Pleasant Hill Recreation and Park District

Annual Comprehensive
Financial Report

For the Fiscal Year ended June 30, 2025

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PLEASANT HILL RECREATION AND PARK DISTRICT
BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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BASIC FINANCIAL STATEMENTS
For the Year Ended June 30, 2025

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Pleasant Hill Recreation
& Park District

ADMINISTRATION
147 Gregory Lane
Pleasant Hill, CA 94523
(925) 682-0896
(925) 682-1633 fax

March 6, 2026

To the Community and the Board of Directors of the Pleasant Hill Recreation and Park District:

The Annual Comprehensive Financial Report (ACFR) of the Pleasant Hill Recreation and Park District (the District) for the fiscal year ended June 30, 2025, is hereby submitted. This report provides a broad overview of the District's financial activities for the 2025 fiscal year and its financial position as of June 30, 2025. Although addressed to the community and the elected officials of the District, this report also has a number of other audiences including bondholders of the District, financial institutions, credit rating agencies and other governmental entities.

The information in this ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and includes an unmodified (clean) opinion on the report issued by the District's independent certified public accountants. Although we rely on the standards and expertise of these external authorities, the responsibility for the accuracy and fairness of this report ultimately rests with the District. Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive framework of internal controls established for this purpose. Since the cost of internal controls should not exceed anticipated benefits, the objective is to provide reasonable, rather than absolute, assurance that the financial statements are free of any material misstatements. We believe that the information is presented in a manner designed to fairly set forth the financial position of the District and the changes in financial position, and that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial affairs are included.

The Management's Discussion and Analysis (MD&A) complement this letter and should be read in conjunction with it. The MD&A reports on the financial highlights of the District and provides additional analysis of the variances and trends reported as part of the financial statements. The MD&A also discloses significant items affecting the financial condition of the District and is designed to be read in conjunction with this Letter of Transmittal and can be found immediately following the report of the independent auditors.

PROFILE OF THE DISTRICT

The Pleasant Hill Recreation and Park District was established as an independent municipal agency in 1951 under the laws of the State of California Public Resources Code Section 5780. Originally serving a population of 5,686, the District has grown to serve the recreational needs of nearly 140,000 persons who participate in programs, visit District facilities, or volunteer annually. Situated in Contra Costa County, the District covers approximately 8.8 square miles and is approximately 27.4 miles northeast of the city of San Francisco. The District's service area includes the City of Pleasant Hill, City of Concord, portions of City of Lafayette, and the unincorporated community of Walden/Contra Costa Centre and Reliez Valley.

The District's mission is "In order to serve the diverse recreational needs of individuals and families and to enrich the quality of life for all residents, the Pleasant Hill Recreation & Park District is committed to providing park facilities, open space, and programs and activities for all ages." Its vision is "to be the leaders in providing WOW! experiences every day."

The District's operations include 275+ acres of parks and open space, as well as beautiful facilities, including the Pleasant Hill Community Center, Senior Center, Teen Center, Winslow Center, and many more. These state-of-the-art facilities are highly sought by the community for business meetings, conferences, wedding events, birthday parties, quinceaneras, life celebrations, reunions, fundraisers, crab feeds, dance events, and more! The District's splendid parklands remain the community's favorite, with miles of meticulously maintained landscapes extending over fourteen parks, with historic sites, and museum quality picture views.

The District is highly regarded in the San Francisco Bay Area for its wide variety of year-round programs and activities consisting of 2,300+ classes that support wellness, learning, recreation, and community connection for all ages. Prominent programs include spring and summer camps, preschool classes, youth enrichment classes, arts, dance, music, fitness, science and technology classes, aquatics, soccer, tennis, football, and basketball. The District historically sells out all its special events every year and also traditionally holds events for free to the community to uplift the community spirit. These events include festivals, concerts, dances, travel trips, egg hunts, pumpkin splashes, haunted trails, and volunteer opportunities. The District's support services include senior resources, nutrition and care management services, and fee waivers for District residents in need.

The District's community partners are a valued group of community organizations that share the District's passion and commitment to the community, including the County of Contra Costa, City of Pleasant Hill, City of Concord, Pleasant Hill Chamber of Commerce, Pleasant Hill Community Foundation, CoCoKids, Rodgers Ranch Heritage Center, and Pleasant Hill Dog Owners Group. Community partnerships with area businesses as well as grants and donations from the community have helped tremendously to fund District initiatives and expand recreation opportunities year after year. These funding sources, which are considered alternative revenue, are in addition to resident tax dollars. The District also works with various co-sponsored groups, including the American Legion Post Number 331, Contra Costa Camera Club, Diablo Valley Track & Field Club, East Bay Artists Guild, Las Juntas Artists, Onstage Theater, Society of Young Magicians, Diablo Valley Macintosh User Group, The Guild of Quilters of C.C. County, Pleasant Hill Baseball Association (PHBA), P.H. Garden Study Club, P.H. Historical Society, AYSO Soccer, P.H. Tennis Club, Pleasant Hill/Walnut Creek Mothers Club, Treadles to Threads, Veterans of Foreign Wars, and P.H. Fourth of July Volunteers.

The District participates in the Local Agency Investment Fund (LAIF), California Public Employees' Retirement System (CalPERS), Public Agency Retirement Services (PARS), California Association for Park & Recreation Indemnity (CAPRI) and the County of Contra Costa Treasury Pool. These organizations are separate governmental units because: (1) they are legally separate organized entities, (2) are fiscally independent of the District and (3) are governed by their own boards. Audited financial statements for these organizations are not included in this report. However, such statements are available upon request from their respective business offices.

District Structure

The District operates under the Board-Manager form of government, with five-member Board of Directors, elected by the public at large, governing the District. The Board members serve staggered, four-year terms. The Board of Directors serves as the legislative and policy-making body of District government and is responsible for enacting District policies, adopting resolutions, and approving the budget. A General Manager oversees the day-to-day administration of the District and appointing all personnel. As of June 30 2025, the District had a permanent staff of 68 regular full-time employees, and 112 part-time and seasonal staff throughout the year. Responsibilities in each service area include:

- **Administration** – includes The Finance Administration, Human Resources, Risk Management, and Information Technology.

- **Senior Citizens** – includes extensive support services such as:

    - **Aging Well Services** – with health insurance counseling, advocacy program, Medicare enrollment assistance, senior housing information, legal counsel recommendations, guidance with nursing home or privately owned independent living facilities, nutrition services for homebound seniors, and employment resources

    - **Senior Resource Center –** with community services resources such as adult protective services, Meals on Wheels, Food Bank of Contra Costa, Loaves and Fishes of Contra Costa, Monument Crisis Center, Contra Costa Legal Services, Choice in Aging, Home Match, Health Insurance and Counseling (HICAP), AARP Tax Preparation, Senior Special Events, Institute on Aging Friendship Line, and AARP Smart Driver Online Course.

    - **Senior Special Events –** featuring over 50 vendors, sponsors, and educational speakers from the community devotedly serving at annual Age Well Senior Expo, Holiday Boutique, and other events.

- **Travel Adventures** – this highly popular program offers local day trips, sightseeing educational tours, sporting events, and memorable musicals. Travel services also includes assistance with all-inclusive overseas adventures. The travel trips are structured to accommodate various mobility levels, including wheelchair, cane, and walker accessibility.

- **Winslow Center** –The Winslow Center is the District's smallest and most economical center with the event capacity of up to 120 people. It is primarily used for fitness classes in the mornings as well as our Preschool Program.

- **Community Center** – The Pleasant Hill Community Center is the crown jewel, state of the art facility of the District. This 22,000-square-foot impressive masterpiece designed by renowned architects is surrounded by a beautiful redwood park and lush landscapes. The Center features a Gazebo and a Perera Pavilion with private entrance (seats up to 385). The Perera Pavilion is the District's most sought after facility, continuously fully booked for large weddings, fundraisers, corporate events, and classroom sessions. Another highly sought after facility is the McHale Room, which is a 1200 sqft meeting room that can seat up to 80 people. The Community Center features many more beautiful rooms, catering kitchens, and dance studio, and is conveniently located close to the hotels, downtown, freeways and airports.

- **Athletics** – while structured as an organized sports activities for competitive play, the overall goal is enjoyable participation for all, with emphasis on being purely recreational and is based on developing fun, enjoyment, good sportsmanship, and friendship:

    - **5-on-5 and 3-on-3 Basketball Leagues** designed to provide the community with an opportunity to participate in an organized sports activity and for competitive play.

    - **Cornhole Bag Toss** – for all skill levels

    - **Flag Football 5-on-5 League -** Players alternate between playing an offensive and a defensive role. The length of the game consists of two, twenty-five-minute halves, with 5 minutes between the halves.

    - **Soccer League -** 5-v-5 league plays on smaller fields with smaller goals and no goalies. Smaller teams allow more games and players per hour to use the field and it also allows all players to touch the ball more often. All games are sixty minutes long (two thirty-minute halves). The main emphasis of the league is the recreational elements of fun, enjoyment, and good sportsmanship.

- **Tennis** - Monthly group classes typically run four consecutive weeks through the end of the month. Playing levels from Beginner to Advanced, open to all ages.

- **Teens -** The Teen Scene offers a wide range of activities designed specifically for teens - from our popular after-school program and Xtreme camps to art, enrichment, and our online Driver's Ed classes.

  - **Teen Xtreme Summer Camp -** Teens stay active with on-site outdoor and indoor boredom-busting activities and various field trip adventures.

  - **Teen Aquatics –** with Lifeguard Training & Certification, Pre-Swim Team Clinic, Swim Lessons, Swim Team, Swim Try Outs, and Water Fitness.

  - **Teen Sports –** provides youth sports leagues and youth sports classes and activities, including Jr.NBA Youth Basketball, NFL Sponsored Youth Flag Football League, soccer, volleyball, tennis, and sports camps. Our youth sports leagues are run by Pleasant Hill Rec & Park staff and parent volunteers, professional athletic partners, Skyhawks, Play for a Stray/Pack Sports, and Kidz Love Soccer.

  - **Preschool, Youth & Teen School Break Camps** - We have great seasonal camps to keep your kids active and engaged with their peers. A full-day camp with a variety of activities to keep children engaged and entertained. Ranging from science, robotics, engineering, art, cooking, group games, sports, skateboarding, local field trips, and S.T.E.A.M. projects, we have something for all children to enjoy.

  - **Teen Events** – concerts, dancing, and teen live music!

  - **Teen Classes & Activities** – Bay Area Driving School, Babysitting, Music School and Dance classes.

  - **Teen Council** - Teen Council (Grades 6-12) provides an outstanding opportunity for teens to develop, plan and implement events, classes, dances, sports, and trips for their peers.

  - **After School Program (ASP)** – this program provides transportation and includes after school program activities such as homework help, computers, sports equipment, ping-pong, fooseball, outdoor fitness, and offers snack shack daily.

- **Preschool Youth** – provides summer camps and preparation camps, preschool aquatics, and sports activities.

- **Special Events –** extensive range of events including the popular Blues & Brews Festival, Winter Fest, Breakfast with Santa, pumpkin splash, haunted trails, Egg Hunts, Pups in the Park, and inclusive dances.

- **Childcare -** KIDSTOP Childcare Center is a fun and nurturing childcare environment, specializing in science, technology, engineering, arts & mathematics (S.T.E.A.M.) inspired activities before and after school. The professional PH Rec & Park staff ensures your child is engaged and interacts with peers in positive and meaningful ways. KIDSTOP now provides transportation from Valhalla, Strandwood, and Pleasant Hill Elementary afterschool.

- **Aquatics –** provides many popular aquatics programs and healthy activities for all ages. Swim team, swim lessons, water fitness, water sports, training/certification or just open swim with friends. Includes a 25-yard pool, 3.5-10.5 feet deep, 20-yard shallow water training pool, 3.5-4 feet deep, Changing rooms with showers and restrooms, two picnic areas, with BBQ pit/two tables, on lawn area off the pool deck, and sprayground.

    - **Lifeguard Training** – Red Cross standard level training. Includes all prerequisites and certification and recertification, lifeguard instructor training courses, and water safety instructor training.

    - **Swim Lessons** – wide variety of swim lessons from 6 months to adults.

    - **Water Fitness** – provides a variety of water fitness classes that are ideal for individuals getting back in shape, people with chronic illness or injuries and seniors, including the Aqua Zumba, Lap Swim and Water Aerobics.

    - **Public Swim** – for individuals and groups, pool picnics, and pool parties.

    - **Aquatic Camps** – provides incredibly fun Junior Lifeguard and Splash ’N Dash camps, including lunchtime, organized activities in and out of the water and local field trips.

    - **Aquatic Events –** includes a popular Underwater Egg Hunt event.

    - **Aquatic Park Rentals** – our Aquatic Park is a popular destination for pool parties, pool picnics, and team practices.

- **Parks –** The District's parks are well-known throughout the San Francisco Bay Area for their immaculately maintained, lush landscapes and scenic hiking trails that showcase the purity and simplicity of nature and its ability to bring peace and wellness to those who experience our parks. The picnic areas are highly sought after and the visitors continuously report the feeling of being motivated to engage with nature, realizing there was a park for every type of person and experience. The District emphasizes that nature belongs to everyone and that everyone can find a place to relax, reflect, or explore, and encourages the community to find their own personal "park" within the District and experience it in their own way.

  The District maintains 14 immaculate parks, including Pleasant Hill Park, Pleasant Oaks Park, Rodgers-Smith Park, Sherman Acres, Shannon Hills Park, Paso Nogal Park (with Dog Park), Dinosaur Hill Park, Chilpancingo Park, Brookwood Park, Pinewood Park, Shadowood Park, Las Juntas Open Space, Rodgers Ranch Open Space, and others.

  The parks continuously practice water conservation by using recycled water to keep our parks green. The District continues to find ways to be water-smart in its efforts to balance water conservation with its goal to provide the community with the finest parks and green spaces possible.

- **Buildings –** charged with the responsibility of maintaining all District's facilities with the utmost care to ensure the District's buildings are well-maintained and preserved to serve the generations for many years to come.

Financial information for these operations is included in the ACFR, which includes all funds of the District. The District does not have any component units nor is it considered to be a component unit of another primary government.

ECONOMIC AND FISCAL OUTLOOK

Presently, U.S economy is showing signs of weakness, with low levels of confidence in business and consumer spending, hiring, and unpredictable turns in investment returns due to economic uncertainty. The current trade policies and budget cutbacks continue to place the U.S. into the space of ambiguity and consequentially affect the local economy. The District projects slow economic growth over the next year with the possibility of a recession. However, to alleviate the risk of a recession, the Federal Reserve initiated the lowering of interest rates at its September meeting which gives substantial hope for economic revival.

The local economy remained relatively strong, with the County of Contra Costa reporting the highest in history property tax assessment roll. However, consumer spending remained uneven across sectors, contributing to soft program revenue performance in FY25. The Property Tax remains the District's most stable source of revenue, but the program-related revenues continue to be sensitive to regional economic conditions. These trends continue to reinforce the need for a conservative revenue forecasting as well as building strong fiscal reserves that would give the District the ability to sustain operations regardless of the state of the economy. The District continues to monitor the broader economic risks, inflation pressures, interest rate uncertainty, and continued volatility in the real estate and development-related revenues, especially those affecting the Pleasant Hill area to remain informed and proactive in maintaining financial stability.

The Adopted Budget for the General Fund for Fiscal Year 2026 totals $11.5 million. Spending on wages, benefits, and pensions for District employees and retirees account for 65.9 percent of the budget ($7.6 million). Debt service costs to pay for the District's long-term debt from the District's general fund account for 4.2 percent ($481K). Budgeted payments for risk management program comprise 5.2 percent ($600K).

The Adopted Budget includes a reserve of $500,000, and the District is diligently working on building its reserve by actively identifying and cutting back costs as well as continuously re-evaluating its fee rates and services structure.

About 44.7 percent of spending in the Fiscal Year 2026 Adopted Budget is supported by District-generated revenues of $5.2 million through its recreational programs and activities. Tax revenues of $6.9 million represent the rest of the Districts revenues. In the financial planning, General Fund revenues and expenses for Fiscal Year 2026 are in balance.

MAJOR INITIATIVES

Service Efforts

In fiscal year 2025, the District continued its commitment to the community by delivering exceptional recreation services in the times of rising operational costs and economic uncertainty. Despite all of these challenges, the departments have maintained core programs and showed resiliency in advancing the District's mission to serve the community.

As a critical ongoing objective, District staff continues to review salary ranges and assess ongoing minimum wage impacts to ensure regulatory compliance. The District continues leveraging innovation with regard to overall parks and facilities maintenance practices to help overcome staffing and workload challenges. Staff further refined operational practices and identified opportunities to increase efficiencies and cut costs.

Future Initiatives

The District's focus for 2026 is centered on addressing key strategic initiatives intended to create a solid financial and capital infrastructure foundation for the next several years and ultimately benefitting the District on a long-term basis. The District's 2026 goals are as follows:

- Provide long-term investment in capital infrastructure for parks and facilities.
- Build cash reserves to preserve operations during economic downturns.
- Update existing financial policies and procedures to ensure strong controls.
- Perform Districtwide internal control assessment and resolve weaknesses.

FINANCIAL MANAGEMENT POLICIES

Financial Policies

The District's financial policies seek to improve the programs and services provided to our community as well as enhance the financial standing of the District. Currently, the District is in the process of comprehensive review and update of all financial policies.

Internal Controls

The District is responsible for establishing and maintaining internal controls designed to ensure that municipal assets are protected from waste, fraud, and abuse and to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with GAAP. These internal controls are subject to continuous evaluation by the District. To ensure the adequacy of the District's internal controls, District Office continually reviews the financial practices of the District's departments, corrects the errors, and places preventive controls to prevent them from happening in the future.

Reserves

Maintaining fiscal reserves that are adequate to sustain the economic downturns remains a number one priority of the District's long-term financial strategy.

Reserve building efforts remained focused on addressing anticipated increases in CalPERS and employee benefits obligations, supporting capital infrastructure needs, and preserving stability and sustainability amidst revenue uncertainties associated with economic conditions. These actions underline the District's ability to maintain service levels and timely address unforeseen fiscal challenges.

Risk Management

The District participates in the California Association for Park and Recreation Indemnity (CAPRI) Joint Powers Agreement for its general liability, property loss, automobile liability, and workers' compensation coverage. For FY25, the District maintained liability coverage up to $25 million with a self-insured retention of $1.5 million for total occurrences, and workers' compensation coverage up to the statutory limit with a $350,000 self-insured retention per occurrence.

OTHER INFORMATION

The District has engaged the public accounting firm of Maze and Associates Accounting Corporation to perform the audit for the fiscal year ending June 30, 2025. Their unmodified (clean) opinion on the basic financial statements is included in this report.

ACKNOWLEDGEMENTS

This report relies on the hard work of the hundreds of employees and volunteers throughout the District who work every day to serve the community through the District's various programs and activities. Your cooperation and collaboration with the staff of the District Office to produce this report comprises the foundation of our District's good faith and credit with the community. We also want to thank the District's independent auditors, Maze and Associates Accounting Corporation, for their efforts throughout this audit engagement. Finally, we want to acknowledge the work of the District's Board of Directors for their leadership and serving a vital role in ensuring the integrity of the District's finances.

Respectfully submitted,

Michelle Lacy	*Lisa Clark*
Michelle Lacy	Lisa Clark
General Manager	Finance Manager

Pleasant Hill Recreation and Park District
List of Principal Officials
As of June 30, 2025

ELECTED OFFICIALS

Board Chair	…………………………………….....	Quy Tran
Board Member	……………………………………….	Sandra Bonato
Board Member	………………………………………..	Sandy Vinson
Board Member	………………………………………..	Bobby Glover
Board Member	………………………………………..	Derek Wurst

APPOINTED OFFICIALS

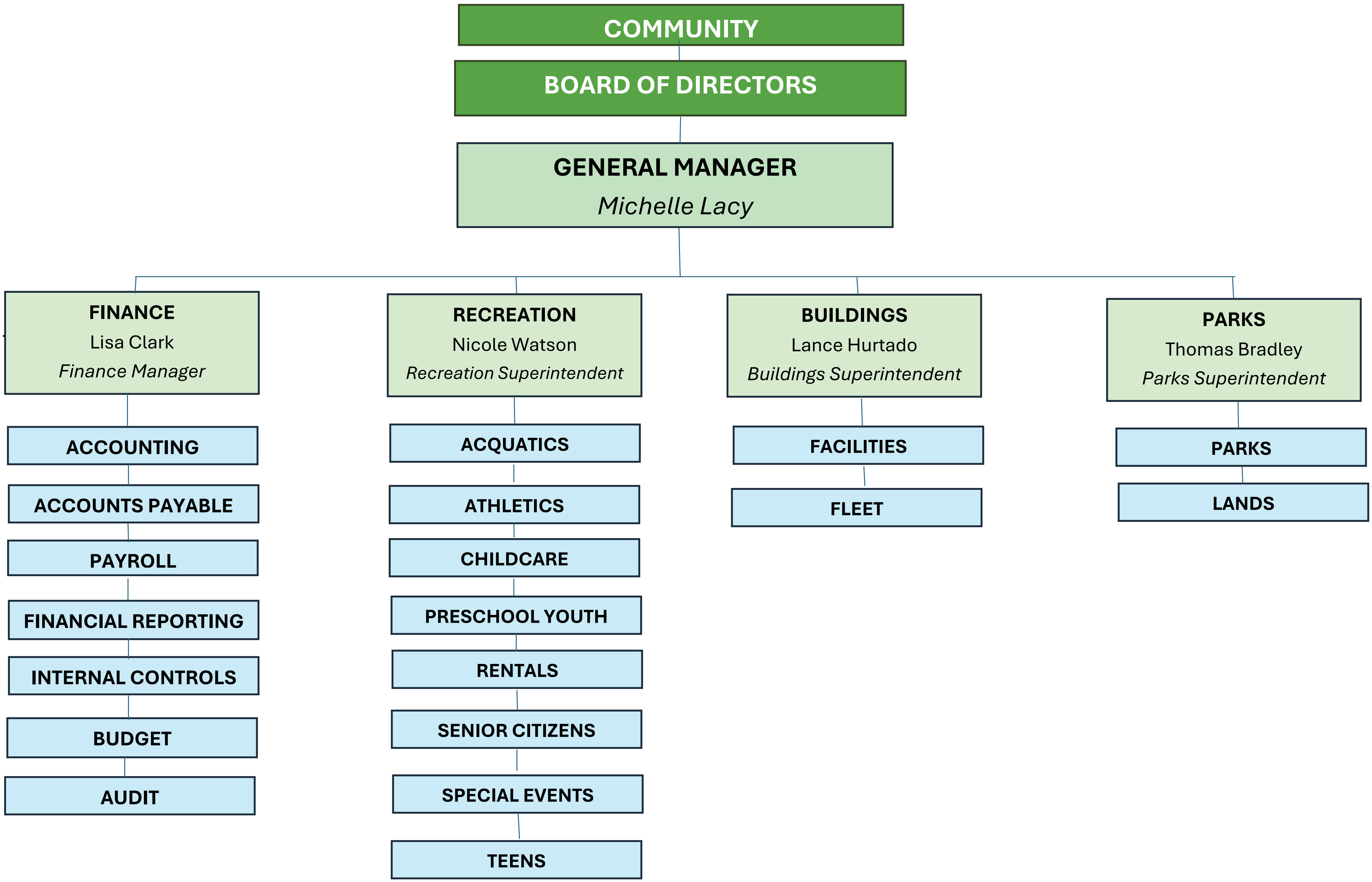
General Manager	…………………………………….....	Michelle Lacy

EXECUTIVE TEAM

Recreation	…………………………………….....	Nicole Watson
Facilities	……………………………………….	Lance Hurtado
Parks	………………………………………..	Tom Bradley
Finance	………………………………………..	Lisa Clark

PLEASANT HILL RECREATION AND PARK DISTIRCT

ORGANIZATIONAL CHART



INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Pleasant Hill Recreation and Park District (District), California, as of and for the year ended June 30, 2025, 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, each major fund, and the aggregate remaining fund information of the District as of June 30, 2025, 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 the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirement 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 these 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 the 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 the 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 generally accepted auditing standards 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 generally accepted auditing standards, 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 the 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 the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and other required supplementary information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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.

Supplemental Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplementary Information, as listed in the Table of Contents, is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Supplemental Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Maze & Associates

Pleasant Hill, California
March 6, 2026

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PLEASANT HILL RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS (Unaudited)
For the Year Ended June 30, 2025

This section of the Pleasant Hill Recreation and Park District's (the District) offers the readers of our financial statements the following narrative discussion and analysis of our financial activities of the District for the fiscal year ended June 30, 2025. Since the Management's Discussion and Analysis (MD&A) is designed to focus on the current year's activities and currently known facts, it should be read in conjunction with the Letter of Transmittal, which can be found in the introductory section and the District's financial statements, which can be found in the basic financial statement section of this report. We also encourage the reader to consider the information represented here in conjunction with the financial statements as a whole.

FINANCIAL HIGHLIGHTS

- The District's net position decreased $1.5 Million, or 12.8 percent from the prior year net position.

- During the year, government-wide revenues totaled $13.3 Million while expenses totaled $14.8 Million, resulting in a decrease to net position of $1.5 Million. The revenues increased by $385,028 or 3.0% from prior year, while the expenses increased by $1,685,161 or 12.9% from prior year.

- District's net position totaled $10,489,330 on June 30, 2025, which includes $11,680,000 net investment in capital assets, $1,818,898 subject to external restrictions, and $(3,009,568) in unrestricted net position that may be used to meet the ongoing obligations to citizens and creditors.

- The General Fund reported a decrease in fund balance of $1,676,722, or 39.3 percent. Ending fund balance in the General Fund is $2,563,931 as of June 30,2025.

USING THIS ANNUAL REPORT

The focus of the financial statements is on both the District as a whole (government-wide) and on the major individual funds of the District. Both perspectives allow the users of the financial statements to address relevant questions.

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances in a manner similar to private-sector business. The government-wide financial statements include the Statement of Net Position and the Statement of Activities.

The Statement of Net Position presents information on the assets/deferred outflows and liabilities/deferred inflows, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. It is focused on both the gross and net cost of various programs and activities, which are supported by the District's property taxes, program revenues, donations, capital contributions, and other sources. This is intended to simplify and summarize the user's ability to analyze the cost of the District's governmental activities.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The Governmental Funds presentation is designed to show the sources and uses of current resources. This is the manner in which the budget is typically developed. Governmental funds provide a current resources (short-term) view, which help to determine whether there are more or fewer current financial resources available to spend for District operations.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. Both the governmental funds Balance Sheet and the governmental funds Statement of Revenues, Expenditures, and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains 10 individual governmental funds. The General Fund, Senior Fund, Landscape Fund, Measure E Debt Service Fund, and Capital Projects Fund are all considered to be major funds. Data from the other five governmental funds are combined into a single, aggregate presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements Non-Major Governmental Funds section in this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's employee pension obligation and the budgetary comparison schedules for the General fund.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Statement of Net Position

A useful indicator of the District's financial position may be determined by comparing the total Net Position from year to year. The District's net position as of June 30, 2025 was $10,489,330, which represents a decrease of $1,534,766 from the prior fiscal year. The following schedule presents the condensed comparative Statement of Net Position as of June 30, 2025 and June 30, 2024:

Table 1 – Governmental Net Position

	Governmental Activities	
	FY 2023-2024	FY 2024-2025
ASSETS		
Current and other assets	$ 8,415,988	$ 7,398,859
Capital assets	38,531,580	37,664,259
Total Assets	46,947,568	45,063,118
DEFERRED OUTFLOW OF RESOURCES		
Pension related	2,835,522	2,254,031
LIABILITIES		
Current liabilities	4,294,172	5,033,000
Non-current liabilities	33,226,437	31,626,341
Total Liabilities	37,520,609	36,659,341
DEFERRED INFLOWS OF RESOURCES		
Pension related	238,385	168,478
NET POSITION		
Net investment in capital assets	11,269,680	11,680,000
Restricted	1,778,783	1,818,898
Unrestricted	(1,024,367)	(3,009,568)
Total Net Position	**$12,024,096**	**$10,489,330**

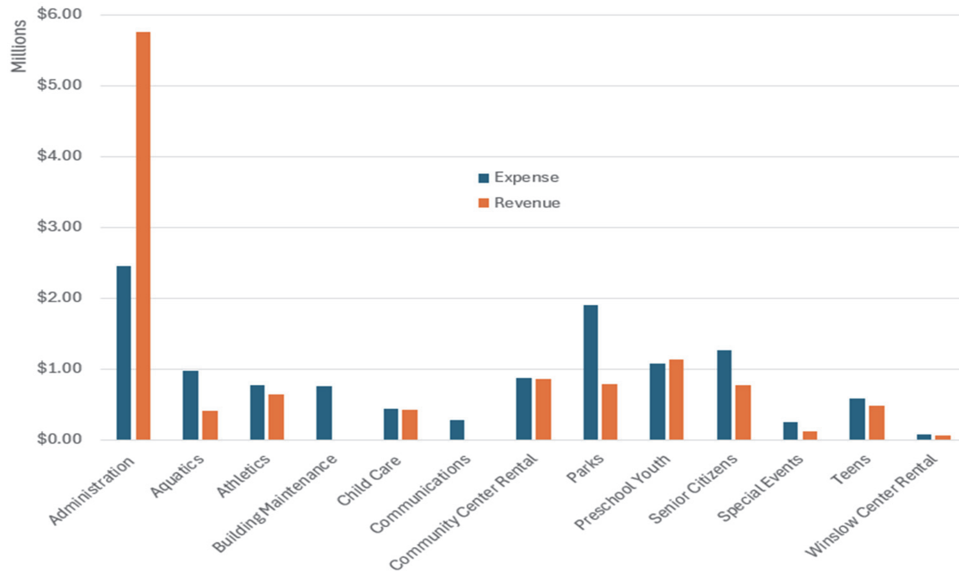
The following table summarizes the District's change in net position for the past two fiscal years.

Table 2 - Changes in Net Position

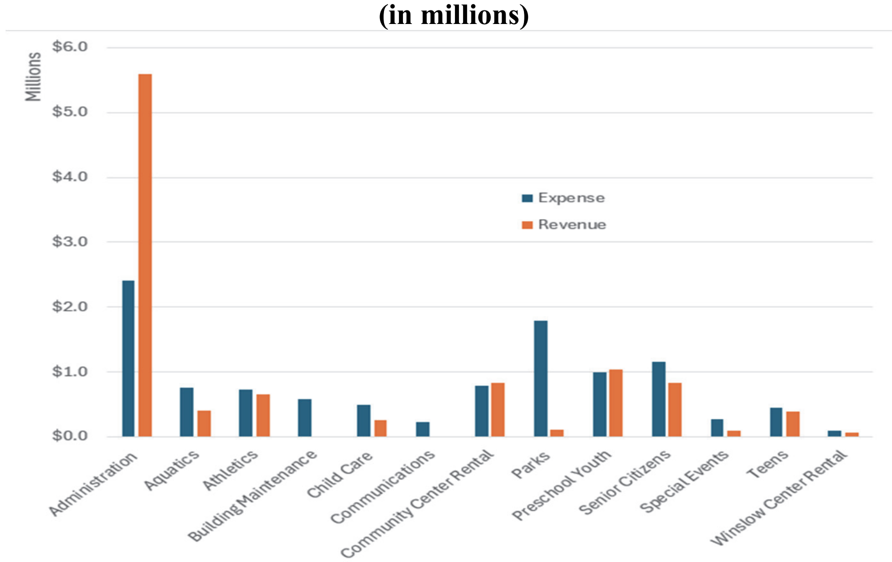
	Governmental Activities	
	FY 2023-2024	FY 2024-2025
EXPENSES		
Recreation and parks	$ 12,258,185	$13,940,450
Interest expense	817,084	819,980
Total Expenses	**13,075,269**	**14,760,430**
REVENUES		
Program revenues:		
Charges for services	4,781,657	4,949,483
Operating grants and contributions	203,518	255,113
Total Program Revenues	4,985,175	5,204,596
GENERAL REVENUES		
Property taxes	7,855,461	7,971,339
Interest and other	0	49,729
Total General Revenues	7,855,461	8,021,068
Total Revenues	**12,840,636**	**13,225,664**
Change in Net Position	**$ (234,633)**	**$(1,534,766)**

The following charts compare the amounts of General Fund's expenditures and program revenues for Fiscal Years 2025 and 2024:

General Fund
Expenditures and Program Revenues
for the Fiscal Year ended June 30, 2025
(in millions)

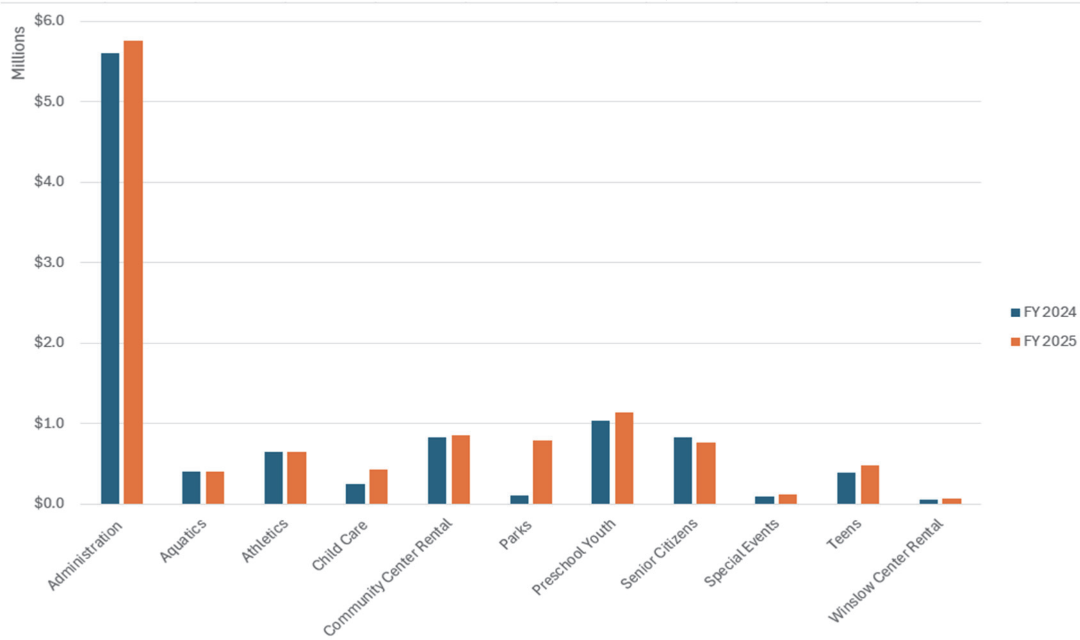


General Fund
Expenditures and Program Revenues
for the Fiscal Year ended June 30, 2024
(in millions)

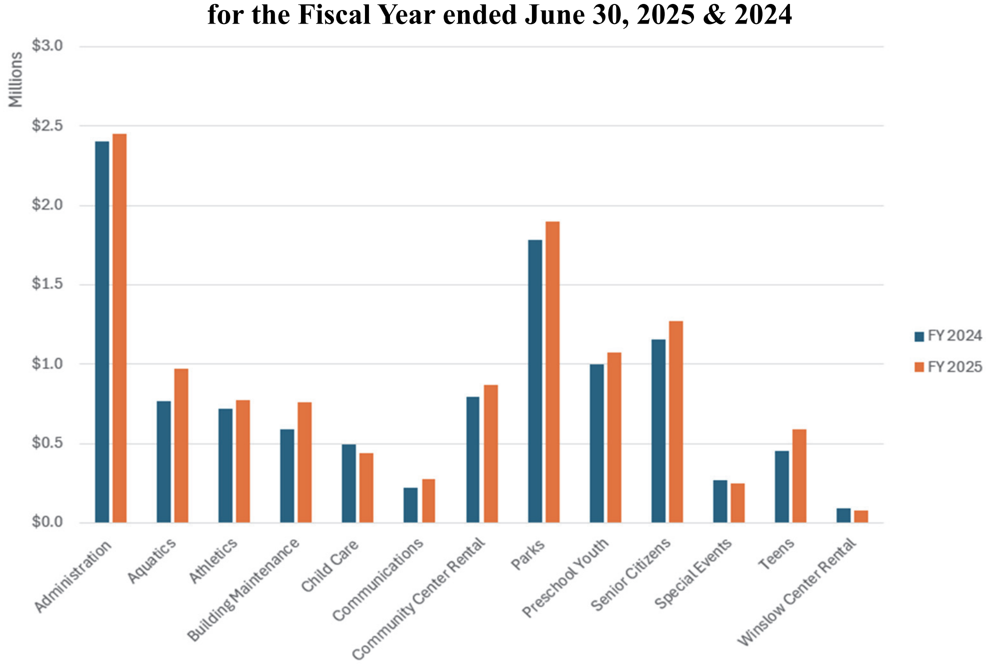


The following charts compare the amounts of program and general revenues and expenditures for Fiscal Years 2025 and 2024:

General Fund
Revenues by Source
for the Fiscal Year ended June 30, 2025 & 2024



General Fund
Expenditures by Type
for the Fiscal Year ended June 30, 2025 & 2024



Capital Assets

The District's investment in capital assets (net of accumulated depreciation/amortization), is detailed as follows:

Governmental Activities

	2025 (in thousands)	2024 (in thousands)	2023 (in thousands)
Land	$ 10,994	$ 10,994	$ 10,994
Park improvements	5,255	3,890	3,892
Buildings	20,030	20,292	20,713
Pool	637	921	882
Equipment	613	371	259
Work in progress	135	2,064	2,027
Total	**$ 37,664**	**$ 38,532**	**$ 38,767**

Total capital assets net of accumulated depreciation was recorded at approximately $37.7 million. The total net capital assets decreased by $867K or 2.3% due to the increase in the accumulated depreciation and a reclass of noncapital expenditures.

Additional information on the District's capital assets can be found in Note 4 of this report.

Debt Administration

In fiscal year 2025, the District fully relied on the funding generated by its programs and activities as well as the property tax revenues and did not enter into any short-term borrowings. On June 30, 2025, the District's outstanding General Obligation (GO) debt totaled $26.0 million (compared with $27.3 million and $28.5 million as of June 30 2024 and 2023, respectively), decrease of 4.8 percent. The decrease in outstanding debt is due to the District's debt service payments made on time. Additional information on the District's long-term debt can be found in Note 5 of this report.

Commitments

In June 2025, the District published the Three-Year Capital Improvement Plan for fiscal years 2026 through 2028. The Three-Year Capital Strategy totals $1.6 Million, of which approximately 90.0% would be financed with District funds. The Three-Year Capital Improvement Plan includes, among other items: (i) $850K to construct a new restroom with ADA access at the Rodgers-Smith Park; (ii) $240K for removal and replacement of existing wood floors in the Community Center; (iii) $75K to replace an aging boardwalk at Shannon Hills Park; (iv) $160K for replacement of banquet chairs at Community Center; (v) $75K for repaving of Hawthorn Drive at Pleasant Oaks Park; and (vi) $90K for the Bocce Court renovation at the Pleasant Hill Park. Programs in the Three-Year Capital Improvement Fund financed with District funds are currently expected to be funded primarily from the District's programs and the property taxes.

Requests for Information

This financial report is designed to provide the public a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional information, contact the Pleasant Hill Recreation and Park District Office, 147 Gregory Lane, Pleasant Hill, California 94523.

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PLEASANT HILL RECREATION & PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

	Governmental Activities
ASSETS	
Cash and cash equivalents (Note 3)	$ 4,726,580
Restricted cash (Note 3)	1,557,472
Accounts receivable	1,114,807
Capital assets (Note 4):	
Non-depreciable capital assets	11,128,483
Depreciable, net of accumulated depreciation	26,535,776
Total Assets	45,063,118
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows from pension activities (Note 7)	2,254,031
Total Deferred Outflows of Resources	2,254,031
LIABILITIES	
Accounts payable and other liabilities	1,116,822
Accrued interest	372,622
Unearned revenue (Note 2C)	2,157,019
Compensated absences (Note 2C):	
Due within one year	50,896
Due in more than one year	335,538
Long-Term Debt (Note 5):	
Due within one year	1,335,641
Due in more than one year	24,648,618
Collective net pension liability, due in more than one year (Note 7)	6,642,185
Total Liabilities	36,659,341
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows from pension activities (Note 7)	168,478
Total Deferred Inflows of Resources	168,478
NET POSITION (Note 12)	
Net investment in capital assets	11,680,000
Restricted	1,824,847
Unrestricted	(3,015,517)
Total Net Position	$ 10,489,330

See accompanying notes to basic financial statements

PLEASANT HILL RECREATION & PARK DISTRICT
STATEMENT OF ACTIVITIES - GOVERNMENTAL ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

		Program Revenues			Net (Expense) Revenue and Changes in Net Position
Functions/Programs	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants	Totals
Primary Government:					
Governmental Activities:					
Administration	$ 1,640,919	$ 83,852	$ 62,743	$ -	$ (1,494,324)
Senior Citizens	1,675,026	651,661	104,138	-	(919,227)
Winslow Center	151,097	68,717	-	-	(82,380)
Community Center Rental	1,229,544	860,189	-	-	(369,355)
Special Events	279,338	115,804	-	-	(163,534)
Athletics	936,079	649,155	-	-	(286,924)
Teens	742,926	477,485	-	-	(265,441)
Park & Facilities	10,015	152,900	-	-	142,885
Preschool and Youth	1,309,377	1,134,820	-	-	(174,557)
Child Care	525,807	343,948	88,232	-	(93,627)
Aquatics	1,089,295	410,952	-	-	(678,343)
Communications	304,427	-	-	-	(304,427)
Park Maintenance	2,875,354	-	-	-	(2,875,354)
Building Maintenance	1,171,246	-	-	-	(1,171,246)
Interest and Fees	819,980	-	-	-	(819,980)
Total Governmental Activities	$ 14,760,430	$ 4,949,483	$ 255,113	$ -	(9,555,834)
General Revenues:					
Taxes:					
Property Taxes					7,971,339
Use of Money and Property					49,729
Total General Revenues					8,021,068
Changes in Net Position					(1,534,766)
Net Position-Beginning					12,024,096
Net Position-Ending					$ 10,489,330

See accompanying notes to basic financial statements

PLEASANT HILL RECREATION & PARK DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2025

	General	Senior Fund	Landscape Fund	Measure E Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
ASSETS							
Cash and investments (Note 3)	$ 4,372,965	$ 218,520	$ 1	$ -	$ 86,108	$ 48,986	$ 4,726,580
Restricted cash (Note 3)	230,725	-	-	1,326,747	-	-	1,557,472
Accounts receivable, net	1,114,807	-	-	-	-	-	1,114,807
Total Assets	$ 5,718,497	$ 218,520	$ 1	$ 1,326,747	$ 86,108	$ 48,986	$ 7,398,859
LIABILITIES							
Accounts payable and accrued liabilities	$ 987,619	$ -	$ 5,950	$ -	$ 86,108	$ 27,217	$ 1,106,894
Unearned revenue	2,157,019	-	-	-	-	-	2,157,019
Other liabilities	9,928	-	-	-	-	-	9,928
Total Liabilities	3,154,566	-	5,950	-	86,108	27,217	3,273,841
FUND BALANCES (Note 12)							
Restricted	230,725	218,520	-	1,326,747	-	48,855	1,824,847
Unassigned	2,333,206	-	(5,949)	-	-	(27,086)	2,300,171
Total Fund Balances	2,563,931	218,520	(5,949)	1,326,747	-	21,769	4,125,018
Total Liabilities and Fund Balances	$ 5,718,497	$ 218,520	$ 1	$ 1,326,747	$ 86,108	$ 48,986	$ 7,398,859

See accompanying notes to basic financial statements

PLEASANT HILL RECREATION & PARK DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS - BALANCE SHEET
TO THE GOVERNMENT-WIDE STATEMENT OF NET POSITION
JUNE 30, 2025

Total Fund Balances - Governmental Funds Balance Sheet	$ 4,125,018
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. Therefore, they are not reported in the Governmental Funds Balance Sheet.	37,664,259
LONG-TERM LIABILITIES	
Long-term liabilities are not due and payable in the current period and, therefore are not reported in the Fund Financial Sheet	
Accrued interest payable	(372,622)
2020 General obligation refunding bonds	(6,500,000)
2013 Certificate of participation	(615,000)
2017 General obligation bond	(13,690,000)
Oak Park lease	(3,825,000)
Bond premium	(1,354,259)
Deferred inflows pension	(168,478)
Deferred outflows pension	2,254,031
Net pension liability	(6,642,185)
Compensated absences	(386,434)
Net Position of Governmental Activities	$ 10,489,330

See accompanying notes to basic financial statements.

PLEASANT HILL RECREATION & PARK DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	General Fund	Senior Fund	Landscape Fund	Measure E Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Totals
REVENUES							
Property Taxes	$ 5,595,998	$ -	$ 648,224	$ 1,679,002	$ -	$ 48,115	$ 7,971,339
Non-recreation	129,155	-	-	-	17,440	-	146,595
Park & Facilities	152,900	-	-	-	-	-	152,900
Senior Citizens	755,617	182	-	-	-	-	755,799
Winslow Center	68,717	-	-	-	-	-	68,717
Community Center Rental	860,189	-	-	-	-	-	860,189
Special Events	115,804	-	-	-	-	-	115,804
Athletics	649,155	-	-	-	-	-	649,155
Teens	477,485	-	-	-	-	-	477,485
Preschool and Youth	1,134,820	-	-	-	-	-	1,134,820
Child Care	432,180	-	-	-	-	-	432,180
Aquatics	410,952	-	-	-	-	-	410,952
Interest	49,729	-	-	-	-	-	49,729
Total Revenues	10,832,701	182	648,224	1,679,002	17,440	48,115	13,225,664
EXPENDITURES							
Current:							
Administration	1,342,894	-	-	-	-	-	1,342,894
Senior Citizens	1,668,654	6,372	-	-	-	-	1,675,026
Winslow Center	151,097	-	-	-	-	-	151,097
Community Center Rental	1,229,544	-	-	-	-	-	1,229,544
Events	279,338	-	-	-	-	-	279,338
Athletics	936,079	-	-	-	-	-	936,079
Teens	742,926	-	-	-	-	-	742,926
Facilities	10,015	-	-	-	-	-	10,015
Preschool and Youth	1,309,377	-	-	-	-	-	1,309,377
Child Care	525,807	-	-	-	-	-	525,807
Aquatics	1,089,295	-	-	-	-	-	1,089,295
Communications	304,427	-	-	-	-	-	304,427
Park Maintenance	2,032,844	-	-	-	-	-	2,032,844
Building Maintenance	83,633	-	11,789	-	-	38,893	134,315
Capital Outlay	-	-	-	-	1,012,120	-	1,012,120
Debt Service:							
Principal	318,000	-	-	875,000	-	-	1,193,000
Interest and Fiscal Charges	156,895	-	-	765,495	-	-	922,390
Total Expenditures	12,180,825	6,372	11,789	1,640,495	1,012,120	38,893	14,890,494
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	(1,348,124)	(6,190)	636,435	38,507	(994,680)	9,222	(1,664,830)
OTHER FINANCING SOURCES (USES)							
Transfers In (Note 6)	666,082	-	-	-	994,680	-	1,660,762
Transfers (Out) (Note 6)	(994,680)	-	(666,082)	-	-	-	(1,660,762)
Total Other Financing Sources (Uses)	(328,598)	-	(666,082)	-	994,680	-	-
NET CHANGES IN FUND BALANCES	(1,676,722)	(6,190)	(29,647)	38,507	-	9,222	(1,664,830)
BEGINNING FUND BALANCES	4,240,653	224,710	23,698	1,288,240	-	12,547	5,789,848
ENDING FUND BALANCES	$ 2,563,931	$ 218,520	$ (5,949)	$ 1,326,747	$ -	$ 21,769	$ 4,125,018

See accompanying notes to basic financial statements

PLEASANT HILL RECREATION & PARK DISTRICT
RECONCILIATION OF THE NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS
with the
TOTAL CHANGES IN NET POSITION OF GOVERNMENTAL ACTIVITIES
For the year ended June 30, 2025

Net changes in fund balances - total governmental funds	$ (1,664,830)
CAPITAL ASSETS TRANSACTIONS	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities and Changes in Net Position, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
The net capital outlay expenditures are therefore added back to the fund balance	1,012,120
Net retirement of capital assets are deducted from fund balance	(842,510)
Depreciation expense is deducted from fund balance	(1,036,931)
LONG-TERM DEBT PROCEEDS AND PAYMENT	
Bond proceeds provide current financial resources to the 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.	
Repayment of debt principal is added back to fund balance	1,193,000
Bond premium amortization is added back to the fund balance	253,923
ACCRUAL OF NON-CURRENT ITEMS	
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 governmental funds (net change):	
Pension expense	(368,164)
Accrued interest payable	(151,513)
Compensated absences	70,139
Total Changes in Net Position of Governmental Activities	$ (1,534,766)

See accompanying notes to basic financial statements.

NOTE 1 – REPORTING ENTITY

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 275+ acres of park-lands including: fourteen park sites, two pools, a community center facility, a senior citizens' complex, Teen Center, Winslow Center, aquatic facilities, 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 responsibly 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, 2025, the District does not have any component units and is not a component unit of any other reporting entity.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. 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 (GASB) and the American Institute of Certified Public Accountants (AICPA).

(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 classified 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, deferred outflows, liabilities, deferred inflows, 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A. Accounting Principles (Continued)

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.

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 District uses the following fund types:

Governmental funds are focused on the determination of financial position and changes in financial positions (sources, uses, and balances of financial resources) rather than upon net income. The following is a description of the major governmental funds of the District:

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.

Senior Special Revenue Fund: The Senior Fund is used to account for all activity of the Senior Center.

Landscape Special Revenue 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.

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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Budget and Budgetary Accounting

During the month of April, the District staff prepares an annual budget for the General Fund. 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 online 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.

C. Basis of Accounting

Basis of accounting refers to the point at which revenues or expenditures are recognized in the accounts and reported in the financial statements. It relates to the timing of the measurement made regardless of the measurement focus applied.

Accrual

The governmental activities in the government-wide financial statements are presented on the accrual basis of accounting. Revenues are recognized when earned and expenses are recognized when incurred.

Modified Accrual

The governmental funds financial statements are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recorded when susceptible to accrual; i.e., both measurable and available. "Available" means collectible within the current period or within 60 days after year-end. Expenditures are generally recognized when the related liability is incurred. The exception to this general rule is that principal and interest on general obligation long-term debt, if any, is recognized when due.

Cash and Investments

California Law requires banks and savings and loan institutions 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 District's cash on deposit as collateral for these deposits. Under California Law this collateral is held in an investment pool by an independent financial institution in the District's name and places the District ahead of general creditors of the institution pledging the collateral. The District has waived collateral requirements for the portion of deposits covered by federal deposit insurance.

The District participates in the Contra Costa County Treasury. 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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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.

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.

Prepaid Items

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

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 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 life 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:

Asset Class	Estimated Useful Life in Years
Land and park improvements	20
Building and structures	50
Swimming pool	50
Furniture and equipment	5

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 use 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. The District accrues accumulated unpaid vacation and sick leave when earned (or estimated to be earned) by the employee.

As of June 30, 2025, the District has a total balance of $386,434 in compensated absences.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Unearned Revenue

Unearned revenue is recorded to the extent that funds are received ahead of time where it qualifies for income recognition. Unearned 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, 2025.

Unearned revenue balances as of June 30, 2025 were as follows:

Balance as of June 30, 2024	$ 1,683,984
Class Registrations	483,355
Facility Rentals	36,606
User Credit	(4,216)
Other	(42,710)
Balance as of June 30, 2025	$ 2,157,019

Fair Value Measurements

Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The fair value hierarchy categorizes the inputs to valuation techniques used to measure fair value into three levels based on the extent to which inputs used in measuring fair value are observable in the market.

Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2 inputs are inputs – other than quoted prices included within level 1 – that are observable for an asset or liability, either directly or indirectly.

Level 3 inputs are unobservable inputs for an asset or liability.

If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

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 and discounts, if any, are deferred and amortized over the life of the debt.

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.

Use of Estimates

The basic financial statements have been prepared in conformity to generally accepted accounting principles and therefore include amounts based on informed estimates and judgments of management. Actual results could differ from those estimates.

Leases

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment.

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) 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.

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.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

Interfund Transactions

lnterfund 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.

Deferred Inflows and Deferred Outflows of Resources

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 assets 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 assets by the District that is applicable to a future reporting period.

Subscription-Based Information Technology Arrangements

A Subscription-Based Information Technology Arrangements (SBITA) is defined as a contract that conveys control of the right to use another party's information technology software, alone or in combination with tangible capital assets as specified in a contract for a period of time in an exchange or exchange-like transaction. The District will recognize SBITAs with an initial, present value that is material to the financial statements. The District has no SBITAs as of June 30, 2025 that reached this threshold.

NOTE 2 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

C. Basis of Accounting (Continued)

New Accounting Principles from the Governmental Accounting Standards Board (GASB)

GASB Statement No. 101 – In June 2022, GASB issued Statement No. 101, *Compensated Absences.* The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement is effective for reporting periods beginning after December 15, 2023, or the fiscal year 2024-25. The implementation of this Statement did not have a material effect on the financial statements.

GASB Statement No. 102 – In December 2023, GASB issued Statement No. 102, *Certain Risk Disclosure.* The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to government's vulnerabilities due to an aspect of significant inflow of resources or outflows of resources. A *constraint* is a limitation imposed on a government by an external party or by formal action of government's highest level of decision-making authority. The provisions of this Statement were implemented during the fiscal year 2025. The implementation of this Statement did not have a material effect on the financial statements.

New Upcoming Accounting Principles from the Governmental Accounting Standards Board (GASB)

GASB Statement No. 103 – In April 2024, GASB issued Statement No. 103, *Financial Reporting Model Improvements.* The objective of this Statement is to improve key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This Statement also addresses certain application issues. This Statement is effective for reporting periods beginning after June 15, 2025, or the fiscal year 2025-2026. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 104 – In September 2024 GASB issued Statement No. 104, *Disclosure of Certain Capital Assets.* The objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. This Statement requires certain types of capital assets to be disclosed separately in the capital assets note disclosures required by Statement 34 and also requires additional disclosures for capital assets held for Sale. The requirements of this statement are effective for the Districts fiscal year ending June 30, 2026. The District is evaluating the impact of this Statement on the financial statements.

GASB Statement No. 105 – *Subsequent Events,* provides users of governmental financial statements with essential information about transactions or other events that occur after the date of the financial statements but before the date the financial statements are available to be issued. This Statement requires the date through which subsequent events have been evaluated to be disclosed. The requirements of this Statement are effective for reporting period beginning after June 15, 2026, and all reporting periods thereafter. The District is evaluating the impact of this Statement on the financial statements.

Subsequent Events

The District evaluated subsequent events for recognition and disclosure through March 6, 2026, the date which these financial statements were available to be issued. Management concluded that no material subsequent events have occurred since June 30, 2025 that require recognition or disclosure in such financial statements.

NOTE 3 – 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 and investments as of June 30, 2025 were as follows:

	Carrying Amount
Unrestricted:	
Cash held in County Treasury	$ 3,346,062
Cash in bank	697,205
Investment in LAIF	683,313
Subtotal - Unrestricted cash and investments	4,726,580
Restricted:	
Cash held by fiscal agent	1,557,472
Total cash and investments	$ 6,284,052

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.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the District's cash 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.

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). At June 30, 2025, LAIF average days of maturity was 248 days.

NOTE 3 – CASH AND INVESTMENTS (Continued)

C. Fair Value Reporting-Investments

GASB Statement No.72, *Fair Value Measurements and Application*, establishes a fair value hierarchy that 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 the Contra Costa County Investment Pool and LAIF are exempt from being categorized under the fair value hierarchy.

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2025 is as follows:

Total Governmental Activities

	Balance July 1, 2024	Increases	Deletions	Transfers	Balance June 30, 2025
Capital assets not being depreciated:					
Land	$ 10,993,913	$ -	$ -	$ -	$ 10,993,913
Construction in progress	2,063,528	818,235	(842,510)	(1,904,683)	134,570
Total capital assets, not being depreciated	13,057,441	818,235	(842,510)	(1,904,683)	11,128,483
Capital assets being depreciated:					
Land & Park Improvements	11,744,260	-	-	1,366,124	13,110,384
Building & Structure	28,162,899	24,232	-	285,663	28,472,794
Swimming Pools	1,783,769	-	-	33,555	1,817,324
Furniture & Equipment	2,808,586	169,653	-	219,341	3,197,580
Total capital assets, being depreciated	44,499,514	193,885	-	1,904,683	46,598,082
Less accumulated depreciation for:					
Land & Park Improvements	(7,854,584)	(370)	-	-	(7,854,954)
Buildings and structures	(7,870,468)	(572,350)	-	-	(8,442,818)
Swimming Pools	(862,629)	(317,683)	-	-	(1,180,312)
Furniture & Equipment	(2,437,694)	(146,528)	-	-	(2,584,222)
Total accumulated depreciation	(19,025,375)	(1,036,931)	-	-	(20,062,306)
Total capital assets, being depreciated, net	25,474,139	(843,046)	-	1,904,683	26,535,776
Capital assets, net	$ 38,531,580	$ (24,811)	$ (842,510)	$ -	$ 37,664,259

Depreciation expense of $1,036,931 was charged to the park maintenance function in fiscal year 2025.

NOTE 5 – LONG-TERM DEBT

A. Changes in Long-Term Debt

The following is a summary of changes in long-term debt as of June 30, 2025:

	Balance at June 30, 2024	Deductions	Balance at June 30, 2025	Current Portion
2013 Certificate of Participation (COP)	$ 792,000	$ 177,000	$ 615,000	$ 183,000
2017 General Obligation Refunding Bonds	14,265,000	575,000	13,690,000	610,000
Bond premium	1,438,900	84,641	1,354,259	84,641
2020 General Obligation Refunding Bonds	6,800,000	300,000	6,500,000	305,000
Oak Park Lease	3,966,000	141,000	3,825,000	153,000
Total	$ 27,261,900	$ 1,277,641	$ 25,984,259	$ 1,335,641

B. 2013 Certificates of Participation ("COP")

The District issued certifications of participation in August of 2013 to refinance two previously issued certificates of participation (1997 Series DD and 1999 Series KK). The total amount of the issue was $2,366,000 with an interest rate bearing 3.65%. The payment dates are on the fifteenth of the months of January and July. The 2013 COPs mature as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 183,000	$ 22,448	$ 205,448
2027	194,000	15,768	209,768
2028	79,000	8,688	87,688
2029	78,000	5,804	83,804
2030	81,000	2,956	83,956
Totals	$ 615,000	$ 55,664	$ 670,664

C. 2017 General Obligation Bonds

The District issued general obligations 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 total amount of the issue was $17,485,000 and the payment dates are on the first of the months of February and August. The bonds are paid in annual installments until the 2041 fiscal year at interest rates ranging between 2 and 5%. The 2017 General Obligation Bonds mature as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 610,000	$ 562,456	$ 1,172,456
2027	640,000	531,206	1,171,206
2028	670,000	498,456	1,168,456
2029	700,000	464,206	1,164,206
2030	735,000	428,331	1,163,331
2031-2035	4,220,000	1,616,980	5,836,980
2036-2040	4,985,000	840,704	5,825,704
2041	1,130,000	28,250	1,158,250
Totals	$ 13,690,000	$ 4,970,589	$ 18,660,589

NOTE 5 – LONG-TERM DEBT (Continued)

D. 2020 General Obligation Bonds (Measure E)

In August of 2020, the District issued obligation refunding bonds in the amount of $7,370,000 with an average interest rate of 2.21%. 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.

The 2020 refunding bonds mature as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 305,000	$ 168,899	$ 473,899
2027	305,000	164,934	469,934
2028	305,000	160,009	465,009
2029	310,000	154,255	464,255
2030	315,000	147,848	462,848
2031-2035	1,660,000	624,643	2,284,643
2036-2040	1,950,000	370,185	2,320,185
2041-2043	1,350,000	66,580	1,416,580
Totals	$ 6,500,000	$ 1,857,352	$ 8,357,352

E. 2020 Oak Park Lease Financing

The District entered into 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 an interest rate of 3.23%. The payment dates are on the first of the months of February and August.

The lease matures as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 153,000	$ 122,337	$ 275,337
2027	165,000	117,298	282,298
2028	177,000	111,871	288,871
2029	190,000	106,058	296,058
2030	203,000	99,807	302,807
2031-2035	1,244,000	389,248	1,633,248
2036-2040	1,693,000	156,946	1,849,946
Totals	$ 3,825,000	$ 1,103,565	$ 4,928,565

NOTE 6 – INTERFUND TRANSACTIONS

With Board approval, resources may be transferred from one District fund to another. Transfers are used to (1) move revenues from the fund that statute or budget requires collecting them to the fund that statute or budget requires to expend them, and (2) use unrestricted revenues collected to finance various programs accounted for in other funds. In addition, transfers between funds also occur to support capital activities. Specific capital projects are typically supported by multiple funding sources.

Transfers between District funds during fiscal year 2024-25 were as follows:

Fund Receiving Transfers	Fund Making Transfers	Amount Transferred
Capital Projects Fund	General Fund	$ 994,680
General Fund	Landscape Fund	666,082
Total		$ 1,660,762

NOTE 7 – DEFINED BENEFIT PENSION PLAN

Plan Description

All qualified permanent and probationary employees are eligible to participate in the District's Miscellaneous Employee Pension Rate Plans. The District's Miscellaneous Rate Plans are part of the public agency cost-sharing multiple-employer defined benefit pension plan (PERF C), which is administered by the California Public Employees' Retirement System (CalPERS). PERF C consists of a miscellaneous pool (also referred to as "risk pools"), which are comprised of individual employer miscellaneous rate plans. Individual employers may sponsor more than one miscellaneous rate plan. The employer participates in one cost-sharing multiple-employer defined benefit pension plan regardless of the number of rate plans the employer sponsors. Benefit provisions under the Plans are established by State statute and District ordinance. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Plan's Provisions

The Plans' provisions and benefits in effect at June 30, 2025 are summarized as follows:

	Classic Tier 1	Classic Tier 2	PEPRA
Hire date	Prior to January 1, 2013	Prior to January 1, 2013	On or after January 1, 2013
Benefit formula	2.0% at 55	2.0% @ 60	2.0% at 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Normal retirement age	55	60	62
Monthly benefits, as a percent of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.00%	7.00%	7.75%
Required employer contribution rates	12.52%	10.15%	7.87%

Beginning in fiscal year 2016, CalPERS collects employer contributions for the Plan as a percentage of payroll for the normal cost portion as noted in the rates above and as a dollar amount for contributions toward the unfunded liability (UAL). The dollar amounts are billed on a monthly basis or can be paid in a lump sum at a reduced amount. The District's required contribution for the unfunded liability was $546,728 in fiscal year 2025.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law 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. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions.

The following is a schedule of the employer contribution rates, unfunded liability payments, and total contributions by employer made during the 2024/2025 fiscal year:

Plan	Contribution Rates	Employer Unfunded Accrued Liability (UAL)	Total Contributions by Employer for FY 2025
Miscellaneous - CLASSIC - Tier 1	12.52%	$ 535,007	$ 663,093
Miscellaneous - CLASSIC - Tier 2	10.15%	515	14,835
Miscellaneous - PEPRA	7.87%	11,206	269,240
Total		$ 546,728	$ 947,168

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to 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 Plan and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the CalPERS Financial Office. For this purpose, benefit payments (including refunds of employee contributions) are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

As of June 30, 2025, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of $6,642,185.

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, 2024, 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, 2023, rolled forward to June 30, 2024, 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. The District's proportionate share of the net pension liability for the Plan as of June 30, 2023 and 2024 was as follows:

Proportion - June 30, 2023	0.13570%	$ 6,785,605
Proportion - June 30, 2024	0.13733%	6,642,185
Change - Increase	0.0016%	$ (143,420)

For the year ended June 30, 2025, the District recognized a pension expense of $368,164. As of June 30, 2025, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	$ 947,168	$ -
Difference in actual contributions and proportion contributions	165,076	(28,534)
Difference in expected and actual experience	574,278	(22,408)
Change of Assumptions	170,718	-
Adjustment due to differences in proportions	14,409	(117,536)
Net differences between projected and actual earnings on plan investments	382,382	-
	$ 2,254,031	$ (168,478)

$947,168 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 next fiscal year 2026.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

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

Measurement Period Due Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2026	$ 366,425
2027	883,275
2028	19,723
2029	(131,038)
	$ 1,138,385

Actuarial Assumptions

For the measurement period ended June 30, 2024, the total pension liability was determined by rolling forward the June 30, 2023 total pension liability. The June 30, 2023 total pension liability was based on the following actuarial methods and assumptions:

Valuation Date	June 30, 2023
Measurement Date	June 30, 2024
Actuarial Cost Method	Entry-Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	6.90%
Inflation Rate	2.30%
Salary Increases	Varies by entry age and service
Mortality Rate Table	Derived using CalPERS' membership data for all funds (1)
Post Retirement Benefit Increase	The lesser contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter.

(1) The underlying mortality assumptions and all other acturial assumptions used in the June 30, 2023 valuation were based on the results of a November 2021 acturial experience study for the period 2001 to 2019. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate – The discount rate used to measure the total pension liability for each Plan was 6.90%. The projection of cash flows used to determine the discount rate for each Plan assumed that contributions from all plan members in the Public Employees Retirement Fund (PERF) will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, each Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability for each Plan.

NOTE 7 – DEFINED BENEFIT PENSION PLAN (Continued)

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.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the next 20 years using a building-block approach. The expected rate of return was then adjusted to account for assumed administrative expenses of 10 basis points.

Asset Class[1]	Assumed Asset Allocation	Real Return[1,2]
Global Equity - Cap-weighted	30.00%	4.54%
Global Equity - Non-Cap-weighted	12.00%	3.84%
Private Equity	13.00%	7.28%
Treasury	5.00%	0.27%
Mortgage-backed Securities	5.00%	0.50%
Investment Grade Corporates	10.00%	1.56%
High Yield	5.00%	2.27%
Emerging Market Debt	5.00%	2.48%
Private Debt	5.00%	3.57%
Real Assets	15.00%	3.21%
Leverage	-5.00%	-0.59%
Total	100.00%	

(1) An expected inflation of 2.30% used for this period.
(2) Figures are based on the 2021 Asset Liability Management Study.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate- The following presents 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 (5.90%) or 1-percentage point higher (7.90%) than the current rate:

	1% Decrease 5.90%	Current Discount Rate 6.90%	1% Increase 7.90%
Net Pension Liability	$ 10,102,454	$ 6,642,185	$ 3,793,874

Pension Plan Fiduciary Net Position – Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 8 – 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 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 contracts and the right to sue and be sued. Each risk pool is governed by a board consisting of representatives from 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 Indemnity (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 coverage with a $25,000,000 limit per occurrence for personal injury and property damage to which the coverage applies. The District has a self-insured retention of $1,500,000 for total occurrences.

CAPRI also provides public officials and employee liability coverage with a $25,000,000 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 $20,000 deductible for any covered claim for wrongful termination, payable to the District.

CAPRI also provides workers' compensation and employers' liability coverage with coverage up to statutory limitations and covers the District's retention of $350,000 per occurrence. There is no deductible to the District.

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

CAPRI provides flood coverage with an annual aggregate limit of $25,000,000 for all the member districts. The deductible for all loss or damage arising from the risks of flood is $50,000.

NOTE 9 – 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 result of operations.

NOTE 10 – 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 $25,783 during the year ended June 30, 2025.

NOTE 11 – 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 12 – NET POSITION AND FUND BALANCES

Net Position is measured on the full accrual basis, while Fund Balance is measured on the modified accrual basis.

A. Net Position

Net Position is the excess of all the District's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, 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.

NOTE 12 – NET POSITION AND FUND BALANCES (Continued)

B. Fund Balance

Governmental fund balances represent the net current assets of each fund. Net current assets generally represent a fund's cash and receivables, less its liabilities.

The District's fund balances are classified based on spending constraints imposed on the use of resources. For programs with multiple funding sources, the District prioritizes and expends funds in the following order: Restricted, Committed, Assigned, and Unassigned. Each category in the following hierarchy is ranked according to the degree of spending constraint:

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.

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REQUIRED SUPPLEMENTARY INFORMATION

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PLEASANT HILL RECREATION & PARK DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

	Budgeted Amounts		Actual	Variance Positive
	Original	Final	Amounts	(Negative)
REVENUES				
Property Taxes	$ 5,368,250	$ 6,061,187	$ 5,595,998	$ (465,189)
Non-recreation	52,645	32,000	129,155	97,155
Senior Citizens	747,450	789,000	755,617	(33,383)
Winslow Center	55,650	68,000	68,717	717
Community Center Rental	761,250	820,000	860,189	40,189
Special Events	120,000	151,000	115,804	(35,196)
Athletics	679,800	712,000	649,155	(62,845)
Teens	447,250	422,000	477,485	55,485
Preschool and Youth	1,174,200	1,088,534	1,134,820	46,286
Child Care	445,000	300,000	432,180	132,180
Aquatics	454,545	447,275	410,952	(36,323)
Park Maintenance	835,003	831,000	152,900	(678,100)
Interest	-	-	49,729	49,729
Total Revenues	11,141,043	11,721,996	10,832,701	(889,295)
EXPENDITURES				
Administration	693,145	847,025	1,342,894	(495,869)
Senior Citizens	1,800,719	1,623,626	1,668,654	(45,028)
Winslow Center	126,452	134,084	151,097	(17,013)
Community Center Rental	1,171,558	1,218,949	1,229,544	(10,595)
Events	299,726	352,431	279,338	73,093
Athletics	811,052	920,539	936,079	(15,540)
Teens	721,318	692,914	742,926	(50,012)
Facilities	13,726	13,295	10,015	3,280
Preschool and Youth	1,182,105	1,246,974	1,309,377	(62,403)
Child Care	601,315	565,638	525,807	39,831
Aquatics	928,558	1,071,764	1,089,295	(17,531)
Communications	436,996	490,903	304,427	186,476
Park Maintenance	1,803,426	1,867,154	2,032,844	(165,690)
Building Maintenance	-	111,212	83,633	27,579
Debt Service:				
Principal	318,000	318,000	318,000	-
Interest	153,618	155,895	156,895	(1,000)
Total Expenditures	11,061,714	11,630,403	12,180,825	(550,422)
Excess (Deficit) of Revenues Over (Under) Expenditures	79,329	91,593	(1,348,124)	(338,873)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	666,082	(666,082)
Transfers Out	-	-	(994,680)	994,680
Total Other Financing Sources (Uses):	-	-	(328,598)	328,598
Net Change in Fund Balances	$ 79,329	$ 91,593	(1,676,722)	$ (10,275)
Fund balances, Beginning of Period			4,240,653	
Fund balances, End of Period			$ 2,563,931	

PLEASANT HILL RECREATION & PARK DISTRICT
SCHEDULE OF THE PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY - MISCELLANEOUS
June 30, 2025

Measurement Date, June 30	2015	2016	2017	2018	2019
Proportion of the Net Pension Liability	0.11478%	0.11581%	0.11854%	0.12154%	0.11400%
Proportionate Share of the Net Pension Liability	$ 2,746,646	$ 4,023,230	$ 4,673,053	$ 4,580,319	$ 4,987,287
Covered Payroll	$ 2,063,113	$ 2,515,130	$ 2,717,478	$ 3,029,885	$ 3,257,391
Proportionate Share of the net pension liability as a percentage of covered payroll	133.13%	159.96%	171.96%	151.17%	153.11%
Plan's Proportionate Share of Fiduciary Net Position as a Percentage of the Total Pension Liability	80.34%	74.20%	73.62%	75.12%	72.70%

Measurement Date, June 30	2020	2021	2022	2023	2024
Proportion of the Net Pension Liability	0.12154%	0.12785%	0.13534%	0.13570%	0.13733%
Proportionate Share of the Net Pension Liability	$ 5,508,923	$ 3,211,377	$ 6,332,919	$ 6,785,605	$ 6,642,185
Covered Payroll	$ 3,140,181	$ 3,170,964	$ 3,953,706	$ 3,959,591	$ 4,272,472
Proportionate Share of the net pension liability as a percentage of covered payroll	175.43%	101.27%	160.18%	171.37%	155.46%
Plan's Proportionate Share of Fiduciary Net Position as a Percentage of the Total Pension Liability	71.93%	85.15%	78.19%	77.97%	78.08%

Note: Historical information is required only for measurement periods for which GASB 68 is applicable.

PLEASANT HILL RECREATION & PARK DISTRICT

SCHEDULE OF CONTRIBUTIONS- MISCELLANEOUS

June 30, 2025

Fiscal Year Ending June 30	2016	2017	2018	2019	2020
Contractually required contribution (actuarially determined)	$ 294,229	$ 366,918	$ 398,000	$ 555,600	$ 583,742
Contributions in relation to the actuarially determined contributions	(294,229)	(366,918)	(398,000)	(555,600)	(583,742)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 2,515,130	$ 2,717,478	$ 3,029,885	$ 3,257,391	$ 3,140,181
Contributions as a percentage of covered payroll	11.70%	13.50%	13.14%	17.06%	18.59%

	2021	2022	2023	2024	2025
Contractually required contribution (actuarially determined)	$ 590,257	$ 693,947	$ 803,795	$ 888,806	$ 947,168
Contributions in relation to the actuarially determined contributions	(590,257)	(693,947)	(803,795)	(888,806)	(947,168)
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
Covered payroll	$ 3,170,964	$ 3,953,706	$ 3,959,591	$ 4,272,472	$ 4,479,982
Contributions as a percentage of covered payroll	18.61%	17.55%	20.30%	20.80%	21.14%

Note: Historical information is required only for measurement periods for which GASB 68 is applicable.

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SUPPLEMENTARY INFORMATION

PLEASANT HILL RECREATION & PARK DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEETS
JUNE 30, 2025

	Valley High II	Valley High IV	Valley High V	Woodside Hills I	Woodside Hills II	Total Nonmajor Governmental Funds
ASSETS						
Cash and investments	$ 48,986	$ -	$ -	$ -	$ -	$ 48,986
Total Assets	$ 48,986	$ -	$ -	$ -	$ -	$ 48,986
LIABILITIES						
Accounts payable	$ 131	$ 13,612	$ 2,741	$ 6,445	$ 4,288	$ 27,217
Total Liabilities	131	13,612	2,741	6,445	4,288	27,217
FUND BALANCES						
Restricted	48,855	-	-	-	-	48,855
Unassigned	-	(13,612)	(2,741)	(6,445)	(4,288)	(27,086)
Total Fund Balances	48,855	(13,612)	(2,741)	(6,445)	(4,288)	21,769
Total Liabilities and Fund Balances	$ 48,986	$ -	$ -	$ -	$ -	$ 48,986

PLEASANT HILL RECREATION & PARK DISTRICT
NON-MAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES
FOR THE YEAR ENDED JUNE 30, 2025

	Valley High II	Valley High IV	Valley High V	Woodside Hills I	Woodside Hills II	Total Nonmajor Governmental Funds
REVENUES						
Property Taxes	$ 48,115	$ -	$ -	$ -	$ -	$ 48,115
Total Revenues	48,115	-	-	-	-	48,115
EXPENDITURES						
Building Maintenance	26,289	10,487	354	1,075	688	38,893
Total Expenditures	26,289	10,487	354	1,075	688	38,893
EXCESS (DEFICIENCY) OF REVENUES OVER EXPENDITURES	21,826	(10,487)	(354)	(1,075)	(688)	9,222
NET CHANGE IN FUND BALANCES	21,826	(10,487)	(354)	(1,075)	(688)	9,222
BEGINNING FUND BALANCES	27,029	(3,125)	(2,387)	(5,370)	(3,600)	12,547
ENDING FUND BALANCES (DEFICITS)	$ 48,855	$ (13,612)	$ (2,741)	$ (6,445)	$ (4,288)	$ 21,769

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