110. The majority of the net position of the District is represented by the District's net investment in its capital assets such as land, surplus property, buildings and improvements, leasehold improvements, and equipment.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

The change in net position for the fiscal years ended June 30, 2024, and 2023, follows:

	Changes in Net Position	
	2024	2023
Revenues:		
Program revenues:		
Charges for services:	\$ 133,764	\$ 129,305
General revenues:		
Property taxes	585,261	347,476
Use of money and property	13,451	-
Other general revenues	1,487	-
Gain on sale of surplus property	-	1,655,010
Total revenues	<u>733,963</u>	<u>2,131,791</u>
Expenses:		
Governmental activities:		
Salaries and benefits	255,910	127,499
Programs	8,479	21,043
Sports	2,326	7,791
Marketing	2,888	1,209
Operations	291,274	131,181
Events	2,208	7,004
Other	768	160,845
Total expenses	<u>563,853</u>	<u>456,572</u>
Excess (Deficiency) of revenues over expenditures	<u>170,110</u>	<u>1,675,219</u>
Change in net position	170,110	1,675,219
Net position:		
Beginning of year	3,306,046	1,630,827
End of year	<u>\$ 3,476,156</u>	<u>\$ 3,306,046</u>

Revenues

The District’s total revenues for governmental activities were \$733,963 for the fiscal year ended June 30, 2024. Most of the District’s key revenues are generated in FY 2023-2024 are from two major sources.

- 1. Charges for services** – FY 2023-2024 had an increase of \$4,459.
- 2. Property Taxes** – FY 2023-2024 Property taxes increased by \$237,785 from FY 2022-2023.

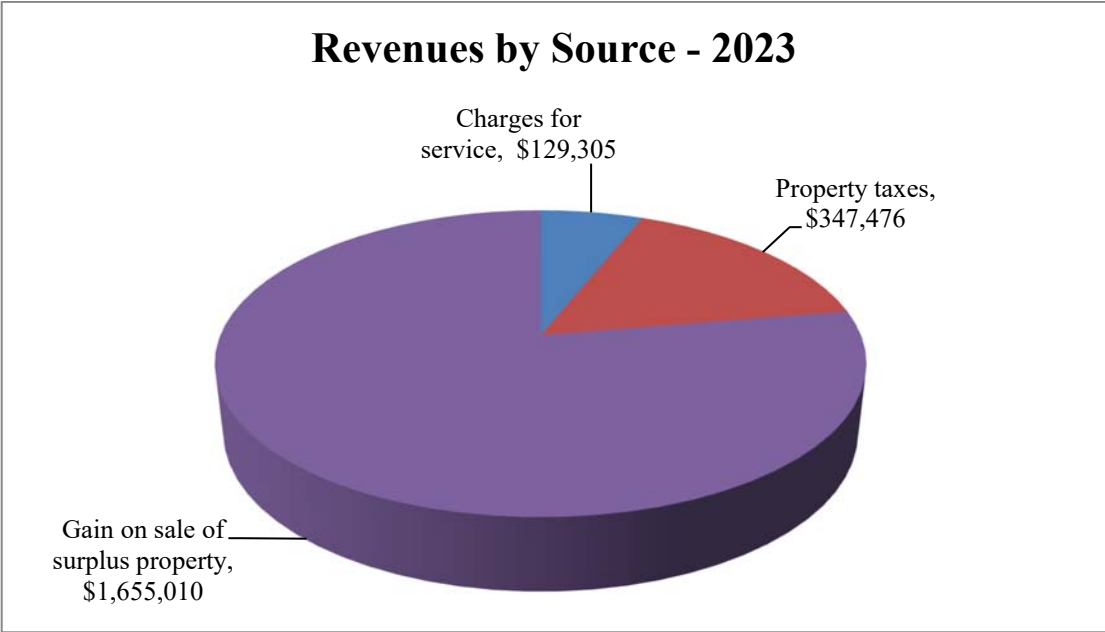
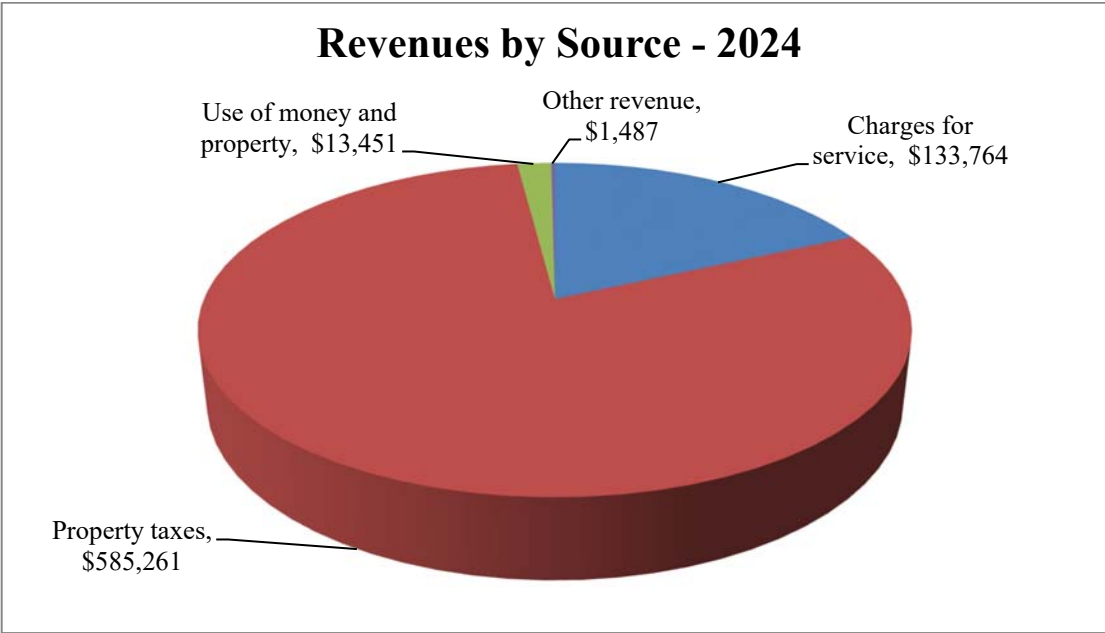
**Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024**

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Revenues, Continued

Revenues by source for the fiscal years ended June 30, 2024, and 2023, are as follows:



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses

Below is the breakdown of the overall expenditures:

The following table shows the cost of each of the District’s major programs and the net cost of the programs. Net cost is the total cost less fees and other direct revenue generated by the activities. The net cost reflects the financial burden that was placed on the District’s taxpayers by each of the programs. The total cost of services and the net cost of services for the fiscal years ended June 30, 2024, and 2023, are as follows:

	2024		2023	
	Total Cost of Services	Net Cost of Services	Total Cost of Services	Net Cost of Services
Salaries and benefits	\$ 255,910	\$ (255,910)	\$ 127,499	\$ (127,499)
Programs	8,479	(8,479)	21,043	(21,043)
Sports	2,326	27,434	7,791	8,654
Marketing	2,888	(2,888)	1,209	(1,209)
Operations	291,274	(187,270)	131,181	(18,321)
Events	2,208	(2,208)	7,004	(7,004)
Other expenses	-	-	160,845	(160,845)
Interest	768	(768)	-	-
Total	<u>\$ 563,853</u>	<u>\$ (430,089)</u>	<u>\$ 456,572</u>	<u>\$ (327,267)</u>

1. **Salaries and benefits** – Shows an increase of \$128,411 due to an increase in program delivery and expansion of staff.
2. **Programs** – Shows a decrease of \$12,564 due to incurring costs at the end of 2023 that were not needed again at the beginning of 2024.
3. **Sports** – Shows a decrease of \$5,465 due to incurring costs at the end of 2023 that were not needed again at the beginning of 2024.
4. **Marketing** – Shows an increase of \$1,679 due to increase in marketing and activity.
5. **Operations** – Shows an increase of \$160,093 due to moving out of C.V. Starr, purchasing and leasing of office equipment and supplies.
6. **Events** – Shows a decrease of \$7,004 due to change in chart of accounts.

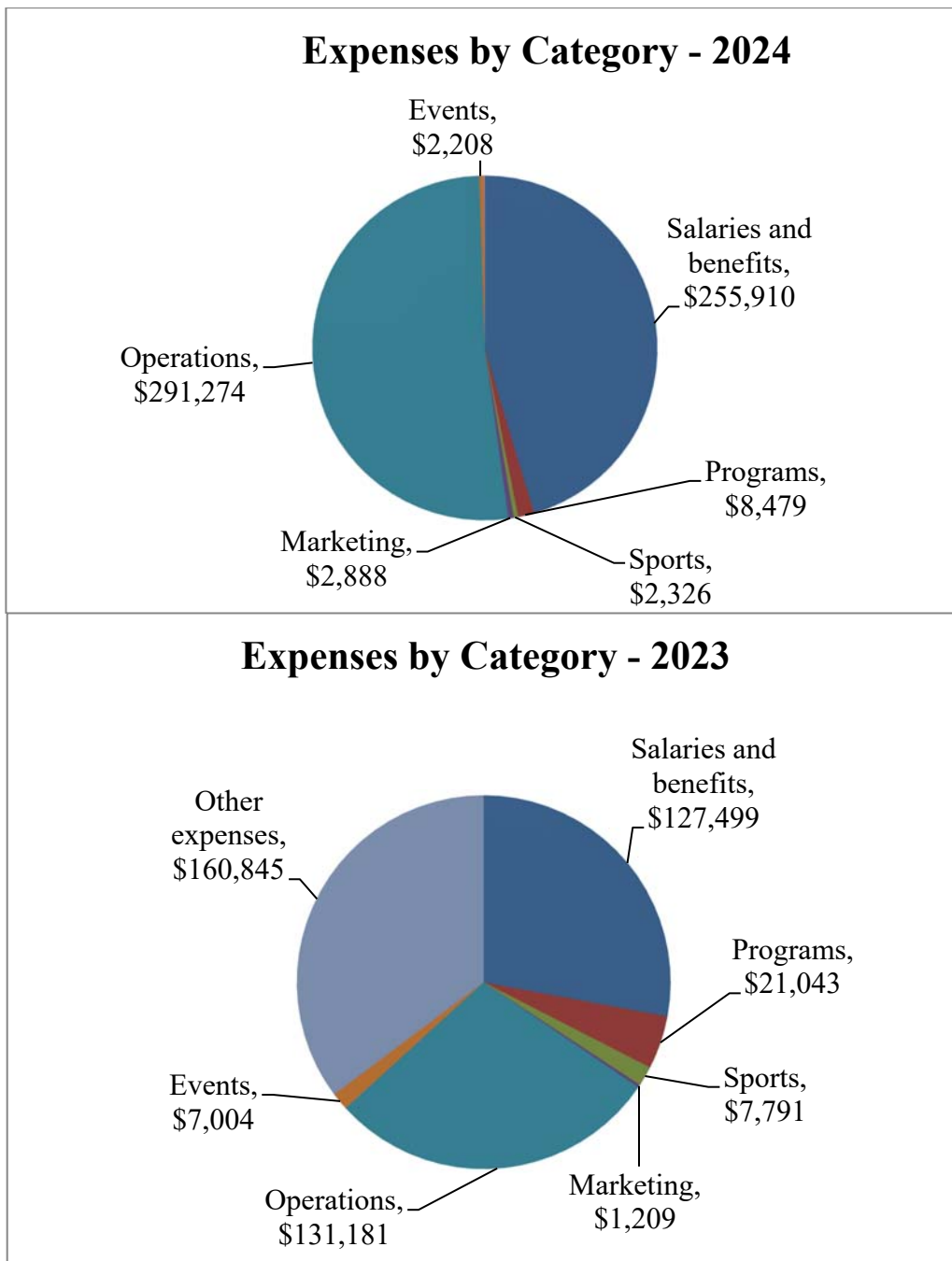
**Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024**

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Expenses, Continued

Expenses by category for the fiscal years ended June 30, 2024, and 2023, are as follows:



Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

Financial Analysis of the Government’s Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District government, reporting the District’s operations in more detail than the government-wide financial statements.

Governmental funds

The District’s governmental funds provide information on near-term inflows, outflows, and balances of spending resources. At the fiscal year ended June 30, 2024, the District’s governmental funds reported combined fund balances of \$864,289.

Capital Assets

The District’s investment in capital assets for its governmental activities as of June 30, 2024, amount to \$2,741,813. This investment in capital assets includes land, surplus property, buildings and improvements, leasehold improvements, and equipment.

	Capital Assets	
	<u>Governmental Activities</u>	
	<u>2024</u>	<u>2023</u>
Land	\$ 2,519,977	\$ 2,519,977
Buildings and Improvements	46,952	46,952
Leasehold improvements	489,853	489,853
Equipment	28,110	28,110
Right to use asset	131,678	-
Less: Accumulated Depreciation	(474,757)	(457,706)
Total	<u>\$ 2,741,813</u>	<u>\$ 2,627,186</u>

More detail of the capital assets and current activity can be found in the notes to the financial statements on pages 30-31 for significant accounting policies and note 3 on page 36 for other capital asset information.

Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024

Management’s Discussion and Analysis, Continued

GOVERNMENT-WIDE FINANCIAL ANALYSIS, Continued

General Fund Budgetary Highlights

	<u>FY 2024-25</u>	<u>FY 2023-24</u>	<u>Percentage change</u>
Revenues:			
Property taxes	\$ 407,000	\$ 340,545	19.5%
Charges for services	288,300	104,429	176.1%
Interest	25,000	-	100.0%
Total revenues	<u>\$ 720,300</u>	<u>\$ 444,974</u>	61.9%
Expenditures:			
Current:			
Salaries and benefits ¹	\$ -	\$ 318,431	-100.0%
Programs	156,800	1,500	10353.3%
Sports	-	12,950	-100.0%
Youth sports ²	16,500	-	100.0%
Adult sports ²	6,000	-	100.0%
Drop in/new activities ³	12,800	-	100.0%
Marketing	-	1,500	-100.0%
Operations	436,328	128,966	238.3%
Events	15,000	8,350	79.6%
Other expenses	6,000	16,000	-62.5%
Total expenditures	<u>\$ 649,428</u>	<u>\$ 487,697</u>	33.2%

¹ Wages & benefits are now included in their respective department/activity

² Sports expenditures are being broken down into youth and adult sports separately

³ New program/category in budget

The difference between the final budget and actual revenues differs favorably by \$288,989.

The difference between the final budget and actual expenses differs unfavorably by \$60,837.

Economic Outlook

- Per The County of Mendocino, property tax revenue for FY 2023-2024 was \$585,261.
- For FY2023-2024, the District projects operating revenue of \$133,764 collected for services. This is highly favorable compared to recent years due to the post COVID-19 pandemic halting recreation programming.
- The District’s December 29, 2011 bankruptcy filing is complete. West America Bank completed the short sale of the Highway 20 property.

**Mendocino Coast Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2024**

Management's Discussion and Analysis, Continued

Requests for Information

This Annual Financial Report is intended to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances. If you have any questions about this report, or need additional financial information, contact the Mendocino Coast Recreation and Park District, Finance Department P.O. Box 532, Fort Bragg, CA 95437. Our telephone number is (707) 409-0760.

BASIC FINANCIAL STATEMENTS

Mendocino Coast Recreation and Park District

Statements of Net Position

June 30, 2024

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 737,799
Prepaid expenses	29,665
Receivables:	
Accounts	145,501
Total current assets	<u>912,965</u>
Noncurrent assets:	
Land	2,519,977
Other capital assets, net	221,836
Total noncurrent assets	<u>2,741,813</u>
Total assets	<u><u>\$ 3,654,778</u></u>
LIABILITIES	
Current liabilities:	
Accounts payable	\$ 23,939
Accrued liabilities	24,737
Due within one year	21,588
Total current liabilities	<u>70,264</u>
Noncurrent liabilities:	
Long-term debt:	
Due after one year	108,358
Total noncurrent liabilities	<u>108,358</u>
Total liabilities	<u>178,622</u>
NET POSITION	
Net investment in capital assets	2,611,867
Restricted	100,000
Unrestricted (Deficit)	764,289
Total net position	<u>3,476,156</u>
Total liabilities and net position	<u><u>\$ 3,654,778</u></u>

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

Mendocino Coast Recreation and Park District

Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Governmental Activities	2024
Primary government:				
Governmental activities:				
Salaries and benefits	\$ 255,910	\$ -		\$ (255,910)
Programs	8,479	-		(8,479)
Sports	2,326	29,760		27,434
Marketing	2,888	-		(2,888)
Operations	291,274	104,004		(187,270)
Events	2,208	-		(2,208)
Interest	768	-		(768)
Total governmental activities	563,853	133,764		(430,089)
Total primary government	\$ 563,853	\$ 133,764		(430,089)
General revenues:				
Taxes:				
Property taxes				585,261
Use of money and property				13,451
Other revenues				1,487
Total general revenues				600,199
Change in net position				170,110
Net position:				
Beginning of year				3,306,046
End of year				\$ 3,476,156

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

This page intentionally left blank.

FUND FINANCIAL STATEMENTS

Fund	Description
General Fund	This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists of general government type activities.

Mendocino Coast Recreation and Park District

Balance Sheet

General Fund

June 30, 2024

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 737,799
Receivables:	
Accounts	145,501
Prepaid expenses	29,665
Total assets	<u><u>\$ 912,965</u></u>
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 23,939
Accrued liabilities	24,737
Total liabilities	<u>48,676</u>
Fund balances:	
Committed	100,000
Unassigned	764,289
Total fund balances	<u>864,289</u>
Total liabilities and fund balances	<u><u>\$ 912,965</u></u>

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

Mendocino Coast Recreation and Park District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2024

Total fund balances - total governmental funds \$ 864,289

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

Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. 2,741,813

Net position of governmental activities \$ 3,476,156

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

Mendocino Coast Recreation and Park District
Reconciliation of Fund Basis Balance Sheet to Government-wide Statement of Net Position
Governmental Activities
June 30, 2024

	General Fund Balance Sheet	Reclassifications	Changes in GAAP	Statement of Position
ASSETS				
Current assets:				
Cash and investments	\$ 737,799	\$ -	\$ -	\$ 737,799
Prepaid expenses	29,665	-	-	29,665
Receivables:				
Accounts	145,501	-	-	145,501
Total current assets	<u>912,965</u>	<u>-</u>	<u>-</u>	<u>912,965</u>
Noncurrent assets:				
Land	-	-	2,519,977	2,519,977
Other capital assets, net	-	-	221,836	221,836
Total noncurrent assets	<u>-</u>	<u>-</u>	<u>2,741,813</u>	<u>2,741,813</u>
Total assets	<u>\$ 912,965</u>	<u>\$ -</u>	<u>\$ 2,741,813</u>	<u>\$ 3,654,778</u>
LIABILITIES				
Current liabilities:				
Accounts payable	\$ 23,939	\$ -	\$ -	\$ 23,939
Accrued liabilities	24,737	-	-	24,737
Due within one year	-	-	21,588	21,588
Total current liabilities	<u>48,676</u>	<u>-</u>	<u>21,588</u>	<u>70,264</u>
Noncurrent liabilities:				
Long-term liabilities:				
Due after one year	-	-	108,358	108,358
Total noncurrent liabilities	<u>-</u>	<u>-</u>	<u>108,358</u>	<u>108,358</u>
Total liabilities	<u>48,676</u>	<u>-</u>	<u>129,946</u>	<u>178,622</u>
FUND BALANCES/NET POSITION				
Fund balances:				
Restricted	100,000	(100,000)	-	-
Unassigned (Deficit)	764,289	(764,289)	-	-
Net position:				
Net investment in capital assets	-	-	2,611,867	2,611,867
Restricted	-	100,000	-	100,000
Unrestricted	-	764,289	-	764,289
Total fund balances/ net position	<u>864,289</u>	<u>-</u>	<u>2,611,867</u>	<u>3,476,156</u>
Total liabilities and net position	<u>\$ 912,965</u>	<u>\$ -</u>	<u>\$ 2,741,813</u>	<u>\$ 3,654,778</u>

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

Mendocino Coast Recreation and Park District
Statement of Revenues, Expenditures, and Changes in Fund Balances
General Fund
For the year ended June 30, 2024

	General Fund
REVENUES:	
Property taxes	\$ 585,261
Charges for services:	
Enrichment	92,733
Youth sports	19,304
Special Events	8,651
Adult Sports	10,456
Drop in	2,620
Use of money and property	13,451
Other revenues	1,487
Total revenues	733,963
EXPENDITURES:	
Current:	
Salaries and benefits	255,910
Programs	8,479
Sports	2,326
Marketing	2,888
Operations	274,223
Events	2,208
Debt service:	
Principal	1,732
Interest	768
Total expenditures	548,534
REVENUES OVER (UNDER)	
EXPENDITURES	185,429
FUND BALANCES:	
Beginning of year	678,860
End of year	\$ 864,289

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

Mendocino Coast Recreation and Park District

Reconciliation of Fund Based Statements to Government-wide Statement of Activities

For the year ended June 30, 2024

Functions/Programs	Fund Based Totals	Debt/ Compensated Absences	Depreciation	Capital Asset (Additions)/ Retirements	Government- wide Totals
Governmental activities:					
Salaries and benefits	\$ 255,910	\$ -	\$ -	\$ -	\$ 255,910
Programs	8,479	-	-	-	8,479
Marketing	2,888	-	-	-	2,888
Operations	274,223	-	17,051	-	291,274
Events	2,208	-	-	-	2,208
Debt service:					
Principal	1,732	(1,732)	-	-	-
Interest	768	-	-	-	768
Total governmental activities	\$ 548,534	\$ (1,732)	\$ 17,051	\$ -	\$ 563,853

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

Mendocino Coast Recreation and Park District
Reconciliation of the Statement of Revenues, Expenditures, and Changes in
Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2024

Net change in fund balances - total governmental funds \$ 185,429

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

Governmental funds report capital outlays as expenditures while governmental activities report depreciation expense to allocate those expenditures over the life of the assets:

Depreciation expense	(17,051)	(17,051)
----------------------	----------	----------

Change in net position of governmental activities	\$ 170,110	
--	-------------------	--

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

This page intentionally left blank

NOTES TO BASIC FINANCIAL STATEMENTS

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Financial Reporting Entity

The Mendocino Coast Recreation and Park District (the "District") was formed in May of 1973 under provisions of the State of California Public Resources Code Section 5780. The District provides and coordinates recreational facilities and activities for the Mendocino County coastal areas. The reporting entity is comprised of the District as the oversight and only component unit.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments. The following is a summary of the significant accounting policies.

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

Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government.

Amounts reported as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions. As of June 30, 2024, the District only reports charges for services as program revenues. All taxes and internally dedicated resources are reported as *general revenues* rather than program revenues.

Fund Financial Statements

Fund financial statements of the reporting entity are organized into funds, each of which is considered to be a separate accounting entity. Each fund is accounted for by providing a separate set of self-balancing accounts, which constitute its assets, liabilities, fund equity, revenues, and expenditures/expenses. Funds are organized into three major categories: governmental, proprietary, and fiduciary. An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the District or meets the following criteria:

- a. Total assets, liabilities, revenues, or expenditures/expenses of that individual governmental fund are at least ten percent of the corresponding total for all funds of that category or type; and,
- b. Total assets, liabilities, revenues, or expenditures/expenses of the individual governmental fund are at least five percent of the corresponding total for all governmental funds combined.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Basis of Presentation, Continued

Governmental Funds

The following is the District's major governmental fund:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists only of general government type activities.

Measurement Focus

Measurement focus is a term used to describe which transactions are recorded within the various financial statements.

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the “economic resources” measurement focus. The accounting objectives of this measurement focus are the determination of net income, financial position, and cash flows. All assets and liabilities (whether current or noncurrent) associated with their activities are reported. Fund equity is classified as Net Position, which serves as an indicator of financial position.

In the fund financial statements, the “current financial resources” measurement focus is used. Only current financial assets and liabilities are generally included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under this modified accrual basis of accounting, revenues are recognized when “measurable and available.” Measurable means knowing or being able to reasonably estimate the amount. Available means the amount is collectible within the current period or soon enough thereafter to pay current liabilities. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within 60 days after year end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity

Cash Deposits and Investments

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition.

The District pools cash and investments from all funds for the purpose of increasing income through investment activities. Highly liquid money market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value in accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. Market value is used as fair value for those securities for which market quotations are readily available.

Receivables

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include accounts and intergovernmental receivables.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as accounts receivable and intergovernmental receivables since they are usually both measurable and available. Non-exchange transactions collectible but not available, such as property tax, are deferred in the fund financial statements in accordance with the modified accrual basis, but not deferred in the government-wide financial statements in accordance with the accrual basis.

Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available. The District's experience is that all accounts receivable are collectible; therefore an allowance for doubtful accounts is unnecessary.

Inventories

The cost of other consumable materials and supplies on hand are immaterial to the financial statements, and the District has therefore chosen to report these items as expenditures/expenses at the time of purchase.

Capital Assets

Capital assets, recorded at historical cost or estimated historical cost if actual historical cost is not available, are reported in the governmental activities and business-type activities columns of the government-wide financial statements. Capital assets include land, buildings and site improvements and equipment and machinery. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Capital Assets, continued

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an assets life are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. Depreciation is recorded in the government-wide financial statements on the straight-line basis over the useful life of the assets as follows:

Building improvements	30 – 50 years
Leasehold improvements	15 – 30 years
Equipment	5 – 7 years

Long-Term Debt

The accounting treatment of long-term debt depends on whether the assets are used in governmental fund operations or proprietary fund operations and whether they are reported in the government-wide or fund financial statements.

All long-term debt to be repaid from governmental resources is reported as liabilities in the government-wide statements. The long-term debt consists of compensated absences and a capital lease are presented as intangible assets and amortized on a straight-line basis over the life of the debt in the government-wide statements.

Long-term debt for governmental funds is not reported as liabilities in the fund financial statements. The debt proceeds are reported as revenue and payment of principal and interest reported as expenditures. The accounting for proprietary funds is the same in the fund statements as it is in the government-wide statements.

Compensated Absences

The District's policies regarding vacation time and compensatory time permit employees to accumulate earned but unused leave, up to limits established by individual employee bargaining units. This debt is estimated based on historical trend analysis, the current portion of which is reported in the General Fund and the remaining balance is shown in the government-wide financial statements.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Assets, Liabilities, and Equity, Continued

Equity Classification

Government-Wide Statements

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

- a. *Net investment in capital assets* – 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 by external groups such as creditors, grantors, contributors, or by laws or regulations of other governments or law through constitutional provisions or enabling legislation.
- c. *Unrestricted net position* – all other net position that do not meet the definition of “restricted” or “*net investment in capital assets*.”

Fund Financial Statements

Governmental fund equity is classified as fund balance. Fund balance is classified as restricted or unrestricted as provided in Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. Proprietary fund equity is classified the same as in the government-wide statements. The classifications for governmental funds are defined as follows for the District:

Unassigned Fund Balance –

- Residual net resources
- Total fund balance in the general fund in excess of restricted fund balance (surplus).
- Excess of restricted fund balance over total fund balance (deficit).

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Revenues, Expenditures, and Expenses

Property Tax

Under California law, property taxes are assessed and collected by the counties up to 1% of assessed value, plus other increases approved by the voters. The property taxes go into a pool, and are then allocated to the cities in accordance with statutory regulations.

The District receives property taxes from the County of Mendocino, which has been assigned the responsibility for assessment, collections, and apportionment of property taxes for all taxing jurisdictions within the County. The secured property taxes are assessed on July 1 and the lien date is January 1. 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. 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.

Stewardship, Compliance, and Accountability

It is the District's policy to adopt annual budgets. The District Board may amend the budget by motion during the fiscal year. The District Administrator is authorized to transfer budgeted amounts within any single fund. However, any revisions that alter total expenditures of any fund must be approved by the District Board.

Expenditures may not legally exceed appropriations at the fund level. Appropriations lapse at the end of the fiscal year.

Budget information is presented for governmental fund types on a basis consistent with accounting principles generally accepted in the United States of America. Budgeted revenue and expenditure amounts represent the original budget and all approved budget amendments.

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

1. Public meetings are conducted to obtain public comments. The District Board annually adopts the budget for the ensuing fiscal year prior to July 1st.
2. Legally adopted budgets and formal budgetary integration is employed as a management control device during the year for all Governmental, Proprietary and Fiduciary Fund Types.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

Stewardship, Compliance, and Accountability, Continued

3. Under Article XIII B of the California Constitution (the Gann Spending Limitation Initiative), the District is restricted as to the amount of annual appropriations from the proceeds of taxes, and if proceeds of taxes exceed allowed appropriations, the excess must either be refunded to the State Controller, returned to the taxpayers through revised tax rates or revised fees schedules, or an excess in one year may be offset against a deficit in the following year. For the fiscal year ended June 30, 2024, based on the calculations by District Management, proceeds of taxes did not exceed the appropriations limit.
4. Budgeted appropriations for the various governmental funds become effective each July 1st.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues and expenses. Actual results could differ from those estimates.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

2. CASH AND INVESTMENTS

The District had the following cash and investments at June 30, 2024:

	Maturities (in years)			Deposits	Fair Market Value
	< 1	1 to 2	> 2		
<u>Cash equivalents and investments pooled</u>					
Pooled cash, at fair value:					
Cash in bank - Checking	\$ -	\$ -	\$ -	\$ 83,466	\$ 83,466
Cash held in California CLASS	-	-	-	654,333	654,333
Total cash and cash equivalents	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 737,799</u>	<u>\$ 737,799</u>
Financial Statement presentation:					
Cash					\$ 737,799
Total					<u>\$ 737,799</u>

Cash Deposits

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

According to California law, the market value of pledged securities with banking institutions must equal at least 110% of the government’s cash deposits. California law also allows institutions to secure government deposits by pledging first trust deed mortgage notes having a value of 150% of the government’s total cash deposits. The government can waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation.

Custodial credit risk – deposits. For deposits, this is the risk that, in the event of a bank failure, the District’s deposits may not be returned. The District’s Investment Policy addresses custodial credit risk, which follows the Government Code.

At the fiscal year end, the City’s carrying amount of demand deposits was \$737,799 and the bank account balance was \$762,415. The difference of \$24,616 represented outstanding checks and deposits in transit. Of the total deposit balance, \$250,000 was insured by Federal Depository Insurance Corporation (FDIC). At June 30, 2024, the District did not have any deposit accounts that exceeded federally insured limits.

Investments in Cooperative Liquid Assets Securities System

The City is a voluntary participant in the California Cooperative Liquid Assets Securities System (California CLASS), a joint exercise of powers entity authorized under Section 6509.7, California Government Code. California CLASS is overseen and governed by a Board of Trustees, which consists of four members who are public agency finance professionals. The fund is audited annually. The fair value of the position in the investment pool is the same as the value of the pool shares.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

3. CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2024, was as follows:

	Balance July 1, 2023	Additions	Adjustments/ Deletions	Balance June 30, 2024
Land	\$ 2,519,977	\$ -	\$ -	\$ 2,519,977
Buildings and improvements	46,952	-	-	46,952
Leashold improvements	489,853	-	-	489,853
Equipment	28,110	-	-	28,110
Right to use asset	-	131,678	-	131,678
Total capital assets	<u>3,084,892</u>	<u>131,678</u>	<u>-</u>	<u>3,216,570</u>
Accumulated depreciation	<u>(457,706)</u>	<u>(17,051)</u>	<u>-</u>	<u>(474,757)</u>
Net capital assets	<u>\$ 2,627,186</u>	<u>\$ 114,627</u>	<u>\$ -</u>	<u>\$ 2,741,813</u>

Depreciation expense for governmental activities was charged to the operations function for \$17,051.

4. ACCOUNTS PAYABLE AND ACCRUED LIABILITIES

Accounts payable and accrued liabilities consisted of the following at June 30, 2024:

	Governmental Activities
Accounts payable	\$ 23,939
Accrued payroll	24,737
Total	<u>\$ 48,676</u>

These amounts resulted in the following concentrations in payables:

Vendors 49% Employees 51%

Amounts do not indicate a significant concentration (greater than 25%) with any single vendor or employee.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

5. LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities for governmental activities for the year ended June 30, 2024:

	Balance July 1, 2023	Additions	Retirements	Balance June 30, 2024	Due Within One Year
Lease liability	\$ -	\$ 131,678	\$ (1,732)	\$ 129,946	\$ 21,588
Total	<u>\$ -</u>	<u>\$ 131,678</u>	<u>\$ (1,732)</u>	<u>\$ 129,946</u>	<u>\$ 21,588</u>

Lease Liability

On May 16, 2024 the District entered into a lease agreement for a building at 579 South Franklin Street to be used as a recreational facility. The District is required to make principal and interest payments through May 2029. The lease agreement has an interest rate of 7% which is the incremental borrowing rate to discount the future payments. The total amount of right to use leased asset, and the related accumulated amortization on right to use leased asset was \$131,678 and \$1,732, as of June 30, 2024, respectively.

<u>Fiscal Year Ended June 30,</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 21,588	\$ 8,412
2026	23,298	6,852
2027	26,691	5,109
2028	28,621	3,179
2029	29,749	1,051
	<u>\$ 129,947</u>	<u>\$ 24,603</u>

6. NET POSITION/ FUND BALANCES

Net Position

	<u>Governmental Activities</u>
Net investment in capital assets	\$ 2,611,867
Restricted:	
Aquatics	100,000
Unrestricted	<u>764,289</u>
Total	<u>\$ 3,476,156</u>

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

6. NET POSITION/ FUND BALANCES, Continued

Fund Balance

Fund balances consisted of the following:

Major Fund:	
General Fund:	
Committed:	
Aquatics	\$ 100,000
Unassigned	764,289
Total	<u>\$ 864,289</u>

Committed:

Aquatics – represents amounts restricted for aquatics programs.

7. 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 For Park And Recreation Insurance (CAPRI), a public entity risk pool currently operating as a common risk management and insurance program for member districts. The District pays an annual premium to CAPRI for its general insurance coverage. Furthermore the District carries workers compensation coverage with other districts in the State through CAPRI. Membership in the California Association of Recreation and Park Districts is required when applying for CAPRI.

The Agreement for Formation provides that CAPRI will be self-sustaining through member premiums. CAPRI reinsures through commercial companies for general and automobile liability excess claims 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 for fiscal year ending June 30, 2024.

8. RELATED PARTY TRANSACTIONS

Mendocino Coast Botanical Gardens

The Mendocino Coast Botanical Garden rents a 47-acre site from the District, for \$1.00 per year. The present rental agreement was renewed on September 30, 2016 and expires in 2041. The Mendocino Botanical Garden is responsible for all up-keep, maintenance, insurance, and improvements to buildings, systems and land. There is also a provision in the agreement to maintain the site for public use.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

9. COMMITMENTS AND CONTINGENCIES

In the normal course of business there are outstanding various commitments and contingent liabilities, such as commitments to fulfill grant requirements, which are not reflected in the financial statements. Management believes that such commitments or contingencies will not have a material adverse effect on the financial statements.

10. SUBSEQUENT EVENTS

On January 1, 2025 the District entered into a lease agreement for a building at 100 N. Main Street, Fort Bragg, California to be used as an office and recreational facility. The lease shall be for a term of 5 years commencing on January 1, 2025 and ending on January 1, 2030. The District is required to make rent payments of \$3,938 for the first twelve months. Rent for each succeeding twelve-month period shall be increased annually by 2.5%.

11. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 99, "*Omnibus 2022*." The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The requirements related to leases, PPPs, and SBITAs will take effect for financial statements starting with the fiscal year that ends 4. The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 100, "*Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62*." The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2024. The implementation of this statement did not have an effect on the financial statements.

The GASB has issued Statement No. 101, "*Compensated Absences*." The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends December 31, 2024.

Mendocino Coast Recreation and Park District, California
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2024

12. NEW ACCOUNTING PRONOUNCEMENTS

The GASB has issued Statement No. 102, “*Certain Risk Disclosures.*” The requirements of this Statement will improve financial reporting by providing users of financial statements with essential information that currently is not often provided. The disclosures will provide users with timely 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. As a result, users will have better information with which to understand and anticipate certain risks to a government’s financial condition. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2025.

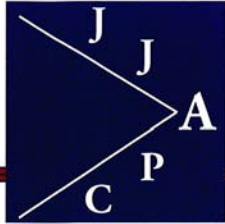
The GASB has issued Statement No. 103, “*Financial Reporting Model Improvements.*” The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government’s accountability. This Statement also addresses certain application issues. The requirements of this Statement will take effect for financial statements starting with the fiscal year that ends June 30, 2026.

REQUIRED SUPPLEMENTARY INFORMATION

Mendocino Coast Recreation and Park District
Statement of Revenues, Expenditures, and Changes in Fund Balances -
 Budget and Actual - General Fund
 For the year ended June 30, 2024

	Original Budget	Final Budget	Actual	Variance w/Final
REVENUES:				
Property taxes	\$ 340,545	\$ 340,545	\$ 585,261	\$ 244,716
Charges for services				
Enrichment	42,030	42,030	92,733	50,703
Youth sports	12,655	12,655	19,304	6,649
Special Events	21,286	21,286	8,651	(12,635)
Adult Sports	11,270	11,270	10,456	(814)
Drop in	17,188	17,188	2,620	(14,568)
Other revenues	-	-	1,487	1,487
Total revenues	<u>444,974</u>	<u>444,974</u>	<u>733,963</u>	<u>288,989</u>
EXPENDITURES:				
Current:				
Salaries and benefits	318,431	318,431	255,910	(62,521)
Programs	1,500	1,500	8,479	6,979
Sports	12,950	12,950	2,326	(10,624)
Marketing	1,500	1,500	2,888	1,388
Operations	128,966	128,966	276,723	147,757
Events	8,350	8,350	2,208	(6,142)
Other expenses	16,000	16,000	-	(16,000)
Total expenditures	<u>487,697</u>	<u>487,697</u>	<u>548,534</u>	<u>60,837</u>
REVENUES OVER (UNDER)				
EXPENDITURES	<u>(42,723)</u>	<u>(42,723)</u>	<u>185,429</u>	<u>228,152</u>
Net change in fund balances	<u>(42,723)</u>	<u>(42,723)</u>	<u>185,429</u>	<u>228,152</u>
FUND BALANCES (DEFICIT):				
Beginning of year	<u>678,860</u>	<u>678,860</u>	<u>678,860</u>	<u>-</u>
End of year	<u>\$ 636,137</u>	<u>\$ 636,137</u>	<u>\$ 864,289</u>	<u>\$ 228,152</u>

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



JJACPA, Inc.

A Professional Accounting Services Corp.

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

Independent Auditor's Report

To the Board of Directors of the
Mendocino Coast Recreation and Park District
Fort Bragg, 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 the budgetary comparison information of Mendocino Coast Recreation and Park District (District), as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated February 25, 2025.

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 District'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 compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District'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.

February 25, 2025

JJACPA, Inc.
JJACPA, INC.



COMMISSIONERS

Maureen Mulheren
Chair
[County Member](#)

Gerald Ward
Vice Chair/Treasurer
[Public Member](#)

Madline Cline
[County Member](#)

Gerardo Gonzalez
[City Member](#)

Candace Horsley
[Special District Member](#)

Mari Rodin
[City Member](#)

Susan Mahoney
[Special District Member](#)

Douglas Crane
[Alternate City Member](#)

John Haschak
[Alternate County Member](#)

Raghda Zacharia
[Alternate Public Member](#)

Vacant
[Alternate Special District Member](#)

STAFF

Executive Officer
[Uma Hinman](#)

Senior Analyst
[Larkyn Feiler](#)

Clerk/Analyst
[Jennifer Crump](#)

Counsel
[Marsha Burch](#)

REGULAR MEETINGS

First Monday of each month
at 9:00 AM in the
Mendocino County Board of
Supervisors Chambers
501 Low Gap Road, Ukiah

Sent by Electronic Mail

January 31, 2025

To: Board of Directors of Independent Special Districts
From: Uma Hinman, Executive Officer
Subject: **Notice of Vacancy – Alternate Special District Member**

Mendocino Local Agency Formation Commission (LAFCo) has a special district member vacancy and invites nominations to fill **the remainder of the Alternate Special District term of 2023-2026**. View our website for the current Commission members: <https://www.mendolafco.org/commission>. The current Special District members are as follows:

Special District Members	Seat	Term
Candace Horsley (<i>Ukiah Valley Sanitation District</i>)	Regular	2023 – 2026
Susan Mahoney (<i>Brooktrails Township Community Services District</i>)	Regular	2025 – 2028
Vacant	Alternate	2023 – 2026

LAFCo is an independent, quasi-legislative agency that reviews city and special district changes of organization and the establishment of boundaries and authorized services for numerous local government agencies (see website for a list of local special districts). The Commission is comprised of seven regular and four alternate members representing the county, cities, independent special districts, and general public.

In accordance with Government Code Section 56332(f), the Mendocino LAFCo Executive Officer conducts the nomination and election process on behalf of the Special District Selection Committee.

Commission members are elected to four-year terms; there are no term limits. Each district may nominate one person per vacancy. Nominees must be board members and nominations must be approved by the district’s governing body. All nominations must be accompanied by a completed nomination form (enclosed) and may be mailed or emailed to LAFCo at eo@mendolafco.org.

If nominations are received for only one candidate to fill a vacancy by the end of the nominating period, the candidate shall be deemed appointed. If more than one nomination is received for a vacancy, LAFCo will prepare and send ballots to each district for an election. Questions may be directed to the Executive Officer at eo@mendolafco.org or (707) 463-4470.

The nomination and election schedule are as follows:

Election Process Step	Date
Nominations due	March 14, 2025 by 5:00 PM
Ballots issued (if more than one nominee)	March 19, 2025
Ballots due	April 30, 2025
Term begins	Immediately

Signed nominations may be submitted by mail, email or hand delivery and must be received by 5:00 p.m. on March 14, 2025.

Nomination Form

Special District Alternate Member

(Remainder of 4-year Term: January 1, 2023 through December 31, 2026)

Name of District	Mendocino Coast Recreation and Park District
Address	P.O. Box 532 Fort Bragg, CA 95437
Telephone	707-409-0760

The Board hereby nominates Dave Shpak
to serve on the Mendocino Local Agency Formation Commission.

Board action taken on the 6 day of March, 2025 by the following vote:

Ayes: _____

Noes: _____

Abstain: _____

Absent: _____

District Representative:	
_____	_____
Signature	Date
_____	_____
Printed Name	Title

Nominations due to LAFCo by March 14, 2025 by 5:00 p.m.

Nomination Forms accepted by the following means:
Mail or hand delivery: 200 South School Street, Ukiah, CA 95482
Email: eo@mendolafco.org