

**PLEASANT HILL RECREATION AND PARK DISTRICT**

**PLEASANT HILL, CALIFORNIA**

**ANNUAL FINANCIAL REPORT**

**JUNE 30, 2022**



## TABLE OF CONTENTS

	<u>PAGE</u>
Board of Directors	1
<b>FINANCIAL SECTION:</b>	
Independent Auditors' Report	2-3
Management's Discussion and Analysis - Required Supplementary Information (unaudited)	4-8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position	9
Statement of Activities	10
Fund Financial Statements:	
Balance Sheet – Governmental Funds	11
Reconciliation of the Governmental Funds Balance Sheet with the Governmental Activities Statement of Net Position	12
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	13
Reconciliation of the Net Change in Fund Balances – Total Governmental Funds with the Change in Net Position of Governmental Activities	14
Notes to Basic Financial Statements	15-32
Required Supplementary Information (unaudited):	
Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual - General Fund	33
Schedule of the Proportionate Share of the Net Pension Liability (Asset) – Miscellaneous	34
Schedule of Contributions – Miscellaneous	35

Pleasant Hill Recreation and Park District  
BOARD OF DIRECTORS  
June 30, 2022

<u>NAME</u>	<u>TITLE</u>
Zac Shess	Chair
Bobby Glover	Vice Chair
Sandra Bonato	Secretary
Quy Tran	Member
Sandy Vinson	Member

## INDEPENDENT AUDITORS' REPORT

Board of Directors  
Pleasant Hill Recreation and Park District  
Pleasant Hill, California

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of the Pleasant Hill Recreation and Park District as of and for the year ended June 30, 2022, and the related notes to the financial statements, which collectively comprise Pleasant Hill Recreation and Park 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 each major fund of Pleasant Hill Recreation and Park District, as of June 30, 2022, 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.

### Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. 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 Pleasant Hill Recreation and Park District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Pleasant Hill Recreation and Park District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with auditing standards generally accepted in the United States of America will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with auditing standards generally accepted in the United States of America, we:

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

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

Other Matters

*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 4-8 and page 33, as listed in the table of contents, 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.



O'Connor & Company

San Rafael, California  
March 28, 2023

Pleasant Hill Recreation and Park District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2022

Pleasant Hill Recreation and Park District's (the "District") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements.

## **OVERVIEW OF FINANCIAL STATEMENTS**

This annual report consists of three parts: management's 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.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Governmental fund statements which tell how basic services were financed in the short term, as well as what remains for future spending.

### **The Statement of Net Position and the Statement of Activities**

The Statement of Net Position and Statement of Activities report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net position as well as changes to net position. Net position is the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net position is one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's buildings and other facilities.

## **REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS**

### **Fund Financial Statement**

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 for District use to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

Pleasant Hill Recreation and Park District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
 For the Year Ended June 30, 2022

**Governmental Funds**

The District's basic services are reported in governmental funds, which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of fund information, which helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements that explains the relationship (or differences) between them.

**FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE**

The following table summarizes the District's net position as of June 30,

	<u>Table 1</u> <u>Net Position</u>	
	<u>2022</u>	<u>2021</u>
Assets:		
Current and other assets	\$ 16,187,502	\$ 13,101,094
Capital assets	<u>39,052,083</u>	<u>39,553,874</u>
Total assets	<u>55,239,585</u>	<u>52,654,968</u>
Deferred outflows of resources	<u>1,133,150</u>	<u>1,250,480</u>
Liabilities:		
Current liabilities	4,644,478	4,194,318
Long-term liabilities	<u>38,337,559</u>	<u>41,837,746</u>
Total liabilities	<u>42,982,037</u>	<u>46,032,064</u>
Deferred inflows of resources	<u>2,977,639</u>	<u>186,819</u>
Net Position:		
Invested in capital assets, net of related debt	2,173,243	1,498,787
Restricted	11,751,333	10,440,263
Unrestricted	<u>(3,511,517)</u>	<u>(4,252,485)</u>
Total net position	<u>\$ 10,413,059</u>	<u>\$ 7,686,565</u>

The District's net position was \$10,413,059 for the fiscal year ended June 30, 2022. Of this amount, \$(3,511,517) was unrestricted. Restricted net position is reported separately to show legal constraints from debt covenants and enabling legislation that limit the Board's ability to use that net position for day-to-day operations.

Pleasant Hill Recreation and Park District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2022

The following table summarizes the District's change in net position for the year ended June 30,

Table 2  
Changes in Net Position

	<u>2022</u>	<u>2021</u>
Expenses		
Recreation and parks	\$ 10,660,825	\$ 7,415,919
Interest expense	1,536,486	1,067,951
Total expenses	<u>12,197,311</u>	<u>8,483,870</u>
Revenues		
Program revenues:		
Charges for services	<u>6,669,391</u>	<u>3,058,676</u>
Total program revenues	<u>6,669,391</u>	<u>3,058,676</u>
General revenues		
Property taxes	8,206,659	4,531,950
Interest and other income	<u>47,753</u>	<u>252,595</u>
Total general revenues	<u>8,254,412</u>	<u>4,784,545</u>
Total revenues	<u>14,923,803</u>	<u>7,843,221</u>
Change in net position	<u>\$ 2,726,492</u>	<u>\$ (640,649)</u>

**Government Activities**

For the 2022 fiscal year, the total District revenues were \$14,923,803 and the total District expenses were \$12,197,311. The difference of \$2,726,492 is the change in net position bringing the total net position to \$10,413,059 on June 30, 2022. The main sources of revenue for the District are charges for services and property taxes. District taxpayers ultimately financed \$8,206,659 for these activities through local taxes and assessments. The increase in property tax revenues and interest expense are due to the Measure E property tax and related debt service.

**Capital Assets**

At June 30, 2022, the District had \$39,052,083 in a broad range of capital assets, including land, buildings and furniture and equipment. The District uses \$5,000 as its capitalization threshold.

Table 3  
Capital Assets at Year End

	<u>2022</u>	<u>2021</u>
Land	\$ 10,993,913	\$ 10,993,913
Construction in progress	1,459,673	1,271,211
Land and park improvement	11,475,182	11,416,058
Building and structure	27,987,603	27,895,539
Swimming pool	1,716,125	1,716,125
Furniture and equipment	2,621,502	2,368,600
Accumulated depreciation	<u>(17,201,915)</u>	<u>(16,107,572)</u>
Net capital assets	<u>\$ 39,052,083</u>	<u>\$ 39,553,874</u>

Pleasant Hill Recreation and Park District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
 For the Year Ended June 30, 2022

**Debt Administration**

The District made all scheduled repayments of existing debt. Each of the District's debt issues is discussed in detail in Note 4 to the basic financial statements. As of June 30, 2022, the District's debt comprised:

	<u>2022</u>	<u>2021</u>
General Obligation Bond – Measure E	\$ 6,740,000	\$ 6,930,000
Certificates of Participation	1,130,000	1,290,000
2017 General Obligation Bond	15,350,000	15,860,000
2020 General Obligation Refunding Bonds	7,200,000	7,370,000
Oak Park Lease	<u>4,216,000</u>	<u>4,326,000</u>
Total	<u>\$ 34,636,000</u>	<u>\$ 35,776,000</u>

**General Fund Budgetary Highlights**

For more than a decade, the Pleasant Hill Recreation and Park District has achieved a budgetary surplus of revenue exceeding expenditures. With the uncertainty of emerging from a global pandemic the District budgeted conservatively for the 2021/2022 fiscal year, with uncertainty for program revenues, and flat expectations for tax revenues. The District also limited expenses where possible in an inflationary environment and struggled hiring to fill empty positions and staff programs in a historically tight labor market. Throughout the 2021/2022 fiscal year the District continued in lockstep with State and Contra Costa County lifting health orders while adopting and complying changes in Cal OSHA regulations for workers safety in response to COVID-19 and variants. The overwhelming response from the community to programs and events offered by the District exceeded expectations while District staff rose to meet the challenges as we emerged from the global pandemic.

Throughout the fiscal year department revenues were overperforming compared to budget, and overall exceeding budgeted revenues for the entire fiscal year. The District estimated revenues of \$8.5 million actual revenues for the fiscal year were \$9.8 million, exceeding estimates by \$1.3 million. The District applied for the State of California's Special District COVID-19 Relief Fund and received \$1.3 million from the State to reimburse some of those costs. The District is still in the midst of a State audit of those funds which has been delayed due to a cyber-attack at the State Controller's office. The District's 2021/2022 Secured & Unsecured Tax Revenues came in at \$101,932 or 2.2% over budget as well as receiving \$200,000 redevelopment funds suggesting continued growth housing market in the District and greater region. This increase in tax revenues as well as broad departmental revenue resurgence along with prudent operating expense management kept the District on solid financial footing and resulted in a surplus for the 2021/2022 fiscal year.

The District also began some new Capital Projects and completed several Capital Projects. The District began pre-development work with the City on the newly acquired Oak Park, installed a new underground gasoline tank with the City at the shared corp. yard, completed installing new park monument signs, painted and added audio visual equipment at the Community Center, updated the Districts network, software and computer systems, continued implementation of the accounting & accounting & enterprise resource planning system, moved to electronic time keeping for staff and began the process of moving to digitize the district records and workflows to meet the needs of the community and future workforce.

The strong fiscal position of the District in the resurgence from a global pandemic illustrates the successful implementation of various financial policies by District management which have allowed the District to weather and emerge from turbulent fiscal times. Those policies include the Cost Recovery Policy, Debt Management Policy, careful planning of capital projects, prudent staffing, and quarterly review of the expenditures and revenue by the elected Board of Directors.

Pleasant Hill Recreation and Park District  
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)  
For the Year Ended June 30, 2022

**Contacting the District Financial Management**

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact the General Manager, Pleasant Hill Recreation and Park District, 147 Gregory Lane, Pleasant Hill, California 94523.

Pleasant Hill Recreation and Park District  
STATEMENT OF NET POSITION  
June 30, 2022

ASSETS:	
Cash and investments	\$ 13,849,246
Restricted cash	1,530,899
Accounts receivable	804,646
Prepaid items	2,711
Non-depreciable capital assets	12,453,586
Depreciable capital assets, net	<u>26,598,497</u>
Total assets	<u>55,239,585</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows pension	<u>1,133,150</u>
LIABILITIES:	
Accounts payable	405,494
Accrual payroll	96,313
Deferred revenue	1,996,625
Accrued interest	634,658
Compensated absences	387,002
Other liabilities	6,386
Long-term liabilities:	
Due within one year:	
Certificate of participation payable	168,000
General obligation bonds	730,000
2020 Oak Park lease	120,000
2020 General Obligation Refunding Bonds	100,000
Due after one year:	
Measure E general obligation bond	6,540,000
Certificate of participation payable	962,000
2017 General obligation bond	14,820,000
2017 Bond premium	1,608,182
2020 Oak Park lease	4,096,000
2020 General Obligation Refunding Bonds	7,100,000
Net pension liability	<u>3,211,377</u>
Total due after one year	<u>38,337,559</u>
Total liabilities	<u>42,982,037</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows pension	<u>2,977,639</u>
NET POSITION:	
Net investment in capital assets	2,173,243
Restricted	11,751,333
Unrestricted	<u>(3,511,517)</u>
Total net position	<u>\$ 10,413,059</u>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Recreation and Park District  
STATEMENT OF ACTIVITIES  
For the year ended June 30, 2022

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>	<u>Capital Grants and Contributions</u>
				<u>Total Governmental Activities</u>
<b>Governmental activities:</b>				
Administration	\$ 490,691	\$ 2,488,606	\$ -	\$ -
Senior citizens	1,107,769	601,531	-	-
Winslow center	165,234	27,136	-	-
Community center rental	702,437	544,127	-	-
Adult activities	243,942	79,329	-	-
Athletics & teens	1,081,258	1,001,525	-	-
Preschool, youth, & special	895,856	983,596	-	-
Child care	678,191	523,991	-	-
Aquatics	960,389	419,550	-	-
Communications	347,443	-	-	-
Parks	3,882,674	-	-	-
Maintenance	104,941	-	-	-
Interest and fees	1,536,486	-	-	-
Total governmental activities	<u>\$ 12,197,311</u>	<u>\$ 6,669,391</u>	<u>\$ -</u>	<u>\$ -</u>
<b>General revenues:</b>				
Taxes				8,206,659
Use of money				47,753
Total general revenues				<u>8,254,412</u>
Change in net assets				2,726,492
Net position beginning of period				7,686,567
Net position ending of period				<u>\$ 10,413,059</u>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Recreation and Park District  
 GOVERNMENTAL FUNDS  
BALANCE SHEET  
 June 30, 2022

	General	Landscape Fund	Measure E Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b><u>ASSETS</u></b>						
Cash and investments	\$ 5,730,272	\$ 1,323,519	\$ 6,681,830	\$ -	\$ 113,625	\$ 13,849,246
Restricted cash	217,440	-	1,313,459	-	-	1,530,899
Accounts receivable	804,646	-	-	-	-	804,646
Due from other funds	-	-	1,675	3,020,528	508,016	3,530,219
Prepaid items	2,711	-	-	-	-	2,711
<b>Total assets</b>	<b><u>\$ 6,755,069</u></b>	<b><u>\$ 1,323,519</u></b>	<b><u>\$ 7,996,964</u></b>	<b><u>\$ 3,020,528</u></b>	<b><u>\$ 621,641</u></b>	<b><u>\$ 19,717,721</u></b>
<b><u>LIABILITIES</u></b>						
Accounts payable	\$ 388,124	\$ -	\$ -	\$ -	\$ 17,370	\$ 405,494
Accrued expenses	96,313	-	-	-	-	96,313
Deferred revenue	1,996,625	-	-	-	-	1,996,625
Due to other funds	2,118,830	1,297,948	-	-	113,441	3,530,219
Other liabilities	6,388	-	-	-	-	6,388
<b>Total liabilities</b>	<b><u>4,606,280</u></b>	<b><u>1,297,948</u></b>	<b><u>-</u></b>	<b><u>-</u></b>	<b><u>130,811</u></b>	<b><u>6,035,039</u></b>
<b><u>FUND BALANCES</u></b>						
Restricted	217,440	25,571	7,996,964	3,020,528	490,830	11,751,333
Nonspendable for prepaid items	2,711	-	-	-	-	2,711
Unassigned	1,928,638	-	-	-	-	1,928,638
<b>Total fund balances</b>	<b><u>2,148,789</u></b>	<b><u>25,571</u></b>	<b><u>7,996,964</u></b>	<b><u>3,020,528</u></b>	<b><u>490,830</u></b>	<b><u>13,682,682</u></b>
<b>Total liabilities and fund balances</b>	<b><u>\$ 6,755,069</u></b>	<b><u>\$ 1,323,519</u></b>	<b><u>\$ 7,996,964</u></b>	<b><u>\$ 3,020,528</u></b>	<b><u>\$ 621,641</u></b>	<b><u>\$ 19,717,721</u></b>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Recreation and Park District  
 Reconciliation of the  
GOVERNMENTAL FUNDS - BALANCE SHEET  
 with the Governmental Activities  
STATEMENT OF NET POSITION  
 For the year ended June 30, 2022

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS \$ 13,682,682

Amounts reported for Governmental Activities in the Statement of Net Position are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital Assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds. 39,052,083

LONG-TERM LIABILITIES

The liabilities below are not due and payable in the current period and therefore are not reported in the Fund Financial Statements.

Accrued interest payable	(634,658)
General Obligation bond	(6,740,000)
2020 General Obligation Refunding Bonds	(7,200,000)
2013 Certificate of Participation	(1,130,000)
2017 General Obligation bond	(15,350,000)
Oak Park Lease debt	(4,216,000)
Bond premium	(1,608,182)
Deferred inflows pension	(2,977,639)
Deferred outflows pension	1,133,150
Net pension liability	(3,211,377)
Non-current portion of compensated absences	<u>(387,002)</u>

NET POSITION OF GOVERNMENTAL ACTIVITIES \$ 10,413,057

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Recreation and Park District  
**GOVERNMENTAL FUNDS**  
**STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES**  
For the year ended June 30, 2022

	General	Landscape Fund	Measure E Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
<b>Revenues:</b>						
Property taxes	\$ 4,761,225	\$ -	\$ 3,350,169	\$ -	\$ 95,265	\$ 8,206,659
Non-recreation	2,169,992	-	-	-	318,614	2,488,606
Senior citizens	601,531	-	-	-	-	601,531
Winslow center	27,136	-	-	-	-	27,136
Community center rental	544,127	-	-	-	-	544,127
Adult activities	79,329	-	-	-	-	79,329
Athletics & teens	1,001,525	-	-	-	-	1,001,525
Preschool, youth, & special	983,596	-	-	-	-	983,596
Child care	523,991	-	-	-	-	523,991
Aquatics	419,550	-	-	-	-	419,550
Interest	2,169	-	45,584	-	-	47,753
<b>Total revenues</b>	<b>11,114,171</b>	<b>-</b>	<b>3,395,753</b>	<b>-</b>	<b>413,879</b>	<b>14,923,803</b>
<b>Expenditures:</b>						
Administration	490,691	-	-	-	-	490,691
Senior citizens	1,107,769	-	-	-	-	1,107,769
Winslow center	165,234	-	-	-	-	165,234
Community center rental	702,437	-	-	-	-	702,437
Adult activities	243,942	-	-	-	-	243,942
Athletics & teens	1,081,258	-	-	-	-	1,081,258
Preschool, youth, & special	895,856	-	-	-	-	895,856
Child care	678,191	-	-	-	-	678,191
Aquatics	960,389	-	-	-	-	960,389
Communications	347,443	-	-	-	-	347,443
4856490+8206659+	2,651,605	-	-	-	-	2,651,605
Maintenance	15,874	49,401	-	-	39,666	104,941
<b>Debt service:</b>						
Bond issuance costs	-	-	51,444	-	-	51,444
Interest	-	-	1,488,092	-	-	1,488,092
Principal	270,000	-	870,000	-	-	1,140,000
<b>Total expenditures</b>	<b>9,610,689</b>	<b>49,401</b>	<b>2,409,536</b>	<b>-</b>	<b>39,666</b>	<b>12,109,292</b>
Excess (deficit) of revenues over (under) expenditures	1,503,482	(49,401)	986,217	-	374,213	2,814,511
<b>Other financing sources (uses):</b>						
Transfers in	-	-	-	-	-	-
Transfers out	-	-	-	-	-	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Net change in fund balances	1,503,482	(49,401)	986,217	-	374,213	2,814,511
Fund balances, beginning of period	645,307	74,972	7,010,747	3,020,528	116,617	10,868,171
Fund balances, end of period	<u>\$ 2,148,789</u>	<u>\$ 25,571</u>	<u>\$ 7,996,964</u>	<u>\$ 3,020,528</u>	<u>\$ 490,830</u>	<u>\$ 13,682,682</u>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Recreation and Park District  
RECONCILIATION OF THE NET CHANGE IN FUND BALANCES -  
TOTAL GOVERNMENTAL FUNDS  
with the  
CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES  
For the year ended June 30, 2022

Total net change in fund balances - governmental funds	\$ 2,814,511
 <b>CAPITAL ASSETS TRANSACTIONS</b>	
<p>Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>	
The net capital outlay expenditures are therefore added back to the fund balance	592,552
Depreciation expense is deducted from the fund balance	(1,094,343)
 <b>LONG-TERM DEBT PROCEEDS AND PAYMENT</b>	
<p>Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.</p>	
Repayment of debt principal is added back to the fund balance	1,140,000
Bond premium amortization is added back to the fund balance	84,641
 <b>ACCRUAL OF NON-CURRENT ITEMS</b>	
<p>The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds (net change):</p>	
Pension expense	(610,607)
Accrued interest payable	(48,394)
Long-term compensated absences	<u>(151,868)</u>
Changes in net position of governmental activities	<u>\$ 2,726,492</u>

The accompanying notes are an integral part of these financial statements.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Description

The Pleasant Hill Recreation and Park District (the "District") was formed January 22, 1951, under the laws of the State of California Public Resources Division 5, Chapter 4, Section 5780. The District is governed by a board of five elected directors who hold regularly scheduled meetings twice a month.

The District offers a wide variety of recreational activities for persons of all ages, from preschoolers through senior citizens. Some of the major activities include: a wide range of aquatic programs, varied cooking classes, adult and youth sports programs, dance classes, special events, excursions, fitness classes, special interest classes, many other types of classes and activities for one's leisure time. Along with these activities, the District also sponsors over fifteen special clubs and organizations, such as the Camera Club, Garden Club, Hiking Club, Las Juntas Artists, Tennis Club and others for public participation and enjoyment.

To facilitate this wide range of recreational activities, the District has over 250 acres of park-lands including: thirteen park sites, three pools, a community center facility, a senior citizens' complex, a cultural center, and many joint efforts with the local school district at various local school sites.

B. Reporting Entity

The District's combined financial statements include the accounts of all its operations. The District evaluated whether any other entity should be included in these financial statements. The basic, but not the only, criterion for including a governmental department, agency, institution, commission, public authority, or other governmental organization in a governmental unit's reporting entity for financial reports is the ability of the governmental unit's elected officials to exercise oversight responsibility over such agencies. Oversight responsibility implies that one governmental unit is dependent on another and that the dependent unit should be reported as part of the other. Oversight responsibility is derived from the governmental unit's power and includes, but is not limited to:

- Financial interdependency
- Selection of governing authority
- Designation of management
- Ability to significantly influence operations
- Accountability for fiscal matters

Accordingly, for the year ended June 30, 2022, the District does not have any component units and is not a component unit of any other reporting entity.

C. Accounting Principles

The District accounts for its financial transactions in accordance with the policies and procedures recommended by the State of California. The accounting policies of the District conform to U.S. generally accepted accounting principles as prescribed by the Governmental Accounting Standards Board and the American Institute of Certified Public Accountants.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Accounting Principles (continued)

(a) Government-wide and Fund Financial Statements:

The government-wide financial statements (the statement of net position and the statement of activities) report on the District as a whole. The statement of activities demonstrates the degree to which the direct expenses of the District's functions are offset by program revenues. *Direct expenses* are those that are clearly identifiable with the District's functions. *Program revenues* include charges for services, which are mainly from park and recreation fees. Other items not properly included among program revenues are reported instead as *general revenues*. Separate financial statements are provided for the governmental fund of the District (balance sheet and the statement of revenues, expenditures and changes in fund balances).

(b) Measurement Focus, Basis of Accounting and Financial Statement Presentation:

Government-wide Financial Statements

The statement of net position and the statement of activities are prepared using the *economic resources measurement focus* and the *accrual basis of accounting*. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Fund Financial Statements

The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Separate financial statements are provided for each governmental fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be *available* when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net position may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

Governmental capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of governmental long-term debt and acquisitions under capital leases are reported as other financing sources.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

C. Accounting Principles (concluded)

The emphasis of fund financial statements is on major governmental funds, each of which is displayed in a separate column. All remaining governmental funds are aggregated and reported as non-major funds in a single column, regardless of their fund type. Major funds are those that have assets, liabilities, revenue or expenditures equal to ten percent of their fund-type total. The General Fund is always a major fund. The District may also select other funds it believes should be presented as major funds.

The government reports the following major governmental funds:

*General Fund:* The General Fund is the general operating fund of the District. All financial resources, except those required to be accounted for in another fund, are accounted for in the General Fund.

*Landscape Fund:* The Landscape Fund is used to account for the proceeds of specific revenue sources that are legally or otherwise restricted to expenditures for landscape purposes.

*Measure E Debt Service Fund:* The Measure E Debt Service Fund is used to account for financial resources to be used to pay the annual borrowing costs of long-term debt.

Other Governmental Funds are comprised of several non-major funds that include funds for separate smaller landscaping districts not included in the main Landscape Fund, funds reserved for specific capital acquisitions and other miscellaneous fund balances.

*Capital Projects Fund:* The Capital Projects Fund is used to account for the proceeds of specific revenue sources that are earmarked for expenditures for capital outlay purposes.

(c) Use of Estimates:

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures/expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

D. Budget and Budgetary Accounting

During the month of April, the District staff prepares an annual budget. The full Board is presented the budget in May to be adopted in June as a preliminary budget and as a final budget by the last meeting in July. The preliminary budget is published in a newspaper thirty days prior to acceptance as a final budget.

Budget amounts in the combined financial statements reflect the annual budget and revisions approved during the year. Budgets are based upon the District's estimate of expenditures for each year and their proposed means of financing.

Expenditures are controlled on the major object level within the Funds. Any amendments of appropriations are approved by the Board. Budgeted amounts are reported as amended. All appropriations lapse at year-end. Appropriations exceeded budget amounts by \$1,206,554.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Cash and Investments

Cash balances held in banks and in revolving funds are insured to \$250,000 by the Federal Deposit Insurance Corporation.

The District participates in the Contra Costa County Treasury. Contra Costa County (the County) pools its funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.

Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, the County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134.

F. Prepaid Items

The District has the option of reporting expenditure in governmental funds for prepaid items either when purchased or during the benefiting period. The District has chosen to report the expenditure during the benefiting period.

G. Capital Assets

Capital assets are those purchased or acquired with an original cost of \$5,000 or more and are reported at historical cost or estimated historical cost. Contributed assets are reported at fair market value as of the date received. Additions, improvements, and other capital outlays that significantly extend the useful life of an asset are capitalized. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend the asset's lives are not capitalized, but are expensed as incurred. Depreciation on all capital assets is computed using a straight-line basis over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Life in Years</u>
Land	N/A
Land improvements	20
Building and structures	50
Portable classrooms	25
Kitchen equipment	15
Copiers	5
Musical instruments	10
Vehicles	5
Grounds equipment	5

H. Deferred Revenue

Deferred revenue is recorded to the extent that funds are received ahead of time where it qualifies for income recognition. Deferred revenue consists primarily of class registration fees and rental fees received during the current year for programs or trips to be conducted subsequent to June 30, 2022.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Compensated Absences

The District grants employees' vacation and sick leave in varying amounts. In the event of retirement or termination, an employee is reimbursed at full salary rates for accumulated vacation days. The current portion of accumulated vacation and sick leave is recognized in the general fund. All compensated absences are accrued when incurred in the government-wide financial statements.

J. Long-Term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the statement of net position. Premiums, discounts and issuance costs are deferred and amortized over the life of the debt using the effective-interest method.

In the fund financial statements, governmental funds recognize premiums, discounts and issuance costs during the current period. The face amount of the debt issued, premiums, or discounts are reported as other financing sources/uses. Designations for the ending fund balance indicate tentative plans for financial resource utilization in a future period.

K. Restricted Cash

Restricted cash represents assets either held by bond trustees or the District, which are governed by a trust indenture specifying their uses. These assets all relate to various debt issuances.

L. Revenue Limit/Property Tax

The County is responsible for assessing, collecting, and apportioning property taxes on behalf of the District. Taxes are levied for each fiscal year on taxable real and personal property in the County. The levy is based on the assessed values as of the preceding January 1, which is also the lien date. Property taxes on the secured roll are due on November 1 and February 1, and taxes become delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on January 1 and become delinquent if unpaid by August 31.

The County apportions secured property tax revenue in accordance with the alternate method of distribution prescribed by Section 4705 of the *California Revenue and Taxation Code*. This alternate method provides for crediting each applicable fund with its total secured taxes upon completion of the secured tax roll – approximately October 1 of each year.

M. Interfund Transactions

Interfund transactions are reported as loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when a fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement.

All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2022

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

N. Deferred Inflows and Deferred Outflows of Revenue

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District recognizes deferred outflows and inflows of resources.

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period.

O. 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 Pleasant Hill Recreation and Park District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions 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.

NOTE 2 - CASH AND INVESTMENTS

Cash balances from all funds are combined and invested to the extent possible pursuant to the District Board Approved Investment Policy and Guidelines and State Government Code. Cash on deposit as of June 30, 2022, amounted to \$15,380,145, and was deposited in the following depositories:

<u>Deposits and Investments</u>	<u>Carrying Amount</u>
Cash in County Treasury	\$ 7,837,587
Cash in bank	6,722,806
Cash with fiscal agent (restricted)	217,440
Investment in LAIF (includes restricted)	602,312
Total cash and investments	<u>\$ 15,380,145</u>

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

Custodial Credit Risk

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the District's name and places the District ahead of general creditors of the institution.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 2 - CASH AND INVESTMENTS (concluded)

B. Investments

The District's investments are carried at fair value instead of cost, as required by U.S. generally accepted accounting principles. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year end if material, and it includes the effects of these adjustments in income for that fiscal year.

The District places certain funds with the State of California's Local Agency Investment Fund (LAIF). The District is a voluntary participant in LAIF, which is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California and the Pooled Money Investment Board. The State Treasurer's office pools these funds with those of other governmental agencies in the state and invests the cash. The fair value of the District's investment in this pool is reported in the accompanying financial statements based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio).

Fair Value Reporting - Investments

GASB Statement No. 72, *Fair Value Measurements and Application*, establishes a fair value hierarchy consists of three broad levels: Level 1 inputs consist of quoted prices (unadjusted) for identical assets and liabilities in active markets that a government can access at the measurement date, Level 2 inputs consist of inputs other than quoted prices that are observable for an asset or liability, either directly or indirectly, that can include quoted prices for similar assets or liabilities in active or inactive markets, or market-corroborated inputs, and Level 3 inputs have the lowest priority and consist of unobservable inputs for an asset or liability. The District's holdings are classified in Level 1 of the fair value hierarchy. The District's holdings in Contra Costa County Investment Pool were an uncategorized input and not defined as a Level 1-3 input.

NOTE 3 - CAPITAL ASSETS

An analysis of fixed assets at June 30, 2022, is as follows:

<u>Governmental Activities</u>	Balance 6/30/21	Increase	Decrease	Balance 6/30/22
Capital assets, not being depreciated:				
Land	\$10,993,913	\$ -	\$ -	\$10,993,913
Construction in progress	<u>1,271,211</u>	<u>188,462</u>	<u>-</u>	<u>1,459,673</u>
Total capital assets, not being deprec.	<u>12,265,124</u>	<u>188,462</u>	<u>-</u>	<u>12,453,586</u>
Capital assets, being depreciated:				
Land and park improvements	11,416,058	59,124	-	11,475,182
Building and structure	27,895,539	92,064	-	27,987,603
Swimming pool	1,716,125	-	-	1,716,125
Furniture and equipment	<u>2,368,600</u>	<u>252,902</u>	<u>-</u>	<u>2,621,502</u>
Total capital assets, being depreciated	<u>43,396,322</u>	<u>404,090</u>	<u>-</u>	<u>43,800,412</u>
Less accumulated depreciation for:				
Land and park improvements	(6,598,827)	(757,031)	-	(7,355,858)
Building and structure	(6,137,384)	(585,817)	-	(6,723,201)
Swimming pool	(1,102,642)	(15,461)	(302,254)	(815,849)
Furniture and equipment	<u>(2,268,719)</u>	<u>(38,288)</u>	<u>-</u>	<u>(2,307,007)</u>
Total accumulated depreciation	<u>(16,107,572)</u>	<u>(1,396,597)</u>	<u>(302,254)</u>	<u>(17,201,915)</u>
Total capital assets being deprec.–net	<u>27,288,750</u>	<u>(992,507)</u>	<u>(302,254)</u>	<u>26,598,497</u>
Capital assets – net	<u>\$ 39,553,874</u>	<u>\$ (804,045)</u>	<u>\$ (302,254)</u>	<u>\$ 39,052,083</u>

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 3 - CAPITAL ASSETS (concluded)

Depreciation expense of \$1,094,343 was charged to the park function.

NOTE 4 - LONG-TERM DEBT

A. Change in Long-Term Debt

The following is a summary of changes in long-term debt as of June 30, 2022:

	June 30, 2021	Additions	Retirements	June 30, 2022	Current
General obligation	\$ 6,930,000	\$ -	\$ 190,000	\$ 6,740,000	\$ 200,000
Loan payable	-	-	-	-	-
2013 COP	1,290,000	-	160,000	1,130,000	168,000
2017 General obligation	15,860,000	-	510,000	15,350,000	530,000
Oak Park Lease	4,326,000	-	110,000	4,216,000	120,000
2020 General obligation refunding bonds	7,370,000	-	170,000	7,200,000	100,000
Accrued interest	586,264	48,394	-	634,658	-
Net pension liability	5,508,923	-	2,297,546	3,211,377	-
Compensated absences	235,134	151,868	-	387,002	-
Total	<u>\$42,106,321</u>	<u>\$ 200,262</u>	<u>\$ 3,437,546</u>	<u>\$38,869,037</u>	<u>\$ 1,118,000</u>

B. Certificates of Participation ("COP")

The District issued certifications of participation in August of 2013 to refinance the two prior certificates. The total amount of the issue was \$2,366,000 with an interest rate bearing 3.65%. The 2013 certificates mature as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2023	\$ 168,000	\$ 41,244	\$ 209,244
2024	170,000	35,111	205,111
2025	177,000	28,908	205,908
2026	183,000	22,448	205,448
2027	194,000	15,768	209,768
2028	79,000	8,687	87,687
2029	78,000	5,804	83,804
2030	81,000	2,957	83,957
Total	<u>\$ 1,130,000</u>	<u>\$ 160,927</u>	<u>\$ 1,290,927</u>

C. Measure E General Obligation Bond

The District issued general obligation bonds in August of 2009 to finance the acquisition, expansion and improvement of District facilities. Measure E was authorized by an election of registered voters of the District. The total amount of the two issues of these Measure E bonds were \$28,000,000 with an average interest rate of 4.63%.

In August of 2020 the District issued general obligation refunding bonds in the amount of \$7,370,000 with an average interest rate of 1.68%. The refunding bonds mature on August 1, 2042, are callable for redemption prior to their stated maturity date at the option of the District, and in part by lot from mandatory sinking account payments each August 1.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 4 - LONG-TERM DEBT (continued)

C. Measure E General Obligation Bond (continued)

The refinancing of the bonds reduced the debt service interest payments by approximately \$25,779 per year and total debt service savings by \$541,368. This translates into a net present value of \$407,226 and 3.88% net present savings as a percentage of refunded principal. The reacquisition price exceeds the net carrying value for the old debt by \$541,368. The refunded bonds have been defeased and the prior bond resolution has been satisfied and discharged in the opinion of legal counsel as of June 30, 2021.

The 2020 refunding bonds mature as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2023	\$ 100,000	\$ 176,202	\$ 276,202
2024	300,000	175,632	475,632
2025	300,000	173,472	473,472
2026	305,000	170,592	475,592
2027	305,000	167,207	472,207
2028	305,000	162,662	467,662
2029	310,000	157,355	467,355
2030	315,000	151,155	466,155
2031	315,000	144,540	459,540
2032	325,000	137,421	462,421
2033	330,000	129,589	459,589
2034	340,000	121,306	461,306
2035	350,000	112,534	462,534
2036	360,000	103,049	463,049
2037	375,000	91,997	466,997
2038	390,000	80,484	470,484
2039	405,000	68,511	473,511
2040	420,000	56,078	476,078
2041	435,000	43,184	478,184
2042	450,000	29,829	479,829
2043	<u>465,000</u>	<u>15,159</u>	<u>480,159</u>
Total	<u>\$ 7,200,000</u>	<u>\$ 2,467,958</u>	<u>\$ 9,667,958</u>

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 4 - LONG-TERM DEBT (continued)

C. Measure E General Obligation Bond (concluded)

The series B certificates mature through 2042 as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Debt Service</u>
2023	\$ 200,000	\$ 299,010	\$ 499,010
2024	210,000	291,010	501,010
2025	220,000	280,510	500,510
2026	230,000	269,510	499,510
2027	240,000	258,010	498,010
2028	250,000	246,010	496,010
2029	260,000	233,510	493,510
2030	270,000	220,510	490,510
2031	280,000	207,010	487,010
2032	295,000	193,010	488,010
2033	305,000	178,260	483,260
2034	320,000	166,060	486,060
2035	335,000	153,260	488,260
2036	350,000	139,860	489,860
2037	365,000	125,860	490,860
2038	385,000	110,530	495,530
2039	405,000	94,360	499,360
2040	425,000	77,350	502,350
2041	445,000	59,288	504,288
2042	465,000	40,375	505,375
2043	485,000	20,613	505,613
Total	<u>\$ 6,740,000</u>	<u>\$ 3,663,916</u>	<u>\$ 10,403,916</u>

D. 2017 General Obligation Bond

The District issued general obligation bonds in December of 2017 to defease previous existing debt which were the initial Series A Measure E bonds which will be called and repaid when allowed. The note is paid in annual installments until the 2041 fiscal year at interest rates ranging between 2 and 5%.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 4 - LONG-TERM DEBT (continued)

D. 2017 General Obligation Bond (concluded)

The following is a schedule of payments:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 530,000	\$ 660,056	\$ 1,190,056
2024	555,000	639,256	1,194,256
2025	575,000	617,556	1,192,556
2026	610,000	592,081	1,202,081
2027	640,000	562,456	1,202,456
2028	670,000	531,206	1,201,206
2029	700,000	498,456	1,198,456
2030	735,000	464,206	1,199,206
2031	770,000	428,331	1,198,331
2032	815,000	390,706	1,205,706
2033	850,000	351,081	1,201,081
2034	880,000	317,956	1,197,956
2035	905,000	292,006	1,197,006
2036	935,000	265,231	1,200,231
2037	960,000	237,047	1,197,047
2038	990,000	207,438	1,197,438
2039	1,025,000	176,969	1,201,969
2040	1,075,000	135,875	1,210,875
2041	1,130,000	111,625	1,251,625
Total	<u>\$ 15,350,000</u>	<u>\$ 7,479,538</u>	<u>\$ 22,829,538</u>
Net premium	<u>\$ 1,608,182</u>	<u>\$ -</u>	<u>\$ 1,608,182</u>

E. 2020 Lease Financing

The District entered a lease financing for the purchase of Oak Park for \$4,355,000 in June 2020. The debt is paid in bi-annual installments until the 2040 fiscal year at interest rate of 3.23%. The payments dates are on the first of the months of February and August.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 4 - LONG-TERM DEBT (concluded)

E. 2020 Lease Financing (concluded)

The following is a schedule of payments:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 120,000	\$ 133,286	\$ 260,309
2024	130,000	129,168	266,192
2025	141,000	124,710	273,735
2026	153,000	119,865	280,891
2027	165,000	114,633	287,660
2028	177,000	109,013	294,041
2029	190,000	102,989	302,018
2030	203,000	96,529	308,559
2031	218,000	89,616	316,647
2032	232,000	82,236	324,268
2033	248,000	74,355	332,388
2034	264,000	65,957	340,991
2035	282,000	56,993	350,028
2036	300,000	47,449	358,485
2037	319,000	37,307	367,344
2038	337,000	26,567	375,605
2039	358,000	15,181	386,220
2040	379,000	3,101	197,141
Total	<u>\$ 4,216,000</u>	<u>\$ 1,428,955</u>	<u>\$ 5,622,522</u>

NOTE 5 - INTER-FUND RECEIVABLES AND PAYABLES

Current inter-fund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2022, inter-fund balances comprised the following:

<u>Fund</u>	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
General fund	\$ -	\$ 2,118,830
Measure E	1,675	-
Special revenue funds:		
Parkland	420,930	-
Capital projects	3,020,528	-
Reserves	44,266	1,458
Maintenance	42,820	111,983
Landscape	-	1,297,948
Total interfund receivable/payable	<u>\$ 3,530,219</u>	<u>\$ 3,530,219</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description:

The District contributes to the California Public Employees' Retirement System (PERS); an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and District ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
 For the Year Ended June 30, 2022

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Funding Policy:

Participants are required to contribute 7% of their annual covered salary. The District is required to contribute at an actuarially determined rate that varies by tier of plan. The contribution requirements of plan members and the District are established and may be amended by PERS. The fiscal year 2021/2022 rates are as follows:

Tier	Miscellaneous	PEPRA
Tier 1	29.771%	7.228%
Tier 2	9.025%	N/A

The contribution requirements of plan members and the District are established and may be amended by PERS. PERS has changed its methodology of calculating its unfunded liability payments as it no longer incorporates these payments into the overall contribution rates. The following is a schedule of the unfunded liability payments made during the 2021/2022 fiscal year:

Tier	Miscellaneous	PEPRA
Tier 1	\$531,556	\$152,146
Tier 2	\$10,245	N/A

At June 30, 2022 the District reported a liability of \$3,211,377 in the Statement of Net Position for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the County's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, which was actuarially determined.

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2021, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2020 rolled forward to June 30, 2021 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 plans relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for each Plan as of June 30, 2020 and June 30, 2021 was as follows:

<u>District's Miscellaneous Plan</u>	<u>Miscellaneous</u>
Proportion - June 30, 2020	.12154%
Proportion - June 30, 2021	.12785%
Change – Increase (Decrease)	.00631%

For the year ended June 30, 2022, the District recognized pension expense of \$1,311,094. At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 693,947	\$ -
Differences between actual and expected experience	360,121	-
Changes in assumptions	-	-
Net differences between projected and actual earnings on plan investments	-	2,803,362
Change in proportion and differences between actual contributions and proportionate share of contributions	79,082	174,277
Total	\$ 1,133,150	\$ 2,977,639

The \$693,947 amount 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, 2023.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2023		\$ (533,435)
2024		(583,530)
2025		(646,766)
2026		(774,705)
Thereafter		-

Actuarial Assumptions

The total pension liability in the June 30, 2021 actuarial valuation was determined using the following actuarial assumptions. Total pension liability represents the portion of the actuarial present value of projected benefit payments attributable to past periods of service for current and inactive employees.

- Discount Rate/Rate of Return - 7.15%, net of investment expense
- Inflation Rate - 2.50%
- Salary increases - Varies by age and service
- COLA Increases – Varies by age and service
- Mortality Rate Table - Derived using CalPERS' Membership Data for all Funds (2)
- Investment Rate of Return – 7.15% (1)
- Increase - Contract COLA up to 2.5% until purchasing power protection allowance floor on purchasing power applies, 2.5% thereafter.

(1) Net of pension plan investment expenses, including inflation.

(2) CalPERS developed the mortality table used based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale MP-2016. For more details on this table, please refer to the 2017 experience study report.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

The long-term expected rate of return on pension plan investments (7.5%) 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. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

<u>Class</u>	<u>Target Allocations</u>
Global Equity	50%
Fixed Income	28%
Inflation Assets	0%
Private Equity	8%
Real Assets	13%
Liquidity	1%
	<u>0.0%</u>
Total	<u>100.00%</u>

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that employee contributions will be made at the current contribution rate and that contributions from the District will be made at contractually required rates, actuarially determined. Based on those assumptions, the pension fund's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. In theory, the discount rate may differ from the long-term expected rate of return discussed previously. However, based on the projected availability of the pension fund's fiduciary net position, the discount rate is equal to the long-term expected rate of return on pension plan investments, and was applied to all periods of projected benefit payments to determine the total pension liability.

Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.15%) or 1 percentage point higher (8.15%) than the current rate:

	1% Decrease 6.15%	Discount Rate 7.15%	1% Increase 8.15%
District's proportionate share of the net pension plan liability	\$ 6,066,894	\$ 3,211,377	\$ 850,761

Expected Average Remaining Service Lives (EARSL)

The expected average remaining service lifetime (EARSL) is calculated by dividing the total future service years by the total number of plan participants (active, inactive, and retired) in the Public Agency Cost-Sharing Multiple-Employer Plan (PERF C).

The EARSL for PERF C for the measurement period ending June 30, 2021, is 3.7 years, which was obtained by dividing the total service years of 561,622 (the sum of remaining service lifetimes of the active employees) by 150,648 (the total number of participants: active, inactive, and retired) in PERF C. Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 6 - DEFINED BENEFIT PENSION PLAN (concluded)

Pension Plan Fiduciary Net Position

Detailed information about the pension fund's fiduciary net position is available in the separately issued PERS comprehensive annual financial report which may be obtained by contacting PERS.

NOTE 7 - RISK MANAGEMENT

The District manages risk of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters by participating in the public entity risk pools described below.

Public entity risk pools are formally organized and separate entities established under the Joint Exercise of Powers Act of the State of California. As separate legal entities, those entities exercise full powers and authorities within the scope of the related Joint Powers Agreements including the preparation of annual budgets, accountability for all funds, the power to make and execute contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from member municipalities. Each board controls the operations of the respective risk pool, including selection of management and approval of operating budgets, independent of any influence by member municipalities beyond their representation on that board. Obligations and liabilities of these risk pools are not the District's responsibility.

The District is a member of a program through which certain specified and limited self-insured general liability, property loss, and automobile liability are administered by the California Association for Park and Recreation Insurance (CAPRI) and shared by its participating members. Complete audited financial statements for CAPRI can be obtained from CAPRI's office at 6341 Auburn Boulevard, Suite A, Citrus Heights, CA 95621.

CAPRI provides comprehensive general liability coverage with a \$10,000,000 limit per occurrence for personal injury and property damage to which the coverage applies. There is no deductible to the District.

CAPRI also provides public officials and employee liability coverage with a \$10,000,000 annual aggregate limit per member district because of a wrongful act(s) which occurs during the coverage period for which the coverage applies. There is a \$25,000 deductible for any covered claim for wrongful termination, payable by the District.

All-Risk Property Loss coverage including boiler & machinery coverage is subject to a \$2,000 deductible per occurrence payable by the District.

CAPRI provides flood and earthquake coverage with an annual aggregate limit of \$5,000,000 for all the member districts. The deductible for all loss or damage arising from the risks of flood and/or earthquake is \$50,000 per occurrence or 5% of the value of the building, contents, and/or structure damaged, whichever is greater.

NOTE 8 - CONTINGENCIES

The District is involved in various claims and litigation arising in the ordinary course of business. District management, based upon the opinion of legal counsel, is of the opinion that the ultimate resolution of such matters will not have a materially adverse effect on the District's financial position or results of operations.

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 9 - PART-TIME AND SEASONAL EMPLOYEE RETIREMENT PLAN

The District uses a FICA alternative (457) plan for the District's seasonal and part-time employees. This plan satisfies the requirements of Internal Revenue Code Section 3121, which requires the District to either include these employees under the Social Security System or a qualified pension plan. The District contributed \$12,428 during the year ended June 30, 2022.

NOTE 10 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time and permanent part-time employees, permits them to defer a portion of their salary until future years. Under this plan, participants are not taxed on the deferred portion of the compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

The laws governing deferred compensation plan assets require plan assets to be held by a Trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property, are not managed by the District and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

NOTE 11 - NET POSITION AND FUND BALANCES

GASB Statement No. 34 added the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis. GASB Statement No. 63 changed this terminology to "Net Position".

A. Net Position

Net position is the excess of all the District's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position, which is determined only at the government-wide level, and are described below:

*Net investment in Capital Assets* describes the portion of net position that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

*Restricted* describes the portion of net position that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter. These include amounts for debt service requirements.

*Unrestricted* describes the portion of net position that is not restricted to use.

B. Fund Equity

The accompanying financial statements reflect certain changes that have been made with respect to the reporting of the components of fund balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance.

Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. In the fund financial statements, governmental fund balances are reported in the following classifications:

Pleasant Hill Recreation and Park District  
NOTES TO BASIC FINANCIAL STATEMENTS  
For the Year Ended June 30, 2022

NOTE 11 - NET POSITION AND FUND BALANCES (concluded)

B. Fund Equity (concluded)

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District's policy specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

Pleasant Hill Recreation and Park District  
GENERAL FUND  
STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
Budget and Actual  
For the year ended June 30, 2022  
(Unaudited)

	Budgeted Amounts		Actual	Variance
	Original	Final		with Final Budget
Revenues:				
Property taxes	\$ 4,496,087	\$ 4,496,087	\$ 4,761,225	\$ 265,138
Non-recreation	377,138	377,138	2,169,992	1,792,854
Senior citizens	406,100	406,100	601,531	195,431
Winslow center	12,500	12,500	27,136	14,636
Community center rental	200,000	200,000	544,127	344,127
Adult activities	5,000	5,000	79,329	74,329
Athletics & teens	468,600	468,600	1,001,525	532,925
Preschool/youth	835,876	835,876	983,596	147,720
Special Events	47,000	47,000	-	(47,000)
Child care	467,500	467,500	523,991	56,491
Aquatics	327,790	327,790	419,550	91,760
Park maintenance	810,000	810,000	2,169	(807,831)
Total revenues	8,453,591	8,453,591	11,114,171	2,660,580
Expenditures:				
Administration	395,448	395,448	490,691	(95,243)
Senior citizens	1,244,924	1,244,924	1,107,769	137,155
Winslow center	78,312	78,312	165,234	(86,922)
Community center rental	740,965	740,965	702,437	38,528
Adult activities	31,926	31,926	243,942	(212,016)
Athletics & teens	953,432	953,432	1,081,258	(127,826)
Preschool/youth	770,493	770,493	895,856	(125,363)
Special Events	211,920	211,920	-	211,920
Communications	377,138	377,138	347,443	29,695
Child care	551,883	551,883	678,191	(126,308)
Aquatics	870,214	870,214	960,389	(90,175)
Park maintenance	1,708,919	1,708,919	2,667,479	(958,560)
Debt service:				
Principal	-	-	-	-
Interest	468,561	468,561	270,000	198,561
Total expenditures	8,404,135	8,404,135	9,610,689	(1,206,554)
Excess (deficit) of revenues over (under) expenditures	49,456	49,456	1,503,482	1,454,026
Other financing sources (uses):				
Transfers in	-	-	-	-
Transfers out	-	-	-	-
Total other financing sources (uses)	-	-	-	-
Net change in fund balances	\$ 49,456	\$ 49,456	1,503,482	\$ 1,454,026
Fund balances, beginning of period			645,307	
Fund balances, end of period			\$ 2,148,789	

Pleasant Hill Recreation and Park District  
SCHEDULE OF THE PROPORTIONATE SHARE OF THE  
NET PENSION LIABILITY (ASSET) - MISCELLANEOUS

June 30, 2022

Measurement Date, June 30	Miscellaneous Plan							
	2021	2020	2019	2018	2017	2016	2015	2014
Proportion of the net pension liability	0.12785%	0.12154%	0.11400%	0.12154%	0.11854%	0.11581%	0.11478%	0.11421%
Proportion share of the net pension liability	\$3,211,377	\$5,508,923	\$4,987,287	\$4,580,319	\$4,673,053	\$4,023,230	\$2,746,646	\$3,039,847
Covered - employee payroll	\$3,170,964	\$3,140,181	\$3,257,391	\$3,029,885	\$2,717,478	\$2,515,130	\$2,063,113	\$1,822,492
Proportionate share of the net pension liability as a percentage of covered-employee payroll	101.27%	175.43%	153.11%	154.25%	170.03%	170.47%	133.13%	166.80%
Plan fiduciary net position as a percentage of the total pension liability	85.15%	71.93%	72.70%	75.12%	73.62%	74.20%	80.34%	78.05%

\* Fiscal year 2015 was the 1st year of implementation.

Pleasant Hill Recreation and Park District  
SCHEDULE OF CONTRIBUTIONS - MISCELLANEOUS  
 June 30, 2022

<u>Fiscal Year Ending June 30</u>	<u>Miscellaneous Plan</u>							
	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contribution (actuarially determined)	\$ 693,947	\$ 590,257	\$ 583,742	\$ 555,600	\$ 398,000	\$ 366,918	\$ 294,229	\$ 258,016
Contributions in relation to the actuarially determined contributions	<u>(693,947)</u>	<u>(590,257)</u>	<u>(583,742)</u>	<u>(555,600)</u>	<u>(398,000)</u>	<u>(366,918)</u>	<u>(294,229)</u>	<u>(258,016)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Covered - employee payroll	\$ 3,953,706	\$ 3,170,964	\$ 3,140,181	\$ 3,257,391	\$ 3,029,885	\$ 2,717,478	\$ 2,515,130	\$ 2,063,113
Contributions as a percentage of covered-employee payroll	17.55%	18.61%	18.59%	17.06%	13.14%	13.50%	11.70%	12.51%

Notes to Schedule:

\* Fiscal year 2015 was the 1st year of implementation.