

FY 2022-2023 Audit Overview



December 4, 2023



Financial Highlights

- The District's net position decreased 6.25% from \$3,528,567 to \$3,308,054 in 2023 as a result of current year operations.
- During the year, the District's assessment revenues decreased by 6.17% or \$51,053 in 2023.
- Overall, revenues decreased by 41.64% from \$2,158,897 to \$1,259,825 in 2023. This overall decrease was the result of significant one-time grant income in the prior year.
- In the fund statements, total expenditures increased by 26.19% from \$1,542,300 to \$1,946,244 in 2023. The increase was mainly due to recreation and childcare programs running at close to normal levels after the Covid-19 closures.
- In addition, the District had \$477,787 in capital outlay related its community centers in the current year, the prior year only had \$66,382 in capital outlay.

Financial Analysis

	<u>2023</u>	<u>2022</u>	<u>% change</u>	<u>\$ change</u>
ASSETS				
Current and other	\$ 1,084,429	\$ 1,809,078	-40.06%	\$ (724,649)
Capital, net	<u>2,968,993</u>	<u>2,556,330</u>	16.14%	<u>412,663</u>
Total assets	<u>4,053,422</u>	<u>4,365,408</u>	-7.15%	<u>(311,986)</u>
LIABILITIES				
Current and other	142,976	123,886	15.41%	19,090
Due in more than one year	<u>466,083</u>	<u>515,905</u>	-9.66%	<u>(49,822)</u>
Total liabilities	<u>609,059</u>	<u>639,791</u>	-4.80%	<u>(30,732)</u>
DEFERRED INFLOW OF RESOURCES				
Lease related	<u>136,309</u>	<u>197,050</u>	100.00%	(60,741)
NET POSITION				
Net investment in capital assets	2,827,552	2,406,770	17.48%	420,782
Restricted	152,097	540,000	100.00%	(387,903)
Unrestricted	<u>328,405</u>	<u>581,797</u>	-43.55%	<u>(253,392)</u>
Total net position	<u>\$ 3,308,054</u>	<u>\$ 3,528,567</u>	-6.25%	<u>\$ (220,513)</u>



Management's Discussion and Analysis

\$2,827,552 of the District's net position as of June 30, 2023 reflects its investment in capital assets (net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding.

The District uses these capital assets to operate the District; consequently, these assets are not available for future spending. In addition, the District has \$152,097 in restricted net position (prior year was \$540,000). This amount is restricted for capital improvements related to the Twin Peaks Community Center and the Robert Hootman Community Center. At the end of fiscal year 2023, the District showed a balance in its unrestricted net position of \$328,405.

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, net position decreased by \$220,513 for the fiscal year ended June 30, 2023.

Statement of Activities

REVENUES	<u>2023</u>	<u>2022</u>	<u>% change</u>	<u>\$ change</u>
Program revenues				
Charges for services	\$ 1,251,783	\$ 1,249,279	0.20%	\$ 2,504
Operating grants and contributions	-	879,843	-100.00%	(879,843)
General revenues				
Investment earnings	7,268	4,968	46.30%	2,300
Other	<u>774</u>	<u>24,807</u>	-96.88%	(24,033)
 Total revenues	 <u>1,259,825</u>	 <u>2,158,897</u>	 -41.64%	 (899,072)
 EXPENSES				
Administration	762,300	551,533	38.21%	210,767
Recreation	465,898	370,419	25.78%	95,479
Childcare	250,664	227,184	10.34%	23,480
Interest expense	<u>1,476</u>	<u>14,964</u>	-90.14%	(13,488)
 Total expenses	 <u>1,480,338</u>	 <u>1,164,100</u>	 27.17%	 316,238
 Increase in net position	 (220,513)	 994,797	 -122.17%	 (1,215,310)
 Net position, beginning of year	 <u>3,528,567</u>	 <u>2,533,770</u>		
 Net position, end of year	 <u>\$ 3,308,054</u>	 <u>\$ 3,528,567</u>		

- The charges for service remained relatively flat year over year.
- Operating grants and contributions decreased due to a one-time grant from the County of San Bernardino for \$540,000 and Covid-19 relief funds, from the State's General Fund, of \$323,583 in the prior year.
- The increases in administration, recreation and childcare expenses are primarily due an increase in salaries and related benefits (two additional maintenance workers).




Statement of Net Position

\$2,827,552 of the District's net position as of June 30, 2023 reflects its investment in capital assets (net of accumulated depreciation), less any related debt used to acquire those assets that is still outstanding.

The District uses these capital assets to operate the District; consequently, these assets are not available for future spending. In addition, the District has \$152,097 in restricted net position (prior year was \$540,000). This amount is restricted for capital improvements related to the Twin Peaks Community Center and the Robert Hootman Community Center. At the end of fiscal year 2023, the District showed a balance in its unrestricted net position of \$328,405.

The statement of activities shows how the government's net position changed during the fiscal year. In the case of the District, net position decreased by \$220,513 for the fiscal year ended June 30, 2023.



Rim of the World Recreation & Park District

Statement of Net Position
June 30, 2023

	<u>Governmental Activities</u>
ASSETS	
Cash	\$ 903,734
Receivables:	
Accounts, net	9,602
Intergovernmental	26,934
Interest	5,146
Leases	139,013
Capital assets not being depreciated	1,312,849
Capital assets being depreciated, net	<u>1,656,144</u>
Total assets	<u>4,053,422</u>
LIABILITIES	
Accounts payable	61,864
Accrued wages and benefits	26,268
Other current liabilities	6,775
Noncurrent liabilities:	
Due within one year	48,069
Due in more than one year	<u>466,083</u>
Total liabilities	<u>609,059</u>
DEFERRED INFLOWS OF RESOURCES	
Lease related	<u>136,309</u>
NET POSITION	
Net investment in capital assets	2,827,552
Restricted - capital improvements	152,097
Unrestricted	<u>328,405</u>
Total net position	<u>\$ 3,308,054</u>



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscca.net

PARTNERS

Terry P. Shea, CPA
Scott W. Marino, CPA, CGMA
Lema Shanbhag, CPA, MST, CGMA
Bradford A. Welebir, CPA, MBA, CGMA
Jenny W. Liu, CPA, MST
Gardenya Duran, CPA, CGMA
Brianna Schulz, CPA, CGMA
Brenda L. Odle, CPA, MST (Partner Emeritus)

MANAGERS / STAFF

Seong-Hyea Lee, CPA, MBA
Evelyn Morentin-Barcena, CPA
Veronica Hernandez, CPA
Laura Arvizu, CPA
John Maldonado, CPA, MSA
Julia Rodriguez Fuentes, CPA, MSA
Danni Hite, CPA
Jeffrey McKernan, CPA

MEMBERS

American Institute of
Certified Public Accountants

PCPS The AICPA Alliance
for CPA Firms

Governmental Audit
Quality Center

California Society of
Certified Public Accountants



Independent Auditor's Report

Board of Directors
Rim of the World Recreation & Park District
Rimforest, California

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities and the major fund of the Rim of the World Recreation & Park District (the District), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

Basis for Opinions

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