



Tehachapi Valley

Recreation & Park District

TEHACHAPI VALLEY
RECREATION AND PARK DISTRICT
490 WEST D STREET, TEHACHAPI, CA 93561

REGULAR BOARD MEETING
TUESDAY, JANUARY 18, 2022, 5:30 P.M.

BOARD OF DIRECTORS

IAN STEELE, CHAIRPERSON
KALEB JUDY, VICE-CHAIRPERSON
DWIGHT DREYER, DIRECTOR
SANDY CHAVEZ, DIRECTOR
MARYANN PACIULLO, DIRECTOR

A G E N D A

1. FLAG SALUTE

2. ROLL CALL

3. PUBLIC COMMENTS

The Tehachapi Valley Recreation and Park District Board of Directors welcome public comments on any items within the subject matter jurisdiction of the District. We respectfully request that this public forum be utilized in a positive and constructive manner. Items addressed during Public Comment section are generally matters not included on the posted agenda and therefore the Board will take no action at this meeting. Such items, however, may be added to a future meeting's agenda. Speakers are limited to two (2) minutes. Please state your name or organization represented, if any, before making presentation. Thank you.

4. CONSENT CALENDAR

All items listed on the Consent Calendar shall be considered routine and will be enacted by one vote. There will be no separate discussion of these items unless a member of the Board request specific items to be removed from the Consent Calendar for separate action.

- A. Clerk Declaration of Posting of Agenda 72 Hours in Advance of Meeting (Page 3).
- B. Approval of Minutes from the Regular Board Meeting held August 17, 2021 (Pages 4-6).
- C. Approval of the Preliminary Financial Reports for September 2021. (Pages 7-16).
- D. Approval of Tehachapi Valley Recreation and Park District's Board of Directors 2022 Meeting Schedule, (Page 17).

5. RECREATION MANAGER REPORT

6. OPERATIONS MANAGER REPORT

7. DISTRICT MANAGER REPORT

8. AGENDA ITEMS

- A. Tehachapi Valley Recreation and Park District's 2021-2022 Midyear Budget Adjustments, Discussion/Approval, Resolution #1-22 (Pages 18-53).
- B. Appointment of a Capital Improvement Committee, Discussion/Approval.
- C. Approval of the District Managers Spending Limit in the amount not to exceed \$25,000.00, Discussion/Approval, Resolution #2-22 (Pages 54-55).
- D. Annual Audit Presentation from Paul Kaymark, Nigro & Nigro, (Pages 56-99).

9. BOARD OF DIRECTORS' TIME

Opportunity for the Board to comment on items not listed on the agenda.

10. ADJOURNMENT

Adjourn to the next Regular Meeting of the Board of Directors of the Tehachapi Valley Recreation and Park District scheduled on February 15, 2022.



Tehachapi Valley

Recreation & Park District

CERTIFICATE OF POSTING AGENDA

I, the Clerk of the Tehachapi Valley Recreation and Park District Board of Directors hereby certify that a copy of the January 18, 2022, Regular Board Meeting Agenda was posted at the following public places within the District on Friday, January 14, 2022, at 5:30 P.M. approximately:

- TVRPD District Office, 490 West D Street, Tehachapi, California 93561
- The TVRPD Web site at www.tvrpd.org

The agenda and related documents were also provided to the Tehachapi Valley Recreation and Park District Board of Directors on the 14th day of January 2022.

Dated this 14th day of January 2022.

Carrie Champlin

Carrie Champlin
Clerk of the Board of Directors

**REGULAR BOARD MEETING
OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT**

TUESDAY, AUGUST 17, 2021, 5:30 P.M.

CALL TO ORDER: Board Meeting Convened By Chairperson Steele at 5:30 P.M.

BOARD MEMBERS

Ian Steele, Chairperson
Kaleb Judy, Vice-Chairperson
Sandy Chavez, Director
Dwight Dreyer, Director
Maryann Paciullo, Director

1. **FLAG SALUTE:** Bill Fisher led the flag salute.
2. **ROLL CALL:** Director Paciullo was absent.
3. **PUBLIC COMMENTS:** None.
4. **CONSENT CALENDAR**

Consent item "D" was removed from the consent calendar.

A. **Secretary Declaration of Posting of Agenda 72 hours in Advance of Meeting.**

Declaration by the Clerk of the Board of Directors that the agenda was posted at least 72 hours in advance of meeting.

BOARD APPROVED SECRETARY DECLARATION.

Dreyer - Chavez: Ayes: Steele; Judy; Dreyer; Chavez

Noes: None. Motion carried.

Absent: Paciullo

B. **Approval of the Minutes from the Regular Board Meeting held June 15, 2021.**

BOARD APPROVES THE MINUTES FROM THE REGULAR BOARD MEETING HELD JUNE 15, 2021.

Dreyer - Chavez: Ayes: Steele; Judy; Dreyer; Chavez

Noes: None. Motion carried.

Absent: Paciullo

C. **Approval of the Preliminary Financial Reports for June, 2021.**

BOARD APPROVES THE PRELIMINARY FINANCIAL REPORTS FOR JUNE 2021.

Dreyer - Chavez: Ayes: Steele; Judy; Dreyer; Chavez

Noes: None. Motion carried.

Absent: Paciullo

5. RECREATION MANGER REPORT

Recreation Manager Ashley Krempien gave the report.

Report on file

6. OPERATIONS MANAGER REPORT

Operations Manager Bill Fisher gave the report.

Report on file

7. DISTRICT MANAGER REPORT

District Manager Torres gave the report.

Report on file

8. AGENDA ITEMS

A. Discussion/Approval of Resolution #11-21, Resolution of the Board of Directors of the Tehachapi Valley Recreation and Park District Approving a Debt Management Policy.

BOARD APPROVES RESOLUTION #11-21 RESOLUTION OF THE BOARD OF DIRECTORS OF TEHACHAPI VALLEY RECREATION AND PARK DISTRICT APPROVING A DEBT MANAGEMENT POLICY, RESOLUTION #11-21.

Judy - Chavez: Ayes: Steele; Judy; Dreyer; Chavez

Noes: None. Motion carried.

Absent: Paciullo

B. Discussion/Approval of Resolution #12-21, Resolution of the Board of Directors of the Tehachapi Valley Recreation and Park District Approving the Form of and Authorizing the Execution and Delivery of an Amendment to Lease Agreement and Authorizing Certain Additional Actions.

BOARD APPROVES RESOLUTION #12-21 RESOLUTION OF THE BOARD OF DIRECTORS OF TEHACHAPI VALLEY RECREATION AND PARK DISTRICT APPROVING THE FORM OF AND AUTHORIZING THE EXECUTION AND DELIVERY OF AN AMENDMENT TO LEASE AGREEMENT AND AUTHORIZAING CERTAIN ADDITIONAL ACTIONS, RESOLUTION #12-21.

Judy - Dreyer: Ayes: Steele; Judy; Dreyer; Chavez

Noes: None. Motion carried.

Absent: Paciullo

C. Discussion/Approval of Tehachapi Valley Recreation and Park District's Budget for Fiscal Year 2021/2022.

1. Public Hearing – Opened at 5:50 P.M.

No comments.

Public Hearing - Closed at 5:52 P.M.

2. Approval of Tehachapi Valley Recreation and Park District's Budget for Fiscal Year 2021/2022 - Discussion/Approval, Resolution #13-21

BOARD APPROVES TEHACHAPI VALLEY RECREATION AND PARK DISTRICT BUDGET FOR FISCAL YEAR 2021/2022, RESOLUTION #13-21.

Judy - Dreyer: Ayes: Steele; Judy; Dreyer; Chavez

Noes: None. Motion carried.

Absent: Paciullo

9. BOARD OF DIRECTORS TIME: The board thanked TVRPD staff and District Manager Torres for all their hard work.

10. ADJOURNMENT

Having no further business the meeting was adjourned at 6:10 P.M. to the Regular Board meeting of the Directors of Tehachapi Valley Recreation and Park District scheduled on September 21, 2021.

Dreyer - Chavez: Ayes: Steele; Judy; Dreyer; Chavez

Noes: None. Motion carried.

Absent: Paciullo

Respectfully Submitted,

Carrie Champlin

Clerk of the Board



Tehachapi Valley Recreation and Park District

Balance Sheet

As of September 30, 2021

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash in County Treasury General Fund	1,046,704.74
1004 Check BOTS 4470	62,309.17
1005 County Treasury Capital Projects Fund	347,531.16
1006 County FMV	9,306.00
1007 Square Inc	1,419.45
1051 Change Fund	1,100.00
1100 Petty Cash Fund	400.00
Total Bank Accounts	\$1,468,770.52
Accounts Receivable	
1200 Accounts Receivable	16,698.88
Total Accounts Receivable	\$16,698.88
Other Current Assets	
1092 Credit Card Receivables	450.00
1093 Heartland Merchant Services Receivable	14,176.59
1096 Undeposited Funds	255.00
1120 Uncategorized Asset	1,126.59
1210 Inventory Asset	4,122.63
Total Other Current Assets	\$20,130.81
Total Current Assets	\$1,505,600.21
Fixed Assets	
1150 Land	166,734.76
1161 Building	540,391.52
1162 Improvements	3,069,096.76
1162.1 Improvement Work in Progress	34,476.50
1163 Equipment	1,417,459.17
1166 Furniture & Fixtures	30,946.00
1167 Machinery	61,018.87
1170 Accumulated Depreciation	-3,427,120.00
1180 Fleet Vehicles and Equipment	162,109.22
Total Fixed Assets	\$2,055,112.80
Other Assets	
1901 DOR-Pension Contributions	57,581.00
1903 DOR-Pension Related	65,678.00
Total Other Assets	\$123,259.00
TOTAL ASSETS	\$3,683,972.01
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	



Tehachapi Valley Recreation and Park District

Balance Sheet

As of September 30, 2021

	TOTAL
2000 Accounts Payable-General Fund	16,132.83
Total Accounts Payable	\$16,132.83
Credit Cards	
2010 Cardmember Services Payable	14,332.58
Total Credit Cards	\$14,332.58
Other Current Liabilities	
2021 Accrued Salaries & Wages	33,160.93
2022 Accrued Employer PR Taxes	3,345.79
2024 Accrued Vacation, Sick, & Comp Time	76,338.04
2207 Sales tax payable	26.75
2208 Kern County Loan Payable	450,000.00
2210 Payroll Liabilities	7,475.54
Total Other Current Liabilities	\$570,347.05
Total Current Liabilities	\$600,812.46
Long-Term Liabilities	
2310 Loan Payable 2016	822,473.00
2900 Net Pension Liability	290,330.00
2902 DIR-Pension Related	39,105.00
Total Long-Term Liabilities	\$1,151,908.00
Total Liabilities	\$1,752,720.46
Equity	
3010 Net Investment In Capital Assets	1,222,996.10
3020 Restricted Funds	441,721.68
3110 Retained Earnings	456,248.36
Net Income	-189,714.59
Total Equity	\$1,931,251.55
TOTAL LIABILITIES AND EQUITY	\$3,683,972.01



Tehachapi Valley Recreation and Park District

Profit and Loss

September 2021

	TOTAL		
	SEP 2021	JUL - SEP, 2021 (YTD)	% OF INCOME
Income			
4010 Property Taxes	74,475.62	90,060.92	61.74 %
4020 Interest Income	128.14	1,854.73	0.11 %
4020.1 Interest Income Cap Proj Fund	0.00	742.56	0.00 %
4030 Adult Program Revenues	400.50	15,114.50	0.33 %
4050 Facility Revenue	25,670.50	82,178.52	21.28 %
4210 Events Revenues	7,160.00	17,630.00	5.94 %
4213 Operational Grants	500.00	19,760.00	0.41 %
4215 Capital Grants	545.00	10,545.00	0.45 %
4216 Scholarship Donations	30.00	35.00	0.02 %
4300 Youth Program Revenues	7,894.50	40,185.68	6.54 %
4610 Billable Expense Income	4,836.38	4,836.38	4.01 %
4650 Discounts given	-1,466.20	-6,079.99	-1.22 %
4704 Sales	454.00	850.00	0.38 %
Total Income	\$120,628.44	\$277,713.30	100.00 %
Cost of Goods Sold			
5001 Adult Program Costs		1,173.79	
5004 Contracted Classes Costs	200.00	200.00	0.17 %
5005 Events Costs	13,150.41	30,062.70	10.90 %
5008 Youth Program Costs	1,930.16	5,422.07	1.60 %
5704 Purchases for Resale	2,912.50	3,712.50	2.41 %
Total Cost of Goods Sold	\$18,193.07	\$40,571.06	15.08 %
GROSS PROFIT	\$102,435.37	\$237,142.24	84.92 %
Expenses			
6000 Employee Costs	67,730.58	294,226.16	56.15 %
7010 Advertising & Marketing	2,438.24	7,093.91	2.02 %
7020 Bank Service Charges	1,558.44	5,978.57	1.29 %
7025 Cash Short/Over		-30.00	
7026 Charitable Contribution		990.00	
7030 Dues & Subscriptions		3,250.00	
7035 Equipment Rents & Leases	1,213.00	1,837.31	1.01 %
7050 Insurance		26,629.50	
7056 Interest Expense		1,174.08	
7060 Licenses & Fees	556.03	4,013.91	0.46 %
7070 Maintenance	12,102.28	46,026.45	10.03 %
7084 Meals & Entertainment	475.37	1,192.84	0.39 %
7090 Office Supplies	249.08	3,517.30	0.21 %
7120 Professional Development	1,026.34	3,731.02	0.85 %
7150 Professional Fees	6,629.50	26,714.50	5.50 %
7165 Safety Equipment	41.75	41.75	0.03 %
7180 Security	214.95	794.85	0.18 %
7210 Telephone and Internet	1,069.99	3,680.75	0.89 %



Tehachapi Valley Recreation and Park District

Profit and Loss

September 2021

	TOTAL		
	SEP 2021	JUL - SEP, 2021 (YTD)	% OF INCOME
7230 Uniforms & Apparel	520.04	696.58	0.43 %
7250 Utilities	8,842.32	25,215.35	7.33 %
Total Expenses	\$104,667.91	\$456,774.83	86.77 %
NET OPERATING INCOME	\$ -2,232.54	\$ -219,632.59	-1.85 %
Other Income			
8040 TVRPD Development Fee Revenues	4,274.00	29,918.00	3.54 %
Total Other Income	\$4,274.00	\$29,918.00	3.54 %
NET OTHER INCOME	\$4,274.00	\$29,918.00	3.54 %
NET INCOME	\$2,041.46	\$ -189,714.59	1.69 %



Tehachapi Valley Recreation and Park District

Profit & Loss Prior Year Comparison

September 2021

	TOTAL			
	SEP 2021	SEP 2020 (PY)	CHANGE	% CHANGE
Income				
4010 Property Taxes	74,475.62	68,658.68	5,816.94	8.47 %
4020 Interest Income	128.14		128.14	
4030 Adult Program Revenues	400.50		400.50	
4050 Facility Revenue	25,670.50	17,978.00	7,692.50	42.79 %
4210 Events Revenues	7,160.00		7,160.00	
4213 Operational Grants	500.00		500.00	
4215 Capital Grants	545.00		545.00	
4216 Scholarship Donations	30.00		30.00	
4300 Youth Program Revenues	7,894.50	-143.00	8,037.50	5,620.63 %
4610 Billable Expense Income	4,836.38		4,836.38	
4650 Discounts given	-1,466.20		-1,466.20	
4704 Sales	454.00		454.00	
Total Income	\$120,628.44	\$86,493.68	\$34,134.76	39.47 %
Cost of Goods Sold				
5004 Contracted Classes Costs	200.00	2,000.00	-1,800.00	-90.00 %
5005 Events Costs	13,150.41	973.76	12,176.65	1,250.48 %
5008 Youth Program Costs	1,930.16	81.38	1,848.78	2,271.79 %
5704 Purchases for Resale	2,912.50		2,912.50	
Total Cost of Goods Sold	\$18,193.07	\$3,055.14	\$15,137.93	495.49 %
GROSS PROFIT	\$102,435.37	\$83,438.54	\$18,996.83	22.77 %
Expenses				
6000 Employee Costs	67,730.58	44,721.91	23,008.67	51.45 %
7010 Advertising & Marketing	2,438.24	250.41	2,187.83	873.70 %
7020 Bank Service Charges	1,558.44	990.08	568.36	57.41 %
7035 Equipment Rents & Leases	1,213.00	1,002.98	210.02	20.94 %
7060 Licenses & Fees	556.03	1,554.83	-998.80	-64.24 %
7070 Maintenance	12,102.28	2,685.08	9,417.20	350.72 %
7084 Meals & Entertainment	475.37	395.97	79.40	20.05 %
7090 Office Supplies	249.08	702.28	-453.20	-64.53 %
7120 Professional Development	1,026.34		1,026.34	
7150 Professional Fees	6,629.50	2,976.04	3,653.46	122.76 %
7165 Safety Equipment	41.75		41.75	
7180 Security	214.95	224.95	-10.00	-4.45 %
7210 Telephone and Internet	1,069.99	718.97	351.02	48.82 %
7230 Uniforms & Apparel	520.04		520.04	
7250 Utilities	8,842.32	4,892.21	3,950.11	80.74 %
Total Expenses	\$104,667.91	\$61,115.71	\$43,552.20	71.26 %
NET OPERATING INCOME	\$ -2,232.54	\$22,322.83	\$ -24,555.37	-110.00 %
Other Income				
8040 TVRPD Development Fee Revenues	4,274.00	8,548.00	-4,274.00	-50.00 %



Tehachapi Valley Recreation and Park District

Profit & Loss Prior Year Comparison

September 2021

	TOTAL			
	SEP 2021	SEP 2020 (PY)	CHANGE	% CHANGE
Total Other Income	\$4,274.00	\$8,548.00	\$ -4,274.00	-50.00 %
NET OTHER INCOME	\$4,274.00	\$8,548.00	\$ -4,274.00	-50.00 %
NET INCOME	\$2,041.46	\$30,870.83	\$ -28,829.37	-93.39 %



Tehachapi Valley Recreation and Park District

Statement of Cash Flows

September 2021

	TOTAL
OPERATING ACTIVITIES	
Net Income	2,041.46
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	-3,836.38
1092 Credit Card Receivables	-1,000.00
1093 Heartland Merchant Services Receivable	-1,754.24
2000 Accounts Payable-General Fund	-5,732.33
2010 Cardmember Services Payable	-2,581.92
2200 Suspense	0.00
2207 Sales tax payable	-192.16
2211 Payroll Liabilities:CalPERS Payable	0.00
2231 Payroll Liabilities:Health Plan Payable	5,548.00
2241 Payroll Liabilities:AFLAC Payable	-7.76
2250 Payroll Liabilities:Payroll Tax Liabilities	402.72
2252 Payroll Liabilities:GVAP2 Payable	-143.88
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-9,297.95
Net cash provided by operating activities	\$ -7,256.49
INVESTING ACTIVITIES	
1162 Improvements	-4,485.00
1163 Equipment	-335,143.23
1167 Machinery	-13,929.63
Net cash provided by investing activities	\$ -353,557.86
FINANCING ACTIVITIES	
2310 Loan Payable 2016	400,000.00
3010 Net Investment In Capital Assets	-4,274.00
3022 Restricted Funds:Capital Projects	4,274.00
Net cash provided by financing activities	\$400,000.00
NET CASH INCREASE FOR PERIOD	\$39,185.65
Cash at beginning of period	1,429,839.87
CASH AT END OF PERIOD	\$1,469,025.52



Tehachapi Valley Park and Recreation District

TVRPD Budget vs. Actual 2021-2022

July - September, 2021

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
4010 Property Taxes	90,060.92	1,052,127.00	962,066.08	91.44 %
4020 Interest Income	1,854.73	10,000.00	8,145.27	81.45 %
4020.1 Interest Income Cap Proj Fund	742.56		-742.56	
4030 Adult Program Revenues	15,114.50	26,950.00	11,835.50	43.92 %
4050 Facility Revenue	82,178.52	241,460.00	159,281.48	65.97 %
4210 Events Revenues	17,630.00	75,220.00	57,590.00	76.56 %
4213 Operational Grants	19,760.00	90,250.00	70,490.00	78.11 %
4215 Capital Grants	10,545.00		-10,545.00	
4216 Scholarship Donations	35.00	1,500.00	1,465.00	97.67 %
4300 Youth Program Revenues	40,185.68	268,060.00	227,874.32	85.01 %
4610 Billable Expense Income	4,836.38	10,150.00	5,313.62	52.35 %
4650 Discounts given	-6,079.99	-10,000.00	-3,920.01	39.20 %
4704 Sales				
4707 Merchandise Sales-Taxable	850.00		-850.00	
Total 4704 Sales	850.00		-850.00	
Total Income	\$277,713.30	\$1,765,717.00	\$1,488,003.70	84.27 %
Cost of Goods Sold				
5001 Adult Program Costs	1,173.79	4,800.00	3,626.21	75.55 %
5002 Fish Stocking		10,000.00	10,000.00	100.00 %
5004 Contracted Classes Costs	200.00	4,000.00	3,800.00	95.00 %
5005 Events Costs	30,062.70	96,970.00	66,907.30	69.00 %
5008 Youth Program Costs	5,422.07	32,380.00	26,957.93	83.25 %
5110 Scholarship Fund Expense				
5115 Chavez Scholarship Fund		2,000.00	2,000.00	100.00 %
5117 Walter Dye Scholarship Fund		2,000.00	2,000.00	100.00 %
Total 5110 Scholarship Fund Expense		4,000.00	4,000.00	100.00 %
5704 Purchases for Resale				
5707 Merchandise Purchases	3,712.50		-3,712.50	
Total 5704 Purchases for Resale	3,712.50		-3,712.50	
Total Cost of Goods Sold	\$40,571.06	\$152,150.00	\$111,578.94	73.33 %
GROSS PROFIT	\$237,142.24	\$1,613,567.00	\$1,376,424.76	85.30 %
Expenses				
6000 Employee Costs				
6010 Wages & Salaries	215,406.78	771,830.00	556,423.22	72.09 %
6020 Employee Taxable Allowances		9,200.00	9,200.00	100.00 %
6050 Benefits				
6051 Employee MedDentalVisLife	15,571.52	60,000.00	44,428.48	74.05 %
6055 Employee Retirement CalPERS	11,948.05	42,000.00	30,051.95	71.55 %
6056 CalPERS Unfunded Liability Valuation	25,753.00	20,500.00	-5,253.00	-25.62 %
6058 Employer Taxes	19,172.16	58,000.00	38,827.84	66.94 %



Tehachapi Valley Park and Recreation District

TVRPD Budget vs. Actual 2021-2022

July - September, 2021

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
6060 Reimbursed Employee Expenses		500.00	500.00	100.00 %
6070 Vacation, Sick, & Admin Leave		1,500.00	1,500.00	100.00 %
6090 Worker's Compensation Insurance	6,374.65	38,000.00	31,625.35	83.22 %
Total 6050 Benefits	78,819.38	220,500.00	141,680.62	64.25 %
Total 6000 Employee Costs	294,226.16	1,001,530.00	707,303.84	70.62 %
7010 Advertising & Marketing	7,093.91	33,315.00	26,221.09	78.71 %
7015 Loan Repayment		35,897.00	35,897.00	100.00 %
7020 Bank Service Charges	5,978.57	12,500.00	6,521.43	52.17 %
7025 Cash Short/Over	-30.00		30.00	
7026 Charitable Contribution	990.00		-990.00	
7030 Dues & Subscriptions	3,250.00	5,500.00	2,250.00	40.91 %
7035 Equipment Rents & Leases				
7036 Maintenance Equipment Rental	405.78	800.00	394.22	49.28 %
7037 Office Equipment Rental	1,431.53	3,500.00	2,068.47	59.10 %
Total 7035 Equipment Rents & Leases	1,837.31	4,300.00	2,462.69	57.27 %
7050 Insurance				
7052 HUB Insurance	0.00	500.00	500.00	100.00 %
7055 Liability Insurance (Gen, Auto, Property)	26,629.50	54,000.00	27,370.50	50.69 %
Total 7050 Insurance	26,629.50	54,500.00	27,870.50	51.14 %
7056 Interest Expense	1,174.08	16,000.00	14,825.92	92.66 %
7060 Licenses & Fees	4,013.91	21,000.00	16,986.09	80.89 %
7070 Maintenance				
7071 Pool Chemicals	2,019.94	12,500.00	10,480.06	83.84 %
7072 Building & Park Maintenance	27,804.21	98,600.00	70,795.79	71.80 %
7073 Accessibility Upgrades		150.00	150.00	100.00 %
7074 Equipment Maintenance	1,938.63	5,350.00	3,411.37	63.76 %
7075 Fuel	3,912.04	13,000.00	9,087.96	69.91 %
7076 Janitorial Supplies	7,728.20	11,000.00	3,271.80	29.74 %
7077 Small Tools & Equipment	1,473.35	1,800.00	326.65	18.15 %
7079 Fleet Maintenance	1,150.08	7,000.00	5,849.92	83.57 %
Total 7070 Maintenance	46,026.45	149,400.00	103,373.55	69.19 %
7084 Meals & Entertainment	1,192.84	4,000.00	2,807.16	70.18 %
7090 Office Supplies	3,517.30	22,500.00	18,982.70	84.37 %
7120 Professional Development	3,731.02	7,500.00	3,768.98	50.25 %
7150 Professional Fees				
7151 Annual Audit	7,075.00	12,500.00	5,425.00	43.40 %
7152 Bookkeeping & Payroll	8,735.00	35,000.00	26,265.00	75.04 %
7153 Information Technology	1,723.00	12,000.00	10,277.00	85.64 %
7155 Legal	9,181.50	15,000.00	5,818.50	38.79 %
Total 7150 Professional Fees	26,714.50	74,500.00	47,785.50	64.14 %
7160 Property Tax Collection Fee		12,000.00	12,000.00	100.00 %



Tehachapi Valley Park and Recreation District

TVRPD Budget vs. Actual 2021-2022

July - September, 2021

		TOTAL		
	ACTUAL	BUDGET	REMAINING	% REMAINING
7165 Safety Equipment	41.75	2,000.00	1,958.25	97.91 %
7180 Security	794.85	3,900.00	3,105.15	79.62 %
7210 Telephone and Internet	3,680.75	27,340.00	23,659.25	86.54 %
7230 Uniforms & Apparel	696.58	6,000.00	5,303.42	88.39 %
7250 Utilities				
7252 Electric Service	16,622.13	44,600.00	27,977.87	62.73 %
7254 Gas Service	2,351.30	17,450.00	15,098.70	86.53 %
7256 Sanitation Services	2,239.95	10,000.00	7,760.05	77.60 %
7258 Water Service	4,001.97	9,455.00	5,453.03	57.67 %
7259 Propane	0.00		0.00	
Total 7250 Utilities	25,215.35	81,505.00	56,289.65	69.06 %
Total Expenses	\$456,774.83	\$1,575,187.00	\$1,118,412.17	71.00 %
NET OPERATING INCOME	\$ -219,632.59	\$38,380.00	\$258,012.59	672.26 %
Other Income				
8040 TVRPD Development Fee Revenues	29,918.00		-29,918.00	
Total Other Income	\$29,918.00	\$0.00	\$ -29,918.00	0.00%
NET OTHER INCOME	\$29,918.00	\$0.00	\$ -29,918.00	0.00%
NET INCOME	\$ -189,714.59	\$38,380.00	\$228,094.59	594.31 %



Tehachapi Valley
Recreation & Park District

2022 TVRPD BOARD MEETING SCHEDULE

Time: All meetings are scheduled for 5:30pm unless otherwise posted.

Location: TVRPD District Office 490 West D Street, Tehachapi, CA 93561

1/18/22

2/15/22

3/15/22

4/19/22

5/17/22

6/21/22

7/19/22

8/16/22

9/20/22

10/18/22

11/15/22

12/20/22 (Cancelled)



Tehachapi Valley

Recreation & Park District

Fiscal Year

2021/2022

Operational

Budget

Midyear Adjustments

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Tehachapi Valley Recreation & Park District

Play Up. Live Up.

Fiscal Year 2020/2021 Operational Budget – *Midyear Adjustments*

Board of Directors

Ian Steele, Chairperson

Kaleb Judy, Vice-Chairperson

Dwight Dreyer, Director

Sandy Chavez, Director

Maryann Paciullo, Director

Department Heads

Corey Torres, MPA, District Manager

Carrie Champlin, Business Manager/Clerk of the Board

Bill Fisher, Operations Manager

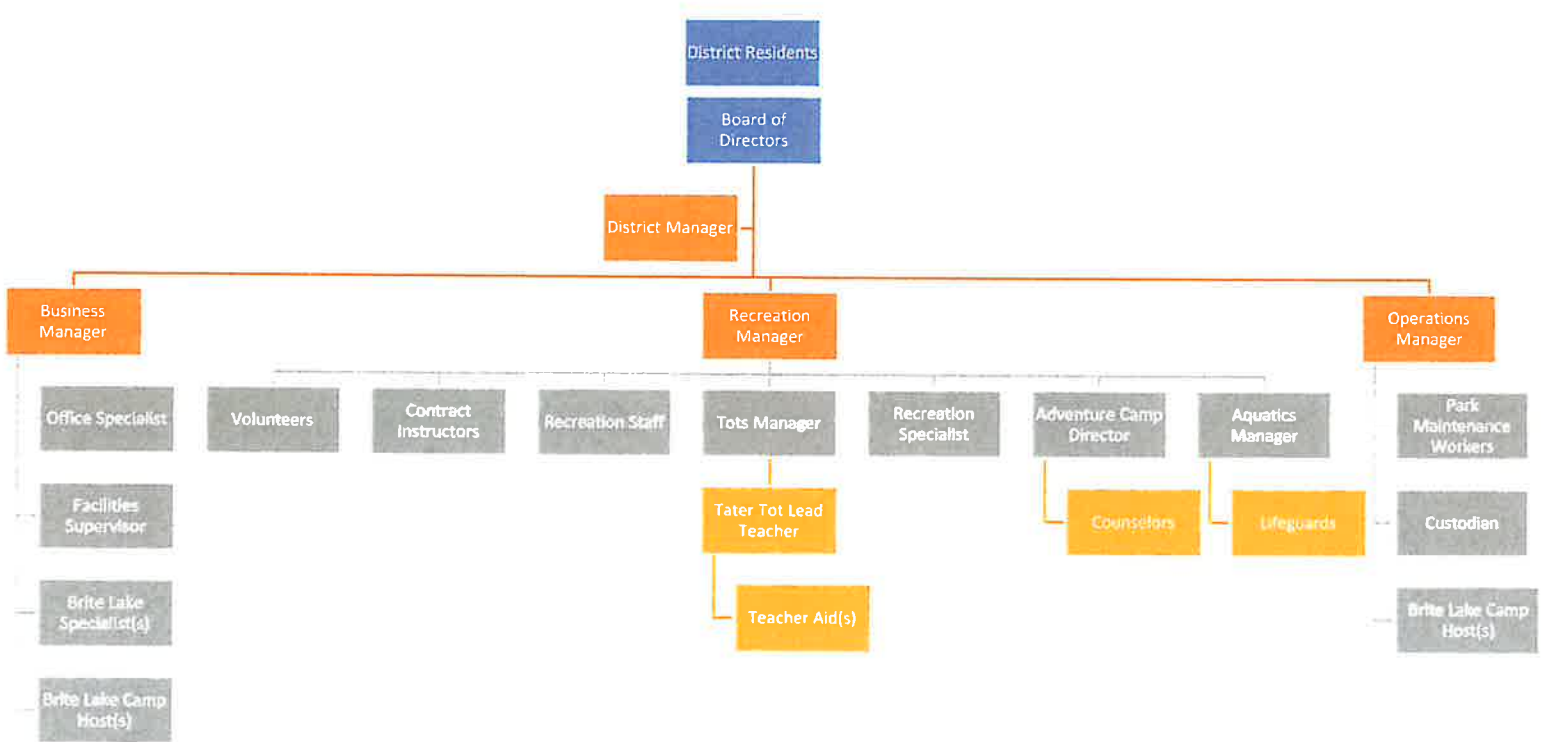
Ashley Krempien, Recreation Manager

Mission Statement

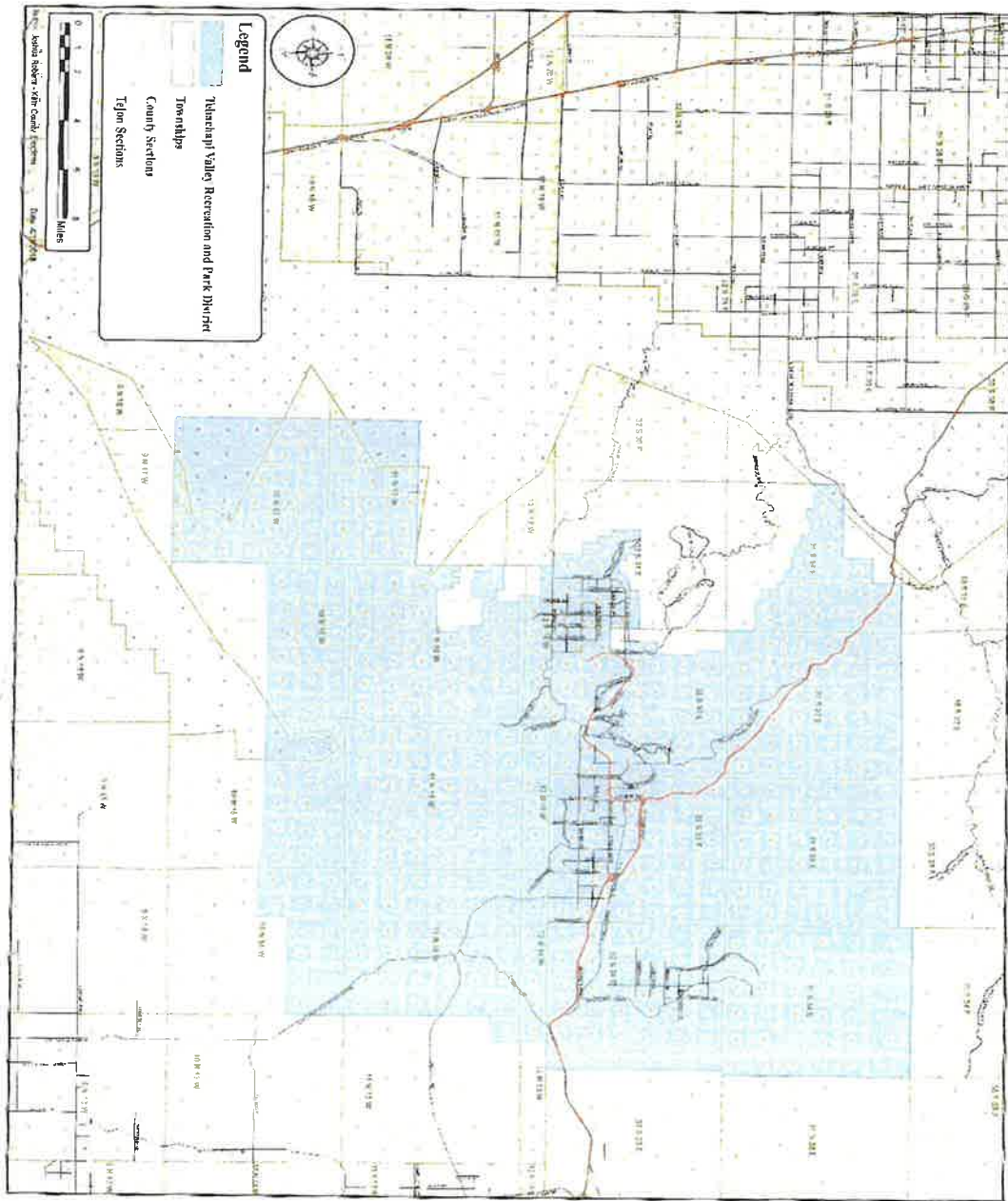
The Tehachapi Valley Recreation & Park District enriches lives and fosters harmony within the community through area-wide leisure services targeted to improve healthy lifestyles, educational and recreational opportunities, public participation, and environmental and economical stewardship.

We accomplish this through community outreach, quality programming, activities and events, well maintained parks and facilities and an aesthetically pleasing environment that is provided by professional and caring employees, contractors, and volunteers.

Organizational Chart



District Boundary Map



Tehachapi Valley Recreation and Park District Boundary

Budget Highlights

- The operating budget Expenditures totals \$2,221,687.57. The income Revenue in this budget totals \$2,489,657.54 with \$267,969.97 set to go into reserves.
- The District's County Treasury Capital Projects Fund totals \$365,678.46.
- Classed under 1162 Improvements, a toddler playground is budgeted for installation for West Park not to exceed \$60,000.00. *Note: the playground was purchased in 2013 and has since been in storage. Playground is identical to toddler playground at Meadowbrook Park.*
- A new fleet vehicle is budgeted for a truck replacement not to exceed \$35,000.00.
- A new gator is budgeted not to exceed \$14,000.00.
- Insurance settlement for ABIAC floor - \$121,801.54
- State COVID-19 Fiscal Relief for Special Districts Program - \$203,329.
 - Trees Abatement at all parks
 - West Park safety electrical infrastructure improvements
 - Brite Lake Dump Station

TEHACHAPI VALLEY RECREATION & PARK DISTRICT
FISCAL YEAR 2021/2022 OPERATIONAL BUDGET – Midyear
Adjustments

Acct No.	Description	BUDGET
	OVERVIEW	21/22
1001	Reserves	\$ 200,000.00
1004	BOTS Cash on Hand	\$ 150,000.00
4000	Income	\$ 2,017,856.00
8020	Insurance Settlement - ABIAC Gym Floor	\$ 121,801.54
7290	Reserves to be used	\$ -
	Total Revenues	\$ 2,489,657.54
1162	Improvements	\$ 60,000.00
1163	Equipment purchase	
1164	Capital Improvement	\$ 201,801.54
1166	Fleet Purchase	\$ 40,000.00
1167	Machinery	\$ 31,000.00
5000	Program Expenses	\$ 164,150.00
4	Capital Projects Fund Transfer	\$ -
7000	M&O Expenses	\$ 702,706.03
6000	Employee Compensation	\$ 1,022,030.00
	Total Expenditures	\$ 2,221,687.57
7290	To Reserves	\$ 267,969.97

Acct No.	Description	BUDGET
4000	REVENUE	21/22
		<i>1% increase</i>
4010	Property Taxes	\$ 1,255,456.00
4020	Interest Income	\$ 10,000.00
4030	Adult Program Revenues	\$ 26,950.00
4050	Facility Revenues	\$ 250,770.00
4210	Event Revenues	\$ 75,220.00
4213	Operational Grant - Sponsorships	\$ 90,250.00
4300	Youth Program Revenues	\$ 299,060.00
4610	Billable Expense Income	\$ 10,150.00
4211	Grant Income (merge with 4215)	\$ -
4215	Captial Grant	\$ -
1215	Scholarships Revenue Receivable	\$ -
	Insurance Proceeds	\$ -
4215	State Tree reimbursement grant	
4704	Sales	
4701	Beer Sales Taxable	
4703	Food Sales Taxable	\$ -
4705	Food Sale Non-Taxable	\$ -
4707	Merchandise Sales Taxable	\$ -
4709	Soda Sales	\$ -
4711	Vending Sales	\$ -
4000	Total Income	\$ 2,017,856.00

Acct No.	Description	BUDGET
		21/22
5000	Program Expenses	
5001	Adult Program Costs	\$ 4,800.00
5002	Fish Stocking	\$ 10,000.00
5004	Program Contractors	\$ 4,000.00
5005	Event Costs	\$ 96,970.00
5008	Youth Program Costs	\$ 34,380.00
5704	Purchases for Resale	
5701	Beer Purchases	\$ -
5703	Food Purchases	\$ -
5707	Merchandise Purchases	\$ -
5709	Soda Purchases	\$ -
4650	Discounts Given	\$ 10,000.00
5115	Scholarships Given	\$ 4,000.00
5000	Total Program Expenses	\$ 164,150.00
7000	Maintenance & Operation Expenses	
7010	Advertising & Marketing	\$ 33,315.00
7015	Loan Repayment	\$ 35,897.00
7020	Bank Service Charges	\$ 14,000.00
7030	Dues & Subscriptions	\$ 12,000.00
7035	Equipment Rent & Lease	
7036	Maintenance Equipment Rental	\$ 800.00
7037	Office Equipment Rental	\$ 3,500.00
7050	Insurance	
7052	HUB Insurance	\$ 500.00
7055	Liability Insurance (Gen, Auto, Property)	\$ 54,000.00
7056	Interest Expense	\$ 13,804.03
7060	Licenses & Fees	\$ 23,000.00
7070	Maintenance	
7071	Pool Chemicals	\$ 12,500.00
7072	Building & Park Maintenance	\$ 219,600.00
7073	Accessibility Upgrades	\$ 150.00
7074	Equipment Maintenance	\$ 5,350.00
7075	Fuel	\$ 13,000.00

7076	Janitorial	\$ 11,000.00
7077	Small Tools & Equipment	\$ 2,800.00
7079	Fleet Maintenance	\$ 7,000.00
7080	Master Plan Expenses	\$ -
7084	Meals & Entertainment	\$ 4,000.00
7090	Office Supplies	\$ 23,000.00
7120	Professional Development	\$ 7,500.00
7150	Professional Fees	
7151	Annual Audit	\$ 12,500.00
7152	Bookkeeping & Payroll	\$ 40,000.00
7153	Information Technology	\$ 12,000.00
7154	Project Consults	\$ 5,000.00
7155	Legal	\$ 15,000.00
7160	Property Tax Collection Fee	\$ 14,000.00
7180	Security	\$ 4,700.00
7210	Telephone & Internet	\$ 14,340.00
7220	Safety Equipment	\$ 2,000.00
7230	Uniforms & Apparel	\$ 6,000.00
7250	Utilities	
7252	Electric Service	\$ 44,600.00
7254	Gas Service	\$ 17,450.00
7256	Sanitation Services	\$ 9,500.00
7258	Water Service	\$ 8,900.00
7000	Total M&O Expenses	\$ 702,706.03
5000/7000	TOTAL EXPENSES	\$ 866,856.03

Acct No.	Description	BUDGET
		21/22
6000	Employee Costs	
6010	ADMINISTRATION	\$ 240,555.00
6010	RECREATION	\$ 317,132.00
6010	MAINTENANCE	\$ 229,143.00
6010	Total Employee Wages	\$ 786,830.00
6020	Employee Taxable Allowances	\$ 7,000.00
6030	Safety Program	\$ 2,200.00
6050	Benefits	
6051	Group Medical	\$ 60,000.00
6055	CalPERS	\$ 42,000.00
6056	CalPERS Unfunded Liability	\$ 26,000.00
6058	Taxes (FICA) (7.65%)	\$ 58,000.00
6060	Reimbursed Expenses	\$ 500.00
6070	Vacation & Sick	\$ 1,500.00
6090	Workers Comp	\$ 38,000.00
6000	Total Employee Costs	\$ 1,022,030.00

POSITION	BUDGET
	21/22
District Manager	\$ 94,820.00
Business Manager	\$ 68,335.00
Facility Supervisor	\$ 62,400.00
Brite Lake Specialists	\$ 15,000.00
Total Administration	\$ 240,555.00
Recreation Manager	\$ 66,352.00
Recreation Specialist	\$ 26,600.00
Tots Manager	\$ 28,880.00
Tater Tots Lead Teacher	\$ 15,300.00
Tots Teacher Aid(s)	\$ 27,000.00
Recreation Staff	\$ 125,000.00
Pool Staff	\$ 28,000.00
Total Recreation	\$ 317,132.00
Operations Manager	\$ 73,788.00
Park Maintenance Worker	\$ 36,525.00
Park Maintenance Worker	\$ 36,525.00
Park Maintenance Worker	\$ 36,525.00
Custodian	\$ 33,280.00
Park Maintenance Worker (Seasonal)	\$ 12,500.00
Total Maintenance	\$ 229,143.00

ADMINISTRATION DEPARTMENT		
Acct No.	Description	BUDGET
		21/22
6010	ADMINISTRATION WAGES	\$ 240,555.00
	REVENUE	
Acct No.	Description	
4000	Revenue	
4010	Property Taxes	\$ 1,255,456.00
4020	Interest Income	\$ 10,000.00
4610	Billable Expense Income	\$ 10,150.00
4211	Grant Income (merge with 4215)	\$ -
4215	Donations (capital grant)	\$ -
4000	Total Revenue	\$ 1,275,606.00
	EXPENSES	
Acct No.	Description	
7000	Expenses	
7010	Advertising & Marketing	\$ 33,315.00
7015	Loan repayment	\$ 35,897.00
7020	Bank Service Charges	\$ 12,500.00
7030	Dues & Subscriptions	\$ 5,500.00
7035	Equipment Rent & Lease	
7037	Office Equipment Rental	\$ 3,500.00
7050	Insurance	
7052	HUB Insurance	\$ 500.00
7055	Liability Insurance (Gen, Auto, Property)	\$ 54,000.00
7056	Interest Expense	\$ 16,000.00
7060	Licenses & Fees	\$ 21,000.00
7080	Master Plan Expenses	\$ -
7084	Meals & Entertainment	\$ 4,000.00
7090	Office Supplies	\$ 22,500.00
7120	Professional Development	\$ 7,500.00
7150	Professional Fees	
7151	Annual Audit	\$ 12,500.00
7152	Accounting	\$ 35,000.00

7153	Information Technology	\$ 12,000.00
7155	Legal	\$ 15,000.00
7160	Property Tax Collection Fee	\$ 12,000.00
7210	Telephone and Internet	\$ 13,000.00
7165	Safety Equipment	\$ 2,000.00
7230	Uniforms & Apparel	\$ 6,000.00
7000	Total Expenses	\$ 323,712.00

MAINTENANCE DEPARTMENT		
Acct No.	EMPLOYEE WAGES	BUDGET
	Description	21/22
6010	MAINTENANCE WAGES	\$ 229,143.00
4050	Facility Revenues	\$ 250,770.00
4211	Grant Income	\$ -
4213	Sponsorship	\$ -
	Total Revenue	\$ 250,770.00
EXPENSES		
Acct No.	Description	
7035	Equipment Rent & Lease	
7036	Maintenance Equipment Rental	\$ 800.00
7070	Maintenance	
7071	Pool Chemicals	\$ 12,500.00
7072	Building & Park Maintenance	\$ 219,600.00
7073	Accessibility Upgrades	\$ 150.00
7074	Equipment Maintenance	\$ 5,350.00
7075	Fuel	\$ 13,000.00
7076	Janitorial	\$ 11,000.00
7077	Small Tools & Equipment	\$ 2,800.00
7079	Fleet Maintenance	\$ 7,000.00
7180	Security	\$ 4,700.00
7250	Utilities	
7252	Electric Service	\$ 44,600.00
7254	Gas Service	\$ 17,450.00
7256	Sanitation Services	\$ 9,500.00
7258	Water Service	\$ 8,900.00
	Total Expenses	\$ 357,350.00

RECREATION DEPARTMENT		
Acct No.	EMPLOYEE WAGES	BUDGET
	Description	21/22
6010	RECREATION WAGES	\$ 317,132.00
	REVENUE	
Acct No.	Description	
4030	Adult Program Revenues	\$ 26,950.00
4200	Contracted Class Revenues	\$ 26,950.00
4210	Event Revenues	\$ 75,220.00
4213	Sponsorship	\$ 90,250.00
4300	Youth Program Revenues	\$ 299,060.00
4211	Grant Income	\$ -
4215	Donations	\$ -
1215	Scholarships Revenue Receivable	\$ 1,500.00
4704	Sales	
4701	Beer Sales Taxable	\$ -
4703	Food Sales Taxable	\$ -
4705	Food Sale Non-Taxable	\$ -
4707	Merchandise Sales Taxable	\$ -
4709	Soda Sales	\$ -
4711	Vending Sales	\$ -
	Gross Recreation Revenue	\$ 519,930.00
	EXPENSES	
Acct No.	Description	
5000	Program Expenses	
5001	Adult Program Costs	\$ 4,800.00
5004	Contracted Classes Costs	\$ 4,000.00
5005	Event Costs	\$ 96,970.00
5008	Youth Program Costs	\$ 34,380.00
5704	Purchases for Resale	
5701	Beer Purchases	\$ -
5703	Food Purchases	\$ -
5707	Merchandise Purchases	\$ -
5709	Soda Purchases	\$ -
4650	Discounts Given	\$ 10,000.00

5	Scholarships Revenue Receivable	\$ 4,000.00
5000	Program Expenses	\$ 154,150.00

ABIAC		
Acct. No	Description	BUDGET
4050	Facility Revenue	21/22
		\$ 4,000.00
	Gross Facility Revenue	\$ 4,000.00
7000	Expenses	
7072	Building & Park Maintenance	\$ 2,000.00
7074	Equipment Maintenance	\$ 500.00
7180	Security	\$ 1,200.00
7210	Telephone and Internet	\$ 1,500.00
7252	Electric Service	\$ 2,000.00
7254	Gas Service	\$ 3,000.00
7000	Total Expenses	\$ 10,200.00

BRITE LAKE		
Acct No.	Description	BUDGET
		21/22
4050	Facility Revenues	
	Brite Lake	
	Brite Lake: Annual Permit	\$ 4,000.00
	Brite Lake: Annual Senior Permit	\$ 2,500.00
	Brite Lake: Boat Launching Permit	\$ 500.00
	Brite Lake: Camping	\$ 165,000.00
	Brite Lake: Day Use	\$ 57,000.00
4050	Gross Facility Revenues	\$ 229,000.00
5002	Fish Stocking	\$ 10,000.00
7000	Expenses	
7072	Building & Park Maintenance	\$ 63,000.00
7074	Equipment Maintenance	\$ 150.00
7180	Security	\$ -
7210	Telephone & Internet	\$ 2,000.00
7252	Electric Service	\$ 21,000.00
7256	Sanitation Services	\$ 8,500.00
7258	Water Service	\$ 55.00
7000	Total Expenses	\$ 104,705.00

CENTRAL PARK		
Acct No.	Description	BUDGET
		21/22
4050	Facility Revenues	\$ 1,500.00
4050	Gross Facility Revenues	\$ 1,500.00
7000	Expenses	
7072	Building & Park Maintenance	\$ 30,500.00
7074	Equipment Maintenance	\$ 300.00
7256	Sanitation Services	\$ 500.00
7258	Water Service	\$ -
7000	Total Expenses	\$ 31,300.00

DISTRICT OFFICE		
Acct No.	Description	BUDGET
7000		21/22
7072	Building & Park Maintenance	\$ 2,000.00
7074	Equipment Maintenance	\$ 100.00
7180	Security	\$ 1,500.00
7210	Telephone and Internet	\$ 10,000.00
7252	Electric Service	\$ 2,800.00
7254	Gas Service	\$ 1,800.00
7256	Sanitation Services	\$ 500.00
7258	Water Service	\$ -
7000	Total Expenses	\$ 18,700.00

DYE NATATORIUM		
Acct No.	Description	BUDGET
		21/22
4050	Facility Revenues	
		\$ 2,420.00
4610	Billable Expense	
	Barracudas	\$ -
	TUSD - Year 3	\$ -
	Gross Facility Revenue	\$ 2,420.00
7000	Expenses	
7072	Building & Park Maintenance	\$ 2,000.00
7074	Equipment Maintenance	\$ 300.00
7071	Pool Chemicals	\$ 12,500.00
7180	Security	\$ 600.00
7252	Electric Service	\$ 8,500.00
7254	Gas Service	\$ 12,000.00
7000	Total Expenses	\$ 35,900.00

MAINTENANCE YARD		
Acct No.	Description	BUDGET
7000	Expenses	21/22
7072	Building & Park Maintenance	\$ 8,000.00
7074	Equipment Maintenance	\$ 3,500.00
7180	Security	\$ -
7210	Telephone	\$ -
7252	Electric Service	\$ -
7254	Gas Service	\$ -
7256	Sanitation Services	\$ -
7258	Water Service	\$ -
7000	Total Expenses	\$ 11,500.00

MEADOWBROOK PARK		
Acct No.	Description	BUDGET
		21/22
4050	Facility Revenues	
		\$ 700.00
	Gross Facility Revenue	\$ 700.00
7000	Expenses	
7072	Building & Park Maintenance	\$ 24,000.00
7074	Equipment Maintenance	\$ -
7180	Security	\$ -
7210	Telephone	
7252	Electric Service	\$ 1,300.00
7254	Gas Service	\$ -
7256	Sanitation Services	\$ -
7258	Water Service	\$ -
7000	Total Expenses	\$ 25,300.00

SPORTS PARK		
Acct No.	Description	BUDGET
7000	Expenses	21/22
7072	Building & Park Maintenance	\$ 10,600.00
7074	Equipment Maintenance	\$ -
7180	Security	\$ -
7210	Telephone	\$ -
7252	Electric Service	\$ -
7254	Gas Service	\$ -
7256	Sanitation Services	\$ -
7258	Water Service	\$ -
7000	Total Expenses	\$ 10,600.00

SSAC		
Acct No.	Description	BUDGET
		21/22
4050	Facility Revenues	
		\$ 840.00
	Gross Facility Revenue	\$ 840.00
7000	Expenses	
7072	Building & Park Maintenance	\$ 1,000.00
7074	Equipment Maintenance	\$ 500.00
7180	Security	\$ 600.00
7210	Telephone and Internet	\$ 840.00
7252	Electric Service	\$ 500.00
7254	Gas Service	\$ 650.00
7258	Water Service	\$ 500.00
7000	Total Expenses	\$ 4,590.00

WEST PARK		
Acct. No	Description	BUDGET
		21/22
4050	Facility Revenue	
		\$ 3,000.00
4610	Billable Little League	\$ 10,150.00
	Gross Facility Revenue	\$ 13,150.00
7000	Expenses	
7072	Building & Park Maintenance	\$ 76,500.00
7074	Equipment Maintenance	\$ -
7210	Telephone	\$ -
7252	Electric Service	\$ 8,500.00
7254	Gas Service	
7256	Sanitation Services	\$ 500.00
7258	Water Service	\$ 8,900.00
7000	Total Expenses	\$ 94,400.00

Acct. No	Description	BUDGET
		21/22
4213	Operational Grants	
	Adult Softball	\$ -
	Adult Basketball	\$ -
	Adult Volleyball	\$ -
	Adult 3v3	\$ -
	Fishing Derby	\$ 7,500.00
	Movies in the Park	\$ 6,000.00
	All American 5K	\$ 4,000.00
	Mountain Gallop	\$ 4,000.00
	Old Timers Picnic	\$ 11,000.00
	Christmas Bazaar	\$ -
	Music in the Park	\$ 6,500.00
	Hot Chocolate Turkey Trot	\$ 3,000.00
	Youth Basketball	\$ 1,000.00
	Youth Volleyball	\$ 1,000.00
	Youth NFL Flag Football	\$ -
	Youth Baseball	\$ 1,000.00
	Adventure Camp	\$ -
	Brews on the Mountain	\$ 6,250.00
	T-Town Ride	\$ 14,000.00
	Tehachapi GranFondo	
4213	Gross Operational Grants	\$65,250.00

Acct. No	Description	BUDGET
		21/22
7010	Advertising and Marketing	
	Sparks Arts	\$ 14,000.00
	District Office	\$ 5,000.00
	Adult Softball	\$ 50.00
	Deep Water Aerobics	\$ 115.00
	Water Workout	\$ 115.00
	Adult Basketball	\$ 230.00
	Adult Volleyball	\$ 350.00
	Pool Pass	\$ 230.00
	Egg Hunt	\$ 350.00
	Fishing Derby	\$ 325.00
	Mountain Gallop 5k	\$ 530.00
	Movies in the Park	\$ 530.00
	Tehachapi GranFondo	\$ 6,000.00
	All American 5K	\$ 530.00
	Hot Chocolate Turkey Trot	\$ 530.00
	T-Town Ride	\$ 530.00
	5K Color Run	\$ 530.00
	Open Recreational Swim	\$ 230.00
	Lifeguard Training	\$ 100.00
	Summer Swim Lessons	\$ 230.00
	Junior Lifeguards	
	Youth Baseball	\$ 530.00
	Youth COED Volleyball	\$ 530.00
	Youth Basketball	\$ 750.00
	Summer Adventure Camp	\$ 700.00
	Trial Programs	\$ 300.00
7010	Total Advertising and Marketing	\$ 33,315.00

Acct. No	Description	BUDGET
		21/22
4030	Adult Program Revenues	
	Adult Lap Swim	\$ 2,000.00
	Adult Softball	\$ 2,500.00
	Deep Water Aerobics	\$ 800.00
	Water Workout	
	Mindfulness Meditation	
	Adult Basketball	\$ 5,000.00
	Adult 3v3 Basketball	
	Open Gym	\$ 10,000.00
	Adult Volleyball	\$ 2,250.00
	Pool Pass	\$ 4,400.00
4030	Gross Program Revenues	\$ 26,950.00
5001	Adult Program Costs	
	Adult Lap Swim	
	Adult Softball	\$ 2,200.00
	Deep Water Aerobics	\$ -
	Water Workout	\$ -
	Mindfulness Meditation	
	Adult Basketball	\$ 900.00
	Adult 3v3 Basketball	
	Open Gym	\$ 500.00
	Adult Volleyball	\$ 700.00
	Pool Pass	\$ 500.00
5001	Total Adult Program Costs	\$ 4,800.00
	Net Adult Program Revenues	\$ 22,150.00

Acct. No	Description	BUDGET
		21/22
4200	Program Contactors	
	Adult Softball	\$ 2,000.00
	Adult Basketball	\$ -
	Adult Volleyball	\$ -
	Adult 3v3	\$ -
	Tehachapi Tots	\$ -
	Tehachapi GranFondo	\$ 2,000.00
	NFL Flag Football	\$ -
	Youth Basketball	\$ -
	Water Workout	\$ -
	Playwell	\$ -
	Challenger Soccer Camp	\$ -
	Mindfulness Meditation	\$ -
		\$ -
4200	Gross Program Costs	\$ 4,000.00

Acct. No	Description	BUDGET
		21/22
4210	Event Revenues	
	Egg Hunt	
	Fishing Derby	\$ 7,000.00
	Mountain Gallop 5k	\$ 1,700.00
	Movies in the Park	
	Tehachapi GranFondo	\$ 36,000.00
	Music in the Park	\$ -
	Old Timers Reunion	\$ 1,800.00
	Christmas Bazaar	\$ 4,320.00
	Partner Events	\$ -
	All American 5K	\$ 7,000.00
	Hot Chocolate Turkey Trot	\$ 1,900.00
	Memorial Day Ceremony	\$ -
	T-Town Ride	\$ 15,500.00
4210	Gross Event Revenues	\$ 75,220.00
5005	Event Costs	
	Egg Hunt	\$ 1,000.00
	Fishing Derby	\$ 13,650.00
	Mountain Gallop 5k	\$ 4,820.00
	Movies in the Park	\$ 10,000.00
	Tehachapi GranFondo	\$ 33,700.00
	Music in the Park	
	Old Timers Reunion	\$ 10,000.00
	Christmas Bazaar	\$ 2,500.00
	Partner Events	\$ 1,000.00
	All American 5K	\$ 4,500.00
	Hot Chocolate Turkey Trot	\$ 2,350.00
	Memorial Day Ceremony	\$ 200.00
	T-Town Ride	\$ 13,250.00
5005	Total Event Costs	\$ 96,970.00
	Net Event Revenues	\$ (21,750.00)

Acct. No	Description	BUDGET
		21/22
4300	Youth Program Revenues	
	Open Recreational Swim	\$ 7,200.00
	Lifeguard Training	\$ -
	Parent & Child Swim Lessons	\$ -
	Tall Tots	\$ 59,400.00
	Tater Tots	\$ 38,880.00
	Tehachapi Tot Craft Fee	\$ 9,080.00
	Playwell	\$ -
	Challenger Soccer Camp	\$ -
	Summer Swim Lessons	\$ 20,000.00
	Junior Lifeguards	\$ -
	Youth Baseball	\$ 12,000.00
	Youth COED Volleyball	\$ 9,000.00
	Youth Basketball	\$ 35,000.00
	Summer Adventure Camp	\$ 106,000.00
	Trial Programs - STEAM Camp	\$ 2,500.00
4300	Gross Youth Program Revenues	\$ 299,060.00
5008	Youth Program Costs	
	Open Recreational Swim	\$ 500.00
	Lifeguard Training	\$ -
	Parent & Child Swim Lessons	\$ -
	Tall Tots	\$ -
	Tater Tots	\$ -
	Tehachapi Tots Craft Fee	\$ 9,080.00
	Playwell	\$ -
	Challenger Soccer Camp	\$ -
	Summer Swim Lessons	\$ 2,000.00
	Junior Lifeguards	\$ -
	Youth Baseball	\$ 3,000.00
	Youth COED Volleyball	\$ 900.00
	Youth Basketball	\$ 8,900.00
	Summer Adventure Camp	\$ 7,000.00
	Trial Programs - STEAM Camp	\$ 3,000.00
5008	Total Youth Program Cost	\$ 34,380.00

	Net Youth Program Revenues	\$ 264,680.00
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**THE BOARD OF DIRECTORS OF THE
TEHACHAPI VALLEY RECREATION AND PARK DISTRICT**

IN THE MATTER OF

**ADOPTING THE MIDYEAR ADJUSTMENTS FOR THE TEHACHAPI
VALLEY RECREATION AND PARK DISTRICT 2021-2022 FISCAL YEAR
BUDGET**

I, Carrie Champlin, Clerk of the Board of Directors of the Tehachapi Valley Recreation and Park District, of the County of Kern, State of California, so hereby certify that the following resolution proposed by Director _____ and seconded by Director _____ was duly passed and adopted by said Board of Directors at an official meeting thereof this 18th day of January 2022 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Clerk of the Board of Directors
of the Tehachapi Valley Recreation
and Park District

RESOLUTION NO. 1-22

**ADOPTING THE MIDYEAR ADJUSTMENTS FOR THE TEHACHAPI VALLEY
RECREATION AND PARK DISTRICT 2021-2022 FISCAL YEAR BUDGET**

WHEREAS, the Tehachapi Valley Recreation and Park District is a legally constituted public agency formed pursuant to the Public Resources Code, State of California, and

WHEREAS, pursuant to Section 5784.1 of the Public Resources Code of the State of California, the Board of Directors of the Tehachapi Valley Recreation and Park District did publish a notice of a Public Hearing for the taxpayers of said District.

NOW, THEREFORE BE IT RESOLVED that the Board of Directors of the Tehachapi Valley Recreation and Park District adopts the midyear adjustments to the Fiscal Year 2021-2022 Budget.

BE IT FURTHER RESOLVED that the Board of Directors of the Tehachapi Valley Recreation and Park District shall adjust the budget for fiscal year 2021-2022 as necessary to accommodate changes that result from decisions made by the California State Legislature and approved by the Governor and/or as a result of determination made by the Kern County Board of Supervisors and/or others that dictate adjustments be made to the 2021-2022 Budget during the 2021-2022 Fiscal Year.

**THE BOARD OF DIRECTORS OF THE
TEHACHAPI VALLEY RECREATION AND PARK DISTRICT**

IN THE MATTER OF

**APPROVAL OF THE DISTRICT MANAGERS SPENDING LIMIT IN THE AMOUNT
NOT TO EXCEED \$25,000.00.**

I, Carrie Champlin, Clerk of the Board of Directors of the Tehachapi Valley Recreation and Park District, of the County of Kern, State of California, so hereby certify that the following resolution proposed by Director _____ and seconded by Director _____ was duly passed and adopted by said Board of Directors at an official meeting thereof this 18th day of January 2022 by the following vote to wit:

AYES:

NOES:

ABSENT:

ABSTAIN:

Clerk of the Board of Directors
of the Tehachapi Valley Recreation
and Park District

RESOLUTION NO. 2-22

WHEREAS, the Tehachapi Valley Recreation and Park District (TVRPD) has established in its organizational structure that the position of District Manager is necessary for the functioning of the department; and

WHEREAS, Tehachapi Valley Recreation and Park District (TVRPD) incurs debts for maintenance and operation purposes in the care and operation of its recreational facilities; and

WHEREAS, it is necessary for Tehachapi Valley Recreation and Park District to pay the debts incurred for the maintenance and operation of its recreational facilities; and

WHEREAS, the board desires to authorize the District Manager to pay debts that do not exceed \$25,000.00.

NOW, THEREFORE, BE IT RESOLVED THAT the Board of Directors approve a spending limit not to exceed \$25,000.00, for the District Manager.

**TEHACHAPI VALLEY RECREATION AND
PARK DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2021
(With Comparative Amounts as of June 30, 2020)**

NIGRO & NIGRO^{PC}

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

For the Fiscal Year Ended June 30, 2021

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Financial Section

INDEPENDENT AUDITORS' REPORT

Board of Directors
Tehachapi Valley Recreation and Park District
Tehachapi, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Tehachapi Valley Recreation and Park District as of and for the fiscal year ended June 30, 2021, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Tehachapi Valley Recreation and Park District, as of June 30, 2021, and the respective changes in financial position for the fiscal 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 management's discussion and analysis, budgetary comparison schedule, schedule of proportionate share of the net pension liability, and schedule of pension contributions 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.

Prior-Year Comparative Information

The financial statements include partial prior-year comparative information. Such information does not include sufficient detail to constitute a presentation in accordance with accounting principles generally accepted in the United States of America. Accordingly, such information should be read in conjunction with the District's financial statements for the year ended June 30, 2020, from which such partial information was derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued a separate report dated November 15, 2021, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Murrieta, California
November 315, 2021

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2021

Management's Discussion and Analysis (MD&A) offers readers of Tehachapi Valley Recreation and Park District's financial statements a narrative overview of the District's financial activities for the fiscal year ended June 30, 2021. This MD&A presents financial highlights, an overview of the accompanying financial statements, an analysis of net position and results of operations, a current-to prior year analysis, a discussion on restrictions, commitments and limitations, and a discussion of significant activity involving capital assets and long-term debt. Please read in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's net position increased 6.60%, or \$138,505 from the prior year's net position of \$2,099,854 to \$2,238,359 as a result of this year's operations.
- Total revenues from all sources increased by 8.03%, or \$118,569 from \$1,476,568 to \$1,595,137, from the prior year, primarily due to an increase in property tax income and capital development fees of \$97,556 and \$83,440 respectively.
- Total expenses for the District's operations decreased by 7.25% or (\$113,803) from \$1,570,435 to \$1,456,632, from the prior year, primarily due to the continued impact of the COVID-19 global pandemic on the District's activities.

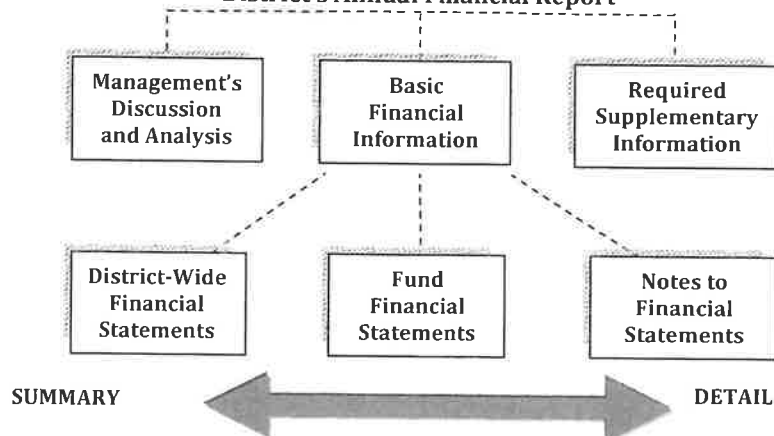
OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts – management discussion and analysis (this section), the basic financial statements, and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District:

- *District-wide financial statements* provide both short-term and long-term information about the District's overall financial status.
- *Fund financial statements* focus on individual parts of the District, reporting the District's operations in more detail than the district-wide statements.
 - The *governmental funds* statements tell how basic services were financed in the short term as well as what remains for future spending.

The financial statements also include *notes* that explain some of the information in the statements and provide more detailed data. Figure A-1 shows how the various parts of this annual report are arranged and related to one another.

Figure A-1. Organization of Tehachapi Valley Recreation and Park District's Annual Financial Report



TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Management's Discussion and Analysis (Unaudited)

For the Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District's activities they cover and the types of information they contain.

Figure A-2. Major Features of the District-Wide and Fund Financial Statements

Type of Statements	District-Wide	Governmental Fund
<i>Scope</i>	Entire District	The activities of the District that are not proprietary or fiduciary, such as fire and ambulance services
<i>Required financial statements</i>	<ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities 	<ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures & Changes in Fund Balances
<i>Accounting basis and measurement focus</i>	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus
<i>Type of asset/liability information</i>	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included
<i>Type of inflow/outflow information</i>	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

The remainder of this overview section of management's discussion and analysis highlights the structure and contents of each of the statements.

District-Wide Statements

The district-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The Statement of Net Position includes all of the District's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two district-wide statements report the District's net position and how it has changed. Net position – the difference between the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources – is one way to measure the District's financial health, or *position*.

- Over time, increases and decreases in the District's net position are an indicator of whether its financial position is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's demographics and the condition of buildings and other facilities.
- In the district-wide financial statements, the District's activities are categorized as *Governmental Activities*. Most of the District's basic services are included here, such as weed abatement, landscape maintenance, and administration. State and local programs finance most of these activities.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant funds – not the District as a whole. Funds are accounting devices the District uses to keep track of specific sources of funding and spending on particular programs. Some funds are required by State law and by grantor requirements.

The District has two funds, the General Fund and Capital Projects Fund.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Assets:			
Current assets	\$ 1,155,398	\$ 826,428	\$ 328,970
Non-current assets	94,191	96,370	(2,179)
Capital assets, net	<u>1,810,450</u>	<u>1,952,083</u>	<u>(141,633)</u>
Total assets	<u>3,060,039</u>	<u>2,874,881</u>	<u>185,158</u>
Deferred outflows of resources	<u>123,259</u>	<u>116,536</u>	<u>6,723</u>
Liabilities:			
Current liabilities	172,953	130,560	42,393
Non-current liabilities	<u>732,881</u>	<u>714,638</u>	<u>18,243</u>
Total liabilities	<u>905,834</u>	<u>845,198</u>	<u>60,636</u>
Deferred inflows of resources	<u>39,105</u>	<u>46,365</u>	<u>(7,260)</u>
Net position:			
Net investment in capital assets	1,464,362	1,573,398	(109,036)
Unrestricted	<u>773,997</u>	<u>526,456</u>	<u>247,541</u>
Total net position	<u>\$ 2,238,359</u>	<u>\$ 2,099,854</u>	<u>\$ 138,505</u>

At the end of fiscal year 2021, the District shows a positive balance in its unrestricted net position of \$773,997 that may be utilized in future years.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses

Table A-2: Condensed Statement of Activities

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Change</u>
Program revenues	\$ 404,961	\$ 414,364	\$ (9,403)
Expenses	<u>(1,456,632)</u>	<u>(1,570,435)</u>	<u>113,803</u>
Net program expense	(1,051,671)	(1,156,071)	104,400
General revenues	<u>1,190,176</u>	<u>1,062,204</u>	<u>127,972</u>
Change in net position	138,505	(93,867)	232,372
Net position - beginning of period	<u>2,099,854</u>	<u>2,193,721</u>	<u>(93,867)</u>
Net position - end of period	<u>\$ 2,238,359</u>	<u>\$ 2,099,854</u>	<u>\$ 138,505</u>

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, the operations of the District increased by \$138,505 during the fiscal year ended June 30, 2021.

Table A-3: Total Revenues

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Program revenues:			
Charges for services	\$ 391,660	\$ 390,936	\$ 724
Grant revenue	<u>13,301</u>	<u>23,428</u>	<u>(10,127)</u>
Total program revenues	<u>404,961</u>	<u>414,364</u>	<u>(9,403)</u>
General revenues:			
Property taxes	1,041,710	944,154	97,556
Capital development fees	145,413	61,973	83,440
Insurance proceeds	1,507	27,963	(26,456)
Investment earnings	1,375	28,114	(26,739)
Other revenue	<u>171</u>	<u>-</u>	<u>171</u>
Total general revenues	<u>1,190,176</u>	<u>1,062,204</u>	<u>127,972</u>
Total revenues	<u>\$ 1,595,137</u>	<u>\$ 1,476,568</u>	<u>\$ 118,569</u>

Total revenues from all sources increased by 8.03%, or \$118,569 from \$1,476,568 to \$1,595,137, from the prior year, primarily due to an increase in property tax income and capital development fees of \$97,556 and \$83,440 respectively.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

Table A-4: Total Expenses

	<u>June 30, 2021</u>	<u>June 30, 2020</u>	<u>Increase (Decrease)</u>
Expenses:			
Salaries and wages	\$ 618,415	\$ 599,312	\$ 19,103
Employee benefits	183,571	191,750	(8,179)
Program costs	44,552	168,221	(123,669)
Materials and services	394,435	394,037	398
Depreciation expense	201,197	201,552	(355)
Interest expense	14,462	15,563	(1,101)
Total expenses	<u>\$ 1,456,632</u>	<u>\$ 1,570,435</u>	<u>\$ (113,803)</u>

Total expenses for the District's operations decreased by 7.25%, or (\$113,803) from \$1,570,435 to \$1,456,632, from the prior year, primarily due to the continued impact of the COVID-19 global pandemic on the District's activities.

GOVERNMENTAL FUNDS FINANCIAL ANALYSIS

The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, the *unreserved fund balance* may serve as a useful measure of the government's net resources for spending at the end of the fiscal year.

As of June 30, 2021, the District reported a total fund balance of \$1,156,572. An amount of \$661,733 constitutes the District's *unassigned fund balance*, which is available for future expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

The final budgeted expenditures for the District at year-end were \$455,461 more than actual. The variance is principally due to over-budgeting for program costs and materials and services expenditures that were proposed to be utilized but were not due to the continued impact of the COVID-19 global pandemic on the District's activities.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2021

CAPITAL ASSET ADMINISTRATION

Table A-5: Capital Assets at Year End, Net of Depreciation

	Balance	Balance
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Capital assets:		
Non-depreciable assets	\$ 199,373	\$ 166,735
Depreciable assets	4,921,683	5,021,795
Accumulated depreciation	<u>(3,310,606)</u>	<u>(3,236,447)</u>
Total capital assets, net	<u>\$ 1,810,450</u>	<u>\$ 1,952,083</u>

At the end of fiscal year 2021, the District's investment in capital assets amounted to \$1,810,450 (net of accumulated depreciation). This investment in capital assets includes structures, improvements and equipment. Major capital asset additions during the year include various and furniture and equipment purchases totaling \$59,564.

See Note 4 for further information on the District's capital assets.

DEBT ADMINISTRATION

Table A-6: Long-term Debt

	Balance	Balance
	<u>June 30, 2021</u>	<u>June 30, 2020</u>
Long-term debt:		
Loan payable	<u>\$ 440,279</u>	<u>\$ 475,055</u>

At the end of fiscal year 2021, the District's long-term debt amounted to \$440,279.

See Note 6 for further information on the District's long-term debt.

FACTORS AFFECTING CURRENT FINANCIAL POSITION

Management is unaware of any item that would affect the current financial position.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

The District's basic financial statements are designed to present users with a general overview of the District's finances and to demonstrate the District's accountability. If you have any questions about the report or need additional information, please contact the District Manager at P.O. Box 373, Tehachapi, California 93581.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Statement of Net Position
June 30, 2021
(With Comparative Information as of June 30, 2020)

<u>ASSETS</u>	<u>2021</u>	<u>2020</u>
Current assets:		
Cash and investments (Note 2)	\$ 1,095,648	\$ 813,645
Accrued interest receivable	879	845
Accounts receivable – other	52,175	5,054
Prepaid items	6,696	6,884
Total current assets	<u>1,155,398</u>	<u>826,428</u>
Non-current assets:		
Restricted – cash and investments (Notes 2 and 3)	94,191	96,370
Capital assets – not being depreciated (Note 4)	199,373	166,735
Capital assets, net – being depreciated (Note 4)	1,611,077	1,785,348
Total non-current assets	<u>1,904,641</u>	<u>2,048,453</u>
Total assets	<u>3,060,039</u>	<u>2,874,881</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amounts related to net pension liability (Note 7)	123,259	116,536
Total deferred outflows of resources	<u>123,259</u>	<u>116,536</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	56,510	36,230
Accrued payroll and related liabilities	36,507	17,652
Unearned revenue	-	5,500
Accrued interest payable	5,870	6,334
Long-term liabilities – due within one year:		
Compensated absences (Note 5)	38,169	30,068
Loan payable (Note 6)	35,897	34,776
Total current liabilities	<u>172,953</u>	<u>130,560</u>
Noncurrent liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 5)	38,169	30,067
Loan payable (Note 6)	404,382	440,279
Net pension liability (Note 7)	290,330	244,292
Total noncurrent liabilities	<u>732,881</u>	<u>714,638</u>
Total liabilities	<u>905,834</u>	<u>845,198</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred amounts related to net pension liability (Note 7)	39,105	46,365
Total deferred inflows of resources	<u>39,105</u>	<u>46,365</u>
<u>NET POSITION</u>		
Net investment in capital assets (Note 8)	1,464,362	1,573,398
Unrestricted	773,997	526,456
Total net position	<u>\$ 2,238,359</u>	<u>\$ 2,099,854</u>

The notes to financial statements are an integral part of this statement.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT*Statement of Activities**For the Fiscal Year Ended June 30, 2021**(With Comparative Information for the Fiscal Year Ended June 30, 2020)*

	Governmental Activities	
	2021	2020
Expenses:		
Recreation and park services:		
Salaries and wages	\$ 618,415	\$ 599,312
Employee benefits	183,571	191,750
Program costs	44,552	168,221
Materials and services	394,435	394,037
Depreciation expense	201,197	201,552
Interest expense	14,462	15,563
Total expenses	1,456,632	1,570,435
Program revenues:		
Charges for services	391,660	390,936
Operating and capital grant funding	13,301	23,428
Total program revenues	404,961	414,364
Net program expense	(1,051,671)	(1,156,071)
General revenues:		
Property taxes	1,041,710	944,154
Capital development fees	145,413	61,973
Insurance proceeds	1,507	27,963
Investment earnings	1,375	28,114
Other revenue	171	-
Total general revenues	1,190,176	1,062,204
Change in net position	138,505	(93,867)
Net position:		
Beginning of year	2,099,854	2,193,721
End of year	\$ 2,238,359	\$ 2,099,854

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Balance Sheet – Governmental Funds

June 30, 2021

<u>ASSETS</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 778,777	\$ 316,871	\$ 1,095,648
Restricted – cash and investments	94,191	-	94,191
Accrued interest receivable	136	743	879
Accounts receivable – other	52,175	-	52,175
Prepaid items	6,696	-	6,696
Total assets	\$ 931,975	\$ 317,614	\$ 1,249,589
<u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable and accrued expenses	\$ 56,510	\$ -	\$ 56,510
Accrued payroll and related liabilities	36,507	-	36,507
Total liabilities	93,017	-	93,017
Fund balance: (Note 9)			
Nonspendable	6,696	-	6,696
Restricted	94,191	-	94,191
Committed	-	317,614	317,614
Assigned	76,338	-	76,338
Unassigned	661,733	-	661,733
Total fund balance	838,958	317,614	1,156,572
Total liabilities and fund balance	\$ 931,975	\$ 317,614	\$ 1,249,589

The notes to financial statements are an integral part of this statement.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position
June 30, 2021

Fund Balance of Governmental Funds	<u>\$ 1,156,572</u>
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. However, the statement of net position includes those assets as capital assets.	1,810,450
Deferred outflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred outflows of resources.	123,259
Long-term liabilities applicable to the District are not due and payable in the current period and accordingly are not reported as fund liabilities. All liabilities, both current and long-term, are reported in the statement of net position as follows:	
Accrued interest payable	(5,870)
Compensated absences	(76,338)
Loan payable	(440,279)
Net pension liability	(290,330)
Deferred inflows of resources used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds balance sheet. However, the statement of net position includes those deferred inflows of resources.	<u>(39,105)</u>
Total adjustments	<u>1,081,787</u>
Net Position of Governmental Activities	<u><u>\$ 2,238,359</u></u>

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

*Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds
For the Fiscal Year Ended June 30, 2021*

	General Fund	Capital Projects Fund	Total Governmental Funds
Revenues:			
Property taxes	\$ 1,041,710	\$ -	\$ 1,041,710
Charges for services	391,660	-	391,660
Operating grants and contributions	13,301	-	13,301
Capital development fees	-	145,413	145,413
Insurance proceeds	1,507	-	1,507
Investment earnings	(2,221)	3,596	1,375
Other revenue	171	-	171
Total revenues	<u>1,446,128</u>	<u>149,009</u>	<u>1,595,137</u>
Expenditures:			
Current operations:			
Salaries and wages	602,212	-	602,212
Employee benefits	151,516	-	151,516
Program costs	44,552	-	44,552
Materials and services	394,435	-	394,435
Capital outlay	59,564	-	59,564
Debt service:			
Principal payments	34,776	-	34,776
Interest payments	14,926	-	14,926
Total expenditures	<u>1,301,981</u>	<u>-</u>	<u>1,301,981</u>
Excess of revenues over expenditures	144,147	149,009	293,156
Other financing sources(uses): (Note 10)			
Transfers in(out)	<u>24,013</u>	<u>(24,013)</u>	<u>-</u>
Change in fund balance	168,160	124,996	293,156
Fund Balance:			
Beginning of year	<u>670,798</u>	<u>192,618</u>	<u>863,416</u>
End of year	<u>\$ 838,958</u>	<u>\$ 317,614</u>	<u>\$ 1,156,572</u>

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

*Reconciliation of the Governmental Funds Statement of Revenues, Expenditures, and Changes
in Fund Balances to the Statement of Activities
For the Fiscal Year Ended June 30, 2021*

Net Change in Fund Balance – Governmental Funds	<u>\$ 293,156</u>
Amount reported for governmental activities in the statement of activities are different because:	
Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense:	
Capital outlay	59,564
Depreciation expense	(201,197)
Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenses in governmental funds as follows:	
Net change in accrued interest	464
Net change in compensated absences	(16,203)
Net change in net pension liability and related deferred resources	(32,055)
Principal repayment of long-term debt is reported as an expenditure in governmental funds. However, principal repayments reduce liabilities in the statement of net position and do not result in expenses in the statement of activities.	<u>34,776</u>
Total adjustments	<u>(154,651)</u>
Change in Net Position of Governmental Activities	<u><u>\$ 138,505</u></u>

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES

A. Description of Organization

The Tehachapi Valley Recreation and Park District (District) was formed as an independent special district to provide quality leisure services, park, programs, and facilities; address the recreational needs of all ages; promote positive customer service, fiscal responsibility, and accountability; and enhance and promote personal well-being and a sense of community.

The District is the primary governmental unit based on the foundation of a separately appointed five-member board. The Board is appointed by the Kern County Board of Supervisors and the Tehachapi City Council. The Board has decision making authority, the power to designate management, the responsibility to significantly influence operations and primary accountability for fiscal matters.

B. Reporting Entity

A reporting entity is comprised of the primary government, component units, and other organizations that are included to ensure the financial statements are not misleading. The primary government of the District consists of all funds, departments, and agencies that are not legally separate from the District.

Component units are legally separate organizations for which the District is financially accountable. Component units may also include organizations that are fiscally dependent on the District, in that the District approves their budget, the issuance of their debt or the levying of their taxes. In addition, component units are other legally separate organizations for which the District is not financially accountable but the nature and significance of the organization's relationship with the District is such that exclusion would cause the District's financial statements to be misleading or incomplete.

The District has identified no organizations that are required to be reported as component units.

C. Basis of Presentation, Basis of Accounting

1. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and the statement of activities display information about the primary government (the District) and its component units. These statements include the financial activities of the overall government. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include (a) charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Basis of Presentation, Basis of Accounting (continued)

1. Basis of Presentation (continued)

Major Governmental Funds

The District maintains the following major governmental funds:

General Fund: This fund is used to account for all financial resources of the District, except those required to be accounted for in another fund when necessary.

Capital Projects Fund: This fund is used to account for resources received from Quimby Fee for capital improvements to new or rehabilitations of existing neighborhood, community park, or recreation facilities.

2. Measurement Focus, Basis of Accounting

Government-Wide Financial Statements

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. Capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and financing from capital leases are reported as other financing sources.

3. Revenues - Exchange and Non-Exchange Transactions

Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded on the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. Available means that the resources will be collected within the current fiscal year. Generally, available is defined as collectible within 60 days.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, certain grants, entitlements, and donations. Revenue from property taxes is recognized in the fiscal year in which the taxes are received. Revenue from certain grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include time and purpose requirements. On a modified accrual basis, revenue from non-exchange transactions must also be available before it can be recognized.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position

1. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid investments with a maturity of three months or less, when purchased, to be cash equivalents. Cash deposits are reported at carrying amount, which reasonably estimates fair value.

2. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

3. Investments

Investments are reported at fair value except for short-term investments, which are reported at cost, which approximates fair value. Cash deposits are reported at carrying amount, which reasonably estimates fair value. Investments in governmental investment pools are reported at fair value based on the fair value per share of the pool's underlying portfolio.

In accordance with fair value measurements, the District categorizes its assets and liabilities measured at fair value into a three-level hierarchy based on the priority of the inputs to the valuation technique used to determine fair value. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used in the determination of the fair value measurement fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement.

Financial assets and liabilities recorded on the balance sheet are categorized based on the inputs to the valuation techniques as follows:

Level 1 - Inputs that reflect unadjusted quoted prices in active markets for identical investments, such as stocks, corporate and government bonds. The District has the ability to access the holding and quoted prices as of the measurement date.

Level 2 - Inputs, other than quoted prices, that are observable for the asset or liability either directly or indirectly, including inputs from markets that are not considered to be active.

Level 3 - Inputs that are unobservable. Unobservable inputs reflect the District's own assumptions about the factors market participants would use in pricing an investment and is based on the best information available in the circumstances.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 - DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

4. Capital Assets

Capital assets are stated at cost or at their estimated fair value at date of donation. It is the District's policy to capitalize assets costing over \$3,000. The provision for depreciation is computed using the straight-line method over the estimated service lives of the capital assets.

Estimated service lives for the District's classes of assets are as follows:

<u>Description</u>	<u>Estimated Lives</u>
Buildings and improvements	5-30 years
Furniture and equipment	3-7 years
Vehicles	5 years

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period and will not be recognized as an inflow of resources (revenue) until that time.

6. Compensated Absences

The liability for compensated absences reported in the government-wide statements consists of unpaid, accumulated annual and vacation leave balances. The liability has been calculated using the vesting method, in which leave amounts for both employees who currently are eligible to receive termination payments and other employees who are expected to become eligible in the future to receive such payments upon termination are included.

7. Pensions

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

The following timeframes are used for pension reporting:

Valuation Date June 30, 2019
Measurement Date June 30, 2020
Measurement Period July 1, 2019 to June 30, 2020

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position (continued)

8. Net Position

Net position is classified into two components: net investment in capital assets; restricted; and unrestricted. These classifications are defined as follows:

- **Net investment in capital assets** - This component of net position consists of 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. If there are significant unspent related debt proceeds at year-end, the portion of the debt attributable to the unspent proceeds are not included in the calculation of net investment in capital assets. Rather, that portion of the debt is included in the same net position component as the unspent proceeds.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of net investment in capital assets.

9. Fund Balances

The fund balance for governmental funds is reported in classifications based on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

Nonspendable: Fund balance is reported as nonspendable when the resources cannot be spent because they are either in a nonspendable form or legally or contractually required to be maintained intact. Resources in nonspendable form include inventories and prepaid assets.

Restricted: Fund balance is reported as restricted when the constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or imposed by law through constitutional provision or by enabling legislation.

Committed: The District's highest decision-making level of authority rests with the District's Board. Fund balance is reported as committed when the Board passes a resolution that places specified constraints on how resources may be used. The Board can modify or rescind a commitment of resources through passage of a new resolution.

Assigned: Resources that are constrained by the District's intent to use them for a specific purpose, but are neither restricted nor committed, are reported as assigned fund balance. Intent may be expressed by either the Board, committees (such as budget or finance), or officials to which the Board has delegated authority.

Unassigned: Unassigned fund balance represents fund balance that has not been restricted, committed, or assigned and may be utilized by the District for any purpose. When expenditures are incurred, and both restricted and unrestricted resources are available, it is the District's policy to use restricted resources first, then unrestricted resources in the order of committed, assigned, and then unassigned, as they are needed.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 1 – DESCRIPTION OF ORGANIZATION AND SIGNIFICANT ACCOUNTING POLICIES (continued)

E. 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 contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reported period. Actual results could differ from those estimates.

F. Property Taxes

Property taxes attach as an enforceable lien on property as of January 1, each year. Secured property taxes are levied on July 1 and are payable in two installments, on December 10 and April 10. The County of Kern County Assessor's Office assesses all real and personal property within the County each year.

Property tax in California is levied in accordance with Article 13A of the State Constitution at one (1%) of countywide assessed valuations. The Kern County Treasurer's Office remits an undisclosed portion of the one (1%) current and delinquent property tax collections to the District throughout the year.

NOTE 2 – CASH AND INVESTMENTS

Cash and investments as of June 30 were classified on the statement of net position as follows:

Description	Balance
Cash and investments	\$ 1,095,648
Restricted cash and investments	94,191
Total cash and investments	\$ 1,189,839

Cash and investments as of June 30 consisted of the following:

Description	Balance
Cash on hand	\$ 1,500
Demand deposits with financial institutions	57,373
Deposits with Kern County Treasury Investment Pool (KCTIP)	1,130,966
Total cash and investments	\$ 1,189,839

Demand Deposits with Financial Institutions

At June 30, 2021, the carrying amount of the District's demand deposits were \$57,373, and the financial institution's balance was \$50,447. The net difference represents outstanding checks, deposits-in-transit and/or other reconciling items between the financial institution's balance and the District's balance for each year.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2021

NOTE 2 – CASH AND INVESTMENTS (continued)

Custodial Credit Risk – Deposits

Custodial credit risk is the risk that in the event of a bank failure, the Authority's deposits may not be returned to it. The District does not have a policy for custodial credit risk for deposits. Cash balances held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation (FDIC) and are collateralized by the respective financial institutions. In addition, the California Government Code requires that a financial institution secure deposits made by State or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under State law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110 percent of the total amount deposited by the public agencies. California law also allows financial institutions to secure public deposits by pledging first trust deed mortgage notes having a value of 150 percent of the secured public deposits and letters of credit issued by the Federal Home Loan Bank of San Francisco having a value of 105 percent of the secured deposits.

Kern County Treasury Investment Pool (KCTIP)

The District is a voluntary participant in the Kern County Treasury Investment Pool (KCTIP) pursuant to Government Code Section 53694. The cash flow needs of participants are monitored daily to ensure that sufficient liquidity is maintained to meet the needs of those participants. At the time deposits are made, the Kern County Treasurer may require the depositing entity to provide annual cash flow projections or an anticipated withdrawal schedule for deposits in excess of \$1 million. Projections are performed no less than semi-annually. In accordance with Government Code Section 27136, all request for withdrawal of funds for the purpose of investing or deposits the funds elsewhere shall be evaluated to ensure the proposed withdrawal will not adversely affect the principal deposits of the other participants. Pool detail may be obtained from the County of Kern Treasurer's Office – 1115 Truxtun Ave, Ste 2ND, Bakersfield, CA 93301 or the Treasurer's office website at www.kcttc.co.kern.ca.us.

Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of June 30, 2021, the District's cash balance in the KCTIP was rated by Standard & Poor's as AA Af/S1.

Concentration of Credit Risk

The District's investment policy contains no limitations on the amount that can be invested in any one governmental agency or non-governmental issuer beyond that stipulated by the California Government Code. There were no investments in any one governmental or non-governmental issuer that represented 5% or more of the District's total investments except for those in the KCTIP.

NOTE 3 – RESTRICTED ASSETS

The District's restricted assets are the remaining unspent loan proceeds of \$94,191 for capital improvements to the District's recreation and park facilities.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
 June 30, 2021

NOTE 4 – CAPITAL ASSETS

Changes in capital assets for the year were as follows:

	<u>Balance July 1, 2020</u>	<u>Additions/ Transfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2021</u>
Non-depreciable capital assets:				
Land	\$ 166,735	\$ -	\$ -	\$ 166,735
Construction-in-process	-	32,638	-	32,638
Total non-depreciable capital assets	<u>166,735</u>	<u>32,638</u>	<u>-</u>	<u>199,373</u>
Depreciable capital assets:				
Buildings and improvements	3,598,504	6,500	-	3,605,004
Furniture and equipment	1,261,182	20,427	(127,039)	1,154,570
Vehicles	162,109	-	-	162,109
Total depreciable capital assets	<u>5,021,795</u>	<u>26,927</u>	<u>(127,039)</u>	<u>4,921,683</u>
Accumulated depreciation:				
Buildings and improvements	(2,290,611)	(67,418)	-	(2,358,029)
Furniture and equipment	(806,920)	(119,417)	127,039	(799,298)
Vehicles	<u>(138,917)</u>	<u>(14,362)</u>	<u>-</u>	<u>(153,279)</u>
Total accumulated depreciation	<u>(3,236,448)</u>	<u>(201,197)</u>	<u>127,039</u>	<u>(3,310,606)</u>
Total depreciable capital assets, net	<u>1,785,347</u>	<u>(174,270)</u>	<u>-</u>	<u>1,611,077</u>
Total capital assets, net	<u>\$ 1,952,082</u>	<u>\$ (141,632)</u>	<u>\$ -</u>	<u>\$ 1,810,450</u>

NOTE 5 – COMPENSATED ABSENCES

The changes to the compensated absences balance for the year were as follows:

<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
\$ 60,135	\$ 48,706	\$ (32,503)	\$ 76,338	\$ 38,169	\$ 38,169

NOTE 6 – LONG-TERM DEBT

Changes in long-term debt amounts for the year were as follows:

<u>Long-term Debt</u>	<u>Balance July 1, 2020</u>	<u>Additions</u>	<u>Payments</u>	<u>Balance June 30, 2021</u>	<u>Current Portion</u>	<u>Long-term Portion</u>
Loan payable	\$ 475,055	\$ -	\$ (34,776)	\$ 440,279	\$ 35,897	\$ 404,382

Loan Payable - 2016

On August 15, 2016, the District issued \$587,250 in a loan payable at 3.20% interest rate for capital improvements to the District's recreation facilities. Debt service payments for principal and interest are made on August 1st and February 1st of each year from the general fund. The debt matures in fiscal year 2032.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
 June 30, 2021

NOTE 6 – LONG-TERM DEBT (continued)

Annual debt service requirements are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2022	\$ 35,897	\$ 13,804	\$ 49,701
2023	37,055	12,646	49,701
2024	38,250	11,451	49,701
2025	39,484	10,217	49,701
2026	40,758	8,943	49,701
2027-2031	224,376	24,129	248,505
2032	24,459	392	24,851
Total	440,279	\$ 81,582	\$ 521,861
Current	(35,897)		
Long-term	\$ 404,382		

NOTE 7 – PENSION PLAN

Summary

The following balances on the balance sheet will be addressed in this footnote as follows:

<u>Description</u>	<u>2021</u>
Pension related deferred outflows	\$ 123,259
Net pension liability	290,330
Pension related deferred inflows	39,105

The net pension liability balances have a Measurement Date of June 30, 2020 which is rolled-forward for the District's fiscal year ended June 30, 2021.

Qualified employees are covered under a multiple-employer defined benefit pension plan maintained by agencies of the State of California known as the California Public Employees' Retirement System (CalPERS), or "The Plan".

The Plan

The District has engaged with CalPERS to administer the following pension plans for its employees (members):

	<u>Miscellaneous Plans</u>	
	<u>Classic Tier 1</u>	<u>PEPRA Tier 2</u>
Hire date	<u>Prior to January 1, 2013</u>	<u>On or after January 1, 2013</u>
Benefit formula	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5-years of service	5-years of service
Benefits payments	monthly for life	monthly for life
Retirement age	50 - 67 & up	52 - 67 & up
Monthly benefits, as a % of eligible compensation	1.8% to 2.0%	1.0% to 2.5%
Required member contribution rates	7.000%	6.750%
Required employer contribution rates – FY 2020	8.081%	6.985%

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 7 – PENSION PLAN (continued)

A. General Information about the Pension Plan

Plan Description, Benefits Provided and Employees Covered

The Plan is a cost-sharing multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). The District contributes to the miscellaneous risk pool within the Plan. A full description of the pension plan benefit provisions, assumptions for funding purposes but not accounting purposes, and membership information is listed in the June 30, 2017 Annual Actuarial Valuation Report. This report is a publicly available valuation report that can be obtained at CalPERS website under Forms and Publications.

The California Public Employees' Pension Reform Act (PEPRA), which took effect in January 2013, changes the way CalPERS retirement benefits are applied, and places compensation limits on members. As a result of these changes since PEPRA's adoption in January 2013, the District now has two unique CalPERS plans to which it makes contributions within the miscellaneous risk pool: the "classic" plan, which includes covered employees who have established membership in a CalPERS plan prior to January 2013, as well as the "PEPRA/new" plan, which includes covered employees who have established membership in a CalPERS plan after January 2013. Each plan or membership contains unique benefits levels, which are enumerated in the June 30, 2020 Annual Actuarial Valuation Reports.

At June 30, 2021, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	5	8	13
Transferred and terminated members	7	8	15
Retired members and beneficiaries	6	-	6
Total plan members	18	16	34

All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple-employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by state statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions, and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments, and death benefits to Plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for nonindustrial disability benefits after five years of service. The death benefit is one of the following the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each Plan are applied as specified by the Public Employees' Retirement Law.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 7 – PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for both Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the year ended June 30, 2021, (Measurement Date June 30, 2020) were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions – employer	\$ 32,286	\$ 25,295	\$ 57,581
Total contributions	\$ 32,286	\$ 25,295	\$ 57,581

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

Proportionate Share of Net Pension Liability and Pension Expense

The District's net pension liability for each Plan is measured as the proportionate share of the net pension liability. The net pension liability of each of the Plans is measured as of June 30, 2019, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019, rolled forward to June 30, 2020, using standard update procedures. The District's proportionate share of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

The following table shows the District's proportionate share of the risk pool collective net pension liability over the measurement period for the Miscellaneous Plan for the fiscal year ended June 30, 2021:

Plan Type and Balance Descriptions	Plan Total Pension Liability	Plan Fiduciary Net Position	Change in Plan Net Pension Liability
CalPERS – Miscellaneous Plan:			
Balance as of June 30, 2019 (Measurement Date)	\$ 1,825,395	\$ 1,581,103	\$ 244,292
Balance as of June 30, 2020 (Measurement Date)	\$ 1,895,828	\$ 1,605,498	\$ 290,330
Change in Plan Net Pension Liability	\$ 70,433	\$ 24,395	\$ 46,038

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 7 – PENSION PLAN (continued)

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

The District’s proportionate share of the net pension liability for the June 30, 2020, measurement date was as follows:

	<u>Percentage Share of Risk Pool</u>		<u>Change Increase/ (Decrease)</u>
	<u>Fiscal Year Ending June 30, 2021</u>	<u>Fiscal Year Ending June 30, 2020</u>	
Measurement Date	<u>June 30, 2020</u>	<u>June 30, 2019</u>	
Percentage of Risk Pool Net Pension Liability	0.006883%	0.006100%	0.000783%
Percentage of Plan (PERF C) Net Pension Liability	0.002668%	0.002384%	0.000284%

For the fiscal year ended June 30, 2021, the District recognized pension expense of \$89,636. At June 30, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<u>Account Description</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions made after the measurement date	\$ 57,581	\$ -
Difference between actual and proportionate share of employer contributions	-	(37,034)
Adjustment due to differences in proportions	42,092	-
Differences between expected and actual experience	14,962	-
Differences between projected and actual earnings on pension plan investments	8,624	-
Changes in assumptions	-	(2,071)
Total Deferred Outflows/(Inflows) of Resources	<u>\$ 123,259</u>	<u>\$ (39,105)</u>

The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the subsequent fiscal year. The deferred outflows/(inflows) of resources related to the difference between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The deferred outflows/(inflows) of resources related to the net change in proportionate share of net pension liability, changes of assumptions, and differences between expected and actual experience in the measurement of the total pension liability will be amortized over the Expected Average Remaining Service Life (EARSL) of all members that are provided benefits (active, inactive, and retirees) as of the beginning of the measurement period. The EARSL for the measurement period is 3.8 years.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 7 – PENSION PLAN (continued)

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

An amount of \$57,581 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2022. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as a reduction to pension expense as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2022	\$ 8,345
2023	7,311
2024	6,781
2025	4,136
Total	\$ 26,573

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2020 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2019, total pension liability. The June 30, 2020, total pension liability was based on the following actuarial methods and assumptions:

Actuarial Cost Method	Entry Age Normal in accordance with the requirement of GASB Statement No. 68
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Mortality Rate Table	Derived using CalPERS' Membership Data for all Funds.
Post Retirement Benefit Increase	Contract COLA up to 2.50% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 7 – PENSION PLAN (continued)

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

Long-term Expected Rate of Return (continued)

The table below reflects long-term expected real rate of return by asset class.

<u>Investment Type¹</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1 - 10²</u>	<u>Real Return Years 11+³</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	-0.92%
	<u>100.0%</u>		

¹ In the CalPERS's ACFR, fixed income is included in global debt securities; liquidity is included in short-term investments; inflation assets are included in both global equity securities and global debt securities.

² An expected inflation rate-of-return of 2.5% is used for years 1-10.

³ An expected inflation rate-of-return of 2.9% is used for years 11+.

Discount Rate

The discount rate used to measure the total pension liability was 7.15%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Subsequent Events

There were no subsequent events that would materially affect the results in this disclosure.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
Years Ended June 30, 2021

NOTE 7 – PENSION PLAN (continued)

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

Sensitivity of the Net Pension Liability to Changes in the Discount Rate

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.15%, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage-point lower (6.15%) or 1 percentage-point higher (8.15%) than the current rate:

Changes in the discount rate for the year ended June 30, 2021, was as follows:

<u>Plan Type</u>	<u>Plan's Net Pension Liability/(Asset)</u>		
	<u>Discount Rate - 1% Current Discount Rate 6.15%</u>	<u>Discount Rate 7.15%</u>	<u>Discount Rate + 1% 8.15%</u>
CalPERS – Miscellaneous Plan	542,618	\$ 290,330	\$ 81,872

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial report and can be obtained from CalPERS' website under Forms and Publications.

C. Payable to the Pension Plans

At June 30, 2021, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2021.

NOTE 8 – NET POSITION – NET INVESTMENT IN CAPITAL ASSETS

At June 30, the net position – net investment in capital assets balance was calculated as follows:

<u>Description</u>	<u>Balance</u>
Restricted – cash and investments – loan proceeds	\$ 94,191
Capital assets – not being depreciated	199,373
Capital assets – being depreciated, net	1,611,077
Loan payable – current portion	(35,897)
Loan payable – non-current portion	(404,382)
Total net investment in capital assets	<u>\$ 1,464,362</u>

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 9 – FUND BALANCES

At June 30, 2021, fund balances of the District’s governmental funds were classified as follows:

Description	General Fund	Capital Projects Fund	Total Governmental Funds
Nonspendable:			
Prepaid items	\$ 6,696	\$ -	\$ 6,696
Restricted:			
Loan proceeds for capital improvements	94,191	-	94,191
Committed:			
Capital projects	-	317,614	317,614
Assigned:			
Compensated absences	76,338	-	76,338
Unassigned	661,733	-	661,733
Total fund balances	<u>\$ 838,958</u>	<u>\$ 317,614</u>	<u>\$ 1,156,572</u>

NOTE 10 – DEFERRED COMPENSATION SAVINGS PLAN

Fund transfers were as follows:

Amount	Transfer		Purpose
	From Fund	To Fund	
\$ 24,013	Capital Projects	General	Capital Outlay

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN

For the benefit of its employees, the District participates in a 457 Deferred Compensation Program. The purpose of this Program is to provide deferred compensation for public employees that elect to participate in the Program. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency. Until the funds are paid or otherwise made available to the employee, the employee is not obligated to report the deferred salary for income tax purposes.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District’s general creditors.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 12 – JOINT VENTURE

The District is a member of The California Association for Park and Recreation Indemnity (CAPRI) is a Joint Powers Authority which provides insurance coverages, risk management, safety and loss prevention services through a financially sound risk-sharing pool. The original pool was created in 1986 while the current organization is the result of the merger on July 1, 2008 between California Association for Park and Recreation Insurance and Park and Recreation District Employee Compensation (PARDEC).

CAPRI’s membership consists of various recreation and park districts in California. Through its various programs, members are able to pool member contributions and to realize the advantages of self-insurance. It provides coverage for property, general liability, workers’ compensation, public officials and employee liability, automobile liability, and other minor coverages. CAPRI is under the control and direction of the Board of Directors consisting of representatives of the member districts.

Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint-powers authority. Full financial statements are available separately from the California Association for Park and Recreation Indemnity at 6341 Auburn Blvd., Suite A, Citrus Heights, California 95621. Condensed information for CAPRI is as follows:

A. Entity	CAPRI	
B. Purpose	To pool member contributions and realize the advantages of self-insurance	
C. Participants	As of June 30, 2020 – 64 member districts	
D. Governing board	Seven representatives employed by members	
E. District payments for FY 2021:		
Property/Liability policy	\$49,311	
Workers' compensation policy	\$28,330	
F. Condensed financial information	June 30, 2020	
Audit signed	April 22, 2021	
Statement of financial position:		<u>June 30, 2020</u>
Total assets		\$ 26,089,416
Deferred outflows		<u>206,029</u>
Total liabilities		20,176,368
Deferred inflows		<u>28,424</u>
Net position		<u>\$ 6,090,653</u>
Statement of revenues, expenses and changes in net position:		
Total revenues		\$ 11,748,450
Total expenses		<u>(10,533,145)</u>
Change in net position		1,215,305
Beginning – net position		<u>4,875,348</u>
Ending – net position		<u>\$ 6,090,653</u>
G. Member agencies share of year-end financial position		Not Calculated

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 13 – RISK MANAGEMENT

California Association for Park and Recreation Indemnity (CAPRI)

Property/Liability Program

The Property/Liability Program was established for the purpose of operating and maintaining a self-insurance or group insurance program. Under this program, CAPRI provides its member districts the following coverage:

A. Property (Building and Content) / Boiler and Machinery

The program provides an all-risk replacement cost coverage, subject to a \$2,000 deductible for each loss at member level, a \$150,000 deductible at the pool level, and an aggregate limit of \$650,000. The earthquake and flood coverage has a \$5,000,000 and \$10,000,000 aggregate limit, respectively, subject to a deductible of 5% per occurrence of the building, contents, and/or structure damaged subject to a minimum of \$50,000 for earthquake and \$20,000 for flood. The program also provides coverage for sudden and accidental breakdown of boiler and machinery replacement cost coverage, subject to a \$2,000 deductible for member level, and \$150,000 at the pool level.

In excess of the above coverages, CAPRI provides a group purchased commercial insurance policy through the Public Entity Property Insurance Program (PEPIP) for all-risk replacement cost coverage, subject to a self-insured retention (SIR) of \$150,000 beginning April 1, 2005 to present.

B. General Liability and Public Officials and Employment Practices Liability

CAPRI provides comprehensive coverage with a limit of \$25,000,000 per occurrence for personal injury or property damage and a limit of \$25,000,000 annual aggregate per member district for errors and omissions of public officials. CAPRI self-funds coverage up to \$1,000,000. CSAC Excess Insurance Authority (CSAC-EIA) provides \$24,000,000 of coverage over self-insured retention of \$1,000,000.

This Program also includes Employment Practices Liability which is subjected to a \$20,000 deductible. If the Member District consults with its general counsel and if such counsel has experience with labor and employment law, or with its labor and employment counsel, or CAPRI-recommended labor and employment counsel prior to termination, layoffs, downsizing or other employment related matter, the deductible will be reduced to \$5,000 for any employment liability lawsuit brought by that employee.

Workers' Compensation Program

This program provides coverage to its members of up to statutory limits per occurrence, including volunteer operations as long as each member has issued a resolution covering volunteers. CAPRI self-funds up to \$350,000; losses in excess of this amount are covered by CSAC-EIA up to the Statutory limit per occurrence. CAPRI also provides its members with proactive claim oversight by working closely their third-party claims administrator and the members.

The District maintains workers' compensation coverage and employer's liability coverage in accordance with the statutory requirements of the State of California.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2021

NOTE 13 – RISK MANAGEMENT

Workers' Compensation Program (continued)

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years. There were no reductions in insurance coverage in fiscal year 2021, 2020, and 2019. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2021, 2020, and 2019.

NOTE 14 – COMMITMENTS AND CONTINGENCIES

Grant Awards

Grant funds received by the District are subject to audit by the grantor agencies. Such audit could lead to requests for reimbursements to the grantor agencies for expenditures disallowed under terms of the grant. Management of the District believes that such disallowances, if any, would not be significant.

Litigation

The District is involved in routine litigation incidental to its business and may be subject to claims and litigation from outside parties. After consultation with legal counsel and/or management, management believes the ultimate outcome of such matters, if any, will not materially affect its financial condition.

NOTE 15 – CURRENT AND SUBSEQUENT EVENTS

The District has evaluated subsequent events through November 15, 2021, the date which the financial statements were available to be issued.

Required Supplementary Information

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2021

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 953,596	\$ 1,041,710	\$ 88,114
Charges for services	691,450	391,660	(299,790)
Operating grants and contributions	61,375	13,301	(48,074)
Insurance proceeds	-	1,507	1,507
Investment earnings	10,552	(2,221)	(12,773)
Other revenues	-	171	171
Total revenues	<u>1,716,973</u>	<u>1,446,128</u>	<u>(270,845)</u>
Expenditures:			
Current:			
Salaries and wages	761,000	602,212	158,788
Employee benefits	229,700	151,516	78,184
Program costs	203,240	44,552	158,688
Materials and services	463,800	394,435	69,365
Capital outlay	32,000	59,564	(27,564)
Debt service:			
Principal	49,702	34,776	14,926
Interest	18,000	14,926	3,074
Total expenditures	<u>1,757,442</u>	<u>1,301,981</u>	<u>455,461</u>
Excess of revenues over expenditures	(40,469)	144,147	184,616
Other financing sources(uses):			
Transfers in(out)	-	24,013	(24,013)
Change in fund balance	<u>\$ (40,469)</u>	168,160	<u>\$ 160,603</u>
Fund balance:			
Beginning of year		<u>670,798</u>	
End of year		<u>\$ 838,958</u>	

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2021

Last Ten Fiscal Years*

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date	District's Proportion of the Net Pension Liability	District's Proportionate Share of the Net Pension Liability	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of Covered	Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability
June 30, 2014	0.00191%	\$ 118,719	\$ 168,308	70.54%	91.47%
June 30, 2015	0.00110%	75,553	379,091	19.93%	94.97%
June 30, 2016	0.00205%	177,761	357,818	49.68%	88.61%
June 30, 2017	0.00223%	221,512	343,104	64.56%	86.85%
June 30, 2018	0.00215%	207,297	478,910	43.29%	88.21%
June 30, 2019	0.00238%	244,292	360,956	67.68%	86.62%
June 30, 2020	0.00267%	290,330	442,036	65.68%	84.69%

Notes to Schedule:

Benefit Changes:

There were no changes in benefits.

Changes in Assumptions:

From fiscal year June 30, 2015 and June 30, 2016:

GASB 68, paragraph 68 states that the long-term expected rate of return should be determined net of pension plan investment expense but without reduction for pension plan administrative expense. The discount rate of 7.50% used for the June 30, 2014, measurement date was net of administrative expenses. The discount rate of 7.65% used for the June 30, 2015, measurement date is without reduction of pension plan administrative expense.

From fiscal year June 30, 2016 to June 30, 2017:

There were no changes in assumptions.

From fiscal year June 30, 2017 to June 30, 2018:

The discount rate was reduced from 7.65% to 7.15%.

From fiscal year June 30, 2018 to June 30, 2019:

There were no significant changes in assumptions.

From fiscal year June 30, 2019 to June 30, 2020:

There were no significant changes in assumptions.

From fiscal year June 30, 2020 to June 30, 2021:

There were no significant changes in assumptions.

*Fiscal year 2014 was the first measurement date year of implementation; therefore, only seven years are shown.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Schedule of Pension Contributions
For the Fiscal Year Ended June 30, 2021

Last Ten Fiscal Years*
California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year	Actuarially Determined Contribution	Contributions in Relation to the Actuarially Determined Contribution	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
June 30, 2015	\$ 22,517	\$ (22,517)	\$ -	379,091	5.94%
June 30, 2016	32,998	(32,998)	-	357,818	9.22%
June 30, 2017	30,756	(30,756)	-	343,104	8.96%
June 30, 2018	33,183	(33,183)	-	478,910	6.93%
June 30, 2019	39,457	(39,457)	-	360,956	10.93%
June 30, 2020	45,624	(45,624)	-	442,036	10.32%
June 30, 2021	57,581	(57,581)	-	475,000	12.12%

Notes to Schedule:

Fiscal Year	Valuation Date	Actuarial Cost Method	Asset Valuation Method	Inflation	Investment Rate of Return
June 30, 2015	June 30, 2013	Entry Age	Market Value	2.75%	7.65%
June 30, 2016	June 30, 2014	Entry Age	Market Value	2.75%	7.65%
June 30, 2017	June 30, 2015	Entry Age	Market Value	2.75%	7.65%
June 30, 2018	June 30, 2016	Entry Age	Market Value	2.75%	7.15%
June 30, 2019	June 30, 2017	Entry Age	Market Value	2.50%	7.15%
June 30, 2020	June 30, 2018	Entry Age	Market Value	2.50%	7.15%
June 30, 2021	June 30, 2019	Entry Age	Market Value	2.50%	7.15%

Amortization Method	Level percentage of payroll, closed
Salary Increases	Depending on age, service, and type of employment
Investment Rate of Return	Net of pension plan investment expense, including inflation
Retirement Age	50 years (2.0%@60), 52 years (2.0%@62)
Mortality	Mortality assumptions are based on mortality rates resulting from the most recent CalPERS Experience Study adopted by the CalPERS Board.

*Fiscal year 2015 was the first implementation year; therefore, only seven years are shown.

Other Independent Auditors' Report

**INDEPENDENT AUDITORS' 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***

Board of Directors
Tehachapi Valley Recreation and Park District
Tehachapi, 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 and each major fund of the Tehachapi Valley Recreation and Park District (District) as of and for the year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 15, 2021.

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 to determine the 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 may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of 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.

Murrieta, California
November 15, 2020