

To the Board of Directors
Napa County Regional Park and Open Space District
Napa, California

We have audited the financial statements of the governmental activities and the major fund of the Napa County Regional Park and Open Space District (the District) as of and for the fiscal year ended June 30, 2021. Professional standards require that we provide you with information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated April 30, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Matters

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. No new accounting policies were adopted and the application of existing policies was not changed during the fiscal year ended June 30, 2021. We noted no transactions entered into by the District during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected. There are no significant accounting estimates noted in the financial statements.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. We noted no such misstatements during the audit.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 14, 2022.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a “second opinion” on certain situations. If a consultation involves application of an accounting principle to the District’s financial statements or a determination of the type of auditor’s opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each fiscal year prior to retention as the District’s auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the Management Discussion and Analysis and the Budgetary Comparison Schedule, which are required supplementary information (RSI) that supplement the basic financial statements. Our procedures consisted of inquiries of management regarding 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

We were engaged to report on Schedule of Revenues and Expenditures by Division, which accompanies the financial statements but is not RSI. With respect to this supplementary information, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

Restriction on Use

This information is intended solely for the information and use of the Board of Directors and management of the District and is not intended to be, and should not be, used by anyone other than these specified parties.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 14, 2022

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT**

**FINANCIAL STATEMENTS
AND
INDEPENDENT AUDITOR'S REPORT**

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2021**

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
JUNE 30, 2021**

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FINANCIAL SECTION

INDEPENDENT AUDITOR'S REPORT

To the Honorable Members
of the Board of Directors
Napa County Regional Park and Open Space District
Napa, California

Report on the Basic Financial Statements

We have audited the accompanying basic financial statements of the governmental activities and the major fund of the Napa County Regional Park and Open Space District (the District), as of and for the fiscal year ended June 30, 2021, and the related notes to the basic financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Basic Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these basic financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether these basic financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the basic financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation and fair presentation of the basic financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the basic financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the District, as of June 30, 2021, and the respective changes in its financial position for the fiscal year then ended, in conformity with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis on pages 3-7, the Budgetary Comparison Schedule on page 18, and the related note on page 19 be presented to supplement the financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information



Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The Schedule of Revenues and Expenditures by Division on pages 20-23 is presented for purposes of additional analysis and is not a required part of the basic financial statements.

The Schedule of Revenues and Expenditures by Division is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Schedule of Revenues and Expenditures by Division is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 14, 2022, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Bakersfield, California
January 14, 2022

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION



**NAPA COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
JUNE 30, 2021**

The Napa County Regional Park and Open Space District (the District) was formed on December 12, 2006, when the County of Napa (the County) Board of Supervisors certified that the voters had approved its formation at the election on November 7, 2006. The purpose of the District is to plan, improve, and operate a system of public parks, trails, outdoor recreational facilities, and outdoor science and conservation education programs, as well as to protect and preserve natural areas, wildlife habitat, and other open space resources.

As management of the District, we offer readers of our financial statements this narrative overview and analysis of the financial activities for the fiscal year ended June 30, 2021. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District ended the fiscal year with a fund balance of \$1,738,020, an increase of \$503,605 from the prior year. Of that amount, \$15,000 is restricted by a third party donor and \$131,713 is committed for future capital replacement at Moore Creek, \$203,390 is restricted for future expenditures at Suscol Headwaters, and \$581,666 is restricted and assigned for future expenditures at the State Parks, leaving \$806,251 available for general District operations.
- The County continued its support for the District's operations and projects, granting funds from its Transient Occupancy Tax in the amount of \$1,036,280.
- Program revenues (camping fees, day use fees, and rental income) were \$545,386, which covers approximately 35% percent of District expenses for the fiscal year. Since the formation of the District in 2006, the District has matched County grant support with other sources of support (grants, gifts, direct and indirect donations, and volunteer labor) at a ratio of 2.6 to 1.
- The District completed its ninth full year of operation of Bothe-Napa Valley State Park and the Bale Grist Mill State Historic Park, with a sizable fund balance. However, revenues for the last quarter of fiscal year 2020-2021 were significantly lower due to COVID-19 health orders which closed the campground for most of the quarter.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The Statement of Net Position; Governmental Fund Balance Sheet; Statement of Activities; and Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide information about the activities of the District. The basic financial statements also include various footnote disclosures, which further describe the District's activities.

Government-Wide Statements

The *Government-Wide Financial Statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private sector business.

The *Statement of Net Position* presents information on all of the District's assets and liabilities, with the difference between the two reported as *net position*.

The *Statement of Activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the Statement of Activities for some items that will only result in cash flows in future fiscal periods.

Fund Financial Statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Fund financial statements report essentially the same functions as those reported in the government-wide financial statements. However, unlike the government-wide financial statements, fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance provide a reconciliation to facilitate the comparison between governmental funds and government-wide statements.

Notes to the Basic Financial Statements

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

Required Supplementary Information (RSI)

RSI is presented concerning the District's General Fund budgetary schedule. The District adopts an annual appropriated budget for its General Fund. A budgetary comparison schedule has been provided for the General Fund to demonstrate compliance with this budget.

Supplementary Information (SI)

SI is presented for additional information on the breakout of revenues and expenditures by Division for the District.

FINANCIAL ANALYSIS OF THE DISTRICT

Net Position

A summary of the District's Statement of Net Position is as follows:

Condensed Statement of Net Position As of June 30

	2021	2020	Increase (Decrease) %	Increase (Decrease) \$
Assets				
Current assets	\$ 1,789,119	\$ 1,287,625	38.9%	\$ 501,494
Noncurrent assets	14,797,896	14,810,642	(0.1)%	(12,746)
Total Assets	16,587,015	16,098,267	3.0%	488,748
Liabilities				
Current liabilities	51,099	53,210	(4.0)%	(2,111)
Noncurrent liabilities	31,300	-	100.0%	31,300
Total Liabilities	82,399	53,210	54.9%	29,189
Net Position				
Net investment in capital assets	14,797,896	14,810,642	(0.1)%	(12,746)
Restricted	800,056	1,089,685	(26.5)%	(289,629)
Unrestricted	906,664	144,730	526.5%	761,934
Total Net Position	\$ 16,504,616	\$ 16,045,057	2.9%	\$ 459,559

Net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets exceeded liabilities by \$16,535,916 as of June 30, 2021, due primarily to purchased and donated land and buildings over the past years.

Cash and investments are maintained in the County's cash and investment pool where interest earned on the District's balance is apportioned to the District.

Statement of Activities

A summary of the District's Statement of Activities, recapping the District's revenues earned during the fiscal year ended June 30, 2021, and the expenses incurred, is as follows:

Condensed Statement of Activities For the Fiscal Years Ended June 30

	2021	2020	Increase (Decrease) %	Increase (Decrease) \$
Revenues				
Operating grants	\$ 1,436,280	\$ 916,001	56.8%	\$ 520,279
Concessions	489,863	724,216	(32.4)%	(234,353)
Court fines	-	40,960	(100)%	(40,960)
Donations and contributions	57,519	31,255	84.0%	26,264
Rents	55,523	40,300	37.8%	15,223
Interest	23,771	50,181	(52.6)%	(26,410)
Total Revenues	2,062,956	1,802,913	14.4%	260,043
Expenses				
Parks and recreation	1,603,397	1,755,193	(8.6)%	(151,796)
Total Expenses	1,603,397	1,755,193	(10.4)%	(151,796)
Change in Net Position	459,559	47,720	863.0%	411,839
Net Position, Beginning of Year	16,045,057	15,997,337	0.3%	47,720
Net Position, End of Year	\$ 16,504,616	\$ 16,045,057	2.9%	\$ 459,559

Financial Analysis of the District's Governmental Fund

As noted earlier, fund accounting is used by the District to ensure and demonstrate compliance with finance-related legal requirements.

The District ended the year with a fund balance of \$1,738,020, an increase of \$503,605 from the prior year. Of that amount, \$806,251 is unassigned and available for general District operations.

The increase of the District's fund balance is primarily due to decreased expenses as a result of no acquisition of land.

BUDGETARY HIGHLIGHTS

Total revenues were over final budget by \$268,753, or 15%, and total expenditures were under final budget by \$400,993, or 20.5%.

Grant revenue was up significantly from the prior year due to a grant received from the State for Proposition 68. Concession revenue declined due to a combination of closures resulting from COVID-19, wildfires, and smoke from distant fires.

CAPITAL ASSETS

For the fiscal year ended June 30, 2021, the District owned 304 acres of land, known as Berryessa Vista Wilderness Park; 673 acres of land with two residences, known as Moore Creek Park; approximately 2,790 other acres known as Spanish Valley, Crystal Flats, and Stone Corral; 0.2 acres known as the Keene parcel within the Lake Berryessa Estates subdivision; 40 acres along the Oat Hill Mine Trail; 160 acres known as The Cove; 798 acres in the Suscol Headwaters; and 222 acres known as Amy's Grove.

DEBT ADMINISTRATION

For the fiscal year ended June 30, 2021, the District did not have any long-term obligations outstanding.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's primary source of revenue for general operations comes via a grant agreement with the County. The County funds this agreement using a portion of its General Fund identified in the County budget as Special Project Funds. Special Project Funds are derived from a portion of the County's Transient Occupancy Tax (TOT), which was increased through voter approval in 2002 from 10.5 to 12 percent of gross receipts for overnight accommodations provided by facilities operating in the unincorporated parts of the County. The County Board of Supervisors has adopted a policy of allocating 60% of the increased TOT revenues for parks and open space purposes.

For fiscal year 2020-2021, the County agreed to provide the District \$1,036,280 for operational and other costs. Pursuant to revised County policy, any unused portion of this and prior grants from the County will roll over to the subsequent fiscal year through the end of the current County grant agreement, which runs through June 30, 2023.

The District's second largest source of funding for operations is fee revenues derived from the management of Bothe-Napa Valley State Park and the Bale Grist Mill State Historic Park, supplemented by grants and donations earmarked for these two parks. Separating out costs for capital improvements and major deferred maintenance, which are being funded from grants and donations, the District needs to be able to operate the two parks without outside subsidies. Since the District began operating these two parks in April 2012, revenues have exceeded expenses every year except for fiscal year 2018-2019 and fiscal year 2019-2020, with a cumulative fund balance of \$582,666 as of June 30, 2021. The State Parks subdivision fund balance will be used to address revenue shortfalls due to the Sonoma-Lake-Napa Unit (LNU) and Glass Fires, which caused and continue to cause significant reductions in usage. To the extent the District is able, it will continue to use the fund balance to address deferred maintenance, repair historic cabins, and make other improvements at these two parks plus Robert Louis Stevenson State Park.

The District contracts with the County for much of its professional services and office space, equipment, and supplies. It has no facilities other than land, two residential buildings on that land, and the buildings it operates at Bothe-Napa Valley State Park and the Bale Grist Mill State Historic Park.

CONTACTING THE DISTRICT

These financial statements are designed to provide a general overview of the Napa County Regional Park and Open Space District finances for all those interested. The County of Napa provides certain management and administrative functions, including all financial management and accounting. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Napa County Regional Park and Open Space District, 1195 Third Street, Second Floor, Napa California, 94559.

BASIC FINANCIAL STATEMENTS

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2021**

	2021
ASSETS	
Current Assets:	
Cash in County treasury	\$ 1,788,644
Imprest cash	475
Total Current Assets	1,789,119
Noncurrent Assets:	
Land	14,330,959
Buildings, net of accumulated depreciation	466,937
Total Noncurrent Assets	14,797,896
Total Assets	16,587,015
LIABILITIES	
Current Liabilities:	
Accounts payable	17,881
Accrued salaries and benefits	28,218
Customer deposits	5,000
Total Current Liabilities	51,099
Noncurrent Liabilities:	
Due within one year	6,721
Due in more than one year	24,579
Total Noncurrent Liabilities	31,300
Total Liabilities	82,399
NET POSITION	
Net Investment in Capital Assets	14,797,896
Restricted	800,056
Unrestricted	906,664
Total Net Position	\$ 16,504,616

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

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2021
PROGRAM EXPENSES	
Administrative and general operations	\$ 1,507,529
Accounting and auditing services	14,306
Legal services	3,434
Consulting and engineering	40,998
Insurance	22,662
Taxes and assessments	1,722
Depreciation	12,746
	1,603,397
PROGRAM REVENUES	
Operating grants and contributions:	
County of Napa - Special Projects Fund	1,036,280
Capital grants and contributions	400,000
Concessions	489,863
Donations and contributions	57,519
Rents	55,523
	2,039,185
Total Program Revenues	2,039,185
Net Program Revenues	435,788
GENERAL REVENUES	
Interest	23,771
	23,771
Change in Net Position	459,559
Net Position - Beginning of Year	16,045,057
Net Position - End of Year	\$ 16,504,616

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

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
BALANCE SHEET
JUNE 30, 2021**

	2021
ASSETS	
Cash in County treasury	\$ 1,788,644
Imprest cash	475
Total Assets	\$ 1,789,119
LIABILITIES	
Accounts payable	\$ 17,881
Accrued salaries and benefits	28,218
Customer deposits	5,000
Total Liabilities	51,099
FUND BALANCE	
Restricted	800,056
Committed	131,713
Unassigned	806,251
Total Fund Balance	1,738,020
Total Liabilities and Fund Balance	\$ 1,789,119

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

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
RECONCILIATION OF THE BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2021**

Fund Balance - total governmental fund (Page 10)	\$ 1,738,020
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental fund.	14,797,896
Long-term obligations are not due and payable in the current period and therefore are not reported in the governmental fund: Compensated absences	<u>(31,300)</u>
Net position of governmental activities (Page 8)	<u>\$ 16,504,616</u>

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

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	2021
REVENUES	
Intergovernmental revenues	\$ 1,436,280
Concessions	489,863
Donations and contributions	57,519
Rents	55,523
Interest	23,771
Total Revenues	2,062,956
EXPENDITURES	
Administrative and general operations	1,476,229
Accounting and auditing services	14,306
Legal services	3,434
Consulting and engineering	40,998
Insurance	22,662
Taxes and assessments	1,722
Total Expenditures	1,559,351
Net Change in Fund Balance	503,605
Fund Balance - Beginning of Year	1,234,415
Fund Balance - End of Year	\$ 1,738,020

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

**NAPA COUNTY
 REGIONAL PARK AND OPEN SPACE DISTRICT
 RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
 AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
 FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

Net change in fund balance - total governmental fund (Page 12) \$ 503,605

Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlay as expenditures. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Details of the difference are as follows:

Depreciation (12,746)

Changes in compensated absences do not affect expenditures in the governmental funds but the change is adjusted through salary expense in the Statement of Net Position.

(31,300)

Change in net position of governmental activities (Page 9)

\$ 459,559

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

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2021**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

In November of 2006, Napa County (the County) voters approved Measure I establishing the Napa County Regional Park and Open Space District (the District). The purpose of the District is to plan, improve, and operate a system of public parks, trails, outdoor recreational facilities, and outdoor science and conservation education programs, as well as to protect and preserve natural areas, wildlife habitat, and other open space resources. Its jurisdiction includes all of Napa County.

The District is governed by a Board of Directors (the Board) whose members are directly elected by the public in each of five wards. Ward boundaries coincide with the County's Board of Supervisors' districts.

The District includes all activities (operations of its administrative staff and District officers) considered to be a part of the District. The District reviewed the criteria developed by the Governmental Accounting Standards Board (GASB) in its issuance of Statement No. 14, and amended by Statement No. 61, relating to the financial reporting entity to determine whether the District is financially accountable for other entities. The District has determined that no other outside entity meets the above criteria and, therefore, no other entity has been included as a component unit in the financial statements. In addition, the District is not aware of any entity that would be financially accountable for the District that would result in the District being considered a component unit of that entity.

B. Basis of Presentation and Accounting

Government-Wide Statements

The Statement of Net Position and Statement of Activities display information about the primary government, the District. These statements include the financial activities of the overall District.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place.

When both restricted and unrestricted net positions are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This method recognizes revenues in the accounting period in which they become measurable and available. Revenues are considered available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues available if they are collected within ninety days of the end of the current fiscal period. Significant revenues that have been treated as "susceptible" to accrual under the modified accrual basis of accounting include taxes, charges, interest, and intergovernmental revenues. Expenditures are recognized in the accounting period in which the related fund liability is incurred.

Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) value in exchange, include sales taxes, grants, entitlements, and donations. On a modified accrual basis of accounting, revenues from sales taxes are recognized when the underlying transactions take place and have met the availability criteria. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

B. Basis of Presentation and Accounting (Continued)

The District reports the following major governmental fund:

- The General Fund is the District's primary operating fund. It accounts for all financial resources of the general government.

C. Capital Assets

Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets are recorded at acquisition value. The District defines capital assets as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Capital assets used in operations are depreciated or amortized (assets under capital leases) using the straight-line method over the lesser of the capital lease period or their estimated useful lives in the government-wide statements. Depreciation begins on the first day of the fiscal year following the period the asset is placed in service and ends in the fiscal year that it is retired from service or is fully depreciated.

The estimated useful lives are as follows:

Buildings and improvements	25 to 50 years
Equipment	5 to 8 years

D. 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 certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

NOTE 2 – CASH AND INVESTMENTS

Cash at June 30, 2021, consisted of the following:

Cash in County Treasury	\$ 1,788,644
Imprest cash	475
	<hr/>
	\$ 1,789,119
	<hr/>

The District maintains all of its cash and investments with the County Treasurer in an investment pool. On a quarterly basis the Treasurer allocates interest to participants based upon their average daily balances. Required disclosure information regarding categorization of investments and other deposit and investment risk disclosures can be found in the County's financial statements. The County's financial statements may be obtained by contacting the County Auditor-Controller's office at 1205 Third Street, Room B-10, Napa, California 94559. The County Treasury Oversight Committee oversees the Treasurer's investments and policies.

Required disclosures for the District's deposit and investment risks at June 30, 2021, were as follows:

Credit risk	Not rated
Custodial risk	Not applicable
Concentration of credit risk	Not applicable
Interest rate risk	Not available

Investments held in the County's investment pool are available on demand and are stated at cost plus accrued interest, which approximates fair value. The District has no deposit or investment policy that addresses a specific type of risk.

NOTE 3 – CAPITAL ASSETS

Capital assets at June 30, 2021, are as follows:

	Balance July 1, 2020	Additions	Deletions	Balance June 30, 2021
Capital assets, not being depreciated				
Land	\$ 14,330,959	\$ -	\$ -	\$ 14,330,959
Total capital assets, not being depreciated	14,330,959	-	-	14,330,959
Capital assets, being depreciated:				
Equipment	42,346	-	-	42,346
Buildings	600,136	-	-	600,136
Total capital assets, being depreciated	642,482	-	-	642,482
Less accumulated depreciation for:				
Equipment	(41,603)	(743)	-	(42,346)
Buildings	(121,196)	(12,003)	-	(133,199)
Total accumulated depreciation	(162,799)	(12,746)	-	(175,545)
Total capital assets, being depreciated, net	479,683	(12,746)	-	466,937
Total capital assets, net	\$ 14,810,642	\$ (12,746)	\$ -	\$ 14,797,896

Depreciation expense was \$12,746 for the fiscal year ended June 30, 2021.

NOTE 4 – LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended June 30, 2021:

	Balance July 1, 2020	Additions	Retirement/ Adjustments	Balance June 30, 2021	Due Within One Year
Governmental activities					
Compensated absences	\$ -	\$ 31,300	\$ -	\$ 31,300	\$ 6,721

NOTE 5 – NET POSITION/FUND BALANCE

Net Position

Net position comprises the various net earnings from operating and nonoperating revenues, expenses, and contributions of capital. Net position is classified in the following three components: net investment in capital assets, restricted, and unrestricted. The District has restricted funds, unrestricted funds, and funds invested in capital assets (net of related debt). Net investment in capital assets consists of all capital assets, net of accumulated depreciation and reduced by outstanding debt that is attributable to the acquisition, construction, and improvement of those assets. Debt related to unspent proceeds or other restricted cash and investments is excluded from the determination. Restricted net position consists of amounts constrained to specific purposes by their providers or by enabling legislation. Unrestricted net position consists of all other net position not included in the above categories.

NOTE 5 – NET POSITION/FUND BALANCE (Continued)

Fund Balance

Governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. The following classifications describe the relative strength of the spending constraints:

- *Nonspendable fund balance* – amounts that are not in spendable form or are required to be maintained intact.
- *Restricted fund balance* – amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- *Committed fund balance* – amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority. To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint.
- *Assigned fund balance* – amounts the District intends to use for a specific purpose. Intent can be expressed by the District's Board or by an official or body to which the District's Board delegates the authority.
- *Unassigned fund balance* – amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

The District's Board establishes (and modifies or rescinds) fund balance commitments by passage of an ordinance or resolution. This is typically done through adoption and amendment of the budget. A fund balance commitment is further indicated in the budget document as a designation or commitment of the fund (such as for special incentives). Assigned fund balance is established by the Board through adoption or amendment of the budget as intended for specific purpose (such as the purchase of capital assets, construction, debt service, or for other purposes).

In circumstances when an expenditure is made for a purpose for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

NOTE 6 – RELATED PARTY TRANSACTIONS

During the fiscal year ended June 30, 2021, the District paid the County, a related party, \$747,856 for administrative, election services, accounting, IT services, legal services, and fleet charges. The District also received grants from the County in the amount of \$1,036,280 for administration, planning, and operations.

NOTE 7 – RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. Insurance to cover risk of loss for the District is secured through commercial carriers.

NOTE 8 – SUBSEQUENT EVENTS

Subsequent events have been evaluated through January 14, 2022, which is the date the basic financial statements were available to be issued.

REQUIRED SUPPLEMENTARY INFORMATION

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Intergovernmental revenues	\$ 1,036,283	\$ 1,036,283	\$ 1,436,280	\$ 399,997
Concessions	614,620	614,620	489,863	(124,757)
Donations and contributions	74,000	74,000	57,519	(16,481)
Rents	48,300	48,300	55,523	7,223
Interest	21,000	21,000	23,771	2,771
Total Revenues	<u>1,794,203</u>	<u>1,794,203</u>	<u>2,062,956</u>	<u>268,753</u>
EXPENDITURES				
Salaries and benefits	339,472	594,684	560,957	33,727
Administrative services	684,574	684,574	682,592	1,982
Election services	60,000	60,000	686	59,314
Accounting and auditing services	13,000	13,000	14,306	(1,306)
Information technology service	-	-	48,532	(48,532)
Legal services	10,000	10,000	3,434	6,566
Waste disposal services	20,683	18,883	21,978	(3,095)
Landscaping services	3,500	3,500	16,650	(13,150)
Janitorial services	22	22	-	22
Construction services	314,000	314,000	10,069	303,931
Sewer disposal services	-	-	2,850	(2,850)
Other professional services	41,250	41,250	40,998	252
Maintenance - building and improvements	-	-	14,350	(14,350)
Maintenance - vehicles	5,000	5,000	3,695	1,305
Maintenance - infrastructure and land	6,200	6,200	-	6,200
Rents and leases - equipment	-	-	4,773	(4,773)
Insurance - liability	50,500	35,850	22,662	13,188
Communications and telephone	6,980	6,980	5,496	1,484
Advertising and marketing	700	700	-	700
Printing and binding	3,950	3,950	1,277	2,673
Publications and legal notices	-	-	154	(154)
Bank charges	2,500	2,500	140	2,360
Permits and license fees	11,316	11,316	944	10,372
Training and conference expenses	3,500	3,500	755	2,745
Business travel and mileage	7,403	7,403	7,222	181
Fleet charges	6,600	6,600	4,547	2,053
Office supplies	6,800	6,800	2,824	3,976
Books/media/publication	6,700	6,700	6,496	204
Memberships and certifications	7,732	7,732	5,561	2,171
Utilities - electric	20,200	20,200	17,545	2,655
Utilities - propane	650	650	87	563
Fuel	100	100	-	100
Clothing and personal supplies	2,500	2,500	505	1,995
Safety supplies	500	500	156	344
Janitorial supplies	3,700	3,700	2,602	1,098
Construction supplies and materials	16,500	16,500	4,242	12,258
Maintenance supplies	25,500	25,500	19,204	6,296
Vehicle repair supplies	-	-	35	(35)
Minor equipment and small tools	6,000	6,000	5,688	312
Computer equipment and accessories	1,500	1,500	-	1,500
Computer software/licensing fees	8,000	8,000	523	7,477
Special departmental expenses	15,300	15,060	9,443	5,617
Goods for resale	7,000	7,000	13,651	(6,651)
Taxes and assessments	1,750	1,990	1,722	268
Total Expenditures	<u>1,721,582</u>	<u>1,960,344</u>	<u>1,559,351</u>	<u>400,993</u>
Net Change in Fund Balance	<u>\$ 72,621</u>	<u>\$ (166,141)</u>	503,605	<u>\$ 669,746</u>
Fund Balance - Beginning of Year			<u>1,234,415</u>	
Fund Balance - End of Year			<u>\$ 1,738,020</u>	

See the note to the required supplementary information.

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
NOTE TO THE REQUIRED SUPPLEMENTARY INFORMATION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

NOTE 1 – BUDGET AND BUDGETARY ACCOUNTING

The Napa County Regional Park and Open Space District (the District) prepares and legally adopts a final budget on or before August 30th of each fiscal year. The District's operation, commencing July 1st, is governed by the proposed budget, adopted by the Board of Directors (the Board) in June of the prior year.

After the budget is adopted, appropriations can only be increased by approval of the Board. Due to the nature of the work completed by the District, reallocations of budget between and within the sub-divisions of the fund are approved by the General Manager and subsequently reported to the Board at a future meeting.

An operating budget is adopted each fiscal year on the modified accrual basis of accounting. Additionally, encumbrance accounting is utilized to assure effective budgetary control. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately to result if the unperformed contracts in process at year-end are completed or purchase commitments satisfied. Such year-end encumbrances are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be honored during the subsequent years and included in the subsequent years' budgets. Unencumbered appropriations lapse at year-end.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the fund level. On a monthly basis, the General Manager reports all expenditures and encumbrances incurred during the prior month to the Board.

The budget is adopted on a basis consistent with accounting principles generally accepted in the United States of America.

Total expenditures were lower than appropriations by \$400,993 due to the District budgeting construction for operations of a park but the agreement had not been signed in time to commence construction during the fiscal year.

SUPPLEMENTARY INFORMATION

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES BY DIVISION
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	<u>Moore Creek</u>	<u>Oat Hill Mine Trail</u>	<u>Napa River and Bay Trail</u>	<u>Camp Berryessa</u>
REVENUES				
Grants:				
Napa County	\$ 54,448	\$ 10,951	\$ 2,839	\$ 13,440
State - Prop 68	-	-	-	-
Concessions	-	-	-	3,500
Donations and contributions	27,649	-	-	-
Rents	21,900	-	-	-
Interest	-	-	-	-
Total Revenues	103,997	10,951	2,839	16,940
EXPENDITURES				
Salaries and benefits	37,539	6,832	527	6,224
Administrative services	17,639	2,914	2,204	6,936
Election services	-	-	-	-
Accounting and auditing services	-	-	-	-
Information technology service	-	-	-	-
Legal services	-	-	-	-
Waste disposal services	-	-	-	329
Landscaping services	-	-	-	-
Construction services	-	-	-	-
Sewer disposal services	-	-	-	-
Other professional services	3,496	-	-	3,359
Maintenance - building and improvements	-	-	-	-
Maintenance - vehicles	-	-	-	-
Rents and leases - equipment	2,180	-	-	-
Insurance - liability	-	-	-	-
Communications and telephone	-	-	-	-
Printing and binding	417	110	-	-
Publications and legal notices	-	-	-	-
Bank charges	-	-	-	-
Permits and license fees	-	-	-	-
Training and conference expenses	-	-	-	-
Business travel and mileage	3,522	905	75	52
Fleet charges	-	-	-	-
Office supplies	566	-	-	-
Books/media/publications	-	-	-	-
Memberships and certifications	-	-	-	-
Utilities - electric	-	-	-	-
Utilities - propane	-	-	-	-
Clothing and personal supplies	-	-	-	-
Safety supplies	-	-	-	-
Janitorial supplies	-	-	-	-
Construction supplies and materials	329	-	-	-
Maintenance supplies	2,911	190	33	40
Vehicle repair supplies	-	-	-	-
Minor equipment and small tools	122	-	-	-
Computer software/licensing fees	-	-	-	-
Special departmental expenses	6,292	-	-	-
Goods for resale	-	-	-	-
Taxes and assessments	1,238	-	-	-
Total Expenditures	76,251	10,951	2,839	16,940
Transfers	-	-	-	-
Net Surplus/(Deficit)	\$ 27,746	\$ -	\$ -	\$ -

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES BY DIVISION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Berryessa Vista	Napa River Ecological Reserve	Vine Trail	Putah Creek
REVENUES				
Grants:				
Napa County	\$ 1,085	\$ 9,301	\$ 1,973	\$ 2,303
State - Prop 68	-	-	-	-
Concessions	-	-	-	-
Donations and contributions	-	-	-	-
Rents	-	-	-	-
Interest	-	-	-	-
Total Revenues	1,085	9,301	1,973	2,303
EXPENDITURES				
Salaries and benefits	170	2,174	-	154
Administrative services	915	866	1,959	1,847
Election services	-	-	-	-
Accounting and auditing services	-	-	-	-
Information technology service	-	-	-	-
Legal services	-	-	-	-
Waste disposal services	-	40	-	-
Landscaping services	-	-	-	-
Construction services	-	-	-	-
Sewer disposal services	-	-	-	-
Other professional services	-	5,889	-	-
Maintenance - building and improvements	-	-	-	-
Maintenance - vehicles	-	-	-	-
Rents and leases - equipment	-	-	-	-
Insurance - liability	-	-	-	-
Communications and telephone	-	38	-	-
Printing and binding	-	-	-	-
Publications and legal notices	-	-	-	-
Bank charges	-	-	-	-
Permits and license fees	-	-	-	302
Training and conference expenses	-	-	-	-
Business travel and mileage	-	172	14	-
Fleet charges	-	-	-	-
Office supplies	-	-	-	-
Books/media/publications	-	-	-	-
Memberships and certifications	-	-	-	-
Utilities - electric	-	-	-	-
Utilities - propane	-	-	-	-
Clothing and personal supplies	-	-	-	-
Safety supplies	-	-	-	-
Janitorial supplies	-	-	-	-
Construction supplies and materials	-	-	-	-
Maintenance supplies	-	122	-	-
Vehicle repair supplies	-	-	-	-
Minor equipment and small tools	-	-	-	-
Computer software/licensing fees	-	-	-	-
Special departmental expenses	-	-	-	-
Goods for resale	-	-	-	-
Taxes and assessments	-	-	-	-
Total Expenditures	1,085	9,301	1,973	2,303
Transfers	-	-	-	-
Net Surplus/(Deficit)	\$ -	\$ -	\$ -	\$ -

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES BY DIVISION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	State Parks	Suscol Headwaters Preserve	Amy's Grove	Cedar Roughs Smittle Creek
REVENUES				
Grants:				
Napa County	\$ -	\$ 5,657	\$ 46,066	\$ 6,518
State - Prop 68	-	-	-	-
Concessions	486,363	-	-	-
Donations and contributions	5,890	2,000	500	-
Rents	26,400	7,223	-	-
Interest	8,133	2,822	-	-
Total Revenues	526,786	17,702	46,566	6,518
EXPENDITURES				
Salaries and benefits	233,944	3,722	15,818	4,343
Administrative services	332,678	11,439	16,370	1,180
Election services	-	-	-	-
Accounting and auditing services	-	-	-	-
Information technology service	-	-	-	-
Legal services	-	-	-	-
Waste disposal services	21,609	-	-	-
Landscaping services	16,650	-	-	-
Construction services	10,069	-	-	-
Sewer disposal services	2,850	-	-	-
Other professional services	15,974	-	11,460	820
Maintenance - building and improvements	-	-	-	-
Maintenance - vehicles	3,695	-	-	-
Rents and leases - equipment	2,314	-	279	-
Insurance - liability	-	-	-	-
Communications and telephone	5,458	-	-	-
Printing and binding	724	-	-	-
Publications and legal notices	-	-	-	-
Bank charges	140	-	-	-
Permits and license fees	81	-	561	-
Training and conference expenses	-	-	-	-
Business travel and mileage	568	279	999	175
Fleet charges	3,865	-	-	-
Office supplies	1,397	-	38	-
Books/media/publications	-	-	-	-
Memberships and certifications	500	-	-	-
Utilities - electric	17,545	-	-	-
Utilities - propane	87	-	-	-
Clothing and personal supplies	162	-	-	-
Safety supplies	156	-	-	-
Janitorial supplies	2,602	-	-	-
Construction supplies and materials	3,557	-	356	-
Maintenance supplies	13,990	262	633	-
Vehicle repair supplies	35	-	-	-
Minor equipment and small tools	5,566	-	-	-
Computer software/licensing fees	-	-	-	-
Special departmental expenses	3,151	-	-	-
Goods for resale	13,651	-	-	-
Taxes and assessments	432	-	52	-
Total Expenditures	713,450	15,702	46,566	6,518
Transfers	-	-	-	-
Net Surplus/(Deficit)	\$ (186,664)	\$ 2,000	\$ -	\$ -

**NAPA COUNTY
REGIONAL PARK AND OPEN SPACE DISTRICT
SCHEDULE OF REVENUES AND EXPENDITURES BY DIVISION (Continued)
FOR THE FISCAL YEAR ENDED JUNE 30, 2021**

	Other Projects	General Fund	Total
REVENUES			
Grants:			
Napa County	\$ 157,638	\$ 724,061	\$ 1,036,280
State - Prop 68	-	400,000	400,000
Concessions	-	-	489,863
Donations and contributions	-	21,480	57,519
Rents	-	-	55,523
Interest	-	12,816	23,771
	<u>157,638</u>	<u>1,158,357</u>	<u>2,062,956</u>
Total Revenues	157,638	1,158,357	2,062,956
EXPENDITURES			
Salaries and benefits	82,405	167,105	560,957
Administrative services	67,821	217,824	682,592
Election services	-	686	686
Accounting and auditing services	-	14,306	14,306
Information technology service	-	48,532	48,532
Legal services	-	3,434	3,434
Waste disposal services	-	-	21,978
Landscaping services	-	-	16,650
Construction services	-	-	10,069
Sewer disposal services	-	-	2,850
Other professional services	-	-	40,998
Maintenance - building and improvements	-	14,350	14,350
Maintenance - vehicles	-	-	3,695
Rents and leases - equipment	-	-	4,773
Insurance - liability	-	22,662	22,662
Communications and telephone	-	-	5,496
Printing and binding	26	-	1,277
Publications and legal notices	-	154	154
Bank charges	-	-	140
Permits and license fees	-	-	944
Training and conference expenses	-	755	755
Business travel and mileage	348	113	7,222
Fleet charges	-	682	4,547
Office supplies	35	788	2,824
Books/media/publications	6,000	496	6,496
Memberships and certifications	-	5,061	5,561
Utilities - electric	-	-	17,545
Utilities - propane	-	-	87
Clothing and personal supplies	-	343	505
Safety supplies	-	-	156
Janitorial supplies	-	-	2,602
Construction supplies and materials	-	-	4,242
Maintenance supplies	1,003	20	19,204
Vehicle repair supplies	-	-	35
Minor equipment and small tools	-	-	5,688
Computer software/licensing fees	-	523	523
Special departmental expenses	-	-	9,443
Goods for resale	-	-	13,651
Taxes and assessments	-	-	1,722
	<u>157,638</u>	<u>497,834</u>	<u>1,559,351</u>
Total Expenditures	157,638	497,834	1,559,351
Transfers	<u>-</u>	<u>-</u>	<u>-</u>
Net Surplus/(Deficit)	<u>\$ -</u>	<u>\$ 660,523</u>	<u>\$ 503,605</u>

OTHER REPORT

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

To the Honorable Members
of the Board of Directors
Napa County Regional Park and Open Space District
Napa, 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 and the major fund of the Napa County Regional Park and Open Space District (the District), as of and for the fiscal year ended June 30, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 14, 2022.

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 District's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether 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 District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this report is not suitable for any other purpose.

BROWN ARMSTRONG
ACCOUNTANCY CORPORATION

Brown Armstrong
Accountancy Corporation

Bakersfield, California
January 14, 2022