

**SILVERADO-MODJESKA
RECREATION AND PARKS DISTRICT**

**FINANCIAL STATEMENTS
AND INDEPENDENT AUDITOR'S REPORT**
for the year ended June 30, 2022

ROBERT W. JOHNSON
Certified Public Accountant

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Silverado-Modjeska Recreation and Parks District
Silverado, California

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities and each major fund of Silverado-Modjeska Recreation and Parks District, as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, and each major fund of Silverado-Modjeska Recreation and Parks District as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended, in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the California State Controller's Office and State Regulations governing Special Districts.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the State Controller's Minimum Audit Requirements for California Special Districts. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Silverado-Modjeska Recreation and Parks District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and

fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

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

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

Required Supplementary Information

Management has omitted the management's discussion and analysis (MD&A) that accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

Robert W. Johnson, An Accounting Corporation

Citrus Heights, California
May 18, 2023

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET
June 30, 2022

| ASSETS | Governmental Fund | | Statement of Net Position | Enterprise Fund Child Care | |
|-------------------------------------|----------------------|--------------------|---------------------------------|-------------------------------------|--------------------|
| | Recreation and Parks | | | | |
| | General Fund | Adjustments | | | |
| Cash and equivalents (Note 3) | \$ 380,260 | \$ - | \$ 380,260 | \$ 119,707 | \$ 499,967 |
| Accounts receivable | - | - | - | - | - |
| Interest receivable | - | - | - | - | - |
| Capital assets (Note 4) | - | 1,264,072 | 1,264,072 | 351,407 | 1,615,479 |
| Less, accumulated depreciation | - | (549,308) | (549,308) | (344,791) | (894,099) |
| Interfund receivable (Note 7) | <u>132,246</u> | <u>-</u> | <u>132,246</u> | <u>-</u> | <u>132,246</u> |
| Total assets | <u>\$ 512,506</u> | <u>\$ 714,764</u> | <u>\$1,227,270</u> | <u>\$ 126,323</u> | <u>\$1,353,593</u> |
| | | | | | |
| LIABILITIES | | | | | |
| Payables & deposits | \$ 821 | \$ - | \$ 821 | \$ 36 | \$ 857 |
| Interfund payable (Note 7) | - | - | - | 132,246 | 132,246 |
| Unearned revenue | <u>17,859</u> | <u>-</u> | <u>17,859</u> | <u>50,000</u> | <u>67,859</u> |
| Total liabilities | <u>18,680</u> | <u>-</u> | <u>18,680</u> | <u>182,282</u> | <u>200,962</u> |
| | | | | | |
| FUND BALANCES/NET POSITION | | | | | |
| Fund balances: | | | | | |
| Restricted | - | - | - | | |
| Committed | - | - | - | | |
| Unassigned | <u>493,826</u> | <u>(493,826)</u> | <u>-</u> | | |
| Total fund balances | <u>493,826</u> | <u>(493,826)</u> | <u>-</u> | | |
| Total liabilities and fund balances | <u>\$ 512,506</u> | | | | |
| | | | | | |
| Net position: | | | | | |
| Net investment in capital assets | | 714,764 | 714,764 | 6,616 | 721,380 |
| Unrestricted | | <u>493,826</u> | <u>493,826</u> | (62,575) | <u>431,251</u> |
| Total net position | | <u>\$1,208,590</u> | <u>\$1,208,590</u> | <u>\$ (55,959)</u> | <u>\$1,152,631</u> |

See notes to financial statements

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
for the year ended June 30, 2022

| <u>Functions/Programs</u> | <u>Program Revenues</u> | | |
|--------------------------------|-------------------------|-----------------------------|---------------------------------|
| Primary government: | <u>Expenses</u> | <u>Charges for Services</u> | <u>Grants and Contributions</u> |
| Governmental activities: | | | |
| Recreation and parks | \$ <u>121,743</u> | \$ <u>16,201</u> | \$ <u>1,345</u> |
| Total governmental activities | <u>121,743</u> | <u>16,201</u> | <u>1,345</u> |
| Business-type activities: | | | |
| Child care | <u>374,631</u> | <u>412,917</u> | <u>-</u> |
| Total business-type activities | <u>374,631</u> | <u>412,917</u> | <u>-</u> |
| Total primary government | \$ <u>496,374</u> | \$ <u>429,118</u> | \$ <u>1,345</u> |
| General revenues: | | | |
| Property taxes | | | |
| Interest income | | | |
| Donations/other income | | | |
| Total general revenues | | | |
| Change in net position | | | |
| Net position – beginning | | | |
| Net position – ending | | | |

See notes to financial statements

Net (Expense) Revenue and Changes in Net Position
Primary Government

| <u>Governmental Activities</u> | <u>Business-type Activities</u> | <u>Total</u> |
|------------------------------------|-------------------------------------|--------------------|
| \$(104,197) | | \$(104,197) |
| (104,197) | | (104,197) |
| <u> -</u> | \$ <u>38,286</u> | <u>38,286</u> |
| <u> -</u> | <u>38,286</u> | <u>38,286</u> |
| (104,197) | <u>38,286</u> | (65,911) |
| 138,224 | - | 138,224 |
| 905 | 4 | 909 |
| <u>6,198</u> | <u>7,068</u> | <u>13,266</u> |
| <u>145,327</u> | <u>7,072</u> | <u>152,399</u> |
| 41,130 | 45,358 | 86,488 |
| <u>1,167,460</u> | (101,317) | <u>1,066,143</u> |
| <u>\$ 1,208,590</u> | <u>\$(55,959)</u> | <u>\$1,152,631</u> |

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
RECREATION AND PARKS
for the year ended June 30, 2022

| | <u>General Fund</u> | <u>Adjustments</u> | <u>Statement of Net Position</u> |
|--|-------------------------|--------------------|--------------------------------------|
| Program expenditures/expenses: | | | |
| Recreation and parks services | \$ 89,333 | \$ - | \$ 89,333 |
| Capital outlay | - | - | - |
| Depreciation | <u>-</u> | <u>32,410</u> | <u>32,410</u> |
| Total program expenditures/ expenses | <u>89,333</u> | <u>32,410</u> | <u>121,743</u> |
| Program revenues: | | | |
| Recreation, rental and event income | <u>16,201</u> | <u>-</u> | <u>16,201</u> |
| General revenues: | | | |
| Property taxes | 28,713 | - | 28,713 |
| Interest income | 905 | - | 905 |
| Pass thru fees | 109,511 | - | 109,511 |
| Donations | 3,458 | - | 3,458 |
| Miscellaneous | <u>4,085</u> | <u>-</u> | <u>4,085</u> |
| Total general revenues | <u>146,672</u> | <u>-</u> | <u>146,672</u> |
| Excess (expenditures) revenue/changes in net position | 73,540 | (32,410) | 41,130 |
| Beginning fund balances/net position | <u>420,286</u> | <u>747,174</u> | <u>1,167,460</u> |
| Ending fund balances/net position | <u>\$ 493,826</u> | <u>\$ 714,764</u> | <u>\$ 1,208,590</u> |

See notes to financial statements

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF REVENUES AND EXPENDITURES
BUDGET AND ACTUAL
RECREATION AND PARKS
for the year ended June 30, 2022

| | <u>Budget</u> | <u>Actual</u> | <u>Favorable (Unfavorable) Variance</u> |
|--|------------------|------------------|---|
| Revenues: | | | |
| Property taxes | \$ 25,200 | \$ 28,713 | \$ 3,513 |
| Interest income | 960 | 905 | (55) |
| Pass thru fees | 70,000 | 109,511 | 39,511 |
| Donations | 3,200 | 3,458 | 258 |
| Recreation, rental and event income | 35,650 | 16,201 | (19,449) |
| Miscellaneous income | <u>-</u> | <u>4,085</u> | <u>4,085</u> |
| Total revenues | <u>135,010</u> | <u>162,873</u> | <u>27,863</u> |
| Expenditures: | | | |
| Salaries & wages | - | 4,791 | (4,791) |
| Insurance | 7,800 | 14,723 | (6,923) |
| Maintenance – general | 58,900 | 16,589 | 42,311 |
| Memberships | 1,380 | 1,366 | 14 |
| Office and postage | 1,750 | 2,038 | (288) |
| Legal | 1,500 | 3,795 | (2,295) |
| Audit | 6,700 | 750 | 5,950 |
| Caretaker/janitorial | 14,400 | 5,595 | 8,805 |
| Secretarial | 3,000 | - | 3,000 |
| Bookkeeping | 7,800 | 10,500 | (2,700) |
| Website | 1,000 | 890 | 110 |
| Other – Trails | 700 | - | 700 |
| Administrative | 24 | 15 | 9 |
| Publications & legal notices | 1,500 | 685 | 815 |
| Telephone | 4,080 | 4,743 | (663) |
| Utilities | 10,800 | 11,912 | (1,112) |
| Recreation program | 1,200 | 3,941 | (2,741) |
| Event expense | 5,000 | - | 5,000 |
| Capital outlay | - | - | - |
| Miscellaneous | 7,600 | 1,304 | 6,296 |
| Special Dept. | - | - | - |
| Donations | <u>-</u> | <u>5,696</u> | <u>(5,696)</u> |
| Total expenditures | <u>135,134</u> | <u>89,333</u> | <u>45,801</u> |
| Excess of revenues (expenditures) | <u>\$ (124)</u> | <u>\$ 73,540</u> | <u>\$ 73,664</u> |

See notes to financial statements

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION
CHILD CARE
for the year ended June 30, 2022

| | | |
|---|--------------|----------------|
| Operating revenues: | | |
| Tuition and registration | | \$ 412,894 |
| Other income | | <u>23</u> |
| Total operating revenues | | 412,917 |
| Operating expenses: | | |
| Salaries and wages | \$ 210,308 | |
| Payroll taxes | 18,714 | |
| Employee benefits | 7,480 | |
| Workers comp | 2,598 | |
| Taxes & licenses | 605 | |
| Office and administrative | 23,871 | |
| Professional expense | 16,277 | |
| Repairs & maintenance | 67,046 | |
| Utilities | 6,133 | |
| Special department expense | 19,484 | |
| Depreciation | <u>2,115</u> | |
| Total operating expenses | | <u>374,631</u> |
| Operating income (loss) | | 38,286 |
| Non-operating revenues (expenses): | | |
| Interest income | 4 | |
| Donations | 7,068 | |
| Fundraising, net | - | |
| Grant income | <u>-</u> | |
| | | <u>7,072</u> |
| Income (loss) before contributions (carried forward) | | 45,358 |

See notes to financial statements

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF ACTIVITIES AND CHANGES IN NET POSITION, continued
CHILD CARE
for the year ended June 30, 2022

| | |
|--|---------------------|
| Income (loss) before contributions (brought forward) | \$ 45,358 |
| Capital contributions | <u>-</u> |
| Change in net position | 45,358 |
| Total net position: | |
| Beginning (deficit) | (<u>101,317</u>) |
| Ending (deficit) | \$(<u>55,959</u>) |

See notes to financial statements

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF CASH FLOWS
CHILD CARE
for the year ended June 30, 2022

| | | |
|---|---------------|-------------------|
| Cash flows from operating activities: | | |
| Receipts from customers | | \$ 412,917 |
| Payments to suppliers | | (164,520) |
| Payments to employees | | <u>(210,308)</u> |
| Net cash provided to operating activities | | 38,089 |
| Cash flows from noncapital financing activities: | | |
| Receipts from non-operating income | 7,068 | |
| Unearned grant | <u>50,000</u> | |
| | | 57,068 |
| Cash flows from capital and related financing activities: | | |
| Purchase of capital assets | | - |
| Cash flows from investing activities: | | |
| Interest income | | <u>4</u> |
| Net increase in cash | | 95,161 |
| Cash and cash equivalents: | | |
| Beginning of year | | <u>24,546</u> |
| End of year | | <u>\$ 119,707</u> |

See notes to financial statements

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
STATEMENT OF CASH FLOWS, continued
CHILD CARE
for the year ended June 30, 2022

| | | |
|--|----------|------------------|
| Reconciliation of operating income (loss) to net cash provided to operating activities: | | |
| Operating income (loss) | | \$ 38,286 |
| Adjustment to reconcile operating income (loss) to net cash provided to operating activities: | | |
| Depreciation | \$ 2,115 | |
| Changes in operating assets and liabilities: | | |
| Accounts receivable | - | |
| Accounts payable | (2,312) | |
| Interfund payable | <u>-</u> | (<u>197</u>) |
| Net cash provided to operating activities | | \$ <u>38,089</u> |

See notes to financial statements

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
NOTES TO FINANCIAL STATEMENTS
for the year ended June 30, 2022

1. Organization:

Silverado-Modjeska Recreation and Parks District (the "District") is a California special district organized March 21, 1961 to provide park and recreation activities plus open space preservation activities within the District.

The District is governed by a Board of Directors elected by the voters of the District.

2. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District's significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The government-wide and proprietary fund 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.

The proprietary fund distinguishes operating revenues and expenses from nonoperating items. Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the proprietary fund's principal ongoing operations. Nonoperating revenues, such as grants, donations and investment earnings, result from nonexchange transactions or ancillary activities. All revenues and expenses not meeting the definition of operating revenues and expenses are reported as nonoperating.

The governmental fund is accounted for on a "current financial resources" measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Revenues are recorded when received in cash, except revenues subject to accrual (generally 60 days after year-end) are recognized

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

when due. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt are reported as other financing sources.

Government-wide Statements – The District’s government-wide financial statements distinguish between the governmental and proprietary (business-type) activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from proprietary activities, which rely to a significant extent on fees charged to external parties. Separate statements for each fund category – governmental and proprietary – are presented.

Fund Financial Statements – The fund financial statements provide information about the District’s funds. Separate statements for each fund category – governmental and proprietary – are presented.

The District reports the following governmental fund:

- The General Fund is the District’s primary operating fund. It is used to account for all activities of the general government, except those required to be accounted for in another fund. The fund is used to account for all financial resources of the recreation and parks department.

The District reports the following proprietary fund:

- The proprietary fund is used to account for the child care operations that is financed and operated in manner similar to business enterprises. The intent of the District is that the costs (expenses, including depreciation) of providing services to the general public on a continuing basis be financed or recovered primarily through user charges.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Structures and equipment are depreciated using the straight-line method over their estimated useful lives which range from 2 to 40 years.

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District is required to prepare a final balanced budget for each fiscal year.

Cash and Cash Equivalents

For purposes of the statement of cash flows, the District considers all highly liquid debt instruments purchased with an initial maturity of three months or less to be cash equivalents, including restricted assets. Cash in banks, cash with County are considered to be cash and cash equivalents.

Cash with County

The District maintains cash balances with the Treasurer of County of Orange in interest-bearing pooled investment accounts. Cash with County of Orange is stated at fair value and investments are within State statutes and comply with District's investment policy.

Property Taxes

The District receives property taxes from the County of Orange. Property taxes become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31.

Use of Estimates

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

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Unearned Revenue

Unearned revenues arise when resources are received by the District before it has legal claim to them (i.e., when cost reimbursement grant revenues are recovered prior to the incurrence of qualifying expenditures) or when exchange revenues are received before the exchange takes place. Unearned revenue represents fees received prior to June 30, 2022 for events that take place after June 30, 2022.

Net Position

Net position is classified in the following categories:

Net Investment in capital assets – groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce this category.

Restricted – presents external restrictions imposed by creditors, grantors, contributors or laws and regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted – represents the net position of the District, which are not restricted or invested in capital assets net of related debt.

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

2. Summary of Significant Accounting Policies, continued:

Fund Balance

Fund balance is classified in the following categories:

Restricted – includes fund balance amounts that are subject to externally enforceable legal restrictions or constrained for a specific purpose by external parties, constitutional provisions or enabling legislation.

Committed – includes fund balance amount that can only be used for specific purposes pursuant to constraints imposed by the formal actions of the District’s Board of Directors.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed.

Unassigned – includes fund balance which has not been classified within the above mentioned categories.

3. Cash and Cash Equivalents:

Cash consists of the following at June 30, 2022:

| | <u>Recreation & Park</u> | <u>Child Care</u> |
|------------------|----------------------------------|-----------------------|
| Checking | \$ 246,357 | \$ 44,650 |
| Savings | - | 75,057 |
| Cash with County | <u>133,903</u> | <u>-</u> |
| | <u>\$ 380,260</u> | <u>\$ 119,707</u> |

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
 NOTES TO FINANCIAL STATEMENTS, continued
 for the year ended June 30, 2022

3. Cash and Cash Equivalents, continued:

Deposits:

At June 30, 2022, the carrying amount of the District's deposits was \$366,064 and the balance in financial institutions was \$375,931. The balance in the financial institutions was covered by federal depository insurance and was collateralized as required by State Law (Government Code Section 53630), by the pledging financial institution with assets held in a common pool for the District and other agencies, but not in the name of the District.

4. Changes in Capital Assets:

Changes in capital for the year ended June 30, 2022 are as follows:

| | <u>Balance</u> <u>7-1-21</u> | <u>Additions</u> | <u>Disposals/ Transfers</u> | <u>Balance</u> <u>6-30-22</u> |
|-----------------------------|---------------------------------|------------------|---------------------------------|----------------------------------|
| <u>Child Care</u> | | | | |
| Land | \$ - | \$ - | \$ - | \$ - |
| Buildings | 296,785 | - | - | 296,785 |
| Equipment | <u>54,622</u> | <u>-</u> | <u>-</u> | <u>54,622</u> |
| | <u>\$ 351,407</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ 351,407</u> |
| <u>Recreation and Parks</u> | | | | |
| Land | \$ 21,144 | \$ - | \$ - | \$ 21,144 |
| Buildings | 1,214,571 | - | - | 1,214,571 |
| Equipment | <u>28,357</u> | <u>-</u> | <u>-</u> | <u>28,357</u> |
| | <u>\$1,264,072</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$1,264,072</u> |

SILVERADO-MODJESKA RECREATION AND PARKS DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued
for the year ended June 30, 2022

5. Risk of Loss:

Silverado-Modjeska Recreation and Parks District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2022 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

6. Subsequent Events:

Management has evaluated subsequent events through May 18, 2023, the date these June 30, 2022 financial statements were available to be issued.

7. Interfund (Subsequent Event):

The Board passed a motion on October 18, 2022 to forgive the \$132,246 interfund between Rec/Park (receivable) and Child Care (payable) funds.