



**Paradise Recreation and Park District  
Board of Directors – Special Meeting**  
Terry Ashe Recreation Center, Room B  
Monday, November 24, 2025, 10:00 am

Members of the public may submit comments prior to the meeting via email to [BODclerk@paradisepdpd.com](mailto:BODclerk@paradisepdpd.com) before 1:00 p.m. on the day of the meeting or they may comment on Agenda items on during the time the item is presented. Speakers may comment on items not listed on the Agenda under Public Comment. Comments should be limited to a maximum of three (3) minutes. State Law prohibits the PRPD Board of Directors from acting on items not listed on the agenda. Please notify the meeting clerk prior to the start of the meeting if you wish to be heard. The public may access this meeting remotely:  
Web Access: <https://us02web.zoom.us/j/84518561101?pwd=TXRZdUNPTk5MNFM1SWdvdzlmZENUQT09>  
Telephone Access: **Dial:** +1 669 900 9128. **Meeting ID:** 845 1856 1101 **Password:** 6626

**1. CALL TO ORDER**

- 1.1. Pledge of Allegiance
- 1.2. Roll Call
- 1.3. Welcome Guests:

**2. PUBLIC COMMENT**

**3. CONSENT AGENDA**

- 3.1. Board Minutes:
  - A. Regular Meeting( October 8, 2025)
  - B. Special Meeting (October 21,2025)
- 3.2. Payment of Bills/Disbursements (Warrants and Checks Report)  
Check # 059530 - 059718 and ACHs
- 3.3. Information Items (Acceptance only): Safety Committee Meeting ( October 16, 2025)
- 3.4. Neighbor-to-Neighbor (N2N) Subgrantee Agreement with Paint Parties By Dawn – At the October 9, 2024, meeting, the BOD approved a streamlined process for Subgrantee Agreements with partners under the N2N grant. Staff seek BOD authorization with a new partner (Paint Parties By Dawn).  
**Recommendation:** *Authorize the District Manager to execute Agreement with applicant.*

**4. NEW BUSINESS**

- 4.1. Draft Audit for Fiscal Year (FY) 2022-2023. – The District received the FY 2022-2023 Final Audit Report from Harshwal & Company LLC. **Recommendation:** *Accept FY 2022-23 Final Audit Report.*

**5. OLD BUSINESS**

- 5.1. Employee Benefits Changes. – With the change in medical the District is restructuring the benefits package. The District is recommending decreasing the medical allocation to \$300 and adding a Heath Reimbursement Account (HRA) of \$1500. **Recommendation:** *Adopt Resolution #25-11-1-554.*
- 5.2. Extension of Employee Paid Dental and Vision– The BOD will consider the extension of dental and vision benefits to permanent part-time employees to allow enrollment in the District plans at their own cost after completion of 6 months of service. **Recommendation:** *Authorize the District to expand employee funded dental and vision coverage to permanent part-time employees after a 6-month probation period.*

**6. CLOSED SESSION**

- The Board will meet in Closed Session pursuant to California Government Code:
- 6.1. 54957.6, Employee Salary and Wage Negotiations.

7. **BOARD COMMENT**

8. **ADJOURNMENT**

Adjourn to the next regular meeting on 12/10/2025 at 6:00 p.m., in Conference Room B, at the Terry Ashe Recreation Center (6626 Skyway, Paradise, California).



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In accordance with the Americans with Disabilities Act, if you need a special accommodation to participate in the meeting, please contact the District Administrative Office at 530-872-6393 or [info@paradisepd.com](mailto:info@paradisepd.com) at least 48 hours in advance of the meeting.

**This institution is an equal opportunity provider and employer.**

If you wish to file a Civil Rights program complaint of discrimination, complete the USDA Program Discrimination Complaint Form, found online at [http://www.ascr.usda.gov/complaint\\_filing\\_cust.html](http://www.ascr.usda.gov/complaint_filing_cust.html), or at any USDA office, or call (866) 632-9992 to request the form. You may also write a letter containing all of the information requested in the form. Send your completed complaint form or letter to us by mail at U.S. Department of Agriculture, Director, Office of Adjudication, 1400 Independence Avenue, S.W., Washington, D.C. 20250-9410, by fax (202) 690-7442 or email at [program.intake@usda.gov](mailto:program.intake@usda.gov).

Paradise Recreation and Park District  
**Board of Directors Regular Meeting**  
 Terry Ashe Recreation Center  
 October 08, 2025

**MINUTES**

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**1. CALL TO ORDER:**

Chairperson McGreehan called the Regular Meeting of the Paradise Recreation and Park District Board of Directors to order at 6:00 p.m.

**1.1 PLEDGE OF ALLEGIANCE:**

Chairperson McGreehan led the Pledge of Allegiance.

**1.2 ROLL CALL:**

Present: Al McGreehan (Chairperson), John Stonebraker (Secretary), Steve Rodowick (Director), Robert Anderson (Director).

**PRPD STAFF:**

Present: Dan Efseaff (District Manager), Sarah Hoffman (Board Clerk), Jeff Dailey (Recreation Supervisor), Sunny Quigley (Administrative Assistant II)

**1.3 WELCOME GUESTS:**

Chairperson McGreehan welcomed guests.

Present: Citizen Rauen, Swede Hanski, and Stephanie Hanski

**2. PUBLIC COMMENT:** None

**3. CONSENT AGENDA:**

**3.2. Payment of Bills/Disbursements (Warrants and Checks Report)**

Check # 059364 - 059529 and ACHs

**3.4. Information Items (Acceptance only): Safety Committee Meeting (September 18, 2025)**

**MOTION:** Approve Consent Agenda **MADE BY:** Rodowick. **SECOND:** Anderson. **Roll Call Vote:** **AYES:** 4 (McGreehan, Stonebraker, Rodowick, Anderson). **NOES:** 0. **ABSENT:** 0

Items pulled from consent agenda

**3.1. Board Minutes:**

**A. Regular Meeting (September 10, 2025)**

**MOTION:** Approve the September 10, 2025, meeting minutes with the noted corrections. **MADE BY:** Stonebraker. **SECOND:** Anderson. **Roll Call Vote:** **AYES:** 4 (McGreehan, Stonebraker, Rodowick, Anderson). **NOES:** 0. **ABSENT:** 0.

## B. Special Meeting (September 18, 2025)

**MOTION:** Approve the September 18, 2025, special meeting minutes with the noted corrections. **MADE BY:** Stonebraker. **SECOND:** Rodowick. **Roll Call Vote: AYES:** 4 (McGreehan, Stonebraker, Rodowick, Anderson). **NOES:** 0. **ABSENT:** 0.

**3.3. Crain Park Groundwater Samples** – The California Department of Water Resources (DWR) (Applicant) requested access to Crain Memorial Park to conduct monthly groundwater quality sampling as part of a statewide monitoring initiative. The project will run from October 2025 through October 2029. PRPD’s legal counsel has reviewed the agreement. **Recommendation: Approve the License Agreement with Applicant and authorize the District Manager to sign the agreement.**

**MOTION:** Approve the License Agreement with Applicant and authorize the District Manager to sign the agreement. **MADE BY:** Stonebraker. **SECOND:** Rodowick. **Roll Call Vote: AYES:** 4 (McGreehan, Stonebraker, Rodowick, Anderson). **NOES:** 0. **ABSENT:** 0.

## 4. COMMITTEE REPORTS:

### 4.1. Personnel Committee

### 4.2. Recreation and Park Committee

## 5. NEW BUSINESS

**5.1. Master Services Agreement with Hanski Farms.** – PRPD is partnering with Hanski Family Farms to implement prescribed grazing for vegetation management and wildfire reduction. **Recommendation: Authorize the District Manager to complete a Master Services Agreement with Contractor.**

After discussion on the item there was board concurrence to table this item for a future date.

**5.2 Master Services Agreement with Architectural Nexus Inc. (Arch Nexus).** – As the District brings new facilities online, staff has identified the need for specialized professional support in interior design, storage solutions, sustainability, and operational efficiency. These services will help ensure District facilities are functional, energy- and water-efficient, and aligned with long-term community goals. To address these needs, staff propose engaging with Architectural Nexus Inc. (Arch Nexus) through a Master Services Agreement with an initial not to exceed budget of \$50,000. **Recommendation: Authorize the District Manager to complete a Master Services Agreement with Architectural Nexus Inc.**

**MOTION:** Authorize the District Manager to complete a Master Services Agreement with Architectural Nexus Inc. **MADE BY:** Rodowick. **SECOND:** Anderson. **Roll Call Vote: AYES:** 4 (McGreehan, Stonebraker, Rodowick, Anderson). **NOES:** 0. **ABSENT:** 0.

**5.3. Community Development Block Grant (CDBG) Program Funding Opportunity.** – The Town of Paradise has offered PRPD a grant of \$100,000 through the Community Development Block Grant (CDBG) program. The funding supports an initiative (ends June 2026) aimed at improving the emotional wellness of senior and disabled residents in Paradise. **Recommendation: Authorize the District Manager to finalize the agreement and coordinate staffing and program implementation.**

**MOTION:** Authorize the District Manager to finalize the agreement and coordinate staffing and program implementation. **MADE BY:** Stonebraker. **SECOND:** Anderson. **Roll Call Vote: AYES:** 4 (McGreehan, Stonebraker, Rodowick, Anderson). **NOES:** 0. **ABSENT:** 0.

**6. REPORTS**

**6.1 District Report**

**7. BOARD COMMENT:**

Director Rodowick, Secretary Stonebraker, and Chairperson McGreehan made comments.

**8. ADJOURNMENT:**

Chairperson McGreehan adjourned the meeting at 8:36 PM until the next Regular Board meeting, scheduled for November 12, 2025, at 6:00 p.m. at the Terry Ashe Recreation Center,

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Al McGreehan, Chairperson

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John Stonebraker, Secretary

Paradise Recreation and Park District  
**Board of Directors Special Meeting**  
 Terry Ashe Recreation Center  
 October 21, 2025

**MINUTES**

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**1. CALL TO ORDER:**

Chairperson McGreehan called the Special Meeting of the Paradise Recreation and Park District Board of Directors to order at 5:30 p.m.

**1.1 PLEDGE OF ALLEGIANCE:**

Chairperson McGreehan led the Pledge of Allegiance.

**1.2 ROLL CALL:**

Present: Al McGreehan (Chairperson), John Stonebraker (Secretary), Steve Rodowick (Director)

Absent: Robert Anderson (Director).

**PRPD STAFF:**

Present: Dan Efseaff (District Manager), Sarah Hoffman (Board Clerk), Sunny Quigley (Administrative Assistant II)

Present via-zoom: Kristi Sweeney (Assistant District Manager)

**1.3 WELCOME GUESTS:**

Chairperson McGreehan welcomed guests.

Present: Chris Rauen, Brian Wilson, Joleen Levey, and Michael Snow

**2. PUBLIC COMMENT:** None

**3. NEW BUSINESS**

**3.1. PRPD Board Vacancy Candidate Interviews and Action.** – The PRPD Board of Directors will interview and possibly appoint a candidate to fill a vacancy on the PRPD Board of Directors. This appointment will expire December 2026. The appointment will be contingent on completion of any necessary requirements. The appointee will be seated prior to November 17, 2025. **Recommendation: Appoint candidate to fill the Board of Directors vacancy to serve the term ending December 2026.**

**MOTION:** Nominate Brian Wilson to fill the board vacancy. **MADE BY:** Rodowick. **SECOND:** None.

**MOTION:** Nominate Joleen Levey to fill the board vacancy **MADE BY:** Stonebraker. **SECOND:** McGreehan. **Roll Call Vote: AYES:** 3 (McGreehan, Stonebraker, Rodowick). **NOES:** 0. **ABSENT:** 1

**4. ADJOURNMENT:**

Chairperson McGreehan adjourned the meeting at 6:32 PM until the next Regular Board meeting, scheduled for November 12, 2025, at 6:00 p.m. at the Terry Ashe Recreation Center,

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Al McGreehan, Chairperson

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John Stonebraker, Secretary

**PARADISE RECREATION & PARK DISTRICT**  
**COUNTY MONTHLY CHECK REGISTER**

<b>Fund 2510</b>
<b>OCTOBER</b>

CHECK	ISSUE DATE	VOID	PAYEE	SALARY AND BENEFITS	SERVICE SUPPLIES	FIXED ASSETS	NET CHECK	NOTES
*****								
059530-059557	10/1/2025		Payroll Summary	17,807.56	0.00	0.00	17,807.56	
*****								
Direct Deposit	10/1/2025		Payroll Summary	35,864.44	0.00	0.00	35,864.44	
*****								
059607-059627	10/15/2025		Payroll Summary	13,659.79	0.00	0.00	13,659.79	
*****								
Direct Deposit	10/15/2025		Payroll Summary	35,283.74	0.00	0.00	35,283.74	
*****								
059677-059696	1/0/1900		Payroll Summary	13,661.53	0.00	0.00	13,661.53	
*****								
Direct Deposit	10/29/2025		Payroll Summary	35,845.06	0.00	0.00	35,845.06	
*****								
059559	10/3/2025		PRINCIPAL LIFE INSURANCE COMP.	219.67			219.67	
059560	10/3/2025		VOYA INSTITUTIOANL TRUST CO	550.00			550.00	
059561	10/3/2025		MISSION SQUARE RETIREMENT	1,682.69			1,682.69	
059562	10/3/2025		FRANCHICE TAX BOARD	122.02			122.02	
059563	10/3/2025		PARADISE RECREATION & PARKS	35,864.44			35,864.44	A
059564	10/3/2025		SCOTT AMICK		203.72		203.72	B
059565	10/3/2025		MARK COBB		250.00		250.00	B
059566	10/3/2025		INDUSTRIAL POWER PRODUCTS		131.47		131.47	
059567	10/3/2025		RCAC		26,893.33		26,893.33	C
059568	10/3/2025		GLOBAL OFFICE INC		481.96		481.96	
059569	10/3/2025		EXTRA SELF STORAGE		1,634.00		1,634.00	
059570	10/3/2025		TOWN OF PARADISE		693.26		693.26	
059571	10/3/2025		DAWN HICKEY		2,260.00		2,260.00	N2N
059572	10/3/2025		CAPITAL CITY CPR		3,150.00		3,150.00	
059573	10/3/2025		BRETT JOHNSON		750.00		750.00	
059574	10/3/2025		KELLER SUPPLY COMPANY		5,522.98		5,522.98	
059575	10/3/2025		WEX BANK		3,236.11		3,236.11	
059576	10/3/2025		BRENDA PORTER CREATIVE ARTS		550.00		550.00	
059577	10/3/2025		RAYEN LOWRY		400.00		400.00	N2N
059578	10/3/2025		AMY DAZZLING ART		400.00		400.00	N2N
059579	10/3/2025		IRAYZ MOVEMENT		1,925.00		1,925.00	N2N
059580	10/3/2025	Y	VIVID CREATIONS FACE PAINTING		0.00		0.00	
059581	10/3/2025		MARCY BAILEY		450.00		450.00	N2N
059582	10/3/2025		RAVEN WILLIAMS		200.00		200.00	N2N
059583	10/3/2025		PATRIOT STAGE AND AUDIO		750.00		750.00	N2N
059584	10/3/2025		MICHAEL TAYLOR		500.00		500.00	N2N
059585	10/3/2025		JENESSA PALADE		200.00		200.00	N2N
059586	10/3/2025		PARADISE LITTLE LEAGUE		500.00		500.00	N2N
059587	10/3/2025		PARADISE POLICE DEPARTMENT ALARM UNIT		182.32		182.32	
059588	10/3/2025		PARADISE IRRIGATION DISTRICT		3,352.77		3,352.77	
059589	10/3/2025		AT&T		1,095.44		1,095.44	
059590	10/3/2025		MOBILE MED WORK HEALTH SOLUTIONS INC		165.00		165.00	
059591	10/3/2025		DE LAGE LANDEN FINANCIAL SERVICES INC		668.23		668.23	
059592	10/3/2025		ULINE		984.83		984.83	
059593	10/3/2025		ALPINE PORTABLE TOILET SERVICES LLC		560.00		560.00	
059594	10/3/2025		ACME TOILET RENTALS LLC		448.20		448.20	
059595	10/10/2025		THOMAS ACE HARDWARE		1,931.86		1,931.86	
059596	10/10/2025		TIFFANYH WHITROCK-WYATT		400.00		400.00	N2N

CHECK	ISSUE DATE	VOID	PAYEE	SALARY AND BENEFITS	SERVICE SUPPLIES	FIXED ASSETS	NET CHECK	NOTES
059597	10/10/2025		MICHELLE MISHELL		600.00		600.00	N2N
059598	10/10/2025		HARRY BURLESON		346.50		346.50	
059599	10/10/2025		STEPHANIE UHOR		50.00		50.00	Refund
059600	10/10/2025		BECCA MORTIMER		150.00		150.00	Refund
059601	10/10/2025		EDEN LEE		40.00		40.00	Refund
059602	10/10/2025		VALERIE HODGES		50.00		50.00	Refund
059603	10/10/2025		VERIZON WIRELESS		102.23		102.23	
059604	10/10/2025		WILSON PRINTING		166.97		166.97	
059605	10/10/2025		ODP BUSINESS SOLUTIONS LLC		526.09		526.09	
059606	10/10/2025		RORY CROWLEY		480.00		480.00	N2N
059628	10/17/2025		VOYA INSTITUTIONAL TRUST CO	550.00			550.00	
059629	10/17/2025		MISSION SQUARE RETIREMENT	1,682.69			1,682.69	
059630	10/17/2025		PARADISE RECREATION & PARKS	35,283.74			35,283.74	A
059631	10/17/2025		IRAYZ MOVEMENT		660.00		660.00	N2N
059632	10/17/2025		C&C PRINTS		701.44		701.44	
059633	10/17/2025		KRISTI SWEENEY		118.70		118.70	B
059634	10/17/2025		ACME TOILET RENTALS LLC		448.20		448.20	N2N
059635	10/17/2025		PRIMO BRANDS		431.47		431.47	
059636	10/17/2025		CHICO STATE ENTERPRISES		756.50		756.50	
059637	10/17/2025		ICF JONES & STOKES INC		5,437.73		5,437.73	D
059638	10/17/2025		MAGALIA COMMUNITY PARK		562.50		562.50	
059639	10/17/2025		ROMTEC		20,294.99		20,294.99	E
059640	10/17/2025		NORMAC INC		34.62		34.62	
059641	10/17/2025		DEL ORO WATER COMPANY		105.31		105.31	
059642	10/17/2025		MELTON DESIGN GROUP		34,244.00		34,244.00	F
059643	10/17/2025		JC NELSON SUPPLY CO		1,393.82		1,393.82	
059644	10/17/2025		LES SCHWAB TIRES		1,836.71		1,836.71	
059645	10/17/2025		STREAMLINE		440.00		440.00	
059646	10/17/2025		STONE RIDGE TERMITE & PEST		400.00		400.00	
059647	10/17/2025		NORTHERN RECYCLING & WASTE SERVICES LLC		3,065.18		3,065.18	
059648	10/17/2025		BUTTE COUNTY NEAL ROAD LANDFILL		20.56		20.56	
059649	10/17/2025		COMCAST		347.98		347.98	
059650	10/17/2025		COMCAST		2,524.28		2,524.28	G
059651	10/17/2025		NORTH STATE SCREENPRINTING & ATHLETIC		390.35		390.35	
059652	10/24/2025		DE JA VU NURSERY		834.84		834.84	
059653	10/24/2025		PARADISE ART CENTER		8,476.70		8,476.70	N2N
059654	10/24/2025		PARADISE STRONGER		4,825.99		4,825.99	N2N
059655	10/24/2025		PARADISE RIDGE CHAMBER OF COMMERCE		3,437.40		3,437.40	N2N
059656	10/24/2025		PARADISE GROCERY OUTLET		3,440.00		3,440.00	N2N
059657	10/24/2025		DAWN HICKEY		980.00		980.00	N2N
059658	10/24/2025		SKYCAVE ARTS		6,349.88		6,349.88	N2N
059659	10/24/2025		IRAYZ MOVEMENT		330.00		330.00	N2N
059660	10/24/2025		SARAH HOFFMAN		49.92		49.92	B
059661	10/24/2025		UMPQUA BANK		11,092.70		11,092.70	
059662	10/24/2025		KELLER SUPPLY COMPANY		3,358.98		3,358.98	
059663	10/24/2025		PG&E		1,244.33		1,244.33	
059664	10/24/2025		KELLY MUNSON		2,655.00		2,655.00	
059665	10/24/2025		VERIZON WIRELESS		823.46		823.46	
059666	10/24/2025		NHA ADVISORS		16,550.00		16,550.00	C
059667	10/24/2025		BUTTE COUNTY NEAL ROAD LANDFILL		810.49		810.49	
059668	10/24/2025		GLOBAL OFFICE INC		191.01		191.01	
059669	10/24/2025		EXTRA SELF STORAGE		1,634.00		1,634.00	
059670	10/24/2025		COMCAST		103.03		103.03	
059671	10/24/2025		NORTHSTAR ENGINEERING		10,435.58		10,435.58	H
059672	10/24/2025		ROSS RECREATION EQUIPMENT CO		314.00		314.00	
059673	10/24/2025		CHRISTENSEN TELECOMMUNICATIONS INC		357.65		357.65	
059674	10/24/2025		RADBRIDGE		8,972.50		8,972.50	I
059675	10/24/2025		BCRCD		5,558.10		5,558.10	I
059676	10/24/2025		AWARDS COMPANY		416.91		416.91	

CHECK	ISSUE DATE	VOID	PAYEE	SALARY AND BENEFITS	SERVICE SUPPLIES	FIXED ASSETS	NET CHECK	NOTES
059697	10/31/2025		PRINCIPAL LIFE INSURANCE COMP.	219.67			219.67	
059698	10/31/2025		HUMANA INSURANCE CO	906.08			906.08	
059699	10/31/2025		VOYA INSTITUTIONAL TRUST CO	550.00			550.00	
059700	10/31/2025		MISSION SQUARE RETIREMENT	1,682.69			1,682.69	
059701	10/31/2025		PARADISE RECREATION & PARK DI	1,762.47			1,762.47	
059702	10/31/2025		PARADISE RECREATION & PARKS	35,845.06			35,845.06	A
059703	10/31/2025		KELLER SUPPLY COMPANY		3,033.93		3,033.93	
059704	10/31/2025		KELLY MUNSON		253.54		253.54	
059705	10/31/2025		MARSHA BURCH		3,735.00		3,735.00	
059706	10/31/2025		DAWN HICKEY		1,155.00		1,155.00	N2N
059707	10/31/2025		KAREN PIERSON		76.97		76.97	N2N
059708	10/31/2025		IRAYZ MOVEMENT		330.00		330.00	N2N
059709	10/31/2025		ABC		50.00		50.00	N2N
059710	10/31/2025		WILLIAM HAMBLETON ELECTRIC		825.00		825.00	
059711	10/31/2025		CANON FINANCIAL SERVICES INC		282.40		282.40	
059712	10/31/2025		BARBARA MELEN		20.00		20.00	Refund
059713	10/31/2025		ODP BUSINESS SOLUTIONS LLC		298.60		298.60	
059714	10/31/2025		AT&T		1,095.44		1,095.44	
059715	10/31/2025		WEX BANK		2,892.44		2,892.44	
059716	10/31/2025		PARADISE IRRIGATION DISTRICT		3,103.03		3,103.03	
059717	10/31/2025		VERIZON WIRELESS		102.27		102.27	
059718	10/31/2025		TREE OF LIFE		2,500.00		2,500.00	
ACH	10/3/2025		ACH STATE PR TAX	2,427.66			2,427.66	
ACH	10/3/2025		ACH FED PR TAX	15,650.48			15,650.48	
ACH	10/3/2025		ACH CALPERS	11,153.38			11,153.38	
ACH	10/3/2025		ACH CALPERS	9,850.87			9,850.87	
ACH	10/21/2025		ACH STATE PR TAX	2,231.38			2,231.38	
ACH	10/21/2025		ACH FED PR TAX	14,333.80			14,333.80	
ACH	10/21/2025		ACH CALPERS	9,928.54			9,928.54	
ACH	10/21/2025		ACH CALPERS	4,934.66			4,934.66	
ACH	10/31/2025		ACH STATE PR TAX	2,264.30			2,264.30	
ACH	10/31/2025		ACH FED PR TAX	14,602.94			14,602.94	
ACH	10/31/2025		ACH CALPERS	12,167.89			12,167.89	
ACH	10/31/2025		ACH CALPERS	10,051.18			10,051.18	
*****								
<b>TOTALS</b>				<b>226,518.30</b>	<b>250,592.70</b>	<b>0.00</b>	<b>477,111.00</b>	

<b>GRAND TOTALS</b>				<b>271,647.18</b>	<b>250,592.70</b>	<b>0.00</b>	<b>522,239.88</b>	
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Refund = 310.00

Notes:

- A) Transferring funds to the Five Star Bank account for direct deposit payroll
- B) Reimbursement
- C) Consultant for OPR grant
- D) Consultant for OHV grant
- E) Aquatic Center Rebuild
- F) Design and planning for Lakeridge
- G) Bill for the pool was being sent to the pool and not to the office. This is the payment to get caught up.
- H) For Shop Rebuild
- I) Consultant for BRIC grant
- N2N Neighbor to Neighbor grant recipients



- b. DOCUMENTED SITE INSPECTIONS, REPAIRS, AND OTHER ACCOMPLISHMENTS RELATED TO SAFETY:
- None
  - There was discussion on formalizing and open/ close of season site inspection.
- c. ACCIDENT/INCIDENT REPORTS:
- 2025 Internal Accident/Incident Summary
    - 9/17/2025- Maintenance worker got a fishhook in his palm.
    - 10/11/2025- Somone graffiti the storage shed/ signs at the Aquatic Park
- d. WORKERS' COMPENSATION REPORTS:
- Workers Compensation Open Detail Report since September 30, 2025
    - Open Claim for 4A2207P8RB50001
    - Open Claim for 4A23036N0290001

4. **MISCELLANEOUS:**

- There was a brief discussion on an incident that occurred at the Harvest Festival.

Next Safety Meeting Date: November 20, 2025, at 8:54 a.m.

Facilitator: Sarah Hoffman

Adjourned: 8:54 AM

\_\_\_\_\_  
Sarah Hoffman, Safety Committee Secretary

\_\_\_\_\_  
Date:

cc: CAPRI  
PRPD Board

[https://paradisepd.sharepoint.com/sites/BODMeeting/Shared Documents/Safety Committee/2025/SC\\_25.1016/25.1016.SC.Minutes.Draft.docx](https://paradisepd.sharepoint.com/sites/BODMeeting/Shared Documents/Safety Committee/2025/SC_25.1016/25.1016.SC.Minutes.Draft.docx)

# Staff Report

## November 24, 2025



DATE: 11/5/2025  
 TO: Board of Directors (BOD)  
 FROM: Kristi Sweeney, Assistant District Manager  
 SUBJECT: Neighbor-to-Neighbor (N2N) Subgrantee Agreement with Paint Parties By Dawn (Applicant).

### Report in Brief

At the regularly scheduled October 9, 2024 meeting, the BOD authorized the District Manager to develop and execute a streamlined process for Subgrantee Agreements with twelve identified partner organizations with Neighbor-to-Neighbor (N2N) grant funded proposals. The BOD had previously authorized the District Manager to execute N2N partner Subgrantee Agreements up to \$5,000. Continuing with this effort, Staff seek BOD authorization for a new partner, Paint Parties By Dawn (Applicant), to execute an N2N Subgrantee Agreement more than the \$5,000 limit of non-BOD approved N2N Subgrantee Agreements. Staff note that the Subgrantee Agreement project totals and not to exceed budgets are the maximum allowed under agreement without further Board action and explicitly provide no guarantee that partners will receive the total number of projects or the total budget. Staff and grant administrators review and approve each project proposal from applicants.

**Recommendation:** *Authorize the District Manager to execute Subgrantee Agreement with applicant.*

**Table 1. Potential Subgrantee and Anticipated Number and Type of Proposals and an Estimated Not-To-Exceed Amount.**

Subgrantee	Proposals Number	Proposal Type	Not-to-Exceed Budget
Paint Parties By Dawn	15	Community Art Events and Classes	\$35,000

**Attachments:** None

11/20/2025

# Staff Report

## November 24, 2025



DATE: 11/20/2025  
 TO: Board of Directors (BOD)  
 FROM: Catherine Merrifield, District Accountant  
 SUBJECT: FY 2022-2023 District Audit

### Report in Brief

At the 10/25/2022 meeting, the BOD approved Harshwal & Company LLP to perform the Fiscal Year (FY) audits for five years starting with FY 2021-22, with the contract ending Dec. 31, 2026. The firm started the audit for FY 2022-23 on 8/23/24. Attached is the completed final audit. Staff reviewed it with the assistance of California Special District Association's Chief Finance Officer Rick Wood. One error in the draft report found was the list of Board of Directors showed the current BOD and not the ones serving during the audited year. The correct list was sent to the auditors to which they responded that they have updated the report for the final draft. There were zero significant findings in the report. Staff choose to submit the final report to the full Board instead of the Finance Committee to expedite the starting of the next FY 2023-24 audit.

**Recommendation:** Accept the FY 2022-23 Final Audit Report.

### Attachments:

- A. FY 2022-23 Final Audit Report

PARADISE RECREATION AND PARK DISTRICT  
FINANCIAL STATEMENTS  
AND  
INDEPENDENT AUDITOR'S REPORT  
JUNE 30, 2023



**PARADISE RECREATION AND PARK DISTRICT**  
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**JUNE 30, 2023**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Paradise Recreation and Park District  
Paradise, California

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

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

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the major fund, and the aggregate remaining funds information of the District as of June 30, 2023, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 and *Government 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 and *Government 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 from pages 5 - 8, and required supplementary information from pages 37 - 41, 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.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated November 03, 2025, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Harshmal & Company LLP*

San Diego, California  
November 03, 2025

**PARADISE RECREATION AND PARK DISTRICT  
OFFICIAL ROSTER  
JUNE 30, 2023**

**BOARD OF DIRECTORS**

Board Members	Term Expires December
Steve Rodowick, Chairperson	2026
Robert Anderson, Vice-Chairperson	2024
Mary Bellefeuille, Secretary	2026
Al McGreehan, Director	2026
Jenni Goodlin, Director	2024

**DISTRICT MANAGER**

Dan Efseaff

**ASSISTANT DISTRICT MANAGER**

Kristi Sweeney

**DISTRICT ACCOUNTANT**

Catherine Merrifield

**PARADISE RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

The following discussion and analysis of the financial performance of Paradise Recreation and Park District's (the "District"), during the stated period provides an overview of the District's operational activities that had an impact on the financial performance of the District.

This report consists of a series of financial statements with accompanying notes. The Statements of Net Position reflect the financial position of the District as of June 30, 2023, and June 30, 2022. The Statements of Functional Activities and Changes in Net Position provide the results from operations through the fiscal years ended June 30, 2023, and June 30, 2022, and reflect how the operating results for the fiscal years affected the Statements of Net Position.

The statements referenced above include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of current year's revenues and expenses is taken into account regardless of when cash is received or paid.

The notes that follow the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements. The District has made substantial progress over the last five years to improve transparency and financial practices, and Staff and Board are committed to continuing improvement in the next year.

The following summarizes the net position of the District and the change in net position from the prior fiscal year.

	<u>2023</u>	<u>2022</u>
<b>ASSETS</b>		
Current assets		
Cash and investment	\$ 42,146,508	\$ 43,104,292
Receivables and other current assets	<u>1,000</u>	<u>1,000</u>
Total current assets	<u>42,147,508</u>	<u>43,105,292</u>
Noncurrent assets		
Designated agency fund	3,086	2,891
Loan receivable	300,322	300,322
Capital assets, net	4,497,407	3,272,406
Right-to-use lease assets, net	<u>97,124</u>	<u>102,951</u>
Total noncurrent assets	<u>4,897,939</u>	<u>3,678,570</u>
Total assets	<u>47,045,447</u>	<u>46,783,862</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred outflows of resources - pensions	382,544	198,681
Deferred outflows of resources - OPEB	<u>20,141</u>	<u>24,338</u>
Total deferred outflows of resources	<u>402,685</u>	<u>223,019</u>
Total assets and deferred outflows of resources	<u>\$ 47,448,132</u>	<u>\$ 47,006,881</u>

**PARADISE RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>2023</u>	<u>2022</u>
<b>LIABILITIES AND NET POSITION</b>		
<b>LIABILITIES</b>		
Current liabilities		
Accounts payable	\$ 53,640	\$ 84,005
Accrued payroll and liabilities	57,133	37,904
Line of Credit	12,140	10,263
Deferred revenue	214,594	211,032
Deposits held for others	1,000	1,000
Lease liabilities	<u>1,830</u>	<u>1,758</u>
Total current liabilities	<u>340,337</u>	<u>345,962</u>
Noncurrent liabilities		
Compensated absences	61,373	57,344
Loan payable	60,286	60,061
Lease liabilities, net of current portion	97,523	101,734
Net pension liability	542,157	165,961
Other post-employment benefits	<u>309,317</u>	<u>414,918</u>
Total noncurrent liabilities	<u>1,070,656</u>	<u>800,018</u>
Total liabilities	<u>1,410,993</u>	<u>1,145,980</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred inflows of resources from pensions	23,565	181,518
Deferred inflows of resources from OPEB	<u>90,177</u>	<u>-</u>
Total deferred inflows of resources	<u>113,742</u>	<u>181,518</u>
<b>NET POSITION</b>		
Nonspendable		
Net investment in capital assets	4,495,178	3,271,865
Restricted	1,324,433	1,106,218
Unrestricted	<u>40,103,786</u>	<u>41,301,300</u>
Total net position	<u>45,923,397</u>	<u>45,679,383</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 47,448,132</u>	<u>\$ 47,006,881</u>

- The change in Pension Liability, inclusive of Net Pension Liability and Deferred Inflows, is a result of a CalPERS actuarial study.
- The deletion of lease liabilities both current and noncurrent are due to the required implementation of GASB 87. See footnote 8.

**PARADISE RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

The following section provides a summary of the functional activities (revenues and expenditures) and changes in the position of the District for the current and prior fiscal year.

	<u>2023</u>	<u>2022</u>
<b>REVENUES</b>		
Program service fees	\$ 306,765	\$ 316,840
Property taxes	1,303,706	995,619
Impact and development fees	105,127	152,631
Grant and donation revenue	735,846	566,157
Investment income, net	1,152,181	74,700
FEMA disaster recovery loan forgiveness	-	461,680
Other revenue	<u>393,807</u>	<u>67,512</u>
Total revenues	<u>3,997,432</u>	<u>2,635,139</u>
<b>EXPENDITURES</b>		
Salaries and benefits	2,242,549	1,587,167
Services and supplies	1,136,327	970,115
Contribution to other agencies	-	10,000
Depreciation and amortization	<u>374,542</u>	<u>321,194</u>
Total expenditures	<u>3,753,418</u>	<u>2,888,476</u>
Excess/(deficiency) of revenues over/(under) expenditures	244,014	(253,337)
Net position, beginning of year	45,679,383	45,334,042
<i>Restatement</i>	<u>-</u>	<u>598,678</u>
Net position, end of year	<u>\$ 45,923,397</u>	<u>\$ 45,679,383</u>

- Investment income increased due to interest from Five Star Bank and US Bank investments and unrealized investment gains.
- Grant revenues increased due to funding from CalRecycle and the contribution of donated property.
- Other income increased due to a settlement received from PG&E.
- Services and supplies increased due to historically high inflation.

**PARADISE RECREATION AND PARK DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED JUNE 30, 2023**

**Actual Results Compared to Budget**

The Board of Directors adopts an annual budget every June for the following fiscal year, commencing on July 1. The Board continuously monitors performance against this budget throughout the year. The following presents a summary of the actual results in comparison to the budget.

	<u>2023</u>	<u>Budget</u>
<b>REVENUES</b>		
Program service fees	\$ 306,765	\$ 362,750
Property taxes	1,085,491	1,103,000
Impact fee	105,127	144,000
Grant and donations	735,846	1,375,000
Investment income, net	1,152,181	311,600
Other revenue	<u>393,807</u>	<u>268,700</u>
Total revenues	<u>3,779,217</u>	<u>3,565,050</u>
<b>EXPENDITURES</b>		
Salaries and benefits	2,215,367	2,246,800
Services and supplies	1,132,533	1,489,300
Contribution to other agencies	-	20,000
Capital outlay	1,596,251	-
Debt payment		
Principal	1,677	-
Interest	<u>3,569</u>	<u>-</u>
Total expenditures	<u>4,949,397</u>	<u>3,756,100</u>
Excess/(deficiency) of revenues over/(under) expenditures	<u>(1,170,180)</u>	<u>(191,050)</u>
<b>OTHER FINANCING SOURCES/(USES)</b>		
Lease related	<u>73</u>	<u>-</u>
Net nonoperating revenue/(expense)	<u><u>\$ (1,170,107)</u></u>	<u><u>\$ (191,050)</u></u>

**Requests for Information:**

This report is designed to provide a general overview of the District's finances. Questions concerning any of the information provided in this report should be addressed to the District Manager, Paradise Recreation and Park District, 6626 Skyway, Paradise CA 95969.

## BASIC FINANCIAL STATEMENTS

## GOVERNMENT-WIDE FINANCIAL STATEMENTS

**PARADISE RECREATION AND PARK DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

	Total
<b>ASSETS</b>	
Current assets	
Cash and investment	\$ 42,146,508
Deposits and other assets	1,000
Total current assets	42,147,508
Noncurrent assets	
Designated agency fund	3,086
Loan receivable	300,322
Capital assets, net	4,497,407
Right-to-use lease assets, net	97,124
Total noncurrent assets	4,897,939
Total assets	47,045,447
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related	382,544
OPEB related	20,141
Total deferred outflows of resources	402,685
Total assets and deferred outflows of resources	\$ 47,448,132
<b>LIABILITIES AND NET POSITION</b>	
<b>LIABILITIES</b>	
Current liabilities	
Accounts payable	\$ 53,640
Line of credit	12,140
Accrued payroll and liabilities	57,133
Deferred revenue	214,594
Deposits held for others	1,000
Lease liabilities	1,830
Total current liabilities	340,337
Noncurrent liabilities	
Compensated absences	61,373
Lease liabilities, net of current portion	97,523
Loan payable	60,286
Net pension liability	542,157
Other post-employment benefits	309,317
Total noncurrent liabilities	1,070,656
Total liabilities	\$ 1,410,993

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

**PARADISE RECREATION AND PARK DISTRICT**  
**STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

**DEFERRED INFLOWS OF RESOURCES**

Pension related	\$ 23,565
OPEB related	<u>90,177</u>
Total deferred inflows of resources	<u>113,742</u>

**NET POSITION**

Net investment in capital assets	4,495,178
Restricted	1,324,433
Unrestricted	<u>40,103,786</u>
Total net position	<u>45,923,397</u>
Total liabilities, deferred inflows of resources, and net position	<u>\$ 47,448,132</u>

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

**PARADISE RECREATION AND PARK DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

**EXPENSES**

Governmental activities	
Salaries and benefits	\$ 2,242,549
Services and supplies	1,136,327
Contribution to other agencies	-
Depreciation and amortization	<u>374,542</u>
Total expenses	<u>3,753,418</u>

**PROGRAM REVENUES**

Program service fees	306,765
Grant and donations	<u>735,846</u>
Total program revenues	<u>1,042,611</u>
Net program expenses	<u>2,710,807</u>

**GENERAL REVENUES**

Property taxes	1,303,706
Investment income, net	1,152,181
Impact and development fees	105,127
Other revenues	<u>393,807</u>
Total general revenues	<u>2,954,821</u>
Change in net position	244,014
Net position, beginning of year	<u>45,679,383</u>
Net position, end of year	<u><u>\$ 45,923,397</u></u>

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

## FUND FINANCIAL STATEMENTS

**PARADISE RECREATION AND PARK DISTRICT**  
**BALANCE SHEET- GOVERNMENTAL FUNDS**  
**JUNE 30, 2023**

	<u>General Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
<b>ASSETS</b>			
Cash and investment	\$ 41,708,468	\$ 438,040	\$ 42,146,508
Deposits and other assets	1,000	-	1,000
Designated agency fund	3,086	-	3,086
Loan receivable	<u>300,322</u>	<u>-</u>	<u>300,322</u>
Total assets	<u>42,012,876</u>	<u>438,040</u>	<u>42,450,916</u>
<b>LIABILITIES AND FUND BALANCES</b>			
<b>LIABILITIES</b>			
Accounts payable	53,640	-	53,640
Line of credit	12,140	-	12,140
Accrued payroll and liabilities	57,133	-	57,133
Deferred revenue	214,594	-	214,594
Deposits held for others	<u>1,000</u>	<u>-</u>	<u>1,000</u>
Total liabilities	<u>338,507</u>	<u>-</u>	<u>338,507</u>
<b>FUND BALANCES</b>			
Restricted			
Restricted for impact and development	886,393	-	886,393
Restricted for special projects	-	438,040	438,040
Assigned	610,000	-	610,000
Unassigned	<u>40,177,976</u>	<u>-</u>	<u>40,177,976</u>
Total fund balances	<u>41,674,369</u>	<u>438,040</u>	<u>42,112,409</u>
Total liabilities and fund balances	<u>\$ 42,012,876</u>	<u>\$ 438,040</u>	<u>\$ 42,450,916</u>

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

**PARADISE RECREATION AND PARK DISTRICT**  
**RECONCILIATION OF THE BALANCE SHEET- GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**JUNE 30, 2023**

Fund balances - governmental funds \$ 42,112,409

Amounts reported for governmental activities in the Statement of Net Position are different from those reported in the balance sheet - governmental funds above because of the following:

Capital assets and Right-to-use lease assets, used in governmental activities are not short-term financial resources, and therefore are not reported in the governmental fund financial statements:

Capital assets, net	4,497,407	
Right-to-use lease assets, net	<u>97,124</u>	4,594,531

In governmental funds, deferred outflows and inflows of resources relating to pensions and OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows of resources and inflows of resources relating to pensions/OPEB are reported.

Deferred outflows of resources related to pension	382,544	
Deferred outflows of resources related to OPEB	20,141	
Deferred inflows of resources related to pension	(23,565)	
Deferred inflows of resources related to OPEB	<u>(90,177)</u>	288,943

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

Net pension liability	(542,157)	
Net OPEB liability	(309,317)	
Compensated absences payable	(61,373)	
Lease liability payable	(99,353)	
Loan payable	<u>(60,286)</u>	<u>(1,072,486)</u>

Net position of governmental activities		<u><u>\$ 45,923,397</u></u>
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**PARADISE RECREATION AND PARK DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN**  
**FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED JUNE 30, 2023**

	<u>General Fund</u>	<u>Non Major Governmental Funds</u>	<u>Total</u>
<b>REVENUES</b>			
Program service fees	\$ 306,765	\$ -	\$ 306,765
Property taxes	1,085,491	218,215	1,303,706
Impact and development fees	105,127	-	105,127
Grant and donations	735,846	-	735,846
Investment income, net	1,152,181	-	1,152,181
Other operating revenues	<u>393,807</u>	<u>-</u>	<u>393,807</u>
Total revenues	<u>3,779,217</u>	<u>218,215</u>	<u>3,997,432</u>
<b>EXPENDITURES</b>			
Current:			
Salaries and benefits	2,215,367	-	2,215,367
Services and supplies	1,132,533	-	1,132,533
Capital outlay	1,596,251	-	1,596,251
Debt payment:			
Principal	1,677	-	1,677
Interest	<u>3,569</u>	<u>-</u>	<u>3,569</u>
Total expenditures	<u>4,949,397</u>	<u>-</u>	<u>4,949,397</u>
Excess (deficiency) of revenues over expenditures	<u>(1,170,180)</u>	<u>218,215</u>	<u>(951,965)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Lease related	<u>73</u>	<u>-</u>	<u>73</u>
Total other financing sources (uses)	<u>73</u>	<u>-</u>	<u>73</u>
Net change in fund balances	(1,170,107)	218,215	(951,892)
Net fund balances, beginning of year	<u>42,844,476</u>	<u>219,825</u>	<u>43,064,301</u>
Net fund balances, end of year	<u>\$ 41,674,369</u>	<u>\$ 438,040</u>	<u>\$ 42,112,409</u>

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

**PARADISE RECREATION AND PARK DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED JUNE 30, 2023**

Net change in fund balances - governmental funds \$ (951,892)

Amounts reported for governmental activities in the statement of activities are different from those reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds above because of the following:

Governmental funds report additions of capital assets and right-to-use assets as part of capital outlay and other program expenditures. However, in the Government - Wide Statement of Activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount of capital assets recorded in the current period.

Capital outlays	1,596,251	
Less: Depreciation Expenses	(371,250)	
Less: Amortization Expenses	<u>(3,292)</u>	1,221,709

Some expenses and changes in deferred outflows and inflows of resources reported in the Statement of Activities do not require the use of current financial resources and therefore, are not reported as expenditures in the governmental funds.

Changes in compensated absences	(4,029)	
Net pension income (expenses)	(34,380)	
Net OPEB income (expenses)	11,227	
Principal payment of lease	1,677	
Proceeds from loan	(225)	
Lease related	<u>(73)</u>	<u>(25,803)</u>
Change in net position - governmental activities		<u>\$ 244,014</u>

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

Paradise Recreation and Park District (the "District"), established in 1948, is an independent special district serving over 50,000 residents in the Sierra Nevada foothills of Northern California. Covering approximately 165 square miles, the District manages 73 acres of developed park land and 358 acres of natural open space, offering recreational facilities and programs such as sports, aquatics, after-school activities, senior services, and special events.

The District was formed under Section 5780-5791 of the *Public Resources Code* Article V, and is governed by a five-member Board of Directors elected by the voters of the District. A salaried general manager administrates the operations of the District in accordance with policies adopted by the Board of Directors. These financial statements encompass all fiscal activities conducted by the District.

The District's basic financial statements include the operations of all organizations for which the Board of Directors exercises oversight responsibility. Oversight responsibility is demonstrated by financial interdependency, selection of the governing authority, designation of management, ability to significantly influence operations, and accountability of fiscal matters.

**A. Measurement Focus and Basis of Accounting**

Government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which they are levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if they are collected within sixty-days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

**B. Basis of Presentation**

The accounts of the District are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The District's resources are accounted for in these individual funds based on the purpose for which they are to be spent and the means by which spending activity is controlled. For financial reporting, these funds have been grouped into the fund types discussed below:

**Governmental Fund Types** - Governmental funds are used to account for the District's expendable financial resources and related liabilities (except those accounted for in proprietary and similar trust funds). The measurement focus is based on determination of changes in financial position.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

***B. Basis of Presentation (Cont'd)***

Following are the District's governmental funds:

- **General Fund** - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of general government-type activities.
- **Special Projects Fund** - This fund manages funds obtained from special assessments intended for specific park and recreation facilities and operations.

***C. Restricted Assets***

Restricted assets are financial resources generated for a specific purpose, such as construction of improvements and financing of debt obligations. These amounts are restricted, as their use is limited by applicable bond covenants or other external requirements.

***D. Budgetary Control***

The District's fiscal year is the 12-month period commencing on July 1. The general budget policy is that the District submit to the Butte County Auditor a board-approved budget estimating revenues and expenditures for the subsequent fiscal year prior to June 30. The final budget is legally enacted by a board resolution on or before August 10 after necessary adjustments, if any, have been made. Within certain legal restrictions, adjustments to final budget amounts may be made by the Board of Directors during the year to account for unanticipated occurrences.

***E. Property Taxes***

The District receives property taxes from Butte County (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1, on the assessed values of the prior January 1, for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1, and February 1, and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received. The District received approximately 30.27% of its operating revenue in 2022 from property taxes.

The District participates in the County "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectible taxes. In return, the County, collects all penalties and interest on the related delinquent taxes. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

***F. Revenue Recognition***

Revenue from grants is recognized to the extent of incurred expenses, up to the grant ceiling. Any excess of expenses incurred over cash received is recorded as a receivable; any excess of cash received over expenses incurred is recorded as deferred revenue. The District uses the allowance method to determine uncollectible revenue. The allowance is based on prior years' experience and management's analysis of specific grant agreements, if applicable.

***G. Cash and Cash Equivalents***

Cash and cash equivalents include cash on hand, demand deposits in a financial institution, and deposits in the Butte County Treasury (County). The accounts at the financial institution include money market accounts as well as an account that serves as a clearing account into which the District makes daily deposits and then writes a check at least once each month for deposit to the County.

The District maintains some of its cash in the County treasury as part of a common investment pool. Deposits in the pool are valued using the amortized cost method (which approximates fair value) and includes accrued interest. The pool has deposits and investments with a weighted-average maturity of less than two years. As of June 30, 2023. Information regarding the amount of dollars invested in derivatives with the County was not available. The pool is subject to regulatory oversight by the Treasury Oversight Committee as required by *California Government Code*, Section 27130. The District is considered to be a voluntary participant in the County investment pool.

***H. Fair Value Measurements***

The District measures some assets for fair value on a recurring basis as described in note 2. The District may be required, from time to time, to measure certain assets and liabilities at fair value on a non-recurring basis. The District classifies its fair value assets and liabilities into a hierarchy of three levels based on the markets in which they are traded and the reliability of the assumptions used to determine fair value. The asset or liability measurement level within the hierarchy is based on the lowest level of any assumption that is significant to the measurement.

Valuations within the hierarchy levels are based on the following:

- Level 1: Quoted market prices for identical instruments traded in active exchange markets.
- Level 2: Quoted prices for similar instruments in active markets, quoted prices for identical or similar instruments in markets that are not active, and model-based valuation techniques for which all significant assumptions are observable or can be corroborated by observable market data.
- Level 3: Model-based techniques that use at least one significant assumption not observable in the market.

These unobservable assumptions reflect an organization's estimates of assumptions that market participants would use on pricing an asset or liability. Valuation techniques include management's judgment and estimation which may be significant. Following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used during the year ended June 30, 2023.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

***H. Fair Value Measurements (Cont'd)***

- **Designated Agency Fund:** Each beneficiary in the investment pool held by North Valley Community Foundation (the Foundation) is assigned units based on the fair market value of the assets at the time they are transferred to the Foundation. Shares in the investment pool are valued daily based on the underlying securities owned. The investments in the investment pool are primarily made up of cash, cash equivalents, and mutual funds (level 2 inputs).

***I. Fund Balances***

In February 2009, the GASB issued Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, which establishes accounting and financial reporting standards for all governments that report governmental funds. Under GASB 54, fund balance for governmental funds should be reported in classifications that comprise a hierarchy based primarily on the extent to which the government is bound to honor constraints on the specific purposes for which amounts in those funds can be spent.

- **Nonspendable Fund Balance** - this fund balance classification includes amounts that cannot be spent because they are either not in spendable form (i.e. prepaid expenses) or legally or contractually required to be maintained intact.
- **Restricted Fund Balance** - this fund balance classification should be reported when there are constraints placed on the use of resources externally (by creditors, grant sources, contributors, etc.) or imposed by law or enabling legislation.
- **Committed Fund Balance** - this fund balance classification can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (i.e. fund balance designations passed by board resolution).
- **Assigned Fund Balance** - this fund balance classification are amounts that are constrained by the government's intent to be used for specific purposes, but are neither restricted nor committed.
- **Unassigned Fund Balance** - this fund balance classification is the residual classification for the general fund.

***J. Capital Assets***

Capital assets are presented in the financial statements at their historical cost, or in the case of donated items, they are recorded at their acquisition value on the date of donation. Capital assets include land, buildings and building improvements, and equipment. Capital assets are defined by the District as assets with an initial, individual cost of \$5,000 or more. The expenses incurred for routine maintenance and repairs, which do not contribute to an asset's value increase or significantly extend its lifespan, are not capitalized. Notably, significant expenditures for capital assets and improvements are capitalized during project construction. Depreciation is recorded in the financial statements on the straight-line basis over the estimated useful life of the assets as follows:

Assets	Years
Buildings	25 years
Building improvements	5-15 years
Equipment	5-7 years
Vehicles	7 years

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

***K. Interfund Receivable/(Payable)***

Occasionally, the Special Projects Fund has been underwritten by the General Fund for operating costs not covered by the annual property tax assessment or developer fees. Any interfund receivable/(payable) represents the amount due to the General Fund for these costs.

***L. Equity Classifications***

In the government-wide and proprietary fund financial statements, equity is classified as net position and divided into three components:

- **Net Investment in Capital Assets** - Net investment in capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes, or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- **Restricted Net Position** - Consists of net position with constraints placed on the use of either (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) laws through constitutional provisions or enabling legislation. Descriptions for the related restrictions for net position restricted for “other purposes” are described in the Notes to the Basic Financial Statements (if any).
- **Unrestricted Net Position** - All other net positions that do not meet the definition of “restricted” or “Net investment in capital assets.

***M. Deferred Outflows/ Inflows of Resources from Pensions***

In addition to assets, the statement of net position includes a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period which will only be recognized as an outflows of resources (expense) in the future. District pension contributions subsequent to the measurement date related to pension plans, are reported as deferred outflows of resources in the government-wide statement of net position. District pension contributions subsequent to the measurement date will be amortized during the next fiscal year.

In addition to liabilities, the statement of net position includes a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period and would only be recognized as an inflows of resources (revenue) at that time.

Changes in proportion and differences between the District’s contributions and proportionate share of pension contributions, the District’s proportionate share of the net difference between projected and actual earnings on pension plan investments, changes in assumptions, and the differences between the District’s expected and actual experience, are reported as deferred inflows of resources or deferred outflows of resources in the government-wide statement of net position. These amounts are amortized over the estimated service lives of the pension plan participants.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

**N. Use of Estimates**

The preparation of financial statements, in conformity with accounting principles generally accepted in the United States of America, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

**O. Deferred Revenue**

Activity fees paid prior to the utilization of the services are recorded as deferred revenue. Grants given, based on the expectation that specific expenses will be incurred, and for which the expenses have not yet been incurred as of the end of the fiscal year, are also recorded as deferred revenue.

**P. Compensated Absences**

Compensated absences represent the vested portion of accumulated vacation. The liability for accumulated leave includes all salary-related payments that are directly and incrementally connected with leave payments to employees, such as vacation and sick leave. A current liability has been recorded for these vested leave accruals, which are expected to be used within the next fiscal year. As of June 30, 2023, a long-term liability of \$61,373 for unpaid vacation and sick leave has been recorded in the statement of net position.

**Q. Net Pension Liability**

For purposes of measuring the net pension liability, deferred outflows of resources/ deferred inflows of resources related to pension, and pension expense, information about the fiduciary net position of the California Public Employees' Retirement System (CalPERS), and additions to/ deductions from CalPERS's 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 with the benefit terms. Investments are reported at fair value.

**R. Postemployment Benefits other than Pensions**

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's Plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**S. Operating Income and Expenses**

The statement of functional activities and changes in net position distinguishes between operating and nonoperating income and expenses. Operating revenues include all revenues received in order to provide recreation services. These revenues are received from program service fees which are from recreational activities, property taxes, impact fees, and grant revenue. Operating expenses are all expenses incurred to provide operating income, other than financing costs. Nonoperating revenues and expenses include interest income, interest expense, and other nonoperating revenues.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

**T. Lease Liabilities**

On July 01, 2021, the District adopted GASB 87 - Leases and adopted the changes to conform to the provisions of GASB 87 Implementation Guide. Lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The District has a lease primarily for office space. The lease liability is measured at the present value of the remaining lease payments, using a discount rate based on the rate implicit in the lease, if readily determinable. Otherwise, the District uses its incremental borrowing rate at commencement date to determine the present value of future payments.

**U. Leases**

**Lessee**

At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight line basis over its useful life. Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

**Lessor**

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflows of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflows of resources is recognized as revenue over the life of the lease term. Key estimates and judgments include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable are composed of fixed payments from the lessee.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

**U. Leases - Cont'd**

The District monitors changes in circumstances that would require a remeasurement of its leases, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

**V. Implementation of Government Accounting Standards Board Statements**

**Current Accounting Pronouncements** - Effective July 1, 2022, the Authority implemented the following accounting and financial reporting standards:

**Governmental Accounting Standards Board Statement No. 99**

In April 2022, GASB issued Statement No. 99, Omnibus 2022. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during the implementation and application of certain GASB Statements and (2) accounting and financial reporting for guarantees. The requirements of this Statement related to leases, PPPs, and SBITAs are effective for the District's fiscal year ending June 30, 2023.

**Future Accounting Pronouncements** - These Statements are not effective until July 1, 2023, or later, and may be applicable for the District. However, the District has not determined the effects, if any, on the financial statements.

**Governmental Accounting Standards Board Statement No. 99**

The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023.

**Governmental Accounting Standards Board Statement No. 100**

In June 2022, GASB issued Statement No. 100, Accounting Changes and Error Corrections - An Amendment of GASB Statement No. 62. The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. The District has implemented the provisions of this statement in the current fiscal year.

**Governmental Accounting Standards Board Statement No. 101**

In June 2022, GASB issued Statement No. 101, Compensated Absences. The primary 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 by aligning the recognition and measurement guidance under a unified model and amending certain previously required disclosures. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2025.

**Governmental Accounting Standards Board Statement No. 102**

In December 2023, GASB issued Statement No. 102, Certain Risk Disclosures. The primary objective of this Statement is to provide users of governmental financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. A concentration is defined as a lack of diversity related to an aspect of a significant inflow of resources. A constraint is a limitation imposed on a government by an external party or by a formal action of the government's highest level of decision-making authority. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2026.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 1 - NATURE OF BUSINESS AND SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES - CONT'D**

**V. Implementation of Government Accounting Standards Board Statements - Cont'd**

**Governmental Accounting Standards Board 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. The requirements of this Statement are effective for the District's fiscal year ending June 30, 2026.

**Governmental Accounting Standards Board Statement No. 104**

In September 2024, GASB issued Statement No. 104, Disclosure of Certain Capital Assets. The objectives of this Statement are 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 asset 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 District's fiscal year ending June 30, 2026.

**NOTE 2 - CASH AND INVESTMENT**

The District is required under state statutes to deposit most of its money in the County Treasury, which in turn pays the claims of the District. The County Treasury is limited in its investments by *California Government Code*, Section 53635, pursuant to Section 53601, to invest in demand deposits with financial institutions, savings accounts, certificates of deposits, U.S. Treasury securities, federal agency securities, state of California notes or bonds, notes or bonds of agencies within the state of California, obligations guaranteed by the Small Business Administration, bankers' acceptances, commercial paper, and the Local Agency Investment Fund (LAIF) of the state of California. The deposits in the County Treasury pooled funds are unrated. The District also has cash in money market accounts at a financial institution and cash on hand.

**A. Financial Statement Presentation**

As of June 30, 2023, the District's cash and investment are reported in the financial statements as follows:

	<b>Fair Value</b>
Petty cash	\$ 300
Deposits (1)	3,415,864
Investments that are not securities (2)	
County Treasury investment pool	2,173,262
Investment	36,557,082
Total cash and investment	\$ 42,146,508

- 1) **Deposits:** The carrying amount of deposits includes checking accounts, savings accounts, nonnegotiable certificates of deposit, and money market accounts at financial institutions, if any.
- 2) **Investments that are not securities:** A "security" is a transferable financial instrument that evidences ownership or creditorship, whether in physical or book-entry form. Investments that are not securities do not have custodial credit risk because they do not involve a transferable financial instrument. Thus, they are not categorized into custodial credit risk categories.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 - CASH AND INVESTMENT - CONT'D**

**B. Cash**

On year-end, the carrying amount of the District's cash deposits was \$3,415,864, and the bank balance was \$3,380,429.

Custodial Credit Risk - Custodial credit risk is the risk that in the event of a bank failure, the District's deposits may not be returned. The District has a collateralization agreement with the bank, which mitigates custodial credit risk. The cash balances in the bank at June 30, 2023, amounted to \$3,380,429. Deposits amounting to \$500,000 are covered by depository insurance with the Federal Deposit Insurance Corporation (FDIC), and the balance is subject to the collateralization agreement.

**C. Investment**

Concentration of Credit Risk - *California Government Code*, Section 53635, places the following concentration limits on the county investment pool:

No more than 40% may be invested in eligible commercial paper; no more than 10% may be invested in the outstanding commercial paper of any single issuer; and no more than 10% of the outstanding paper of any single issuer may be purchased.

*California Government Code*, Section 53601, places the following concentration limits on the District's investments:

No more than 5% may be invested in the securities of any one issuer, except the obligations of the U.S. government, U.S. government agencies, and U.S. government-sponsored enterprises; no more than 10% may be invested in any one mutual fund; no more than 25% may be invested in commercial paper; no more than 10% of the outstanding commercial paper of any single issuer may be purchased; no more than 30% may be invested in bankers' acceptances of any one commercial bank; no more than 30% may be invested in negotiable certificates of deposit; no more than 20% may be invested in repurchase agreements or reverse repurchase agreements; and no more than 30% may be invested in medium-term notes.

The District's investment policy sets specific parameters for the type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the County's investment policy and the actual rating as of year-end for each investment type.

	S&P Rating	Fair Value	Investment Maturities (In Years)	
			Less Than 1 Year	More Than 1 Year
Cash Money Market	AA+	\$ 1,686,473	\$ 144,362	\$ 1,542,111
US Government Issues	AA+	24,984,894	2,138,707	22,846,187
Corporate Issues	A	5,975,296	511,485	5,463,811
Foreign Issues	AAA	497,135	42,555	454,580
Taxable Municipal Issues	AA	3,045,688	260,711	2,784,977
Non Taxable Municipal Issues	AA	367,596	31,466	336,130
Total Investments		<u>\$ 36,557,082</u>	<u>\$ 3,129,286</u>	<u>\$ 33,427,796</u>

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 2 - CASH AND INVESTMENT - CONT'D**

**D. Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America.

The District has the following recurring fair value measurements as of June 30, 2023:

- County treasurer's investment pool of \$2,173,262 are valued using quoted prices for similar instruments in active market and quoted prices for identical or similar instruments in markets that are not active (level 2 inputs).

**NOTE 3 - RIGHT-TO-USE LEASE ASSETS**

The following is a summary of right-to-use lease assets for the year ended June 30, 2023:

	<u>June 30, 2022</u>	<u>Increase/ (Decrease)</u>	<u>June 30, 2023</u>
Right-to-use lease assets	\$ 105,764	\$ (2,535)	\$ 103,229
Less: accumulated amortization	<u>(2,813)</u>	<u>(3,292)</u>	<u>(6,105)</u>
Total	<u>\$ 102,951</u>	<u>\$ (5,827)</u>	<u>\$ 97,124</u>

The amortization expense on right to use asset for the year ended June 30, 2023, was \$3,292.

**NOTE 4 - CAPITAL ASSETS**

The following is a summary of changes in capital assets for the years ended June 30:

	<u>Balance 2022</u>	<u>Additions/ (Deletions)</u>	<u>Transfer</u>	<u>Balance 2023</u>
Capital assets, not being depreciated:				
Land	\$ 975,697	\$ 486,000	\$ -	\$ 1,461,697
Construction in progress	<u>523,592</u>	<u>744,984</u>	<u>(274,892)</u>	<u>993,684</u>
Total capital assets, not being depreciated	<u>1,499,289</u>	<u>1,230,984</u>	<u>(274,892)</u>	<u>2,455,381</u>
Capital assets, being depreciated:				
Buildings and improvements	5,750,913	-	26,231	5,777,144
Vehicle	-	110,908	-	110,908
Equipment	<u>1,114,442</u>	<u>254,359</u>	<u>248,661</u>	<u>1,617,462</u>
Total capital assets, being depreciated	<u>6,865,355</u>	<u>365,267</u>	<u>274,892</u>	<u>7,505,514</u>
Less: accumulated depreciation	<u>(5,092,238)</u>	<u>(371,250)</u>	<u>-</u>	<u>(5,463,488)</u>
Total capital assets, being depreciated, net	<u>1,773,117</u>	<u>(5,983)</u>	<u>274,892</u>	<u>2,042,026</u>
Total governmental activities capital assets, net	<u>\$ 3,272,406</u>	<u>\$ 1,225,001</u>	<u>\$ -</u>	<u>\$ 4,497,407</u>

Depreciation for the year ended June 30, 2023 was \$371,250.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 5 - COMPENSATED ABSENCES**

The schedule of changes in compensated absences for the year ended June 30, 2023:

	<u>Balance July</u> <u>01, 2022</u>	<u>Amount Earned</u>	<u>Amount Paid</u>	<u>Balance June</u> <u>30, 2023</u>
Compensated absences	\$ 57,344	\$ 97,973	\$ (93,944)	\$ 61,373
Total	<u>\$ 57,344</u>	<u>\$ 97,973</u>	<u>\$ (93,944)</u>	<u>\$ 61,373</u>

**NOTE 6 - FEMA DISASTER LOAN**

On June 12, 2020, the District received and executed a promissory note with the Federal Emergency Management Agency (FEMA) to secure disaster loan assistance as part of the Community Disaster Loan program. The loan amounting to \$521,589, carries an annual interest rate at 0.375%. The loan, if utilized, is due and payable on June 11, 2025. The District's outstanding obligation, combining both the principal and interest, amounts to \$60,286.

**NOTE 7 - LINES OF CREDIT**

The following is a summary of the District's outstanding lines of credit:

	<u>Interest Rate</u>	<u>Credit Limit</u>	<u>Balance</u>
Mechanics Bank	18.24 %	\$ 25,000	\$ 1,058
Umpqua Bank	21.99 %	<u>25,000</u>	<u>11,082</u>
		<u>\$ 50,000</u>	<u>\$ 12,140</u>

The balances for the lines of credit are typically paid in full at the end of each month. The Umpqua Bank line of credit must be paid in full each month.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 8 - LEASE LIABILITY**

For the year ended June 30, 2023, the financial statements include the adoption of Government Accounting Standards Board (GASB) Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about a government's leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflows of resources.

On September 01, 2021, the District entered into a 376 months lease agreement with County of Butte. As of June 30, 2023, the value of the lease liability is \$99,353. The lease has an interest rate of 7.50%.

	<u>Balance July 01, 2022</u>	<u>Additions / (Deletion)</u>	<u>Repayments</u>	<u>Balance June 30, 2023</u>	<u>Due within one year</u>
Governmental activities:					
Lease liability	\$ 103,492	\$ (2,462)	\$ (1,677)	\$ 99,353	\$ 1,830
Total	<u>\$ 103,492</u>	<u>\$ (2,462)</u>	<u>\$ (1,677)</u>	<u>\$ 99,353</u>	<u>\$ 1,830</u>

Future minimum lease payments are as follows:

<u>Year ending June 30,</u>	<u>Principal</u>	<u>Interest</u>
2024	\$ 1,830	\$ 3,418
2025	1,895	3,352
2026	1,963	3,285
2027	2,033	3,215
2028	2,105	3,143
2029-2033	11,782	14,536
2034-2038	14,816	12,211
2039-2043	17,727	9,381
2044-2048	21,919	5,918
2049-2052	23,283	1,769
	<u>\$ 99,353</u>	<u>\$ 60,228</u>

**NOTE 9 - APPROPRIATIONS LIMIT**

The District establishes appropriation limits, pursuant to Section 9c of Article XIII B of the *California Constitution*, since the District's ad valorem tax on property exceeded \$0.125 per \$100 assessed valuation in the 1977-78 fiscal year.

The District's Board established the appropriation limits for the 2022-2023 fiscal year to be \$4,479,213.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 - GENERAL INFORMATION ABOUT THE PENSION PLAN**

Qualified employees are covered under a cost-sharing multiple-employer defined benefit pension plan maintained by an agency of the state of California. Qualified permanent and probationary employees are members of CalPERS.

**California Public Employees' Retirement System**

**Plan Description**

Qualified permanent and probationary employees of the District participate in the Miscellaneous Plan of PRPD (the Plan) under CalPERS, a cost-sharing multiple-employer public employee retirement system defined benefit pension plan administered by CalPERS. Benefit provisions are established by state statute, as legislatively amended, within the Public Employees' Retirement Law. CalPERS issues a publicly available financial report that can be obtained at [www.calpers.ca.gov](http://www.calpers.ca.gov).

**Benefits Provided**

The Plan provides retirement, disability benefits, and death benefits to plan members and beneficiaries. The benefits are based on members' years of service, age, final compensation, and benefit formula. Members become fully vested in their retirement benefits earned to date after five years of credited service.

**Contributions**

Member contribution rates are defined by law. Employer contribution rates are determined by periodic actuarial valuations. The actuarial methods and assumptions used for determining the rate are those adopted by the CalPERS Board of Administration. Active plan members are required to contribute 7.00% of their salary, which is partially paid by the District depending on the employee group. The District is moving towards employees covering 100% of the employee portion. The required employer contribution for the 2022-23 fiscal year was 10.32%.

The District's contribution to CalPERS for the fiscal year ended June 30, 2023, was \$132,792.

**Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions**

At June 30, 2023, the District reported a net pension liability of \$542,157 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2021, rolled forward to June 30, 2022, using standard update procedures. The District's portion 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 organizations and the state of California, actuarially determined.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 - GENERAL INFORMATION ABOUT THE PENSION PLAN - CONT'D**

**Pension Liabilities, Pension Expense, and Deferred Outflows and Deferred Inflows of Resources Related to Pensions (Cont'd)**

The District's proportionate share of the net pension liability for the Plan as of June 30, 2023, and June 30, 2022, were as follows:

Proportion - June 30, 2022	0.00874%
Proportion - June 30, 2023	<u>0.01159%</u>
Changes- Increase/(Decrease)	<u><u>0.00285%</u></u>

For the year ended June 30, 2023, the District recognized pension expense of \$34,380. The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows Resources</u>	<u>Deferred Inflows Resource</u>
Net difference between projected and actual on pension plan	\$ 99,308	\$ -
Changes in assumptions	55,555	-
Differences between expected and actual	10,888	(7,292)
Differences between District contributions and proportionate	13,198	(16,273)
Changes in District's proportions	70,803	-
District contributions subsequent to the measurement date	<u>132,792</u>	<u>-</u>
	<u><u>\$ 382,544</u></u>	<u><u>\$ (23,565)</u></u>

The \$132,792 reported as deferred outflows of resources related to pensions, resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year Ending June 30</u>	<u>Amount</u>
2024	\$ 68,693
2025	61,114
2026	35,640
2027	<u>60,740</u>
Total	<u><u>\$ 226,187</u></u>

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 - GENERAL INFORMATION ABOUT THE PENSION PLAN - CONT'D**

**Actuarial Assumptions**

The total pension liability in the June 30, 2021, actuarial valuation for CalPERS was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Valuation date	June 30, 2021
Measurement date	June 30, 2022
Actuarial cost method	Entry age normal Cost Method
Actuarial assumptions:	
Discount rate	6.90%
Inflation	2.30%
Salary increases	Varies by entry age and service
Investment rate of return	6.90%, net of pension plan investment and administrative expenses; including inflation

**Discount Rate**

The discount rate used to measure the total pension liability was 6.90%. The amortization and smoothing periods recently adopted by CalPERS were utilized to determine whether the municipal bond rate should be used in the calculation of a discount rate. A projection of expected benefit payments and contributions was performed to determine if the assets would run out. The test revealed the assets would not run out. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability. CalPERS uses custom mortality tables to best fit the patterns of mortality among its members. The mortality table used was developed based on CalPERS specific data. The table includes 20 years of mortality improvements using Society of Actuaries scale BB.

The Actuarial assumptions used in the June 30, 2021, valuation were based on the results of an actuarial experience study for the period July 1, 1997, through June 30, 2015.

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 as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of a percent.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 10 - GENERAL INFORMATION ABOUT THE PENSION PLAN - CONT'D**

**Discount Rate (Cont'd)**

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Rate of Return Years 1 - 10</u>
Global equity - cap-weighted	30.00%	4.45%
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%	0.77%
Private Debt	5.00%	3.57%
Real assets	15.00%	3.21%
Leverage	(5.00)%	(0.59)%

- In the System's Annual Comprehensive Financial Report (ACFR), Fixed Income is included in Global Debt Securities; Liquidity is included in Short-Term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities.
- An expected inflation of 2.30% used for this period.
- Figures are based on the 2021-22 Asset Liability Management study.

**Sensitivity of the District's 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 calculated using the discount rate of 6.90%, as well as the District's proportionate share of the net pension liability if it was calculated using a discount rate that is one percentage point lower or higher, than the current rate:

	<u>Discount Rate-1%</u>	<u>Current Discount Rate</u>	<u>Discount Rate+1%</u>
District's proportionate share of the net pension liability	\$ 910,289	\$ 542,157	\$ 239,275

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in CalPERS's separately issued Comprehensive Annual Financial Report.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS**

**Plan Description**

The District provides post-employment health care benefits to qualifying employees through a single-employer defined benefit healthcare plan administered by CalPERS.

**Benefits Provided**

Employees hired before July 1, 1999 were eligible for post-retirement health coverage. Employees hired after July 1, 1999 may obtain health insurance coverage through CalPERS, but such coverage is not paid for by the District. The District contributes the statutory minimum (\$149 per month for calendar year 2022; \$151 per month for 2023) on behalf of each eligible retiree who enrolls in a CalPERS medical plan.

**Employees Covered**

Employees covered by the benefit terms of the Plan consisted of:

<u>Covered Employees</u>	<u>No. of Employees</u>
Inactive Plan members or beneficiaries currently receiving benefit payment	7
Active Plan members	14
<b>Total</b>	<b>21</b>

**Contributions**

The District's required contribution is based on projected pay-as-you-go financing requirements. No assets are accumulated in an irrevocable OPEB trust.

**Discount Rate**

The discount rate used to measure the total OPEB liability was 3.69%. The discount rate is based on the index for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better as required under GASB Statement No. 75.

**Net Other Post-Employment Benefits (OPEB) Liability**

The District's net OPEB liability for the Plan is measured as the total OPEB liability, less the Plan's fiduciary net position. The total OPEB liability of the Plan was measured as of June 30, 2022, using the alternative measurement method. The June 30, 2023 total OPEB liability was based on the alternative measurement method and assumptions as shown below:

Valuation date	June 30, 2022
Actuarial cost method	Entry age, level percent of pay
Actuarial assumptions:	
Inflation rate	2.50%
Salary increases	3.00%
Discount rate	3.69%
Healthcare cost trend	5.20 percent for 2022 through 2034; 5.00 percent for 2035 through 2049; 4.50 percent for 2050 through 2064; and 4.00 percent for 2065 and later years

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONT'D**

**Changes in the Total OPEB Liability**

The changes in the total OPEB liability for the Plan are as follows:

	<u>Total OPEB Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net OPEB Liability</u>
Balance as of June 30, 2022	\$ 414,918	\$ -	\$ 414,918
Changes recognized for the measurement period:			
Service cost	17,156	-	17,156
Changes in assumptions or other inputs	(61,714)	-	(61,714)
Interest	8,064	-	8,064
Difference between expected and actual experience	(44,860)	-	(44,860)
Contributions-employer	-	24,247	(24,247)
Benefit payments	<u>(24,247)</u>	<u>(24,247)</u>	<u>-</u>
Net change in total OPEB liability	<u>(105,601)</u>	<u>-</u>	<u>(105,601)</u>
Balance as of June 30, 2023	<u>\$ 309,317</u>	<u>\$ -</u>	<u>\$ 309,317</u>

**Sensitivity of the net OPEB liability to changes in the discount rate**

The following presents the District's net OPEB liability calculated using the discount rate of 3.69% as well as the District's total OPEB liability if it was calculated using a discount rate that is one percentage point lower (2.69%) or one percentage point higher (4.69%) than the current rate:

	<u>Discount Rate-1% (2.69%)</u>	<u>Discount Rate 3.69%</u>	<u>Discount Rate+1% (4.69%)</u>
Total OPEB liability	\$ 347,235	\$ 309,317	\$ 277,783

**Sensitivity of the net OPEB liability to changes in the healthcare cost trend rate**

The following presents the District's total OPEB liability calculated using the healthcare cost trend rate as well as the District's net OPEB liability if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate:

	<u>Discount Rate-1%</u>	<u>Trend Rate</u>	<u>Discount Rate+1%</u>
Total OPEB liability	\$ 276,715	\$ 309,317	\$ 348,425

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 11 - POST-EMPLOYMENT BENEFITS OTHER THAN PENSION BENEFITS - CONT'D**

**OPEB Expense and Deferred Outflows/ (Inflows) of Resources Related to OPEB**

For the year ended June 30, 2023, the District recognized OPEB income of \$11,227, as calculated by the actuarial valuation in their report. As of June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Contributions between expected and actual experience	\$ -	\$ (37,958)
Changes in assumptions or other inputs	<u>20,141</u>	<u>(52,219)</u>
Total	<u>\$ 20,141</u>	<u>\$ (90,177)</u>

Amounts reported as deferred outflows/inflows of resources related to OPEB will be recognized as OPEB expense as follows:

<u>Fiscal Year Ended June 30,</u>	<u>Deferred Outflows /(Inflows) of Resources</u>
2024	\$ (12,200)
2025	(12,200)
2026	(12,200)
2027	(12,200)
2028	(13,044)
Thereafter	<u>(8,192)</u>
Total	<u>\$ (70,036)</u>

**Alternative Measurement Method Assumptions**

The alternative valuation method of an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events in the future. Examples include assumptions about future employment, mortality, and health care cost trends. Amounts determined regarding the funded status of the plan, and the annual required contributions of the employer, are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future.

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and plan members) and include the benefits provided at the time of each valuation and the historical pattern of benefit costs at that point. The assumptions used include techniques that are designed to reduce short-term volatility in actuarial accrued liabilities and the actuarial value of assets consistent with the long-term perspective of the calculations.

**PARADISE RECREATION AND PARK DISTRICT**  
**NOTES TO BASIC FINANCIAL STATEMENTS**  
**JUNE 30, 2023**

**NOTE 12 - RISK MANAGEMENT**

The District has obtained general liability, auto liability, property, boiler and machinery coverage, and public officials' errors and omissions insurance through the California Association for Park and Recreation Insurance (CAPRI), a risk-sharing joint powers authority. CAPRI maintains a self-insured retention (SIR) of \$1,000,000 for its general and auto liability insurance. CAPRI has contracted out for the additional insurance coverage as listed below:

General liability	\$ 25,000,000
Auto liability	\$ 25,000,000
Public officials' errors and omissions	\$ 25,000,000
Property	\$ 25,000,000
Earthquake	\$ 5,000,000
Flood	\$ 10,000,000

The Agreement for Formation provides that CAPRI will be self-sustaining through member premiums. CAPRI reinsures through commercial companies (excess liability) for claims up to \$10,000,000 for general and automobile liability and all risk property insurance, including boiler and machinery coverage, which is subject to a \$2,000 deductible occurrence payable by the District. Earthquake and Flood claims are subject to a \$50,000 deductible per occurrence.

Financial statements for CAPRI are available at the District's office for fiscal year ending June 30, 2022. The District has obtained workers' compensation insurance through the California Association for Park and Recreation Insurance (CAPRI), a risk-sharing joint powers authority. Membership in the California Association of Recreation and Park Districts is required when applying for CAPRI.

**NOTE 13 - SUBSEQUENT EVENTS**

The District has evaluated subsequent events through November 03, 2025, the date at which the financial statements were available to be issued, and has determined that no adjustments are necessary to the amounts reported in the accompanying financial statements, nor have any subsequent events occurred, the nature of which would require disclosure.

## REQUIRED SUPPLEMENTARY INFORMATION

**PARADISE RECREATION AND PARK DISTRICT  
BUDGETARY COMPARISON SCHEDULE - GENERAL FUND  
FOR THE YEAR ENDED JUNE 30, 2023**

	<u>Budget</u>	<u>Actual</u>	Variance with Final Budget Positive (Negative)
<b>Revenues</b>			
Program service fees	\$ 362,750	\$ 306,765	\$ (55,985)
Property taxes	1,103,000	1,085,491	(17,509)
Impact and development fees	144,000	105,127	(38,873)
Grant revenue	1,300,000	735,846	(564,154)
Investment income, net	311,600	1,152,181	840,581
Donations	75,000	-	(75,000)
Other operating revenues	<u>268,700</u>	<u>393,807</u>	<u>125,107</u>
Total revenues	<u>3,565,050</u>	<u>3,779,217</u>	<u>214,167</u>
<b>Expenditures</b>			
Current:			
Salaries and benefits	2,246,800	2,215,367	31,433
Services and supplies	1,489,300	1,132,533	356,767
Contributions to other agencies	20,000	-	20,000
Capital outlays	-	1,596,251	(1,596,251)
Debt payment:			
Principal	-	1,677	(1,677)
Interest	<u>-</u>	<u>3,569</u>	<u>(3,569)</u>
Total expenditures	<u>3,756,100</u>	<u>4,949,397</u>	<u>(1,193,297)</u>
Excess/(deficiency) of revenues over expenditures	<u>(191,050)</u>	<u>(1,170,180)</u>	<u>(979,130)</u>
Lease related	<u>-</u>	<u>73</u>	<u>73</u>
Total other financing sources/(uses)	<u>-</u>	<u>73</u>	<u>73</u>
Net change in fund balances	<u>\$ (191,050)</u>	<u>\$ (1,170,107)</u>	<u>\$ (979,057)</u>

See accompanying notes to required supplementary information.

**PARADISE RECREATION AND PARK DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**  
**FOR THE LAST 10 YEARS\***

	<u>2023</u>	<u>2022</u>
Proportionate share percentage of collective net pension liability (%)	0.012 %	0.009 %
Proportionate share of collective net pension liability	\$ 542,157	\$ 165,961
Covered payroll	\$ 1,658,514	\$ 1,495,055
Proportionate share of the net pension liability as a percentage of covered payroll	32.69 %	11.10 %
Plan fiduciary net position as a percentage of the total pension liability	80.00 %	93.00 %

The amounts presented for each fiscal year were determined as of the prior fiscal year ending June 30, 2023

*\* Fiscal year 2022 was the 1st year of implementation; ten years of information will be presented as data became available.*

**PARADISE RECREATION AND PARK DISTRICT  
SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS  
FOR THE LAST TEN YEARS\***

	<u>2023</u>	<u>2022</u>
Actuarially determined contribution	\$ 132,792	\$ 130,043
Actual contributions during the measurement period	<u>(132,792)</u>	<u>(130,043)</u>
Contribution deficiency/(excess)	<u>\$ -</u>	<u>\$ -</u>
Covered employee payroll	\$ 1,658,514	\$ 1,495,055
Contributions as a percentage of covered employee payroll	16.92 %	17.39 %

\* Fiscal year 2022 was the 1st year of implementation; ten years of information will be presented as data became available.

**PARADISE RECREATION AND PARK DISTRICT**  
**SCHEDULE OF CHANGES IN TOTAL OPEB LIABILITY AND RELATED RATIOS**  
**FOR THE LAST 10 YEARS\***

	June 30, 2023	June 30, 2022	June 30, 2021
<b>Total OPEB Liability:</b>			
Service cost	\$ 17,156	\$ 6,931	\$ 6,729
Interest	8,064	9,501	9,561
Differences between expected and actual experience	(44,860)	-	-
Changes of assumptions	(61,714)	28,535	-
Contributions - employer	(24,247)	-	-
Benefit payments	-	(21,810)	(15,963)
Net change in total OPEB liability	(105,601)	23,157	327
Total OPEB Liability - beginning	414,918	391,761	391,434
Total OPEB Liability - ending	\$ 309,317	\$ 414,918	\$ 391,761
OPEB-eligible payroll for the measurement period	\$ 563,429	\$ 665,462	\$ 369,026
Total OPEB Liability as a % of eligible payroll	54.90 %	62.35 %	106.16 %

\* Fiscal year 2021 was the 1st year of implementation; ten years of information will be presented as data became available.

**PARADISE RECREATION AND PARK DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED JUNE 30, 2023**

**BUDGETS AND BUDGETARY ACCOUNTING**

As required by State law, the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing.

The budget for the general fund is adopted on the modified accrual basis of accounting. The budget for the general fund is the only legally adopted budget.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the accompanying financial statements include all revisions approved by the Board of Directors.

## COMPLIANCE SECTION



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL  
REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT  
OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH  
*GOVERNMENT AUDITING STANDARDS***

To the Board of Directors  
Paradise Recreation and Park District  
Paradise, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the major fund, and the aggregate remaining funds information of the Paradise Recreation and Park District (the "District"), as of and for the year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 03, 2025.

**Report on Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements, on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses or significant deficiencies may exist that were not identified.

**Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

**Purpose of This Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Harshmal & Company LLP*

San Diego, California

November 03, 2025

**PARADISE RECREATION AND PARK DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2023**

**SECTION I - SUMMARY OF AUDITOR'S RESULTS**

***Financial Statements***

Type of auditor's report issued:	Unmodified
Internal control over financial reporting:	
• Material weakness(es) identified?	No
• Significant deficiency(ies) identified that are not considered to be material weakness(es)?	None reported
• Noncompliance material to financial statements noted?	No

PARADISE RECREATION AND PARK DISTRICT  
SCHEDULE OF FINDINGS AND RESPONSES  
FOR THE YEAR ENDED JUNE 30, 2023

**SECTION II - FINANCIAL STATEMENTS FINDINGS**

There are no findings in the current year to report.

**PARADISE RECREATION AND PARK DISTRICT  
SUMMARY SCHEDULE OF PRIOR YEAR AUDIT FINDINGS  
FOR THE YEAR ENDED JUNE 30, 2023**

There were no findings in the previous year.

# Staff Report

## November 24, 2025



DATE: 10/1/2025  
 TO: Board of Directors (BOD)  
 FROM: Sarah Hoffman, BOD Clerk  
 Dan Efseaff, District Manager  
 SUBJECT: Employee Benefit Changes

### Summary

In early 2024, in response to rising costs and staff feedback, the District initiated a comprehensive review of its medical benefits. Following extensive analysis and committee input, the Board of Directors (BOD) approved the termination of CalPERS medical coverage and authorized enrollment in Anthem Blue Cross effective January 1, 2026. In addition, the District will consider actions to implement a flat \$300 monthly medical allocation for eligible full-time employees not enrolled in District insurance; and to establish a \$1,500 annual Health Reimbursement Account (HRA) benefit for full-time employees and current retirees (retiree benefit to sunset in 2027). These changes aim to enhance employee benefits, reduce costs, and align with industry standards. Staff will continue working with consultants to finalize agreements and update personnel policies accordingly.

**Recommendation:** Adopt Resolution #25-11-1-554.

#### 1. Background

In October the District took information on both these items to the Personnel and Finance Committee. Both committees made recommendations on the 2 changes we are currently seeking.

In April 2024, staff began exploring new medical insurance options through GCI Insurance Brokers (Consultant). The District Manager tasked Administrative Assistant III Sarah Hoffman with finding options that provide similar, or better, coverage at less expensive rates than our current insurance provider.

On August 13, 2025, the BOD after extensive consideration and review with BOD committees, staff, and retirees, the BOD adopted a resolution to terminate medical insurance coverage with CalPERS. This does not affect the District retirement program with CALPERS. Shortly after, on September 18, 2025, the BOD authorized the District Manager to complete the 2026 Employer Enrollment Application to join Anthem Blue Cross Medical. The termination of CalPERS Medical and initiation of Anthem Blue Cross will take place starting January 1, 2026. Staff anticipate working with the Consultant on the agreements for the new coverage to the BOD to get coverage in place before the start of the next calendar year.

The District also explored changing other related benefits, notably: 1) Review the Medical Allocation to qualified employees, 2) Consider a Health Reimbursement Account (HRA), 3) Explore District payment of Dental and Vision Benefits (and/or extending the option to Part Time Employees, and 4) Consider allocation replacement options for retirees with the cessation of the CALPERS medical contract with the District.

#### 2. Fiscal Impact

The District budget anticipated increases in medical costs for the FY2025-2026 budget (Table 1). In comparison, while numerous scenarios are possible, assuming the increase for CALPERS medical and retiree allocation (keeping everything else the same), would have produced a Total District Cost of \$247,209.

**Table 1. Estimated Cost for Proposed Changes to Medical, Allocation, and the Health Reimbursement Account Plans.**

Scenario	# Participants	District Costs per Employee	Monthly Costs	Annual Costs
<b>Scenario – New Medical and Allocation Estimates</b>				
New (Anthem Blue Cross) – Gold Plan (FT Employees)	17	Varies per employee \$650.61-\$1,719.61	\$18,260.00	\$219,120.00
Revised Medical Allocation (FT Employees)	2	\$300.00	\$600.00	\$7,200.00

Scenario	# Participants	District Costs per Employee	Monthly Costs	Annual Costs
HRA Allocation (Assuming 30% usage) - Employees	19	\$1,500.00	\$712.50	\$8,550.00
HRA Allocation (Assuming 30% usage) - <b>Retirees</b>	6	\$1,500.00	\$225.00	\$2,700.00
<b>Total</b>	<b>25</b>	<b>\$3,300.00</b>	<b>\$19,572.50</b>	<b>\$237,570.00</b>

### 3. Committee Recommendation

Both the Personnel and Finance Committee recommended decreasing the allocation to \$300 and implementing a \$1500 Health Reimbursement Account at their October meetings.

ADD Any details

These were extensively discussed in committee and instead of reviewing all the options, this report will recap the recommendations from committees in the narrative.

### 4. Discussion

Overall, the District has examined several options to provide better benefits to staff at a reduced cost. Staff summarize the recommended changes below.

#### a. Medical Allocation

**Current Allocation** – The District currently provides this benefit to 11 employees at a monthly cost per employee of \$914.82 (a total annual cost of \$120,756.24 for all participants).

**Proposed Allocation** – As per consultant’s recommendations (based on a more industry standard of a flat monthly rate, not tied to the CALPERS medical rate), this allocation would shift to a \$200 or \$300 per month per full-time employee not on the District Insurance. The BOD Committees recommended a flat monthly allocation of \$300. Staff anticipate that because of the combination of a better insurance plan and the drop in this rate, the allocation would drop to only 2 employees (\$7,200 annually) with the remainder accepting the District’s insurance. As the new medical rates on average are less than the previous plan, in either case, this would result in a lower expense than the last Fiscal Year for the combination of allocation and medical expenses. Staff will investigate the changes to personnel rules and regulations that will be necessary to set them up.

#### b. Dental and Vision

BOD committees directed staff to add this for consideration later; although the Personnel Committee recommended allowing permanent part-time employees the option to pay for dental and vision on their own at no cost to the District (Please see accompanying agenda item).

#### c. Health Reimbursement Account (HRA)

Working with the broker revealed that another benefit for employees. An HRA is an account for employees to use towards medical expenses (copays, prescription medications, etc.) up to a District determined allotted amount. The District is then billed at the end of each month for actual approved expenses. Unlike an employee funded Flexible Spending Account (FSA), which is limited to a “use it or lose” it amounts, the HRA is employer paid and only pays for actual expenses up to the designated amount. This can be offered in addition to the FSA.

The District does not currently offer this benefit.

The BOD Committees recommended a \$1,500 limit. This is a theoretical maximum, the consultant indicated that typically only 30% ( \$11,250 is used. The maximum utilization would result in a cost of \$37,000.

For retirees, the CALPERS medical insurance contract required that the District paid a \$158 monthly medical allocation to partially pay for retiree insurance premiums. As a result the District paid a total of \$11,376 annually for the 6 retirees under the program.

With the cancellation of the CALPERS contract, the District is not obliged to pay for an allocation. However, staff and the Personnel Committee recommended that the retirees are offered the HRA benefit for 2 years. This benefit would

be extended to only current retirees and cease in 2027. The District consultant also suggested that they could provide consultation to retirees on how to find more cost-effective insurance options.

Staff cautions that these changes will be subject to modification as we examine personnel rules and payroll rules.

d. Summary

A robust benefits package helps the District retain and attract talented staff. Staff recommend that the BOD revisit the dental and vision benefits in the future. However, with the proposed changes, Staff suggests the importances of monitoring expenses and upcoming trends in costs. Staff also notes that the proposed changes will prompt the review of associated personal rules and comparison to current state and federal rules. The BOD will consider potential changes to the rules in 2026.

**Attachments:**

A. Resolution #25-11-1-554

[https://paradiseprpd.sharepoint.com/sites/BODMeeting/Shared Documents/\\_BOD/2025/25.1112/BOD.Benefit.Options.Report\\_25.1112.docx](https://paradiseprpd.sharepoint.com/sites/BODMeeting/Shared Documents/_BOD/2025/25.1112/BOD.Benefit.Options.Report_25.1112.docx)  
11/20/2025



## Paradise Recreation & Park District

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### RESOLUTION #25-11-1-554

#### A RESOLUTION OF THE BOARD OF DIRECTORS OF THE PARADISE RECREATION AND PARK DISTRICT APPROVING CHANGES TO EMPLOYEE MEDICAL BENEFITS AND ESTABLISHING A HEALTH REIMBURSEMENT ACCOUNT

**WHEREAS**, the Paradise Recreation and Park District (“District”) initiated a comprehensive review of its employee medical benefits starting in early 2024 in response to rising costs, staff feedback, and provide competitive benefits to employees; and

**WHEREAS**, the District engaged GCI Insurance Brokers to assist in identifying cost-effective and competitive medical insurance options; and

**WHEREAS**, on August 13, 2025, the Board of Directors (“Board”) approved the termination of CalPERS medical insurance coverage, effective December 31, 2025, and authorized the District Manager to enroll in Anthem Blue Cross effective January 1, 2026; and

**WHEREAS**, the Board further considered additional benefit modifications including a revised medical allocation for employees not enrolled in District insurance and the establishment of a Health Reimbursement Account (HRA) for eligible employees and current retirees; and

**WHEREAS**, the Personnel and Finance Committees reviewed and recommended the following benefit changes at their October 2025 meetings:

1. A flat monthly medical allocation of \$300 for eligible full-time employees not enrolled in District insurance;
2. Establishment of a District-funded HRA with an annual maximum of \$1,500 for eligible full-time employees; and
3. Extension of the HRA benefit to current retirees for a limited term ending December 31, 2027;

4. Consideration of dental and vision benefits for permanent part-time employees on a self-pay basis, with no cost to the District;

**NOW, THEREFORE, BE IT RESOLVED** by the Board of Directors of the Paradise Recreation and Park District as follows:

1. A flat monthly medical allocation of \$300 shall be provided to eligible full-time employees not enrolled in District insurance.
2. A Health Reimbursement Account (HRA) shall be established for eligible full-time employees with an annual maximum benefit of \$1,500, subject to actual usage.
3. The HRA benefit shall be extended to current retirees for a two-year period ending December 31, 2027.
4. Staff shall continue to work with consultants to finalize agreements and update personnel policies and procedures to reflect these changes.
5. The Board shall revisit dental and vision benefit options for permanent part-time employees in future meetings.

**APPROVED AND ADOPTED** by the Board of Directors of the Paradise Recreation and Park District at a special meeting held on the 24<sup>th</sup> day of November by the following vote:

Ayes:                      Noes:                      Absent:                      Abstain:

\_\_\_\_\_  
Al McGreehan, Chairperson

\_\_\_\_\_  
John Stonebraker, Secretary

**Staff Report****November 24, 2025**

DATE: 10/27/2025  
TO: Board of Directors (BOD)  
FROM: Sarah Hoffman, Assistant District Manager  
SUBJECT: Dental and Vision Coverage Expansion

**Report In Brief**

Currently each full-time employee has the option of paying vision (\$5.12/month) and dental (\$38.23/month) out of District wages. While any consideration of the District adding this as a District-funded benefit for full-time and possibly part-time employees, will occur later (once overall costs become clearer) the Personnel Committee and staff recommend BOD authorization to extend dental and vision benefits to permanent part-time employees. If a part-time employee opts for this coverage, it will be employee funded but only after the 6-month probationary period. This would come at no cost to the District except for a small administration cost to set up and manage the payment. This change may prompt changes to the personnel manual.

***Recommendations:*** *Authorize the District to expand dental and vision coverage to permanent part-time employees after a 6-month probation period at their own cost.*