

**TEHACHAPI VALLEY
RECREATION AND PARK DISTRICT**

Per the State of California Executive Order N-29-20, this meeting will be held telephonically:

The public is invited to join the meeting via **Microsoft Teams** on your computer or mobile app
You're invited to join a Microsoft Teams meeting -

Title: TVRPD Regular Board Meeting - January 19, 2021

https://teams.microsoft.com/l/meetup-join/19%3ameeting_ZjRjMzdlMjYtNGViOC00MDA0LWExYTctMjY0ZTY2ODQ0ZGZj%40thread.v2/0?content=%7b%22id%22%3a%22ea300d7c-f009-4e18-8b47-dc5a2e0b626e%22%2c%22oid%22%3a%22579c9a4e-c16b-4401-bb4a-227dbedc8687%22%7d

**REGUALR BOARD MEETING
TUESDAY, JANUARY 19, 2021, 5:30 P.M.**

BOARD OF DIRECTORS

IAN STEELE, CHAIRPERSON
KALEB JUDY, VICE-CHAIRPERSON
WES BACKES, DIRECTOR
DWIGHT DREYER, DIRECTOR
SANDY CHAVEZ, 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 Special Board Meeting held August 25, 2020, (Pages 4-5).
- C. Approval of Minutes from the Regular Board Meeting held September 15, October 25, 2020, (Pages 6-9).
- D. Approval of the Preliminary Financial Reports for October and November 2020, (Pages 10-27).

5. RECREATION MANAGER REPORT

6. OPERATIONS MANAGER REPORT

7. DISTRICT MANAGER REPORT

8. AGENDA ITEMS

- A. Presentation of Tehachapi Valley Recreation and Park District’s Yearly Audit by Paul Kaymark from Nigro & Nigro Accountancy Corporation, (Pages 28-72).
- B. Resolution Approving the Application for Statewide Park Development and Community Revitalization Program Grant Funds – Discussion/Approval, Resolution #1-21 (Page 73).
- C. Resolution Authorizing Tehachapi Valley Recreation and Park District to enter into an Amendment with the State of California for Per Capita Grant Program Under the California Drought, Water Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018, – Discussion/Approval, Resolution #2-21 (Page 74).
- D. Approval of the Joint Impact Fee Study Update with the City of Tehachapi by Contributing \$6,175.00 (25%) prepared by Lechowicz & Tseng Municipal Consultants – Discussion/Approval, (Pages 75-78).

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 16, 2021.



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 19, 2021, Regular Board Meeting Agenda was posted at the following public places within the District on Friday, December 15, 2021, at 5:00 P.M. approximately:

- TVRPD, 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 15th day of January 2021.

Dated this 15th day of January 2021.

Carrie Champlin

Carrie Champlin
Clerk of the Board of Directors

**MINUTES OF THE SPECIAL BOARD MEETING
OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
410 WEST D STREET, TEHACHAPI, CALIFORNIA 93561
TUESDAY AUGUST 25, 2020, 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, Director
Wes Backes, Director
Sandy Chavez, Director
Dwight Dreyer, Director

1. **FLAG SALUTE:** Bill Fisher led the flag salute.

2. **ROLL CALL:** All present.

3. **PUBLIC COMMENTS:** None.

4. **CONSENT CALENDAR**

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

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.

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

Noes: None. Motion carried.

Absent: None.

B. **Approval of Minutes from the Regular Board Meeting held July 21, 2020.**

BOARD APPROVES THE MINUTES FROM THE REGULAR BOARD MEETING HELD ON JULY 21, 2020.

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

Noes: None. Motion carried.

Absent: None.

C. **Approval of TVRPD Kids Counselor Job Description.**

BOARD APPROVES THE TVRPD KIDS COUNSELOR JOB DESCRIPTION.

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

Noes: None. Motion carried.

Absent: None.

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 Tehachapi Valley Recreation and Park District’s Budget for Fiscal Year 20/21.

1. Public Hearing – Opened at 5:45 P.M.

One person from the public asked about interest expense.

Public Hearing - Closed at 5:50 P.M.

2. Approval of Tehachapi Valley Recreation and Park District’s Budget for Fiscal Year 2020/2021 - Discussion/Approval, Resolution #3-20

BOARD APPROVES TEHACHAPI VALLEY RECREATION AND PARK DISTRICT BUDGET FOR FISCAL YEAR 2020/2021, RESOLUTION #3-20.

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

Noes: None. Motion carried.

Absent: None.

B. Dye Natatorium Facility Discussion.

Board discussed getting the Dye Natatorium facility infrastructure inspected and directed staff to hire an inspection.

9. BOARD OF DIRECTORS TIME: The board thanked TVRPD staff and District Manager Torres for all their hard work and Director Chavez stated that she is looking forward to seeing the report on the Dye Natatorium.

10. ADJOURNMENT

Having no further business the meeting was adjourned at 6:16 P.M. to the Regular Board meeting of the Directors of Tehachapi Valley Recreation and Park District scheduled on September 15, 2020.

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

Noes: None. Motion carried.

Absent:None.

Respectfully Submitted,

Carrie Champlin

Carrie Champlin, Clerk of the Board

**MINUTES OF THE REGULAR BOARD MEETING
OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
410 WEST D STREET, TEHACHAPI, CALIFORNIA 93561
TUESDAY SEPTEMBER 15, 2020, 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, Director
Wes Backes, Director
Sandy Chavez, Director
Dwight Dreyer, Director

1. **FLAG SALUTE:** Bill Fisher led the flag salute.

2. **ROLL CALL:** Director Backes and Chavez were absent.

3. **PUBLIC COMMENTS:** One member of the public spoke.

4. CONSENT CALENDAR

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

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.

Judy-Dreyer: Ayes: Steele; Judy; Dreyer

Noes: None. Motion carried.

Absent: Backes; Chavez

B. Approval of the Preliminary Financial Reports for June, 2020.

BOARD APPROVES THE PRELIMINARY FINANCIAL REPORTS FOR JUNE 2020.

Judy-Dreyer: Ayes: Steele; Judy; Dreyer

Noes: None. Motion carried.

Absent: Backes; Chavez

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. MNS Engineers Fee Proposal for the Proposition 68 Statewide Park Program (SPP) Round 4 Grant Writing and Project Scoping Services ‘New Park Project’ Authorizing the District Manager to Spend an Amount not to Exceed \$26,274.00.

BOARD APPROVES MNS ENGINEERS FEE PROPOSAL FOR THE PROPOSITION 68 STATEWIDE PARK PROGRAM (SPP) ROUND 4 GRANT WRITING AND PROJECT SCOPING SERVICES ‘NEW PARK PROJECT’ AUTORIZING THE DISTRICT MANAGER TO SPEND AN AMOUNT NOT TO EXCEED \$26,274.00.

Dreyer - Judy; Ayes: Steele; Judy; Dreyer

Noes: None. Motion carried.

Absent: Backes; Chavez

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 5:55 P.M. to the Regular Board meeting of the Directors of Tehachapi Valley Recreation and Park District scheduled on October 20, 2020.

Dreyer - Judy; Ayes: Steele; Judy; Dreyer

Noes: None. Motion carried.

Absent: Backes; Chavez

Respectfully Submitted,

Carrie Champlin
Carrie Champlin, Clerk of the Board

**MINUTES OF THE REGULAR BOARD MEETING
OF THE TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
410 WEST D STREET, TEHACHAPI, CALIFORNIA 93561
TUESDAY OCTOBER 20, 2020, 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, Director
Wes Backes, Director
Sandy Chavez, Director
Dwight Dreyer, Director

1. FLAG SALUTE: Bill Fisher led the flag salute.

2. ROLL CALL: Director Backes and Chavez were absent.

3. PUBLIC COMMENTS: None.

4. CONSENT CALENDAR

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

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 - Judy: Ayes: Steele; Judy; Dreyer

Noes: None. Motion carried.

Absent: Backes; Chavez

B. Approval of the Preliminary Financial Reports for July, 2020.

BOARD APPROVES THE PRELIMINARY FINANCIAL REPORTS FOR JULY 2020.

Dreyer - Judy: Ayes: Steele; Judy; Dreyer

Noes: None. Motion carried.

Absent: Backes; Chavez

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. Approving the Employer Paid Portion of Medical Benefits in an Amount not to exceed \$1000.00 per Month per Employee Resolution # 4-20.
 BOARD APPROVES THE EMPLOYER PAID PORTION OF MEDICAL BENEFITS IN AND AMOUNT NOT TO EXCEED \$1000.00 PER MONTH PER EMPLOYEE, RESOLUTION #4-20.
Dreyer - Judy; Ayes: Steele; Judy; Dreyer
Noes: None. Motion carried.
Absent: Backes; Chavez
- B. Tehachapi Little League Final Invoice for the 2020 Season.
 BOARD APPROVES WAIVING THE REMAINING FEES FOR TEHACHAPI LITTLE LEAGUE 2020 SEASON DUE TO COVID-19.
Dreyer - Judy; Ayes: Steele; Judy; Dreyer
Noes: None. Motion carried.
Absent: Backes; Chavez
- C. Approving the Irrevocable Offer of Dedication for Roadway Purposes, Extension of Pinon Street Paving.
 BOARD APPROVES THE IRREVOCABLE OFFER OF DEDICATION FOR ROADWAY PURPOSES, EXTENSION OF PINON STREET PAVING.
Dreyer - Judy; Ayes: Steele; Judy; Dreyer
Noes: None. Motion carried.
Absent: Backes; Chavez
- D. Ollie Mountain Skate Park.
 BOARD CREATED AN OLLIE MOUNTAIN SKATE PARK AD HOC COMMITTEE TO BE HEADED BY ASHLEY KREMPIEN AND CHAIRPERSON IAN STEELE.

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 6:31 P.M. to the Regular Board meeting of the Directors of Tehachapi Valley Recreation and Park District scheduled on November 17, 2020.

Dreyer - Judy; Ayes: Steele; Judy; Dreyer
Noes: None. Motion carried.
Absent: Backes; Chavez

Respectfully Submitted,

Carrie Champlin
Carrie Champlin, Clerk of the Board



Tehachapi Valley Recreation and Park District

BALANCE SHEET

As of October 31, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash in County Treasury General Fund	791,657.56
1004 Check BOTS 4470	92,562.92
1005 County Treasury Capital Projects Fund	232,100.40
1006 County FMV	18,718.00
1051 Change Fund	950.00
1100 Petty Cash Fund	400.00
Total Bank Accounts	\$1,136,388.88
Accounts Receivable	
1200 Accounts Receivable	2,150.00
Total Accounts Receivable	\$2,150.00
Other Current Assets	
1092 Credit Card Receivables	-2,499.38
1096 Undeposited Funds	1,190.00
1210 Inventory Asset	3,763.84
Total Other Current Assets	\$2,454.46
Total Current Assets	\$1,140,993.34
Fixed Assets	
1150 Land	166,734.76
1161 Building	540,391.52
1162 Improvements	3,058,111.76
1163 Equipment	1,202,057.05
1166 Furniture & Fixtures	27,502.88
1167 Machinery	48,662.24
1170 Accumulated Depreciation	-3,236,447.00
1180 Fleet Vehicles and Equipment	162,109.22
Total Fixed Assets	\$1,969,122.43
Other Assets	
1901 DOR-Pension Contributions	45,624.00
1903 DOR-Pension Related	70,912.00
Total Other Assets	\$116,536.00
TOTAL ASSETS	\$3,226,651.77
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable-General Fund	36,231.39
Total Accounts Payable	\$36,231.39
Credit Cards	
2010 Cardmember Services Payable	2,615.76



Tehachapi Valley Recreation and Park District

BALANCE SHEET

As of October 31, 2020

	TOTAL
2014 Home Depot Payable	488.23
Total Credit Cards	\$3,103.99
Other Current Liabilities	
2024 Accrued Vacation, Sick, & Comp Time	60,134.72
2208 Kern County Loan Payable	450,000.00
2210 Payroll Liabilities	6,934.30
2270 Refundable Deposits	5,500.00
Total Other Current Liabilities	\$522,569.02
Total Current Liabilities	\$561,904.40
Long-Term Liabilities	
2310 Loan Payable 2016	457,805.00
2900 Net Pension Liability	244,292.00
2902 DIR-Pension Related	46,365.00
Total Long-Term Liabilities	\$748,462.00
Total Liabilities	\$1,310,366.40
Equity	
3010 Net Investment In Capital Assets	1,440,198.99
3020 Restricted Funds	326,173.44
3110 Retained Earnings	333,481.78
Net Income	-183,568.84
Total Equity	\$1,916,285.37
TOTAL LIABILITIES AND EQUITY	\$3,226,651.77



Tehachapi Valley Recreation and Park District

PROFIT AND LOSS

October 2020

	TOTAL		
	OCT 2020	JUL - OCT, 2020 (YTD)	% OF INCOME
Income			
4010 Property Taxes	27,405.52	84,237.50	55.30 %
4020 Interest Income	1,910.71	3,146.63	3.86 %
4020.1 Interest Income Cap Proj Fund	652.28	1,016.51	1.32 %
4030 Adult Program Revenues		-4,318.50	
4050 Facility Revenue	17,051.00	78,242.75	34.41 %
4210 Events Revenues		145.00	
4300 Youth Program Revenues	2,540.00	2,551.80	5.13 %
4650 Discounts given		-260.00	
Total Income	\$49,559.51	\$164,761.69	100.00 %
Cost of Goods Sold			
5004 Contracted Classes Costs	2,000.00	4,400.00	4.04 %
5005 Events Costs		1,948.76	
5008 Youth Program Costs	107.99	2,393.13	0.22 %
5110 Scholarship Fund Expense		117.30	
Total Cost of Goods Sold	\$2,107.99	\$8,859.19	4.25 %
GROSS PROFIT	\$47,451.52	\$155,902.50	95.75 %
Expenses			
6000 Employee Costs	76,719.90	251,189.01	154.80 %
7010 Advertising & Marketing	881.66	2,325.12	1.78 %
7020 Bank Service Charges	963.45	4,642.38	1.94 %
7030 Dues & Subscriptions		2,739.46	
7035 Equipment Rents & Leases		1,002.98	
7050 Insurance		24,655.50	
7056 Interest Expense		1,266.81	
7060 Licenses & Fees	689.44	2,859.53	1.39 %
7070 Maintenance	8,553.96	25,024.27	17.26 %
7084 Meals & Entertainment	302.38	883.40	0.61 %
7090 Office Supplies	3,517.24	9,145.03	7.10 %
7120 Professional Development		814.00	
7150 Professional Fees	3,644.00	20,319.34	7.35 %
7160 Safety Equipment	34.19	34.19	0.07 %
7180 Security	524.95	1,199.80	1.06 %
7210 Telephone and Internet	2,371.63	5,334.97	4.79 %
7230 Uniforms & Apparel		476.95	
7250 Utilities	6,168.73	24,024.60	12.45 %
Total Expenses	\$104,971.53	\$377,937.34	210.60 %
NET OPERATING INCOME	\$ -56,920.01	\$ -222,034.84	-114.85 %
Other Income			
8040 TVRPD Development Fee Revenues	17,096.00	38,466.00	34.50 %
Total Other Income	\$17,096.00	\$38,466.00	34.50 %



Tehachapi Valley Recreation and Park District

PROFIT AND LOSS

October 2020

		TOTAL	
	OCT 2020	JUL - OCT, 2020 (YTD)	% OF INCOME
NET OTHER INCOME	\$17,096.00	\$38,466.00	34.50 %
NET INCOME	\$ -39,824.01	\$ -183,568.84	-80.36 %



Tehachapi Valley Recreation and Park District

PROFIT & LOSS PRIOR YEAR COMPARISON

October 2020

	TOTAL			
	OCT 2020	OCT 2019 (PY)	CHANGE	% CHANGE
Income				
4010 Property Taxes	27,405.52	12,833.24	14,572.28	113.55 %
4020 Interest Income	1,910.71	1,937.47	-26.76	-1.38 %
4020.1 Interest Income Cap Proj Fund	652.28	470.43	181.85	38.66 %
4030 Adult Program Revenues		2,274.00	-2,274.00	-100.00 %
4050 Facility Revenue	17,051.00	12,338.00	4,713.00	38.20 %
4210 Events Revenues		3,090.50	-3,090.50	-100.00 %
4216 Scholarship Donations		25.00	-25.00	-100.00 %
4300 Youth Program Revenues	2,540.00	15,463.00	-12,923.00	-83.57 %
4610 Billable Expense Income		5,855.50	-5,855.50	-100.00 %
4650 Discounts given		-553.00	553.00	100.00 %
Total Income	\$49,559.51	\$53,734.14	\$ -4,174.63	-7.77 %
Cost of Goods Sold				
5004 Contracted Classes Costs	2,000.00	1,679.75	320.25	19.07 %
5005 Events Costs		6,797.23	-6,797.23	-100.00 %
5008 Youth Program Costs	107.99	887.52	-779.53	-87.83 %
5110 Scholarship Fund Expense		111.00	-111.00	-100.00 %
Total Cost of Goods Sold	\$2,107.99	\$9,475.50	\$ -7,367.51	-77.75 %
GROSS PROFIT	\$47,451.52	\$44,258.64	\$3,192.88	7.21 %
Expenses				
6000 Employee Costs	76,719.90	48,472.46	28,247.44	58.28 %
7010 Advertising & Marketing	881.66	1,430.13	-548.47	-38.35 %
7020 Bank Service Charges	963.45	777.30	186.15	23.95 %
7026 Charitable Contribution		18,200.00	-18,200.00	-100.00 %
7030 Dues & Subscriptions		608.88	-608.88	-100.00 %
7050 Insurance		2,711.16	-2,711.16	-100.00 %
7060 Licenses & Fees	689.44	331.72	357.72	107.84 %
7070 Maintenance	8,553.96	7,848.64	705.32	8.99 %
7084 Meals & Entertainment	302.38	226.56	75.82	33.47 %
7090 Office Supplies	3,517.24	786.90	2,730.34	346.97 %
7150 Professional Fees	3,644.00	3,240.61	403.39	12.45 %
7160 Safety Equipment	34.19		34.19	
7180 Security	524.95	329.96	194.99	59.10 %
7210 Telephone and Internet	2,371.63	657.55	1,714.08	260.68 %
7230 Uniforms & Apparel		86.87	-86.87	-100.00 %
7250 Utilities	6,168.73	7,805.40	-1,636.67	-20.97 %
Total Expenses	\$104,371.53	\$93,514.14	\$10,857.39	11.61 %
NET OPERATING INCOME	\$ -56,920.01	\$ -49,255.50	\$ -7,664.51	-15.56 %
Other Income				
8040 TVRPD Development Fee Revenues	17,096.00	6,411.00	10,685.00	166.67 %
Total Other Income	\$17,096.00	\$6,411.00	\$10,685.00	166.67 %



Tehachapi Valley Recreation and Park District

PROFIT & LOSS PRIOR YEAR COMPARISON

October 2020

	TOTAL			
	OCT 2020	OCT 2019 (PY)	CHANGE	% CHANGE
NET OTHER INCOME	\$17,096.00	\$6,411.00	\$10,685.00	166.67 %
NET INCOME	\$ -39,824.01	\$ -42,844.50	\$3,020.49	7.05 %



Tehachapi Valley Recreation and Park District

STATEMENT OF CASH FLOWS

October 2020

	TOTAL
OPERATING ACTIVITIES	
Net Income	-39,824.01
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	2,791.84
1092 Credit Card Receivables	25.00
2000 Accounts Payable-General Fund	29,037.57
2010 Cardmember Services Payable	-5,634.87
2014 Home Depot Payable	488.23
2211 Payroll Liabilities:CalPERS Payable	2,481.88
2231 Payroll Liabilities:Health Plan Payable	2,762.16
2241 Payroll Liabilities:AFLAC Payable	-15.76
2250 Payroll Liabilities:Payroll Tax Liabilities	3,290.32
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	35,226.37
Net cash provided by operating activities	\$ -4,597.64
INVESTING ACTIVITIES	
1163 Equipment	-6,413.12
Net cash provided by investing activities	\$ -6,413.12
FINANCING ACTIVITIES	
3010 Net Investment In Capital Assets	-17,096.00
3022 Restricted Funds:Capital Projects	17,096.00
Net cash provided by financing activities	\$0.00
NET CASH INCREASE FOR PERIOD	\$ -11,010.76
Cash at beginning of period	1,148,589.64
CASH AT END OF PERIOD	\$1,137,578.88



Tehachapi Valley Recreation and Park District

TVRPD BUDGET VS ACTUAL 2020-2021

July - October, 2020

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
4010 Property Taxes	84,237.50	953,595.63	869,358.13	91.17 %
4020 Interest Income	3,146.63	10,551.82	7,405.19	70.18 %
4020.1 Interest Income Cap Proj Fund	1,016.51		-1,016.51	
4030 Adult Program Revenues	-4,318.50	41,360.00	45,678.50	110.44 %
4050 Facility Revenue	78,242.75	182,660.00	104,417.25	57.16 %
4210 Events Revenues	145.00	59,100.00	58,955.00	99.75 %
4213 Operational Grants		61,375.00	61,375.00	100.00 %
4300 Youth Program Revenues	2,551.80	372,470.00	369,918.20	99.31 %
4610 Billable Expense Income		18,050.00	18,050.00	100.00 %
4650 Discounts given	-260.00	-6,000.00	-5,740.00	95.67 %
4704 Sales		600.00	600.00	100.00 %
Total Income	\$164,761.69	\$1,693,762.45	\$1,529,000.76	90.27 %
Cost of Goods Sold				
5001 Adult Program Costs		5,940.00	5,940.00	100.00 %
5002 Fish Stocking		7,500.00	7,500.00	100.00 %
5004 Contracted Classes Costs	4,400.00	38,225.00	33,825.00	88.49 %
5005 Events Costs	1,948.76	73,025.00	71,076.24	97.33 %
5008 Youth Program Costs	2,393.13	65,650.00	63,256.87	96.35 %
5110 Scholarship Fund Expense	117.30	4,000.00	3,882.70	97.07 %
5704 Purchases for Resale		2,300.00	2,300.00	100.00 %
Total Cost of Goods Sold	\$8,859.19	\$196,640.00	\$187,780.81	95.49 %
GROSS PROFIT	\$155,902.50	\$1,497,122.45	\$1,341,219.95	89.59 %
Expenses				
6000 Employee Costs	251,189.01	990,700.00	739,510.99	74.65 %
7010 Advertising & Marketing	2,325.12	40,000.00	37,674.88	94.19 %
7020 Bank Service Charges	4,642.38	14,000.00	9,357.62	66.84 %
7026 Charitable Contribution		18,500.00	18,500.00	100.00 %
7030 Dues & Subscriptions	2,739.46	7,000.00	4,260.54	60.86 %
7035 Equipment Rents & Leases	1,002.98	4,300.00	3,297.02	76.67 %
7050 Insurance	24,655.50	35,500.00	10,844.50	30.55 %
7056 Interest Expense	1,266.81	18,000.00	16,733.19	92.96 %
7060 Licenses & Fees	2,859.53	21,000.00	18,140.47	86.38 %
7070 Maintenance	25,024.27	102,200.00	77,175.73	75.51 %
7084 Meals & Entertainment	883.40	4,000.00	3,116.60	77.92 %
7090 Office Supplies	9,145.03	14,000.00	4,854.97	34.68 %
7120 Professional Development	814.00	7,500.00	6,686.00	89.15 %
7150 Professional Fees	20,319.34	79,500.00	59,180.66	74.44 %
7160 Property Tax Collection Fee		14,000.00	14,000.00	100.00 %
7160 Safety Equipment	34.19	2,000.00	1,965.81	98.29 %
7180 Security	1,199.80	5,700.00	4,500.20	78.95 %
7210 Telephone and Internet	5,334.97	12,000.00	6,665.03	55.54 %



Tehachapi Valley Recreation and Park District

TVRPD BUDGET VS ACTUAL 2020-2021

July - October, 2020

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
7230 Uniforms & Apparel	476.95	3,000.00	2,523.05	84.10 %
7250 Utilities	24,024.60	79,655.00	55,630.40	69.84 %
Total Expenses	\$377,937.34	\$1,472,555.00	\$1,094,617.66	74.33 %
NET OPERATING INCOME	\$ -222,034.84	\$24,567.45	\$246,602.29	1,003.78 %
Other Income				
8040 TVRPD Development Fee Revenues	38,466.00		-38,466.00	
Total Other Income	\$38,466.00	\$0.00	\$ -38,466.00	0.00%
NET OTHER INCOME	\$38,466.00	\$0.00	\$ -38,466.00	0.00%
NET INCOME	\$ -183,568.84	\$24,567.45	\$208,136.29	847.20 %



Tehachapi Valley Recreation and Park District

BALANCE SHEET

As of November 30, 2020

	TOTAL
ASSETS	
Current Assets	
Bank Accounts	
1000 Cash in County Treasury General Fund	728,650.85
1004 Check BOTS 4470	124,979.62
1005 County Treasury Capital Projects Fund	240,648.40
1006 County FMV	18,718.00
1007 Square Inc	1,002.29
1051 Change Fund	950.00
1100 Petty Cash Fund	400.00
Total Bank Accounts	\$1,115,349.16
Other Current Assets	
1092 Credit Card Receivables	-601.97
1210 Inventory Asset	3,763.84
Total Other Current Assets	\$3,161.87
Total Current Assets	\$1,118,511.03
Fixed Assets	
1150 Land	166,734.76
1161 Building	540,391.52
1162 Improvements	3,067,031.76
1163 Equipment	1,202,057.05
1166 Furniture & Fixtures	27,502.88
1167 Machinery	48,662.24
1170 Accumulated Depreciation	-3,236,447.00
1180 Fleet Vehicles and Equipment	162,109.22
Total Fixed Assets	\$1,978,042.43
Other Assets	
1901 DOR-Pension Contributions	45,624.00
1903 DOR-Pension Related	70,912.00
Total Other Assets	\$116,536.00
TOTAL ASSETS	\$3,213,089.46
LIABILITIES AND EQUITY	
Liabilities	
Current Liabilities	
Accounts Payable	
2000 Accounts Payable-General Fund	28,171.52
Total Accounts Payable	\$28,171.52
Credit Cards	
2010 Cardmember Services Payable	6,379.84
Total Credit Cards	\$6,379.84
Other Current Liabilities	
2024 Accrued Vacation, Sick, & Comp Time	60,134.72



Tehachapi Valley Recreation and Park District

BALANCE SHEET As of November 30, 2020

	TOTAL
2208 Kern County Loan Payable	450,000.00
2210 Payroll Liabilities	6,622.53
2270 Refundable Deposits	5,500.00
Total Other Current Liabilities	\$522,257.25
Total Current Liabilities	\$556,808.61
Long-Term Liabilities	
2310 Loan Payable 2016	457,805.00
2900 Net Pension Liability	244,292.00
2902 DIR-Pension Related	46,365.00
Total Long-Term Liabilities	\$748,462.00
Total Liabilities	\$1,305,270.61
Equity	
3010 Net Investment In Capital Assets	1,430,998.71
3020 Restricted Funds	335,373.72
3110 Retained Earnings	333,481.78
Net Income	-192,035.36
Total Equity	\$1,907,818.85
TOTAL LIABILITIES AND EQUITY	\$3,213,089.46



Tehachapi Valley Recreation and Park District

PROFIT AND LOSS

November 2020

	TOTAL		
	NOV 2020	JUL - NOV, 2020 (YTD)	% OF INCOME
Income			
4010 Property Taxes	36,817.04	121,054.54	63.76 %
4020 Interest Income	176.25	3,322.88	0.31 %
4020.1 Interest Income Cap Proj Fund		1,016.51	
4030 Adult Program Revenues		-4,318.50	
4050 Facility Revenue	17,029.41	95,272.16	29.49 %
4210 Events Revenues	-125.00	20.00	-0.22 %
4300 Youth Program Revenues		2,551.80	
4610 Billable Expense Income	3,841.16	3,841.16	6.65 %
4650 Discounts given		-260.00	
Total Income	\$57,738.86	\$222,500.55	100.00 %
Cost of Goods Sold			
5004 Contracted Classes Costs	2,000.00	6,400.00	3.46 %
5005 Events Costs		1,948.76	
5008 Youth Program Costs		2,393.13	
5110 Scholarship Fund Expense		117.30	
Total Cost of Goods Sold	\$2,000.00	\$10,859.19	3.46 %
GROSS PROFIT	\$55,738.86	\$211,641.36	96.54 %
Expenses			
6000 Employee Costs	46,544.44	297,733.45	80.61 %
7010 Advertising & Marketing	284.17	2,609.29	0.49 %
7020 Bank Service Charges	797.11	5,439.49	1.38 %
7030 Dues & Subscriptions		2,739.46	
7035 Equipment Rents & Leases	623.09	1,626.07	1.08 %
7050 Insurance		24,655.50	
7056 Interest Expense		1,266.81	
7060 Licenses & Fees	2,627.35	5,486.88	4.55 %
7070 Maintenance	3,150.83	28,175.10	5.46 %
7084 Meals & Entertainment	351.38	1,234.78	0.61 %
7090 Office Supplies	857.39	10,002.42	1.48 %
7120 Professional Development		814.00	
7150 Professional Fees	10,351.67	30,671.01	17.93 %
7160 Safety Equipment		34.19	
7180 Security	224.95	1,424.75	0.39 %
7210 Telephone and Internet	475.68	5,810.65	0.82 %
7230 Uniforms & Apparel	1,145.63	1,622.58	1.98 %
7250 Utilities	5,319.69	29,344.29	9.21 %
Total Expenses	\$72,753.38	\$450,690.72	126.00 %
NET OPERATING INCOME	\$ -17,014.52	\$ -239,049.36	-29.47 %
Other Income			
8040 TVRPD Development Fee Revenues	8,548.00	47,014.00	14.80 %



Tehachapi Valley Recreation and Park District

PROFIT AND LOSS

November 2020

	TOTAL		
	NOV 2020	JUL - NOV, 2020 (YTD)	% OF INCOME
Total Other Income	\$8,548.00	\$47,014.00	14.80 %
NET OTHER INCOME	\$8,548.00	\$47,014.00	14.80 %
NET INCOME	\$-8,466.52	\$-192,035.36	-14.66 %



Tehachapi Valley Recreation and Park District

PROFIT & LOSS PRIOR YEAR COMPARISON

November 2020

	TOTAL			
	NOV 2020	NOV 2019 (PY)	CHANGE	% CHANGE
Income				
4010 Property Taxes	36,817.04	35,508.62	1,308.42	3.68 %
4020 Interest Income	176.25	922.32	-746.07	-80.89 %
4020.1 Interest Income Cap Proj Fund		254.52	-254.52	-100.00 %
4030 Adult Program Revenues		615.00	-615.00	-100.00 %
4050 Facility Revenue	17,029.41	2,168.00	14,861.41	685.49 %
4210 Events Revenues	-125.00	8,911.00	-9,036.00	-101.40 %
4213 Operational Grants		18,000.00	-18,000.00	-100.00 %
4216 Scholarship Donations		45.00	-45.00	-100.00 %
4300 Youth Program Revenues		26,521.00	-26,521.00	-100.00 %
4610 Billable Expense Income	3,841.16		3,841.16	
4650 Discounts given		-670.70	670.70	100.00 %
4704 Sales		2,440.10	-2,440.10	-100.00 %
Total Income	\$57,738.86	\$94,714.86	\$-36,976.00	-39.04 %
Cost of Goods Sold				
5004 Contracted Classes Costs	2,000.00	8,098.38	-6,098.38	-75.30 %
5005 Events Costs		2,230.99	-2,230.99	-100.00 %
5008 Youth Program Costs		416.69	-416.69	-100.00 %
5110 Scholarship Fund Expense		643.00	-643.00	-100.00 %
Total Cost of Goods Sold	\$2,000.00	\$11,389.06	\$-9,389.06	-82.44 %
GROSS PROFIT	\$55,738.86	\$83,325.80	\$-27,586.94	-33.11 %
Expenses				
6000 Employee Costs	46,544.44	65,949.01	-19,404.57	-29.42 %
7010 Advertising & Marketing	284.17	3,159.07	-2,874.90	-91.00 %
7020 Bank Service Charges	797.11	870.40	-73.29	-8.42 %
7030 Dues & Subscriptions		680.18	-680.18	-100.00 %
7035 Equipment Rents & Leases	623.09	862.93	-239.84	-27.79 %
7050 Insurance		2,861.90	-2,861.90	-100.00 %
7060 Licenses & Fees	2,627.35	3,659.71	-1,032.36	-28.21 %
7070 Maintenance	3,150.83	2,448.36	702.47	28.69 %
7084 Meals & Entertainment	351.38	734.78	-383.40	-52.18 %
7090 Office Supplies	857.39	1,195.44	-338.05	-28.28 %
7120 Professional Development		-150.00	150.00	100.00 %
7150 Professional Fees	10,351.67	8,575.00	1,776.67	20.72 %
7180 Security	224.95	213.46	11.49	5.38 %
7210 Telephone and Internet	475.68	318.55	157.13	49.33 %
7230 Uniforms & Apparel	1,145.63	1,117.84	27.79	2.49 %
7250 Utilities	5,319.69	4,212.94	1,106.75	26.27 %
Total Expenses	\$72,753.38	\$96,709.57	\$-23,956.19	-24.77 %
NET OPERATING INCOME	\$-17,014.52	\$-13,383.77	\$-3,630.75	-27.13 %
Other Income				



Tehachapi Valley Recreation and Park District

PROFIT & LOSS PRIOR YEAR COMPARISON

November 2020

	TOTAL			
	NOV 2020	NOV 2019 (PY)	CHANGE	% CHANGE
8040 TVRPD Development Fee Revenues	8,548.00	6,411.00	2,137.00	33.33 %
Total Other Income	\$8,548.00	\$6,411.00	\$2,137.00	33.33 %
NET OTHER INCOME	\$8,548.00	\$6,411.00	\$2,137.00	33.33 %
NET INCOME	\$ -8,466.52	\$ -6,972.77	\$ -1,493.75	-21.42 %



Tehachapi Valley Recreation and Park District

STATEMENT OF CASH FLOWS

November 2020

	TOTAL
OPERATING ACTIVITIES	
Net Income	-8,466.52
Adjustments to reconcile Net Income to Net Cash provided by operations:	
1200 Accounts Receivable	2,150.00
1092 Credit Card Receivables	-1,897.41
2000 Accounts Payable-General Fund	-8,059.87
2010 Cardmember Services Payable	3,764.08
2014 Home Depot Payable	-488.23
2200 Suspense	0.00
2211 Payroll Liabilities:CalPERS Payable	-46.76
2231 Payroll Liabilities:Health Plan Payable	-523.97
2241 Payroll Liabilities:AFLAC Payable	205.20
2250 Payroll Liabilities:Payroll Tax Liabilities	53.76
Employee Cash Advances	0.00
Total Adjustments to reconcile Net Income to Net Cash provided by operations:	-4,843.20
Net cash provided by operating activities	\$ -13,309.72
INVESTING ACTIVITIES	
1162 Improvements	-8,920.00
Net cash provided by investing activities	\$ -8,920.00
FINANCING ACTIVITIES	
3010 Net Investment In Capital Assets	-8,548.00
3022 Restricted Funds:Capital Projects	8,548.00
Net cash provided by financing activities	\$0.00
NET CASH INCREASE FOR PERIOD	\$ -22,229.72
Cash at beginning of period	1,137,578.88
CASH AT END OF PERIOD	\$1,115,349.16



Tehachapi Valley Recreation and Park District

TVRPD BUDGET VS ACTUAL 2020-2021

July - November, 2020

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
Income				
4010 Property Taxes	121,054.54	953,595.63	832,541.09	87.31 %
4020 Interest Income	3,322.88	10,551.82	7,228.94	68.51 %
4020.1 Interest Income Cap Proj Fund	1,016.51		-1,016.51	
4030 Adult Program Revenues	-4,318.50	41,360.00	45,678.50	110.44 %
4050 Facility Revenue	95,272.16	182,660.00	87,387.84	47.84 %
4210 Events Revenues	20.00	59,100.00	59,080.00	99.97 %
4213 Operational Grants		61,375.00	61,375.00	100.00 %
4300 Youth Program Revenues	2,551.80	372,470.00	369,918.20	99.31 %
4610 Billable Expense Income	3,841.16	18,050.00	14,208.84	78.72 %
4650 Discounts given	-260.00	-6,000.00	-5,740.00	95.67 %
4704 Sales		600.00	600.00	100.00 %
Total Income	\$222,500.55	\$1,693,762.45	\$1,471,261.90	86.86 %
Cost of Goods Sold				
5001 Adult Program Costs		5,940.00	5,940.00	100.00 %
5002 Fish Stocking		7,500.00	7,500.00	100.00 %
5004 Contracted Classes Costs	6,400.00	38,225.00	31,825.00	83.26 %
5005 Events Costs	1,948.76	73,025.00	71,076.24	97.33 %
5008 Youth Program Costs	2,393.13	65,650.00	63,256.87	96.35 %
5110 Scholarship Fund Expense	117.30	4,000.00	3,882.70	97.07 %
5704 Purchases for Resale		2,300.00	2,300.00	100.00 %
Total Cost of Goods Sold	\$10,859.19	\$196,640.00	\$185,780.81	94.48 %
GROSS PROFIT	\$211,641.36	\$1,497,122.45	\$1,285,481.09	85.86 %
Expenses				
6000 Employee Costs	297,733.45	990,700.00	692,966.55	69.95 %
7010 Advertising & Marketing	2,609.29	40,000.00	37,390.71	93.48 %
7020 Bank Service Charges	5,439.49	14,000.00	8,560.51	61.15 %
7026 Charitable Contribution		18,500.00	18,500.00	100.00 %
7030 Dues & Subscriptions	2,739.46	7,000.00	4,260.54	60.86 %
7035 Equipment Rents & Leases	1,626.07	4,300.00	2,673.93	62.18 %
7050 Insurance	24,655.50	35,500.00	10,844.50	30.55 %
7056 Interest Expense	1,266.81	18,000.00	16,733.19	92.96 %
7060 Licenses & Fees	5,486.88	21,000.00	15,513.12	73.87 %
7070 Maintenance	28,175.10	102,200.00	74,024.90	72.43 %
7084 Meals & Entertainment	1,234.78	4,000.00	2,765.22	69.13 %
7090 Office Supplies	10,002.42	14,000.00	3,997.58	28.55 %
7120 Professional Development	814.00	7,500.00	6,686.00	89.15 %
7150 Professional Fees	30,671.01	79,500.00	48,828.99	61.42 %
7160 Property Tax Collection Fee		14,000.00	14,000.00	100.00 %
7160 Safety Equipment	34.19	2,000.00	1,965.81	98.29 %
7180 Security	1,424.75	5,700.00	4,275.25	75.00 %
7210 Telephone and Internet	5,810.65	12,000.00	6,189.35	51.58 %



Tehachapi Valley Recreation and Park District

TVRPD BUDGET VS ACTUAL 2020-2021

July - November, 2020

	TOTAL			
	ACTUAL	BUDGET	REMAINING	% REMAINING
7230 Uniforms & Apparel	1,622.58	3,000.00	1,377.42	45.91 %
7250 Utilities	29,344.29	79,655.00	50,310.71	63.16 %
Total Expenses	\$450,690.72	\$1,472,555.00	\$1,021,864.28	69.39 %
NET OPERATING INCOME	\$-239,049.36	\$24,567.45	\$263,616.81	1,073.03 %
Other Income				
8040 TVRPD Development Fee Revenues	47,014.00		-47,014.00	
Total Other Income	\$47,014.00	\$0.00	\$-47,014.00	0.00%
NET OTHER INCOME	\$47,014.00	\$0.00	\$-47,014.00	0.00%
NET INCOME	\$-192,035.36	\$24,567.45	\$216,602.81	881.67 %

**TEHACHAPI VALLEY RECREATION AND
PARK DISTRICT
FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITORS' REPORT
For the Fiscal Year Ended
June 30, 2020
(With Comparative Amounts as of June 30, 2019)**

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

For the Fiscal Year Ended June 30, 2020

Table of Contents

FINANCIAL SECTION		<u>Page</u>
Independent Auditors' Report		1
Management's Discussion and Analysis.....		3
Basic Financial Statements:		
Government-wide Financial Statements:		
Statement of Net Position.....		10
Statement of Activities.....		11
Governmental Funds Financial Statements:		
Governmental Funds Balance Sheet.....		12
Reconciliation of the Governmental Funds Balance Sheet to Statement of Net Position		13
Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances		14
Reconciliation of the Statement of Governmental Fund Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities.....		15
Notes to Financial Statements		16

REQUIRED SUPPLEMENTARY INFORMATION

Budgetary Comparison Schedule – General Fund	35
Schedule of Proportionate Share of the Net Pension Liability	36
Schedule of Pension Contributions	37
Notes to the Required Supplementary Information	38

OTHER INDEPENDENT AUDITORS' REPORTS

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 <i>Government Auditing Standards</i>	39
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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, 2020, 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, 2020, 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, 2019, 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 1, 2020, 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 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 1, 2020

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

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, 2020. 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 decreased 4.28%, or (\$93,867) from the prior year's net position of \$2,193,721 to \$2,099,854, as a result of this year's operations.
- Total revenues from all sources decreased by 13.81%, or (\$227,703) from \$1,649,028 to \$1,476,568, from the prior year, primarily due to the shut-down of District activities for the COVID-19 global pandemic.
- Total expenses for the District's operations decreased by 5.51% or (\$91,623) from \$1,662,058 to \$1,570,435, from the prior year, primarily due the shut-down of District activities for the COVID-19 global pandemic.

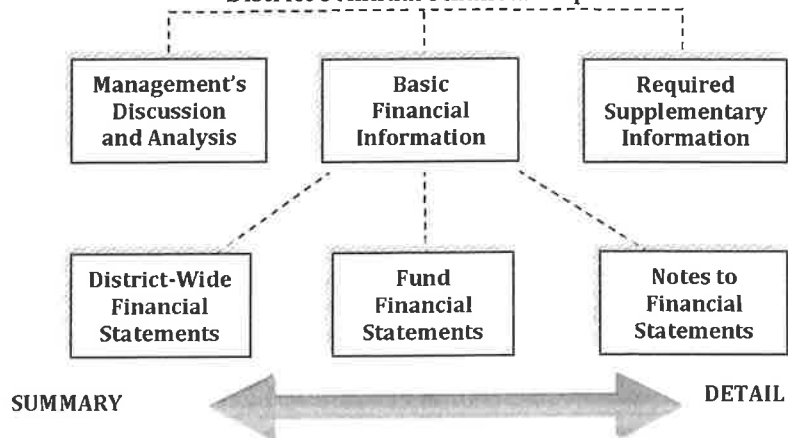
OVERVIEW OF THE FINANCIAL STATEMENTS

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, 2020

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, 2020

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, 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION

Analysis of Net Position

Table A-1: Condensed Statement of Net Position

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
Assets:			
Current assets	\$ 826,428	\$ 708,032	\$ 118,396
Non-current assets	96,370	145,347	(48,977)
Capital assets, net	<u>1,952,083</u>	<u>2,105,165</u>	<u>(153,082)</u>
Total assets	<u>2,874,881</u>	<u>2,958,544</u>	<u>(83,663)</u>
Deferred outflows of resources	<u>116,536</u>	<u>121,254</u>	<u>(4,718)</u>
Liabilities:			
Current liabilities	130,560	141,844	(11,284)
Non-current liabilities	<u>714,638</u>	<u>701,491</u>	<u>13,147</u>
Total liabilities	<u>845,198</u>	<u>843,335</u>	<u>1,863</u>
Deferred inflows of resources	<u>46,365</u>	<u>42,742</u>	<u>3,623</u>
Net position:			
Net investment in capital assets	1,573,398	1,741,768	(168,370)
Unrestricted	<u>526,456</u>	<u>451,953</u>	<u>74,503</u>
Total net position	<u>\$ 2,099,854</u>	<u>\$ 2,193,721</u>	<u>\$ (93,867)</u>

At the end of fiscal year 2020, the District shows a positive balance in its unrestricted net position of \$526,456 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, 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses

Table A-2: Condensed Statement of Activities

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Change</u>
Program revenues	\$ 414,364	\$ 642,067	\$ (227,703)
Expenses	<u>(1,570,435)</u>	<u>(1,662,058)</u>	<u>91,623</u>
Net program expense	(1,156,071)	(1,019,991)	(136,080)
General revenues	<u>1,062,204</u>	<u>1,006,961</u>	<u>55,243</u>
Change in net position	(93,867)	(13,030)	(80,837)
Net position – beginning of period	<u>2,193,721</u>	<u>2,206,751</u>	<u>(13,030)</u>
Net position – end of period	<u>\$ 2,099,854</u>	<u>\$ 2,193,721</u>	<u>\$ (93,867)</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 decreased by (\$93,867) during the fiscal year ended June 30, 2020.

Table A-3: Total Revenues

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
Program revenues:			
Charges for services	\$ 390,936	\$ 592,805	\$ (201,869)
Grant revenue	<u>23,428</u>	<u>49,262</u>	<u>(25,834)</u>
Total program revenues	<u>414,364</u>	<u>642,067</u>	<u>(227,703)</u>
General revenues:			
Property taxes	944,154	891,929	52,225
Capital development fees	61,973	89,747	(27,774)
Insurance proceeds	27,963	12,498	15,465
Investment earnings	28,114	9,452	18,662
Other revenue	<u>-</u>	<u>3,335</u>	<u>(3,335)</u>
Total general revenues	<u>1,062,204</u>	<u>1,006,961</u>	<u>-</u>
Total revenues	<u>\$ 1,476,568</u>	<u>\$ 1,649,028</u>	<u>\$ (227,703)</u>

Total revenues from all sources decreased by 13.81%, or (\$227,703) from \$1,649,028 to \$1,476,568, from the prior year, primarily due to the shut-down of District activities for the COVID-19 global pandemic.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

FINANCIAL ANALYSIS AND CONDENSED FINANCIAL INFORMATION (continued)

Analysis of Revenues and Expenses (continued)

Table A-4: Total Expenses

	<u>June 30, 2020</u>	<u>June 30, 2019</u>	<u>Increase (Decrease)</u>
Expenses:			
Salaries and wages	\$ 599,312	\$ 637,889	\$ (38,577)
Employee benefits	191,750	111,657	80,093
Program costs	168,221	243,822	(75,601)
Materials and services	394,037	462,499	(68,462)
Depreciation expense	201,552	189,496	12,056
Interest expense	15,563	16,695	(1,132)
Total expenses	<u>\$ 1,570,435</u>	<u>\$ 1,662,058</u>	<u>\$ (91,623)</u>

Total expenses for the District's operations decreased by 5.51% or (\$91,623) from \$1,662,058 to \$1,570,435, from the prior year, primarily due the shut-down of District activities for the COVID-19 global pandemic.

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, 2020, the District reported a total fund balance of \$863,416. An amount of \$506,874 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 \$162,241 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 until the COVID-19 global pandemic started and shut-down the District's spring and early summer activities. Actual revenues were less than the anticipated budget by \$152,755, primarily due to the loss of revenue for activities that were planned until the COVID-19 global pandemic started and shut-down the District's spring and early summer activities.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis (Unaudited)
For the Fiscal Year Ended June 30, 2020

CAPITAL ASSET ADMINISTRATION

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

	<u>Balance</u> <u>June 30, 2020</u>	<u>Balance</u> <u>June 30, 2019</u>
Capital assets:		
Non-depreciable assets	\$ 166,735	\$ 167,605
Depreciable assets	5,021,795	4,980,171
Accumulated depreciation	<u>(3,236,447)</u>	<u>(3,042,611)</u>
Total capital assets, net	<u><u>\$ 1,952,083</u></u>	<u><u>\$ 2,105,165</u></u>

At the end of fiscal year 2020, the District's investment in capital assets amounted to \$1,952,083 (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 \$48,470.

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

DEBT ADMINISTRATION

Table A-6: Long-term Debt

	<u>Balance</u> <u>June 30, 2020</u>	<u>Balance</u> <u>June 30, 2019</u>
Long-term debt:		
Loan payable	<u><u>\$ 475,055</u></u>	<u><u>\$ 508,744</u></u>

At the end of fiscal year 2020, the District's long-term debt amounted to \$475,055.

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

FACTORS AFFECTING CURRENT FINANCIAL POSITION

At the end of the first quarter of calendar year 2020, the United States and global economy suffered a major decline due to the impact of the COVID-19 virus. This economic decline may affect the District's operations and investment earnings for the remainder of calendar year 2020 and beyond. However, the potential impact to the District is unknown at this time.

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, 2020
(With Comparative Information as of June 30, 2019)

<u>ASSETS</u>	<u>2020</u>	<u>2019</u>
Current assets:		
Cash and investments (Note 2)	\$ 813,645	\$ 675,988
Accrued interest receivable	845	398
Property taxes receivable	-	5,124
Accounts receivable – other	5,054	11,000
Prepaid items	6,884	15,522
Total current assets	<u>826,428</u>	<u>708,032</u>
Non-current assets:		
Restricted – cash and investments (Notes 2 and 3)	96,370	145,347
Capital assets – not being depreciated (Note 4)	166,735	167,605
Capital assets, net – being depreciated (Note 4)	1,785,348	1,937,560
Total non-current assets	<u>2,048,453</u>	<u>2,250,512</u>
Total assets	<u>2,874,881</u>	<u>2,958,544</u>
<u>DEFERRED OUTFLOWS OF RESOURCES</u>		
Deferred amounts related to net pension liability (Note 7)	116,536	121,254
Total deferred outflows of resources	<u>116,536</u>	<u>121,254</u>
<u>LIABILITIES</u>		
Current liabilities:		
Accounts payable and accrued expenses	36,230	49,678
Accrued payroll and related liabilities	17,652	32,555
Unearned revenue	5,500	-
Accrued interest payable	6,334	6,783
Long-term liabilities – due within one year:		
Compensated absences (Note 5)	30,068	19,139
Loan payable (Note 6)	34,776	33,689
Total current liabilities	<u>130,560</u>	<u>141,844</u>
Noncurrent liabilities:		
Long-term liabilities – due in more than one year:		
Compensated absences (Note 5)	30,067	19,139
Loan payable (Note 6)	440,279	475,055
Net pension liability (Note 7)	244,292	207,297
Total noncurrent liabilities	<u>714,638</u>	<u>701,491</u>
Total liabilities	<u>845,198</u>	<u>843,335</u>
<u>DEFERRED INFLOWS OF RESOURCES</u>		
Deferred amounts related to net pension liability (Note 7)	46,365	42,742
Total deferred inflows of resources	<u>46,365</u>	<u>42,742</u>
<u>NET POSITION</u>		
Net investment in capital assets (Note 8)	1,573,398	1,741,768
Unrestricted	526,456	451,953
Total net position	<u>\$ 2,099,854</u>	<u>\$ 2,193,721</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, 2020

(With Comparative Information for the Fiscal Year Ended June 30, 2019)

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Expenses:		
Recreation and park services:		
Salaries and wages	\$ 599,312	\$ 637,889
Employee benefits	191,750	111,657
Program costs	168,221	243,822
Materials and services	394,037	462,499
Depreciation expense	201,552	189,496
Interest expense	15,563	16,695
Total expenses	<u>1,570,435</u>	<u>1,662,058</u>
Program revenues:		
Charges for services	390,936	592,805
Operating and capital grant funding	23,428	49,262
Total program revenues	<u>414,364</u>	<u>642,067</u>
Net program expense	<u>(1,156,071)</u>	<u>(1,019,991)</u>
General revenues:		
Property taxes	944,154	891,929
Capital development fees	61,973	89,747
Insurance proceeds	27,963	12,498
Investment earnings	28,114	9,452
Other revenue	-	3,335
Total general revenues	<u>1,062,204</u>	<u>1,006,961</u>
Change in net position	<u>(93,867)</u>	<u>(13,030)</u>
Net position:		
Beginning of year	<u>2,193,721</u>	<u>2,206,751</u>
End of year	<u>\$ 2,099,854</u>	<u>\$ 2,193,721</u>

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

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Balance Sheet – Governmental Funds
June 30, 2020

<u>ASSETS</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Assets:			
Cash and investments	\$ 621,205	\$ 192,440	\$ 813,645
Restricted – cash and investments	96,370	-	96,370
Accrued interest receivable	667	178	845
Accounts receivable – other	5,054	-	5,054
Prepaid items	6,884	-	6,884
Total assets	\$ 730,180	\$ 192,618	\$ 922,798
 <u>LIABILITIES AND FUND BALANCE</u>			
Liabilities:			
Accounts payable and accrued expenses	\$ 36,230	\$ -	\$ 36,230
Accrued payroll and related liabilities	17,652	-	17,652
Unearned revenue	5,500	-	5,500
Total liabilities	59,382	-	59,382
Fund balance: (Note 9)			
Nonspendable	6,884	-	6,884
Restricted	96,370	-	96,370
Committed	535	192,618	193,153
Assigned	60,135	-	60,135
Unassigned	506,874	-	506,874
Total fund balance	670,798	192,618	863,416
Total liabilities and fund balance	\$ 730,180	\$ 192,618	\$ 922,798

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, 2020

Fund Balance of Governmental Funds	<u>\$ 863,416</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.	1,952,083
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.	116,536
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	(6,334)
Compensated absences	(60,135)
Loan payable	(475,055)
Net pension liability	(244,292)
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>(46,365)</u>
Total adjustments	<u>1,236,438</u>
Net Position of Governmental Activities	<u><u>\$ 2,099,854</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, 2020*

	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Revenues:			
Property taxes	\$ 944,154	\$ -	\$ 944,154
Charges for services	390,936	-	390,936
Operating grants and contributions	23,428	-	23,428
Capital development fees	-	61,973	61,973
Insurance proceeds	27,963	-	27,963
Investment earnings	25,529	2,585	28,114
Total revenues	<u>1,412,010</u>	<u>64,558</u>	<u>1,476,568</u>
Expenditures:			
Current operations:			
Salaries and wages	577,455	-	577,455
Employee benefits	146,414	-	146,414
Program costs	168,221	-	168,221
Materials and services	394,037	-	394,037
Capital outlay	48,470	-	48,470
Debt service:			
Principal payments	33,689	-	33,689
Interest payments	16,012	-	16,012
Total expenditures	<u>1,384,298</u>	<u>-</u>	<u>1,384,298</u>
Excess of revenues over expenditures	27,712	64,558	92,270
Fund Balance:			
Beginning of year	643,086	128,060	771,146
End of year	<u>\$ 670,798</u>	<u>\$ 192,618</u>	<u>\$ 863,416</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, 2020*

Net Change in Fund Balance - Governmental Funds	<u>\$ 92,270</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	48,470
Depreciation expense	(201,552)
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	449
Net change in compensated absences	(21,857)
Net change in net pension liability and related deferred resources	(45,336)
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>33,689</u>
Total adjustments	<u>(186,137)</u>
Change in Net Position of Governmental Activities	<u>\$ (93,867)</u>

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2020

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, 2020

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, 2020

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, 2020

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:

Description	Estimated Lives
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. The District has no items that qualify for reporting in this category.

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. The District has no items that qualify for reporting in this category.

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.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2020

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 three 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, including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets. 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.
- **Restricted** - This component of net position consists of constraints placed on net position use through external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation.
- **Unrestricted net position** - This component of net position consists of net position that does not meet the definition of "net investment in capital assets" or "restricted".

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

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.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
June 30, 2020

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)

9. Fund Balances (continued)

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.

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:

<u>Description</u>	<u>Balance</u>
Cash and investments	\$ 813,645
Restricted cash and investments	96,370
Total cash and investments	\$ 910,015

Cash and investments at June 30 consisted of the following:

<u>Description</u>	<u>Balance</u>
Cash on hand	\$ 1,350
Demand deposits with financial institutions	43,901
Deposits with Kern County Treasury Investment Pool (KCTIP)	864,764
Total cash and investments	\$ 910,015

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

June 30, 2020

NOTE 2 - CASH AND INVESTMENTS (continued)

Demand Deposits with Financial Institutions

At June 30, 2020, the carrying amount of the District's demand deposits were \$43,901, and the financial institution's balance was \$76,140. 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.

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, 2020, the District's investment in the KCTIP was rated by Standard & Poor's as AAf/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.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
June 30, 2020

NOTE 3 - RESTRICTED ASSETS

The District's restricted assets are the remaining unspent loan proceeds of \$96,370 for capital improvements to the District's recreation and park facilities.

NOTE 4 - CAPITAL ASSETS

Changes in capital assets for the year were as follows:

	Balance July 1, 2019	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2020
Non-depreciable capital assets:				
Land	\$ 166,735	\$ -	\$ -	\$ 166,735
Construction-in-process	870	-	(870)	-
Total non-depreciable capital assets	167,605	-	(870)	166,735
Depreciable capital assets:				
Buildings and improvements	3,598,504	-	-	3,598,504
Furniture and equipment	1,219,558	49,340	(7,716)	1,261,182
Vehicles	162,109	-	-	162,109
Total depreciable capital assets	4,980,171	49,340	(7,716)	5,021,795
Accumulated depreciation:				
Buildings and improvements	(2,223,308)	(67,303)	-	(2,290,611)
Furniture and equipment	(698,365)	(116,271)	7,716	(806,920)
Vehicles	(120,938)	(17,978)	-	(138,916)
Total accumulated depreciation	(3,042,611)	(201,552)	7,716	(3,236,447)
Total depreciable capital assets, net	1,937,560	(152,212)	-	1,785,348
Total capital assets, net	\$ 2,105,165	\$ (152,212)	\$ (870)	\$ 1,952,083

NOTE 5 - COMPENSATED ABSENCES

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

Balance July 1, 2019	Additions	Deletions	Balance June 30, 2020
\$ 38,278	\$ 38,581	\$ (16,724)	\$ 60,135

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
 June 30, 2020

NOTE 6 - LONG-TERM DEBT

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

Long-term Debt	Balance July 1, 2019	Additions	Payments	Balance June 30, 2020	Current Portion	Long-term Portion
Loan payable	\$ 508,744	\$ -	\$ (33,689)	\$ 475,055	\$ 34,776	\$ 440,279

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. The debt matures in fiscal year 2032. Annual debt service requirements are as follows:

Fiscal Year	Principal	Interest	Total
2021	\$ 34,776	\$ 14,925	\$ 49,701
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
2026-2030	217,365	31,140	248,505
2031-2032	72,228	1,798	74,026
Total	475,055	\$ 95,981	\$ 571,036
Current	(34,776)		
Long-term	\$ 440,279		

NOTE 7 - PENSION PLAN

Summary

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

Description	2020
Pension related deferred outflows	\$ 116,536
Net pension liability	244,292
Pension related deferred inflows	46,365

The net pension liability balances have a Measurement Date of June 30, 2019 which is rolled-forward for the District's fiscal year ended June 30, 2020.

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".

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
Years Ended June 30, 2020

NOTE 7 - PENSION PLAN (continued)

The Plan

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

	Miscellaneous Plans	
	Classic Tier 1	PEPRA Tier 2
	Prior to <u>January 1, 2013</u>	On or after <u>January 1, 2013</u>
Hire date		
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	6.912%	6.250%
Required employer contribution rates – FY 2018	7.634%	6.842%

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, 2019 Annual Actuarial Valuation Reports.

At June 30, 2020, the following members were covered by the benefit terms:

Plan Members	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Active members	3	8	11
Transferred and terminated members	8	8	16
Retired members and beneficiaries	6	-	6
Total plan members	17	16	33

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
Years Ended June 30, 2020

NOTE 7 - PENSION PLAN (continued)

A. General Information about the Pension Plan (continued)

Contribution Description

Section 20814(c) of the California Public Employees' Retirement Law (PERL) 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. The total plan contributions are determined through the CalPERS annual actuarial valuation process. For public agency cost-sharing plans covered by either the Miscellaneous or Safety risk pools, the Plan's actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

Contributions for the year ended June 30, 2020, (Measurement Date June 30, 2019) were as follows:

Contribution Type	Miscellaneous Plans		Total
	Classic Tier 1	PEPRA Tier 2	
Contributions - employer	\$ 25,574	\$ 20,050	\$ 45,624
Contributions - members	11,079	15,672	26,751
Total contributions	\$ 36,653	\$ 35,722	\$ 72,375

Employer contributions rates may change if plan contracts are amended. It is the responsibility of the employer to make necessary accounting adjustments to reflect the impact due to any Employer Paid Member Contributions or situations where members are paying a portion of the employer contribution.

Proportionate Share of Net Pension Liability and Pension Expense

The following table shows the plan's proportionate share of the risk pool collective net pension liability over the measurement period:

Changes in the net pension liability for the year ended June 30, 2020, were as follows:

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, 2018 (Measurement Date)	\$ 1,758,369	\$ 1,551,072	\$ 207,297
Balance as of June 30, 2019 (Measurement Date)	\$ 1,825,395	\$ 1,581,103	\$ 244,292
Change in Plan Net Pension Liability	\$ 67,026	\$ 30,031	\$ 36,995

For the year ended June 30, 2020 pension expense was \$90,962.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2020

NOTE 7 – PENSION PLAN (continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (continued)

The following is the approach established by the plan actuary to allocate the net pension liability and pension expense to the individual employers within the risk pool.

- (1) In determining a cost-sharing plan’s proportionate share, total amounts of liabilities and assets are first calculated for the risk pool as a whole on the valuation dates (June 30, 2018). The risk pool’s fiduciary net position (“FNP”) subtracted from its total pension liability (TPL) determines the net pension liability (NPL) at the valuation date.
- (2) Using standard actuarial roll forward methods, the risk pool TPL is then computed at the measurement date (June 30, 2019). Risk pool FNP at the measurement date is then subtracted from this number to compute the NPL for the risk pool at the measurement date. For purposes of FNP in this step and any later reference thereto, the risk pool’s FNP at the measurement date denotes the aggregate risk pool’s FNP at June 30, 2019 less the sum of all additional side fund (or unfunded liability) contributions made by all employers during the measurement period (FY 2018-2019).
- (3) The individual plan’s TPL, FNP and NPL are also calculated at the valuation date.
- (4) Two ratios are created by dividing the plan’s individual TPL and FNP as of the valuation date from (3) by the amounts in step (1), the risk pool’s total TPL and FNP, respectively.
- (5) The plan’s TPL as of the Measurement Date is equal to the risk pool TPL generated in (2) multiplied by the TPL ratio generated in (4). The plan’s FNP as of the Measurement Date is equal to the FNP generated in (2) multiplied by the FNP ratio generated in (4) plus any additional side fund (or unfunded liability) contributions made by the employer on behalf of the plan during the measurement period.
- (6) The plan’s NPL at the Measurement Date is the difference between the TPL and FNP calculated in (5).

As of June 30, 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$244,292.

The District’s net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District’s proportion of the net pension liability was based on a projection of the District’s long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Notes to Financial Statements

Years Ended June 30, 2020

NOTE 7 - PENSION PLAN (continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (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, 2020</u>	<u>Fiscal Year Ending June 30, 2019</u>	
	Measurement Date	June 30, 2019	
Percentage of Risk Pool Net Pension Liability	0.006100%	0.005500%	0.000600%
Percentage of Plan (PERF C) Net Pension Liability	0.002384%	0.002151%	0.000233%

The total amount of \$44,624 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 ended June 30, 2020. At June 30, 2020, 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	\$ 45,624	\$ -
Difference between actual and proportionate share of employer contributions	-	(36,650)
Adjustment due to differences in proportions	42,296	-
Differences between expected and actual experience	16,967	(1,315)
Differences between projected and actual earnings on pension plan investments	-	(4,271)
Changes in assumptions	11,649	(4,129)
Total Deferred Outflows/(Inflows) of Resources	\$ 116,536	\$ (46,365)

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
Years Ended June 30, 2020

NOTE 7 - PENSION PLAN (continued)

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

Proportionate Share of Net Pension Liability and Pension Expense (continued)

Other remaining amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions for the year ended June 30, 2020, will be amortized to pension expense in future periods as follows:

<u>Amortization Period</u> <u>Fiscal Year Ended June 30</u>	<u>Deferred</u> <u>Outflows/(Inflows)</u> <u>of Resources</u>
2021	\$ 20,484
2022	2,372
2023	827
2024	864
Total	\$ 24,547

Actuarial Methods and Assumptions Used to Determine Total Pension Liability

For the measurement period ending June 30, 2019 (the measurement date), the total pension liability was determined by rolling forward the June 30, 2018 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	2.75%
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 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

Discount Rate

The discount rate used to measure the total pension liability for PERF B was 7.15%. A projection of expected benefit payments and contributions was performed to determine if the assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability for PERF B. The results of the crossover testing for the Plan are presented in a detailed report that can be obtained on CalPERS' website.

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

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
Years Ended June 30, 2020

NOTE 7 - PENSION PLAN (continued)

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

Discount Rate (continued)

The table below reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These geometric rates of return are net of administrative expenses.

Investment Type	New Strategic Allocation	Real Return Years 1 - 10 ¹	Real Return Years 11+ ²
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%
	100.0%		

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

² An expected inflation rate-of-return of 3.0% is used for years 11+.

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/(asset) 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, 2020, was as follows:

Plan Type	Plan's Net Pension Liability/(Asset)		
	Discount Rate - 1%	Current Discount Rate 7.15%	Discount Rate + 1%
	6.15%	Rate 7.15%	8.15%
CalPERS – Miscellaneous Plan	489,814	\$ 244,292	\$ 41,632

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, 2020, the District reported no payables for outstanding contributions to the CalPERS pension plan required for the year ended June 30, 2020.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
Years Ended June 30, 2020

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	\$ 96,370
Capital assets - not being depreciated	166,735
Capital assets - being depreciated, net	1,785,348
Capital lease - current portion	(34,776)
Capital lease - non-current portion	(440,279)
Total net investment in capital assets	\$ 1,573,398

NOTE 9 - FUND BALANCES

At June 30, 2020, fund balances of the District's governmental funds were classified as follows:

<u>Description</u>	<u>General Fund</u>	<u>Capital Projects Fund</u>	<u>Total Governmental Funds</u>
Nonspendable:			
Prepaid items	\$ 6,884	\$ -	\$ 6,884
Restricted:			
Loan proceeds for capital improvements	96,370	-	96,370
Committed:			
Capital projects	535	192,618	193,153
Assigned:			
Compensated absences	60,135	-	60,135
Unassigned	506,874	-	506,874
Total fund balances	\$ 670,798	\$ 192,618	\$ 863,416

NOTE 10 - 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.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to Financial Statements
Years Ended June 30, 2020

NOTE 10 - DEFERRED COMPENSATION SAVINGS PLAN (continued)

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.

NOTE 11 - 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, 2019 - 60 member districts	
D. Governing board	Seven representatives employed by members	
E. District payments for FY 2019:		
Property/Liability policy	\$33,557	
Workers' compensation policy	\$33,391	
F. Condensed financial information	June 30, 2019	
Audit signed	April 30, 2020	
Statement of financial position:		June 30, 2019
Total assets		\$ 24,516,646
Deferred outflows		208,102
Total liabilities		19,788,670
Deferred inflows		60,730
Net position		\$ 4,875,348
Statement of revenues, expenses and changes in net position:		
Total revenues		\$ 10,650,625
Total expenses		(12,245,949)
Change in net position		(1,595,324)
Beginning - net position		6,470,672
Ending - net position		\$ 4,875,348
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, 2020

NOTE 12 – 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 our 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, 2020

NOTE 12 - 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 2020, 2019, and 2018. 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, 2020, 2019, and 2018.

NOTE 13 - 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.

Required Supplementary Information

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Budgetary Comparison Schedule – General Fund
For the Fiscal Year Ended June 30, 2020

	<u>Final Budget</u>	<u>Actual</u>	<u>Variance Positive (Negative)</u>
Revenues:			
Property taxes	\$ 901,350	\$ 944,154	\$ 42,804
Charges for services	546,915	390,936	(155,979)
Operating grants and contributions	111,500	23,428	(88,072)
Insurance proceeds	-	27,963	27,963
Investment earnings	<u>5,000</u>	<u>25,529</u>	<u>20,529</u>
Total revenues	<u>1,564,765</u>	<u>1,412,010</u>	<u>(152,755)</u>
Expenditures:			
Current:			
Salaries and wages	618,011	577,455	40,556
Employee benefits	154,503	146,414	8,089
Program costs	252,423	168,221	84,202
Materials and services	453,900	394,037	59,863
Capital outlay	-	48,470	(48,470)
Debt service:			
Principal	49,702	33,689	16,013
Interest	<u>18,000</u>	<u>16,012</u>	<u>1,988</u>
Total expenditures	<u>1,546,539</u>	<u>1,384,298</u>	<u>162,241</u>
Net change in fund balance	<u>\$ 18,226</u>	<u>\$ 27,712</u>	<u>\$ (314,996)</u>
Fund balance:			
Beginning of year		<u>643,086</u>	
End of year		<u>\$ 670,798</u>	

Notes to the Budgetary Comparison Schedule:

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District prepares and submits an operating budget to the Board of Trustees no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Trustees must approve all supplemental appropriations to the budget and transfers between major accounts.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Schedule of Proportionate Share of the Net Pension Liability
For the Fiscal Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Measurement Date:	June 30, 2019¹	June 30, 2018¹	June 30, 2017¹	June 30, 2016¹	June 30, 2015¹	June 30, 2014¹
District's Proportion of the Net Pension Liability	<u>0.002384%</u>	<u>0.002151%</u>	<u>0.002234%</u>	<u>0.002054%</u>	<u>0.001101%</u>	<u>0.001908%</u>
District's Proportionate Share of the Net Pension Liability	<u>\$ 244,292</u>	<u>\$ 207,297</u>	<u>\$ 221,512</u>	<u>\$ 177,761</u>	<u>\$ 75,553</u>	<u>\$ 118,719</u>
District's Covered-Employee Payroll	<u>\$ 360,956</u>	<u>\$ 478,910</u>	<u>\$ 343,104</u>	<u>\$ 357,818</u>	<u>\$ 379,091</u>	<u>\$ 168,308</u>
District's Proportionate Share of the Net Pension Liability as a Percentage of Covered-Employee Payroll	<u>67.68%</u>	<u>43.29%</u>	<u>64.56%</u>	<u>49.68%</u>	<u>19.93%</u>	<u>70.54%</u>
Plan's Fiduciary Net Position as a Percentage of the Plan's Total Pension Liability	<u>86.62%</u>	<u>88.21%</u>	<u>86.85%</u>	<u>88.61%</u>	<u>94.97%</u>	<u>91.47%</u>

¹ Historical information is required only for measurement periods for which GASB No. 68 is applicable.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT

Schedule of Pension Contributions

For the Fiscal Year Ended June 30, 2020

Last Ten Fiscal Years

California Public Employees' Retirement System (CalPERS) Miscellaneous Plan

Fiscal Year:	2019-20¹	2018-19¹	2017-18¹	2016-17¹	2015-16¹	2014-15¹	2013-14¹
Actuarially Determined Contribution ²	\$ 45,624	\$ 39,457	\$ 33,183	\$ 30,756	\$ 32,998	\$ 22,517	\$ 20,666
Contribution in Relation to the Actuarially Determined Contribution ²	<u>(45,624)</u>	<u>(39,457)</u>	<u>(33,183)</u>	<u>(30,756)</u>	<u>(32,998)</u>	<u>(22,517)</u>	<u>(20,666)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll ³	<u>\$ 417,453</u>	<u>\$ 360,956</u>	<u>\$ 478,910</u>	<u>\$ 343,104</u>	<u>\$ 357,818</u>	<u>\$ 379,091</u>	<u>\$ 168,308</u>
Contributions as a Percentage of Covered-Employee Payroll	<u>10.93%</u>	<u>10.93%</u>	<u>6.93%</u>	<u>8.96%</u>	<u>9.22%</u>	<u>5.94%</u>	<u>12.28%</u>

¹ Historical information is required only for measurement periods for which GASB No. 68 is applicable.

² Employers are assumed to make contributions equal to the actuarially determined contributions (which is the actuarially determined contribution). However, some employers may choose to make additional contributions towards their side-fund or their unfunded liability. Employer contributions for such plan exceed the actuarial determined contributions. CalPERS has determined that employer obligations referred to as *side-funds* are not considered separately financed specific liabilities.

³ Covered-Employee Payroll represented above is based on pensionable earnings provided by the employer. However, GASB No. 68 defines covered-employee payroll as the total payroll of employees that are provided pensions through the pension plan. Accordingly, if pensionable earnings are different than total earnings for covered-employees, the employer should display in the disclosure footnotes the payroll based on total earnings for the covered group and recalculate the required payroll-related ratios.

Notes to the Schedule:

Change in Benefit Terms: The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013 as they have minimal cost impact. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes)

See notes to the required supplementary information.

TEHACHAPI VALLEY RECREATION AND PARK DISTRICT
Notes to the Required Supplementary Information
For the Fiscal Year Ended June 30, 2020

NOTES TO SCHEDULE

Budgetary Comparison Schedule

The District follows specific procedures in establishing the budgetary data reflected in the financial statements. Each year the District prepares and submits an operating budget to the Board of Directors no later than June of each year. The basis used to prepare the budget does not differ substantially from the modified accrual basis of accounting. The adopted budget becomes operative on July 1. The Board of Directors must approve all supplemental appropriations to the budget and transfers between major accounts.

Schedule of Proportionate Share of the Net Pension Liability

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- The proportion (percentage) of the collective net pension liability (similar to the note disclosure)
- The proportionate share (amount) of the collective net pension liability
- The employer's covered-employee payroll
- The proportionate share (amount) of the collective net pension liability as a percentage of the employer's covered-employee payroll
- The pension plan's fiduciary net position as a percentage of the total pension liability

Schedule of Pension Contributions

This schedule is required by GASB Statement No. 68 and is required for all employers in a cost-sharing pension plan. The schedule reports the following information:

- If an employer's contributions to the plan are actuarially determined or based on statutory or contractual requirements: the employer's actuarially determined contribution to the pension plan (or, if applicable, its statutorily or contractually required contribution), the employer's actual contributions, the difference between the actual and actuarially determined contributions (or statutorily or contractually required), and a ratio of the actual contributions divided by covered-employee payroll.

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 Tehachapi Valley Recreation and Park District as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Tehachapi Valley Recreation and Park District's basic financial statements, and have issued our report thereon dated November 1, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered San Gabriel Mosquito and Vector Control District's internal control over financial reporting (internal control) 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 San Gabriel Mosquito and Vector Control District's internal control. Accordingly, we do not express an opinion on the effectiveness of the San Gabriel Mosquito and Vector Control 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 Tehachapi Valley Recreation and Park 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 determination of financial statement amounts. 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 1, 2020

**RESOLUTION OF THE BOARD OF DIRECTORS OF TEHACHAPI VALLEY
RECREATION AND PARK DISTRICT
Approving the Application for
STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION
PROGRAM GRANT FUNDS**

WHEREAS, the State Department of Parks and Recreation has been delegated the responsibility by the Legislature of the State of California for the administration of the Statewide Park Development and Community Revitalization Grant Program, setting up necessary procedures governing the application; and

WHEREAS, said procedures established by the State Department of Parks and Recreation require the Applicant to certify by resolution the approval of the application before submission of said application to the State; and

WHEREAS, successful Applicants will enter into a contract with the State of California to complete the Grant Scope project;

NOW, THEREFORE, BE IT RESOLVED THAT THE BOARD OF DIRECTORS OF TEHACHAPI VALLEY RECREATION AND PARK DISTRICT hereby:

APPROVES THE FILING OF AN APPLICATION FOR THE STATEWIDE PARK DEVELOPMENT AND COMMUNITY REVITALIZATION PROGRAM GRANT FUNDS;
AND

1. Certifies that said Applicant has or will have available, prior to commencement of any work on the project included in this application, the sufficient funds to complete the project; and
2. Certifies that if the project is awarded, the Applicant has or will have sufficient funds to operate and maintain the project, and
3. Certifies that the Applicant has reviewed, understands, and agrees to the General Provisions contained in the contract shown in the Grant Administration Guide; and
4. Delegates the authority to the District Manager of Tehachapi Valley Recreation and Park District to conduct all negotiations, sign and submit all documents, including, but not limited to applications, agreements, amendments, and payment requests, which may be necessary for the completion of the Grant Scope; and
5. Agrees to comply with all applicable federal, state and local laws, ordinances, rules, regulations and guidelines.
6. Will consider promoting inclusion per Public Resources Code §80001(b)(8 A-G).

Approved and adopted the 19th day of January, 2021

I, the undersigned, hereby certify that the foregoing Resolution Number 1-21 was duly adopted by the Board of Directors of Tehachapi Valley Recreation and Park District following a roll call vote:

Ayes:

Noes:

Absent:

_____ (Clerk)

Resolution No. 2-21

Resolution of the The Board of Directors of the Tehachapi Valley Recreation and Park District

Authorizing the Tehachapi Valley Recreation and Park District to enter into an amendment with the State of California for the Per Capita

Grant Program Under the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018.

WHEREAS, the Tehachapi Valley Recreation and Park District will enter into an Amended Contract with the State of California to increase the Tehachapi Valley Recreation and Park District Per Capita Grant Fund allocation from \$177,952.00 to \$186,306.00 to reflect the pass through of \$364,258.00 from the City of Tehachapi.

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors of the Tehachapi Valley Recreation and Park District hereby:

1. Approves the Amendment with the State of California under the Per Capita Grant Program under the California Drought, Water, Parks, Climate, Coastal Protection, and Outdoor Access for All Act of 2018; and
2. Authorizes the District Manager of Tehachapi Valley Recreation and Park District to execute the Amendment on behalf of Tehachapi Valley Recreation and Park District

PASSED AND ADOPTED by the The Board of Directors of the Tehachapi Valley Recreation and Park District at a meeting held on the 19th day of January, 2021.

AYES:

NOES:

ABSENT:

ABSTAIN:

ATTEST:

Chairperson

Clerk of the Board



COUNCIL REPORTS

APPROVED	
DEPARTMENT HEAD	
CITY MANAGER	

MEETING DATE: DECEMBER 21, 2020 **AGENDA SECTION:** ECONOMIC DEVELOPMENT

TO: **HONORABLE MAYOR WIGGINS AND COUNCIL MEMBERS**

FROM: **COREY COSTELLOE**

DATE: **DECEMBER 21, 2020**

SUBJECT: **LECHOWITZ & TSENG MUNICIPAL CONSULTANTS-PREPARE IMPACT FEE UPDATE**

BACKGROUND

In July of 2009, the Tehachapi City Council adopted Resolution No. 24-09 establishing and modifying the public facilities and police impact fees paid by new developers and establishing a "civic facilities fee". This action was the result of a 2009 study which analyzed, summarized, and suggested changes to the development impact fees based on the support from the City's master plan.

Additionally, Sections 17.41 of the Tehachapi Municipal Code allows the City to impose a fee as a method for financing the development, improvement, and enhancement of public parks and recreational facilities.

The City is authorized to impose civic facilities and parks and recreation fees under the Mitigation Fee Act contained in California Government Code Section 66000. Fees are collected annually in accordance with the City's capital improvement plan with fee revenues being deposited into restricted fee accounts. These fees are paid by developers to address the impact their projects have on civic along with parks and recreation facilities.

The City is required to prepare a five-year report on the implementation of the fee, including identifying the purpose and the amount of the fee, demonstrating a reasonable relationship between the fee and its purpose, identifying all sources and amounts of funding anticipated to complete financing of incomplete projects and addressing the adequacy of the City's General Plan and other public facility planning policies.

You may be aware, the City Council initially approved a contract to complete this study in February of 2018, but a series of ballot initiatives as well as grant applications what would have addressed many of the projects in the parks and recreation portion of this study forced a pause in the work. In addition, the establishment of a new district manager for the Tehachapi Valley Recreation & Parks District in 2019 led to a changing timeline for this study. When the City and TVRPD initiated the study again this year, we experienced response issues from the contracted consultant and were unable to receive an updated estimate for a new study.

As a result, staff approached Lechowit & Tseng Municipal Consultants to prepare an updated report for both the civic facilities and parks and recreation impact fees. This same firm recently completed the updated water and sewer connection fee study approved earlier this year and thus so are familiar with the City of Tehachapi.

AGENDA

Based on the findings of the report, the City will adjust any fee rates, funding sources or other necessary steps to meet the suggested level of parks and recreation and civic facilities for future needs and growth. The scope of work is attached to this report.

In addition, as a jurisdiction within the Tehachapi Valley Recreation & Parks District, the City will partner with TVRPD to ensure consistency with parks & recreation impact fees for all developers. As a result, TVRPD will contribute to this study their fair share of the cost, identified 25% by the consultant.

FISCAL IMPACT

The cost of these services will be a fixed price of \$24,790 payable with existing and future impact fees. Lechowicz & Tseng has identified that \$6,175 of that cost to be borne by TVRPD. District management has agreed to this cost.

RECOMMENDATION

APPROVE THE AGREEMENT WITH LECHOWITZ & TSENG MUNICIPAL CONSULTANTS TO PREPARE A PARKS AND RECREATION AND CIVIC FACILITIES IMPACT FEE UPDATE AND AUTHORIZE THE MAYOR TO SIGN.



TSENG

PO Box 3065
Oakland, CA 94609
(510) 545-3182
Ltmunicconsultants.com

December 9, 2020

John (Jay) H. Schlosser, P.E.
Development Services Director
City of Tehachapi
661-822-2200 ext 115

Re: Proposal for a Parks and Civic Facilities Connection Fee Study

Lechowicz & Tseng Municipal Consultants (L&T) is pleased to submit a proposal to the City of Tehachapi (City) to conduct a Parks and Civic Facilities Connection Fee Study. We enjoyed working with you on the water and sewer connection fee studies and appreciate the opportunity to work with you again.

Services

L&T's proposed scope of services is listed below. L&T will provide a revised parks and recreation connection fee and a civic facilities connection fee. We can revise tasks as needed to meet City goals.

1. Provide a data needs list. Review available planning and engineering documents and interview City staff via a kickoff call to gain an understanding of development projections, capital projects, and expenses.
2. Determine an appropriate planning horizon, expected growth, and required capacity or proposed level of service.
3. Identify projects to be included in the fee studies. Determine total costs of projects, cost sharing with Tehachapi Valley Recreation and Park District (TVRPD) for the parks fee, other funding sources such as grants, interest earnings, debt, connection fee reserve fund balances, developer credits, etc.
4. Calculate recommended fees based on project costs net of adjustments divided by estimated capacity. Scale fees to different land use types as appropriate (i.e., multifamily vs. single family for the parks fee; residential vs. non-residential for the civic fee; and potentially other categories to be determined).
5. Provide draft and final reports summarizing recommendations. Reports will reflect edits from City staff.
6. Attend virtual meetings to present draft recommendations to staff. Attend one in-person meeting to present the study to City Council. Draft and submit a powerpoint file for review in advance of the public meeting.

AGENDA

Disclosures

L&T is a municipal advisory firm registered with the Securities Exchange Commission (SEC) and Municipal Securities Rulemaking Board (MSRB). However, based on current SEC and MSRB regulations, we do not anticipate the services listed above will include municipal advisory activities. L&T may provide general market data regarding interest rates and costs of issuance for municipal debt. L&T does not intend to provide tailored financial estimates for specific debt issuances. L&T has no known personal or professional conflicts of interest related to this assignment.

Engagement

If Lechowicz & Tseng Municipal Consultants' proposal is acceptable to you, please countersign this engagement letter and email a copy to me.

Sincerely,



Alison Lechowicz, Principal
(510) 545-3182
alison@ltmuniconsultants.com

Lechowicz & Tseng Municipal Consultants is authorized to perform a Parks and Civic Facilities Connection Fee Study for the City of Tehachapi at a rate of \$195 per hour for principals and \$95 per hour for staff analysts. Direct expenses will be billed at cost, absent markup. The total not-to-exceed fee is \$24,790.

By _____

Date: _____