



SOLEDAD-MISSION  
RECREATION  
DISTRICT  
ANNUAL  
FINANCIAL REPORT  
JUNE 30, 2020  
&  
JUNE 30, 2019



**SOLEDAD-MISSION RECREATION DISTRICT**

**OF MONTEREY COUNTY**

**SOLEDAD, CALIFORNIA**

**JUNE 30, 2020**

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**GOVERNING BOARD**

<b>MEMBER</b>	<b>OFFICE</b>	<b>TERM EXPIRES</b>
Pete Meza	President	January 2021
Mike De La Rosa	Deputy Chair /Vice President	January 2023
Ritchi Florez	Member	January 2021
Cindy Avelino	Member	January 2023
Candi Guidino	Member	January 2021
Laraine Lang	Member	January 2019

**ADMINISTRATION**

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Frances Bengston

Executive Director

**ORGANIZATION**

The Supervisors of the County of Monterey appoint the members of the governing board for a term of four years. However, the City of Soledad has historically nominated three of the members.

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**SOLEDAD-MISSION RECREATION DISTRICT**

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**JUNE 30, 2020**

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**FINANCIAL SECTION**

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## INDEPENDENT AUDITOR'S REPORT

Board of Trustees  
Soledad-Mission Recreation District  
Soledad, California

We have audited the accompanying financial statements of the governmental activities, and each fund of Soledad-Mission Recreation District, as of and for the years ended June 30, 2020 and June 30, 2019, and the related notes to the financial statements, which collectively comprise Soledad-Mission Recreation District's basic financial statements as listed in the table of contents.

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

Soledad-Mission Recreation District's management for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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.

RT DENNIS  
ACCOUNTANCY

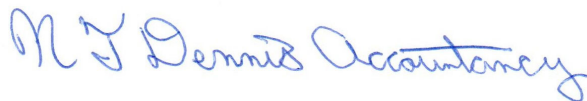
***Opinion***

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, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of Soledad-Mission Recreation District, as of June 30, 2020 and June 30, 2019, 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.

***Other Matters, Required Supplementary Information***

Accounting principles generally accepted in the United States of America require budgetary comparison information, on page 21, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

A handwritten signature in blue ink that reads "M J Dennis Accountancy". The signature is written in a cursive style.

November 23, 2021

SOLEDAD-MISSION RECREATION DISTRICT

GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION  
 JUNE 30, 2020

	General Fund	Adjustments (Note 2 - A.)	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 198,810	\$ -	\$ 198,810
Accounts receivable	1,392	-	1,392
Prepaid expenditures	3,245	-	3,245
Nondepreciable capital assets	-	16,256	16,256
Depreciable capital assets, net	-	573,885	573,885
<b>Total Assets</b>	<b>\$ 203,447</b>	<b>\$ 590,141</b>	<b>\$ 793,588</b>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 9,274	\$ 9,210	\$ 18,484
Unearned revenue	1,029	-	1,029
Long-term liabilities, current portion	-	33,005	33,005
Long-term liabilities, non-current portion	-	288,730	288,730
<b>Total Liabilities</b>	<b>10,303</b>	<b>330,945</b>	<b>341,248</b>
<b>FUND BALANCES / NET POSITION</b>			
<b>Fund balance</b>			
Non-spendable	3,495	(3,495)	-
Spendable, Unassigned	189,649	(189,649)	-
<b>Net position</b>			
Net investment in capital assets	-	268,406	268,406
Unrestricted	-	183,934	183,934
<b>Total Fund Balances / Net Position</b>	<b>193,144</b>	<b>259,196</b>	<b>452,340</b>
<b>Total Liabilities and Fund Balances / Net Position</b>	<b>\$ 203,447</b>	<b>\$ 590,141</b>	<b>\$ 793,588</b>

The accompanying notes are an integral part of these financial statements

SOLEDAD-MISSION RECREATION DISTRICT

GOVERNMENTAL FUND BALANCE SHEET AND STATEMENT OF NET POSITION  
 JUNE 30, 2019

	General Fund	Adjustments (Note 2 - A.)	Statement of Net Position
<b>ASSETS</b>			
Cash and cash equivalents	\$ 193,414	\$ -	\$ 193,414
Prepaid expenditures	1,562	-	1,562
Nondepreciable capital assets	-	16,256	16,256
Depreciable capital assets, net	-	610,111	610,111
<b>Total Assets</b>	<b>\$ 194,976</b>	<b>\$ 626,367</b>	<b>\$ 821,343</b>
<b>LIABILITIES</b>			
Accrued liabilities	\$ 22,864	\$ 9,707	\$ 32,571
Unearned revenue	779	-	779
Long-term liabilities, current portion	-	31,262	31,262
Long-term liabilities, non-current portion	-	321,735	321,735
<b>Total Liabilities</b>	<b>23,643</b>	<b>362,704</b>	<b>386,347</b>
<b>FUND BALANCES / NET POSITION</b>			
<b>Fund balance</b>			
Non-spendable	1,812	(1,812)	-
Spendable, Unassigned	169,521	(169,521)	-
<b>Net position</b>			
Net investment in capital assets	-	273,370	273,370
Unrestricted	-	161,626	161,626
<b>Total Fund Balances / Net Position</b>	<b>171,333</b>	<b>263,663</b>	<b>434,996</b>
<b>Total Liabilities and Fund Balances / Net Position</b>	<b>\$ 194,976</b>	<b>\$ 626,367</b>	<b>\$ 821,343</b>

The accompanying notes are an integral part of these financial statements

SOLEDAD-MISSION RECREATION DISTRICT

**GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
& STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Adjustments (Note 2 - B.)</u>	<u>Statement of Activities</u>
<b>REVENUES</b>			
Property taxes	\$ 355,309	\$ -	\$ 355,309
Licenses and permits	1,100	-	1,100
Intergovernmental revenues	1,376	-	1,376
Charges for services	149,670	-	149,670
Revenue from use of money	2,899	-	2,899
Miscellaneous	9,193	-	9,193
<b>Total Revenues</b>	<b>519,547</b>	<b>-</b>	<b>519,547</b>
<b>EXPENDITURES</b>			
Current			
Salaries	241,431	-	241,431
Benefits	50,962	-	50,962
Materials and supplies	41,211	-	41,211
Services	112,642	-	112,642
Depreciation	-	37,461	37,461
Capital outlay	1,236	(1,236)	-
Debt service			
Principal	31,262	(31,262)	-
Interest and other	18,992	(496)	18,496
<b>Total Expenditures</b>	<b>497,736</b>	<b>4,467</b>	<b>502,203</b>
<b>NET CHANGE IN FUND BALANCE /</b>			
<b>NET POSITION</b>	<b>21,811</b>	<b>(4,467)</b>	<b>17,344</b>
<b>Fund Balance - Beginning</b>	<b>171,333</b>	<b>263,663</b>	<b>434,996</b>
<b>Fund Balance - Ending</b>	<b>\$ 193,144</b>	<b>\$ 259,196</b>	<b>\$ 452,340</b>

The accompanying notes are an integral part of these financial statements

SOLEDAD-MISSION RECREATION DISTRICT

**GOVERNMENTAL FUND REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE  
& STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>General Fund</u>	<u>Adjustments (Note 2 - B.)</u>	<u>Statement of Activities</u>
<b>REVENUES</b>			
Property taxes	\$ 343,624	\$ -	\$ 343,624
Licenses and permits	1,431	-	1,431
Intergovernmental revenues	16,708	-	16,708
Charges for services	220,535	-	220,535
Revenue from use of money	3,430	-	3,430
Miscellaneous	21,988	-	21,988
<b>Total Revenues</b>	<b>607,716</b>	<b>-</b>	<b>607,716</b>
<b>EXPENDITURES</b>			
Current			
Salaries	285,510	-	285,510
Benefits	47,898	-	47,898
Materials and supplies	68,656	-	68,656
Services	138,986	-	138,986
Depreciation	-	36,863	36,863
Capital outlay	16,667	(16,667)	-
Debt service			
Principal	29,611	(29,611)	-
Interest and other	20,646	(816)	19,830
<b>Total Expenditures</b>	<b>607,974</b>	<b>(10,231)</b>	<b>597,743</b>
<b>NET CHANGE IN FUND BALANCE /</b>			
<b>NET POSITION</b>	<b>(258)</b>	<b>10,231</b>	<b>9,973</b>
<b>Fund Balance - Beginning</b>	<b>171,591</b>	<b>253,432</b>	<b>425,023</b>
<b>Fund Balance - Ending</b>	<b>\$ 171,333</b>	<b>\$ 263,663</b>	<b>\$ 434,996</b>

The accompanying notes are an integral part of these financial statements

# SOLEDAD-MISSION RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2020

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### *NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES*

#### **1 - A. Financial Reporting Entity**

The District is located in the County of Monterey just south of the City of Salinas. The District is a special district formed with the intent to provide recreational services for the residents of the District through the operation of a swimming facility and a park. The District encompasses the City of Soledad and the outlying areas. The District is governed by a Board of Directors who is appointed by the County of Monterey's Board of Supervisors.

#### **1 - B. Component Unit**

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 Soledad-Mission Foundation (the "Foundation") is a nonprofit, public benefit corporation, incorporated under the laws of the State of California. The Corporation was formed to provide fundraising and grant opportunities for the Soledad-Mission Recreation District, its facilities and programs.

The Board had appointed itself to the Foundation Board in 2019 in hopes of completing filings and returning functionality to the Foundation, however due to the Pandemic no action, or meetings have taken place regarding the Foundation. There were no activities, fundraising or otherwise, since, nor any expenses occurred, and therefore is not reported on the financial statements.

#### **1 - C. Other Related Entities**

**Joint Powers Authority (JPA).** The District is associated with one JPA, the California Association for Park & Recreation Indemnity ("CAPRI"). This organization does not meet the criteria for inclusion as a component unit of the District. Additional information is presented in Note 7 to the financial statements.

#### **1 - D. Basis of Presentation, Basis of Accounting**

##### **Basis of Presentation**

**Combined Presentation.** The District is a special-purpose governments engaged in a single governmental program (recreation district). The accounting standards allow these kinds of governments to employ alternative forms of presentation that involve combining the government-wide and fund financial statements using a columnar format that reconciles the two kinds of financial data in a separate column on each statement.

**Government-Wide Statements.** The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the overall government, except for fiduciary activities. The government-wide statements provide information about the primary government (the "District"). Eliminations have been made to minimize the double counting of internal activities.



# SOLEDAD-MISSION RECREATION DISTRICT

## NOTES TO FINANCIAL STATEMENTS, Continued JUNE 30, 2020

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**Fund Financial Statements.** The fund financial statements provide information about the District's General Fund. The general fund is the main operating fund of the District. It is used to account for all activities except those that are required to be accounted for in another fund. In keeping with the minimum number of funds principle, all of a District's activities are reported in the general fund unless there is a compelling reason to account for an activity in another fund. A District may have only one general fund.

### **Basis of Accounting**

**Government-Wide.** The government-wide financial statements are reported using the economic resources measurement focus, and is reported using 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.

Net Position should be reported as restricted when constraints placed on net asset use are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The net position restricted for other activities result from special revenue funds and the restrictions on their net asset use.

**Governmental Funds.** Governmental fund financial statements 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. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within one year after year-end. All other revenue items are considered to be measurable and available only when the District receives cash. Property taxes are recorded the same as what is described for Government-Wide Statements. Expenditures generally are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, early retirement and postemployment healthcare benefits and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under capital leases are reported as other financing sources.

### **1 - E. Assets, Liabilities, and Net Position**

#### **Deposits and Investments**

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturities of three months or less from the date of acquisition. Some short-term cash surpluses are maintained in the county cash and investments pool, the earnings from which are allocated to each fund based on month-end deposit and investment balances.

Investments are reported at fair value, based on quoted market prices, except for money market investments, which are reported at amortized cost.

**Prepaid Items.** Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**SOLEDAD-MISSION RECREATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2020**

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**Capital Assets.** Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated fixed assets are recorded at their estimated fair value at the date of donation. The District maintains a capitalization threshold of \$500. The District does not possess any infrastructure. Improvements are capitalized; the costs of normal maintenance and repairs that do not add to the value of the asset or materially extend an asset's life are not. Depreciation of capital assets is computed and recorded by the straight-line method over the following estimated useful life:

<u>Asset Class</u>	<u>Estimated Useful Life</u>
Buildings	50
Site Improvements	7 – 30
Equipment	5 – 20

**Accrued Liabilities and Long-Term Obligations.** All payables, accrued liabilities, and long-term obligations are reported in the government-wide financial statements.

In general, governmental fund payables and accrued liabilities that, once incurred, are paid in a timely manner and in full from current financial resources are reported as obligations of the funds.

However, claims and judgments and special termination benefits that will be paid from governmental funds are reported as a liability in the fund financial statements only to the extent that they are due for payment during the current year. Bonds, capital leases, and long-term loans are recognized as liabilities in the governmental fund financial statements when due.

**Fund Balance.** Fund balance is divided into three classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

*Nonspendable* - The nonspendable fund balance classification reflects amounts that are not in spendable form or in spendable form but that are legally or contractually required to remain intact, such as petty cash balances. As of June 30, 2020 the nonspendable balance of \$3,495 consisted of \$250 for petty cash and prepaid items of \$3,245; and the \$1,812 balance as of June 30, 2019 consisted of \$250 for petty cash balance and prepaid items of \$1,562.

*Unassigned* - In the general fund only, the unassigned fund balance classification reflects the residual balance that has not been assigned to other funds and that is not restricted, committed, or assigned to specific purposes. However, deficits in any fund, including the general fund that cannot be eliminated by reducing or eliminating amounts assigned to other purposes are reported as negative unassigned fund balance.

*Minimum Fund Balance Policy* – The District does not currently have a board approved minimum fund balance policy.

**Net Position.** Net Position represent the difference between assets and liabilities. Net Position invested in capital assets, net of related debt consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any borrowings used for the acquisition, construction or improvement of those assets. The District has related debt outstanding as of June 30, 2020. Net Position are reported as restricted when there are limitations imposed on their use either through the enabling legislation adopted by the District or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments. The District first applies restricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position are available. The district-wide financial statement has no restricted net position.

**SOLEDAD-MISSION RECREATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2020**

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**1 - F. Revenue and Expenditures / Expenses**

**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 or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, available means expected to be received within 60 days of fiscal year-end.

Property taxes are government mandated non-exchange transactions and are recognized when all eligibility requirements have been met. Secured property taxes are levied on property as it exists on January 1st at 12:01 a.m. Tax bills are generated every fiscal year (July 1 through June 30) and mailed in mid-October and payment may be made in two installments, due as follows:

- ❖ 1st Installment - Due November 1st, Delinquent after 5:00 p.m. December 10th.
- ❖ 2nd Installment - Due February 1st, Delinquent after 5:00 p.m. April 10th.

If the delinquency date falls on a Saturday, Sunday, or legal holiday, the hour of delinquency is extended to 5:00 p.m. the following business day.

The County of Monterey bills and collects the taxes on behalf of the District. The District recognizes property tax revenues actually received as reported by the Monterey County Auditor – Controller.

**Expenses/Expenditures.** On the accrual basis of accounting, expenses are recognized at the time they are incurred. The measurement focus of governmental fund accounting is on decreases in net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Principal and interest on long-term obligations, which has not matured, are recognized when paid in the governmental funds. Allocations of costs, such as depreciation and amortization, are not recognized in the governmental funds.

SOLEDAD-MISSION RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2020

**NOTE 2 – EXPLANATION OF DIFFERENCES BETWEEN THE FUND FINANCIAL STATEMENTS AND DISTRICT-WIDE STATEMENTS**

**2 - A. Governmental Funds Balance Sheet and Statement of Net Position**

	<u>2020</u>	<u>2019</u>
<b>Total Fund Balance - Governmental Funds</b>	\$ 193,144	\$ 171,333

Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

Capital assets:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation:

Capital assets	1,754,567	1,753,332
Accumulated depreciation	(1,164,426)	(1,126,965)

Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmaturing interest owing at the end of the period was:

(9,210)	(9,707)
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Long-term liabilities:

In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported.

Long-term liabilities relating to governmental activities consist of:

Capital leases payable	(321,735)	(352,997)
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<b>Total Net Position - Governmental Activities</b>	<b>\$ 452,340</b>	<b>\$ 434,996</b>
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**SOLEDAD-MISSION RECREATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2020**

**2 - B. Governmental Funds Operating Statements and the Statement of Activities**

	<u>2020</u>	<u>2019</u>
<b>Net Change in Fund Balances - Governmental Funds</b>	\$ 21,811	\$ (258)

Amounts reported for governmental activities in the statement of activities are different from amounts reported in governmental funds because:

Capital outlay:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of capital assets are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures and depreciation expense for the period is:

Expenditures for capital outlay:	1,236	16,667
Depreciation expense:	(37,461)	(36,863)

Debt service:

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:

	31,262	29,611
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Unmatured interest on long-term debt:

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period, was:

	496	816
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<b>Change in net position of Governmental Activities</b>	<b>\$ 17,344</b>	<b>\$ 9,973</b>
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SOLEDAD-MISSION RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2020

**NOTE 3 – DEPOSITS AND INVESTMENTS**

**3 - A. Summary of Deposits and Investments**

	<u>2020</u>	<u>2019</u>
Cash on hand	\$ 250	\$ 250
Deposits in financial institutions	48,247	34,110
Cash in County	150,313	159,054
<b>Total</b>	<b>\$ 198,810</b>	<b>\$ 193,414</b>

**3 - B. Policies and Practices**

A listing of allowable investment instruments per California Government Code §§16340, 16429.1, 53601, 53601.8, 53635, 53635.2, 53635.8, and 53638; applicable to all local agencies, is available on the Monterey County Treasurer’s website, at [http://www.co.monterey.ca.us/taxcollector/Treasury\\_Main.html](http://www.co.monterey.ca.us/taxcollector/Treasury_Main.html).

**3 - C. Cash Deposits**

*Custodial Credit Risk.* There is a risk that, in the event of a bank failure, the District’s deposits may not be returned. The District’s deposit policy requires that all deposits are covered by the Federal Depository Insurance Corporation (“FDIC”) or are collateralized as required by Statutes of the State. As of June 30, 2020 and June 30, 2019, the respective bank balances totaled \$63,038 and \$41,048, all of which was insured through the FDIC.

**NOTE 4 – CAPITAL ASSETS**

Capital asset activity was as follows:

	<u>Balance</u> <u>July 01, 2019</u>	<u>Additions</u>	<u>Balance</u> <u>June 30, 2020</u>
Capital assets not being depreciated			
Land	\$ 16,256	\$ -	\$ 16,256
Capital assets being depreciated			
Structures and improvements	\$ 1,612,612	\$ -	\$ 1,612,612
Furniture & equipment	124,464	1,235	125,699
Total Capital Assets Being Depreciated	1,737,076	1,235	1,738,311
Total Accumulated Depreciation	1,126,965	37,461	1,164,426
<b>Depreciable Capital Assets, net</b>	<b>\$ 610,111</b>	<b>\$ (36,226)</b>	<b>\$ 573,885</b>
<b>Total Capital Assets, net</b>	<b>\$ 626,367</b>	<b>\$ (36,226)</b>	<b>\$ 590,141</b>

SOLEDAD-MISSION RECREATION DISTRICT

NOTES TO FINANCIAL STATEMENTS, Continued  
 JUNE 30, 2020

	Balance July 01, 2018	Additions	Balance June 30, 2019
Capital assets not being depreciated			
Land	\$ 16,256	\$ -	\$ 16,256
Capital assets being depreciated			
Structures and improvements	\$ 1,597,612	\$ 15,000	\$ 1,612,612
Furniture & equipment	122,797	1,667	124,464
Total Capital Assets Being Depreciated	1,720,409	16,667	1,737,076
Total Accumulated Depreciation	1,090,102	36,863	1,126,965
<b>Depreciable Capital Assets, net</b>	<b>\$ 630,307</b>	<b>\$ (20,196)</b>	<b>\$ 610,111</b>
<b>Total Capital Assets, net</b>	<b>\$ 646,563</b>	<b>\$ (20,196)</b>	<b>\$ 626,367</b>

**NOTE 5 – ACCRUED LIABILITIES**

Accrued liabilities consisted of the following:

	June 30, 2020			June 30, 2019		
	General Fund	District- Wide	Total Govt. Activities	General Fund	District- Wide	Total Govt. Activities
Vendors payable	\$ 8,542	\$ -	\$ 8,542	\$ 13,352	\$ -	\$ 13,352
Payroll taxes	558	-	558	9,069	-	9,069
Sales taxes	174	-	174	443	-	443
Interest payable	-	9,210	9,210	-	9,707	9,707
<b>Total</b>	<b>\$ 9,274</b>	<b>\$ 9,210</b>	<b>\$ 18,484</b>	<b>\$ 22,864</b>	<b>\$ 9,707</b>	<b>\$ 32,571</b>

**NOTE 6 – LONG-TERM DEBT**

**6 - A. Long-Term Debt Summary**

	Balance July 01, 2019	Deductions	Balance June 30, 2020	Balance Due In One Year	Long-Term Balance
Capital leases	\$ 352,997	\$ 31,262	\$ 321,735	\$ 33,005	\$ 288,730

**SOLEDAD-MISSION RECREATION DISTRICT**

**NOTES TO FINANCIAL STATEMENTS, Continued**  
**JUNE 30, 2020**

	<b>Balance</b>		<b>Balance</b>	<b>Balance Due</b>	<b>Long-Term</b>
	<b>July 01, 2018</b>	<b>Deductions</b>	<b>June 30, 2019</b>	<b>In One Year</b>	<b>Balance</b>
Capital leases	\$ 382,608	\$ 29,611	\$ 352,997	\$ 31,262	\$ 321,735

**6 - B. Capital Leases**

On December 6, 2007 the District entered into an agreement with the Municipal Finance Corporation (“Corporation”) in the amount of \$605,000 including \$105,000 from The Morton Revocable Trust Fund (“Trust”) and \$500,000 from the West America Bank Fund to finance capital improvements to the pool facility. The lease allows the District to leaseback the pool facility from the Bank and Corporation to continue operations and make project improvements.

The title will pass to the District at the conclusion of the lease payments. The capital lease has minimum lease payments as follows:

<b>Year Ending June 30,</b>	<b>West America</b>	<b>Morton Revocable Trust</b>	<b>Total</b>
2021	\$ 41,532	\$ 8,721	\$ 50,253
2022	41,531	8,722	50,253
2023	41,532	8,721	50,253
2024	41,531	8,722	50,253
2025	41,532	8,721	50,253
2026 - 2029	124,594	26,166	150,760
Total payments	332,252	69,773	402,025
Less: Amount representing interest	(66,356)	(13,934)	(80,290)
Present value of minimum lease payments	\$ 265,896	\$ 55,839	\$ 321,735

**NOTE 7 – PARTICIPATION IN JOINT POWERS AUTHORITIES**

The District is a member of CAPRI JPA. CAPRI provides general liability, automobile liability, property loss, physical damage, earthquake and flood, automobile physical damage, boiler and machinery, crime coverage, identity theft expense reimbursement, and workers’ compensation coverage. The relationship is such that the JPAs are not component units of the District for financial reporting purposes.

These entities have budgeting and financial reporting requirements independent of member units and their financial statements are not presented in these financial statements; however, fund transactions between the entities and the District are included in these financial statements. Audited financial statements are available from the respective entities.

During the years ended June 30, 2019 and June 30, 2020, the District made payments totaling \$12,842 and \$15,655, respectively, to CAPRI.



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*REQUIRED SUPPLEMENTARY INFORMATION*

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**SOLEDAD-MISSION RECREATION DISTRICT**

**GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
JUNE 30, 2020**

	<u>Budgeted Amounts</u>			<b>Variances - Positive / (Negative) Final to Actual</b>
	<b>Original</b>	<b>Final</b>	<b>Actual</b>	
<b>REVENUES</b>				
Property taxes	\$ 330,000	\$ 330,000	\$ 355,309	\$ 25,309
Licenses and permits	-	-	1,100	1,100
Intergovernmental revenues	-	-	1,376	1,376
Charges for services	238,015	238,015	149,670	(88,345)
Revenue from use of money	-	-	2,899	2,899
Miscellaneous	8,200	8,200	9,193	993
<b>Total Revenues</b>	<b>576,215</b>	<b>576,215</b>	<b>519,547</b>	<b>(56,668)</b>
<b>EXPENDITURES</b>				
Current				
Salaries	283,185	283,185	241,431	41,754
Benefits	48,500	48,500	50,962	(2,462)
Materials and supplies	32,800	32,800	41,211	(8,411)
Services	203,973	203,973	112,642	91,331
Capital outlay	-	-	1,236	(1,236)
Debt service				
Principal	27,667	27,667	31,262	(3,595)
Interest and other	22,586	22,586	18,992	3,594
<b>Total Expenditures</b>	<b>618,711</b>	<b>618,711</b>	<b>497,736</b>	<b>120,975</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(42,496)</b>	<b>(42,496)</b>	<b>21,811</b>	<b>64,307</b>
<b>Fund Balance - Beginning</b>	<b>171,333</b>	<b>171,333</b>	<b>171,333</b>	
<b>Fund Balance - Ending</b>	<b>\$ 128,837</b>	<b>\$ 128,837</b>	<b>\$ 193,144</b>	<b>\$ 64,307</b>

SOLEDAD-MISSION RECREATION DISTRICT

GENERAL FUND – BUDGETARY COMPARISON SCHEDULE  
 JUNE 30, 2019

	<u>Budgeted Amounts</u>			Variances - Positive / (Negative) Final to Actual
	<u>Original</u>	<u>Final</u>	<u>Actual</u>	<u>Actual</u>
<b>REVENUES</b>				
Property taxes	\$ 318,220	\$ 318,220	\$ 343,624	\$ 25,404
Licenses and permits		-	1,431	1,431
Intergovernmental revenues	13,830	13,830	16,708	2,878
Charges for services	225,374	225,374	220,535	(4,839)
Revenue from use of money	2,059	2,059	3,430	1,371
Miscellaneous	18,213	18,213	21,988	3,775
<b>Total Revenues</b>	<b>577,696</b>	<b>577,696</b>	<b>607,716</b>	<b>30,020</b>
<b>EXPENDITURES</b>				
Current				
Salaries	266,500	266,500	285,510	(19,010)
Benefits	44,023	44,023	47,898	(3,875)
Materials and supplies	27,025	27,025	68,656	(41,631)
Services	175,415	175,415	138,986	36,429
Capital outlay	15,000	15,000	16,667	(1,667)
Debt service				
Principal	22,586	22,586	29,611	(7,025)
Interest and other	27,667	27,667	20,646	7,021
<b>Total Expenditures</b>	<b>578,216</b>	<b>578,216</b>	<b>607,974</b>	<b>(29,758)</b>
<b>NET CHANGE IN FUND BALANCE</b>	<b>(520)</b>	<b>(520)</b>	<b>(258)</b>	<b>262</b>
<b>Fund Balance - Beginning</b>	<b>171,591</b>	<b>171,591</b>	<b>171,591</b>	
<b>Fund Balance - Ending</b>	<b>\$ 171,071</b>	<b>\$ 171,071</b>	<b>\$ 171,333</b>	<b>\$ 262</b>