



Livermore Area
Recreation & Park District
An independent special district

Board of Directors

Beth Wilson
Director

David Furst
Vice Chair

Maryalice Faltings
Chair

Philip Pierpont
Director

Jan Palajac
Director

Welcome to the Board of Directors' Meeting

You are welcome to attend all Board of Directors' meetings. Your interest in the conduct of public business is appreciated. Any citizen desiring to speak on any item not on the agenda may do so under item 7 when the Chair requests comments from the audience.

If you wish to speak on an item listed on the agenda, please wait until the item is up for discussion, the opening staff or committee presentation has been made, and the Board has concluded its initial discussion. Then, upon receiving recognition from the Chair, please state your name, and tell whether you are speaking as an individual or for an organization. Each speaker is limited to three minutes.

Materials related to an item on this Agenda submitted to the Board of Directors after distribution of the agenda packet are available for public inspection in the District office, 4444 East Avenue, Livermore, during normal business hours.

Pursuant to Title II of the Americans with Disabilities Act and section 504 of the Rehabilitation Act of 1973, LARPD does not discriminate on the basis of race, color, religion, national origin, ancestry, sex, disability, age or sexual orientation in the provision of any services, programs or activities. To arrange an accommodation in order to participate in this public meeting, please call (925) 373-5725 or e-mail Lvanbuskirk@larpd.org at least 72 hours in advance of the meeting.

AGENDA REGULAR MEETING

**WEDNESDAY, JUNE 27, 2018
7:00 P.M.**

**ROBERT LIVERMORE COMMUNITY CENTER
4444 EAST AVENUE, LIVERMORE, CALIFORNIA
CRESTA BLANCA ROOM**

1. CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE
2. PUBLIC COMMENT

3. PRESENTATION

3.1 TREE PLANTING PROJECTS

The Board will receive a presentation on the Tree Planting Project in LARPD creeks and trails, and will recognize the Rotary Club of Livermore and Eagle Scouts for their contributions and volunteer work.

4. INTRODUCTIONS

4.1 MARKETING AND OPERATIONS SUPERVISOR

The Board will be introduced to new Marketing and Operations Supervisor Stacey Kenison.

4.2 HUMAN RESOURCES ANALYST

The Board will be introduced to new Human Resources Analyst Megan Shannon.

5. CONSENT AGENDA (Motion)

5.1 BOARD MINUTES

5.1.1 Budget Workshop and Regular Meeting of June 13, 2018.

5.2 COMMUNICATIONS

None.

6. CONSENT AGENDA RESOLUTIONS

6.1 RESOLUTION OF COMMENDATION FOR TIM BARRY

The Board will adopt a resolution commending General Manager Tim Barry, on the occasion of his retirement from the District.

Resolution No. ____, commending General Manager Tim Barry, on the occasion of his retirement from the District.

7. BIDS AND PUBLIC HEARINGS

None.

8. OLD BUSINESS

8.1 BRUNO CANZIANI DOG PARK DESIGN

The Board will consider the Facilities Committee's request to reconsider the Board's April 25, 2018 decision on the design of the Bruno Canziani Dog Park and approve a revised layout plan. (Motion)

9. NEW BUSINESS

9.1 DISTRICT GENERAL ELECTION

The Board will consider a resolution calling for the District's election on November 6, 2018 and requesting that the Board of Supervisors of Alameda County permit consolidation with the statewide general election on November 6, 2018. (Resolution)

Resolution No. ____, a resolution calling for the District's election on November 6, 2018 and requesting that the Board of Supervisors of Alameda County permit consolidation with the statewide general election on November 6, 2018.

9.2 DISTRICT AUDIT FOR FISCAL YEAR 2016-2017

The District audit for Fiscal Year 2016-2017 has been completed. The Board will conduct a review of the Audit Report and consider acceptance. (Motion)

10. COMMITTEE REPORTS
11. MATTERS INITIATED/ANNOUNCEMENTS BY THE DIRECTORS
12. MATTERS INITIATED/ANNOUNCEMENTS BY THE GENERAL MANAGER
13. OPEN SESSION DISCLOSURE REGARDING CLOSED SESSION ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54957.7
14. CLOSED SESSION
 - 14.1 CONFERENCE WITH REAL PROPERTY NEGOTIATORS PURSUANT TO GOVERNMENT CODE SECTION 54956.8
Property: APN: 903-10-40
Agency Negotiators: T. Barry/R. Attebery
Under Negotiation: Price and Terms of Payment
15. OPEN SESSION REPORT ON CLOSED SESSION PURSUANT TO GOVERNMENT CODE SECTION 54957.1
16. ADJOURNMENT



Livermore Area
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LIVERMORE AREA RECREATION AND PARK DISTRICT

DRAFT MINUTES

WEDNESDAY, JUNE 13, 2018

ROBERT LIVERMORE COMMUNITY CENTER
4444 EAST AVENUE, LIVERMORE, CALIFORNIA

BUDGET WORKSHOP
5:30 P.M.

REGULAR MEETING
7:00 P.M.

DIRECTORS PRESENT:	Directors Furst, Palajac, Pierpont, Wilson and Chair Faltings
DIRECTORS ABSENT:	None
STAFF MEMBERS PRESENT:	Bruce Aizawa, Tim Barry, Nancy Blair, Tom Doyle, Julie Dreher, Maureen Gandara Swinbank, Fred Haldeman, Jill Kirk, Moe Kline, Patricia Lord, Jeffrey Schneider, Rebecca Sermenio, Pat Sotelo, Linda VanBuskirk, Monica Streeter

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- 1. CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE**
Chair Faltings called the meeting to order at 5:38 p.m. All Directors were present.

- 2. BUDGET WORKSHOP**
STATUS ON DISTRICT GOALS FOR 2017-18
GM Barry reported on the status of LARPD Goals for 2017-18. He provided an update on each of the eight goals listed, noting that each one corresponds to a goal in the District's Parks, Recreation and Trails Master Plan.

2.1 REVIEW OF PRELIMINARY FY 18-19 OPERATING BUDGET

Administrative Services Manager Jeffrey Schneider acknowledged input, guidance and support received from staff in the preparation of the Preliminary FY 18-19 Operating Budget. He stated the budget is balance at \$21,884,501, which is \$804,877 or 4% above the mid-year 2017-18 operating budget approved by the Board on February 20, 2018. He described the budget planning process and reported on Revenue and Expenses, Salary and Benefits, Services and Supplies, a Contingency Budget of \$100,000, as in past years, and a modest Capital Equipment item.

The Board provided feedback and guidance on items including 457 plan participation; new positions identified in the Compensation Study; election costs; salary expenses; usefulness of trends shown in the pie charts. The Board thanked ASM Schneider for a very complete and helpful report.

2.2 REVIEW OF PRELIMINARY FY 18-21 CIP BUDGET

GM Barry led the group in a Review of the FY18-21 Preliminary Capital Improvement Plan (CIP) Budget. Staff previously reviewed the Draft Preliminary CIP Budget with the Facilities and Finance Committees on May 21, 2018, and received the Committees' recommendations that the budget, as presented, be approved by the Board. The review highlighted Priority A Projects, Priority B Projects, Completed Projects including Proposed Changes, and an Unfunded Project List.

The Board provided feedback and guidance on items including addition of the T6 trail connection in the CIP Budget, and a trails coordinator position. The Board expressed appreciation for the level of detail included in the staff report and attachments.

3. ADJOURN TO REGULAR MEETING

Adjourned to Regular Meeting at 6:59 p.m.

4. CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE

Chair Faltings called the meeting to order at 7:10 p.m. All Directors were present.

5. RECOGNITION

5.1 RECOGNITION OF WILLIAM (BILL) NEBO

Chair Faltings announced the Board will present a Certificate of Appreciation to LARPD Foundation member William (Bill) Nebo who was present in the audience. AGM Patricia Lord presented the certificate to Mr. Nebo. He expressed his appreciation to be a part of the LARPD Foundation and thanked the Board for their work.

5.2 RESOLUTION OF COMMENDATION FOR RETIRING LARPD FOUNDATION BOARD MEMBERS

Chair Faltings announced The Board will adopt a resolution commending Anita Thompson, on the occasion of her retirement from the LARPD Foundation.

Moved by Director Furst, seconded by Director Wilson, adopted Resolution No. 2624, commending Anita Thompson, on the occasion of her retirement from the LARPD Foundation, by the following roll call vote:

AYES:	<i>Furst, Pierpont, Palajac, Wilson, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

Ms. Thompson thanked the Board and expressed support for new members with fresh ideas to join the Foundation.

Chair Faltings then announced The Board will adopt a resolution commending Randy Schlientz, on the occasion of his retirement from the LARPD Foundation. The Board commended Mr. Schlientz in absentia.

Moved by Director Furst, seconded by Director Wilson, adopted Resolution No. 2625, commending Randy Schlientz, on the occasion of his retirement from the LARPD Foundation, by the following roll call vote:

AYES:	<i>Furst, Pierpont, Palajac, Wilson, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

Chair Faltings reiterated that due to these retirements, there are openings on the Foundation's board, and encouraged anyone interested in this very important role in supporting the park district to please contact the General Manager's office.

6. PUBLIC COMMENT: None.

7. CONSENT AGENDA

7.1 BOARD MINUTES

7.1.1 Regular Meeting of May 23, 2018.

7.2 COMMUNICATIONS

7.2.1 General Manager's Monthly Report (#71/11)

Moved by Director Wilson, seconded by Director Palajac, approved the Consent Agenda by the following voice vote:

AYES:	<i>Furst, Pierpont, Palajac, Wilson, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

8. CONSENT AGENDA RESOLUTIONS: None.

9. BIDS AND PUBLIC HEARINGS

PUBLIC HEARING: ADOPTION OF THE FINAL SUPPLEMENTAL INITIAL STUDY/MITIGATED NEGATIVE DECLARATION FOR THE ARROYO DEL VALLE PEDESTRIAN BRIDGE PROJECT

Chair Faltings announced that the Board would conduct a public hearing to consider adoption of the Final Supplemental Initial Study/Mitigated Negative Declaration (SIS/MND) for the Arroyo Del Valle Pedestrian Bridge Project in Sycamore Grove Park. AGM Lord introduced Laura Mercier with Tri-Valley Conservancy (TVC) and Jonathan Hidalgo with WRA Environmental Consultants (WRA).

AGM Lord presented the staff report which highlighted steps taken since the Facilities Committee reviewed and recommended approval of the Draft Supplemental Initial Study on February 22, 2018, followed by Board approval on February 28, 2018. The 30-day public review period took place from April 20, 2018 through May 21, 2018. There is no fiscal impact at this time for LARPD associated with the adoption of the Final SIS/MND for the Arroyo Del Valle Pedestrian Bridge Project. Jonathan Hidalgo spoke to the board about the Final SIS/MND report as well as the design and permitting updates.

Directors had comments and questions regarding the following: funding and permitting fees already paid by TVC; Comment Letter A received from the Department of Water Resources in reference to an Encroachment Permit from DWR; necessity of a current Regional Location Map.

Chair Faltings opened public comment. No comments were received from the public. Closed public comment.

Chair Faltings thanked TVC and WRA for all their hard work on this project. Laura Mercier with TVC gave a brief update on permit fees being paid for by TVC; the August 15 construction start date goal may be slipping due challenges of receiving input from contractors in a timely manner; kick-off of public fundraising efforts for the bricks.

Moved by Director Wilson, seconded by Chair Faltings, adopted Resolution No. 2626, approving the adoption of the Final Supplemental Initial Study/Mitigated Negative Declaration for the Arroyo Del Valle Pedestrian Bridge Project in Sycamore Grove Park, as amended with the revision of an accurate timeline and updated map, by the following roll call vote:

AYES:	<i>Furst, Pierpont, Palajac, Wilson, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

10. OLD BUSINESS: None.

11. NEW BUSINESS

11.1 APPROVAL OF PLANS AND SPECIFICATIONS FOR THE ROBERT LIVERMORE AQUATICS CENTER RENOVATION PROJECT, CIP PROJECT NO. 2018-442

Chair Faltings stated the Board would consider approving the Plans and Specifications for the Robert Livermore Aquatics Center Renovation Project and authorizing the General Manager to go out to bid for the construction of the improvements.

AGM Lord provided background information on the history of the Aquatic Center and reported on current conditions and discussed ways to mitigate issues experienced due to deterioration of the surface of the pool deck throughout the years. Identified improvements have been developed and discussed before the Finance Committee on February 20, 2018 and the Facilities committee on February 22, 2018. Consensus of the committees was to recommend CIP Project No 2018-442 be moved on the CIP Budget from Priority B to Priority A.

The funding for this project is assumed from AB 1600 funds and is included in the District's CIP Budget in the amount of \$2,326,000.

AGM Lord introduced LARPD Aquatics Supervisor Rebecca Sermenio, along with Matthew Reynolds and Ron Bravo from Terracon, the District's consulting and engineering firm. AS Sermenio provided a brief background on contracting with Terracon to develop plans and cost estimates for the renovation of the Robert Livermore Aquatics Center. She introduced Matthew Reynolds from Terracon who gave a presentation which reviewed the existing site plan, project scope and anticipated schedule, and an estimate of probable construction costs. Estimated groundbreaking for start of construction is set for Fall 2018 with facility re-opening estimated at April 2019.

Directors had comments and questions regarding the following: tiles and grout; several qualified interested contractors are expected to bid; pool contractors with C53 licenses; cost of project estimate.

Moved by Director Palajac, seconded by Director Furst, adopted Resolution No. 2627, approving the Plans and Specifications for the Robert Livermore Aquatics Center Renovation Project and authorizing the General Manager to go out to bid for the construction of the improvements, by the following roll call vote:

AYES:	<i>Wilson, Furst, Pierpont, Palajac, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

11.2 CALL FOR NOMINATIONS FOR THE COUNTYWIDE REDEVELOPMENT OVERSIGHT BOARD

Chair Faltings announced the Board would consider whether to nominate a fellow LARPD Director or the General Manager for election to the Countywide Redevelopment Oversight Board. The Independent Special District Selection Committee (ISDSC), responsible for appointing special district members to the LAFCo, has been given the responsibility to appoint a special district representative to serve on a consolidated countywide Redevelopment Agency Oversight Board. Nominations are due July 6, 2018.

After discussing the matter, no directors expressed an interest in an appointment to the Oversight Board. *The Board took no action on this item.*

11.3 LARPD CONTRIBUTION TO THE ALAMEDA COUNTY EMPLOYEES' RETIREMENT ASSOCIATION 401(h) SUB-ACCOUNT FOR RETIREES' MEDICAL FOR THE 2018-2019 FISCAL YEAR

Chair Faltings stated the Board would consider approving a resolution authorizing the funding of the 401(h) Sub-Account for Retirees' Medical with the Alameda County Employees' Retirement Association (ACERA) in the amount of \$309,600.90 for the 2018-2019 Fiscal Year.

ASM Schneider explained that the recommended 401(h) contribution is reflected in the District's FY 18-19 budget as a component of the budgeted ACERA contribution amounts for each of the District's active ACERA participants. This is

a continuation of the District's practice. Each year the retirement budget is partially intended to fund this benefit for our retirees.

Directors had comments and questions regarding the following: the increase of 30% compared to last year, and is this an anomaly; Medicare Part B and subsidies; once ACERA provides an explanation for the anomaly, the Board would like to receive that information.

Moved by Director Wilson, seconded by Director Furst, adopted Resolution No. 2628, authorizing the funding of the 401(h) Sub-Account for Retirees' Medical with the Alameda County Employees' Retirement Association (ACERA) in the amount of \$309,600.90 for the 2018-2019 Fiscal Year, by the following roll call vote:

AYES:	<i>Furst, Pierpont, Palajac, Wilson, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

11.4 RENEW SPECIAL TAX 97-1 AND SET THE NEW RATE FOR FISCAL YEAR 2018-19

Chair Faltings stated the Board would consider approving a resolution to renew Special Tax 97-1 and set the Equivalent Dwelling Unit (EDU) rate at \$35.05 for FY18-19.

GM Barry stated this is the District's parcel tax that was approved in 1997 by the electorate. ASM Schneider Jeff requested that the Board recommend approval of a 2% increase, the maximum allowed by the related legislation, which amounts to approximately \$30,000 per year in revenue.

Moved by Director Pierpont, seconded by Director Furst, adopted Resolution No. 2629, authorizing renewal of Special Tax 97-1 and setting the Equivalent Dwelling Unit (EDU) rate at \$35.05 for FY18-19, by the following roll call vote:

AYES:	<i>Pierpont, Palajac, Wilson, Furst, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

11.5 SALARY AND BENEFIT RESOLUTION FOR FISCAL YEAR 2018-19

Chair Faltings stated the Board would consider approving employee salary and benefit levels for the Fiscal Year 2018-19, effective July 1, 2018.

GM Barry reiterated that this was brought before the Board at its Budget Workshop earlier in the evening and was covered as part of the District's Operating Budget. ASM Schneider reported on data points which were reviewed by various committees such as the Personnel Commission, the Personnel Committee, and the Finance Committee all during May 2018. In each case, the committees recommended the full Board recommend moving forward with approval of this item. Staff recommended salary and benefit improvements for FY 2018-19 such as a Cost of Living Adjustment (COLA) of 3.6% for all classification ranges, effective July 1, 2018; that the District cover increases in

health care premiums for benefited staff so that their contribution remains as is; implementation of a District match for contributions to the 457 Deferred Compensation plans for part-time benefited staff; and market adjustments as discussion in the Compensation Study findings. The Draft Salary Schedule for FY 2018-19 is made a part of the recommended salary resolution as Attachment B and reflects the COLA, market adjustment for the roles as identified, minimum wage and for compaction issues related to the minimum wage.

Directors had comments and questions regarding the following: minimum wage and related compaction issues; the number of employees affected by minimum wage.

Moved by Director Palajac, seconded by Chair Faltings, adopted Resolution No. 2630, approving employee salary and benefit levels for the Fiscal Year 2018-19, effective July 1, 2018, by the following roll call vote:

AYES:	<i>Palajac, Wilson, Furst, Pierpont, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

11.6 PRELIMINARY FISCAL YEAR 2018-19 OPERATING BUDGET

Chair Faltings stated the Board would consider approving the District's Preliminary FY18-19 Operating Budget.

ASM Schneider gave an overview of the Operating Budget for Fiscal Year 2018-19. He reiterated several points made during the earlier Budget Workshop. The District is pledged to generate a Preliminary Operating Budget by the end of June. The Preliminary FY 18-19 Budget was presented to the Personnel Commission, the Personnel Committee and the Finance Committee in May, 2018. All three entities recommend the Board move forward with approval of the Preliminary Operating Budget as proposed. This is a balanced budget without requiring the use of any reserves to do so. The total budget is \$21,884,501 and is a combination of tax and earned income, revenues driven by the District's own programs. Staff recommended the Board approve the budget as presented. A final budget will then be presented to the Board for its consideration in August.

Moved by Director Furst, seconded by Director Wilson, adopted Resolution No. 2631, approving the District's Preliminary FY18-19 Operating Budget, by the following roll call vote:

AYES:	<i>Wilson, Furst, Pierpont, Palajac, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

Chair Faltings directed staff to post the Preliminary Operating Budget to the website. See www.larpd.org

11.7 PRELIMINARY FISCAL YEAR 2018-21 CAPITAL IMPROVEMENT PLAN (CIP) BUDGET

Chair Faltings announced the Board would consider approving the District's Preliminary FY18-21 Capital Improvement Plan (CIP).

GM Barry reported on the Preliminary CIP Budget which was previously presented to the Facilities and Finance Committees on May 21, 2018 for review. The committees recommended approval of the Preliminary CIP Budget. GM Barry reported on the projects, as outlined in the staff report, and divided into Priority A Projects, Priority B Projects, Completed Projects, Proposed Changes, and a list of unfunded projects that the District is contemplating and seeking funding for.

Directors had comments and questions regarding the following: potential trail over the Las Colinas Overpass and into Springtown – Trail T6 to be added to the unfunded list; itemized list of ADA projects needed at Camp Shelly for the Facilities Committee.

Moved by Director Furst, seconded by Director Pierpont, adopted Resolution No. 2632, approving the District's Preliminary FY 18-21 Capital Improvement Plan (CIP), with inclusion of T6, by the following roll call vote:

AYES:	<i>Pierpont, Palajac, Wilson, Furst, and Chair Faltings</i>
NOES:	<i>None</i>
ABSTENTIONS:	<i>None</i>
ABSENT:	<i>None</i>

12. COMMITTEE REPORTS

- 1) Director Wilson reported that she attended the Livermore Cultural Arts Council meeting where Dr. Lydia gave an excellent presentation on Organizing Your Non-Profit Organizations for Success and Longevity. There will not be a meeting held in July.

13. MATTERS INITIATED/ANNOUNCEMENTS BY THE DIRECTORS

- 1) Director Furst reported that he attended the California Association of Recreation and Park Districts' (CARPD) annual meeting in South Lake Tahoe along with Director Palajac, Chair Faltings, GM Barry and AGM Lord. He is on the statewide board along with Director Faltings, and has been re-elected for another 2-year term.
- 2) Chair Faltings also reported on the CARPD annual conference where she is the Secretary to the Board. She and Director Furst chaired the Directors' Roundtable and attended other breakout sessions. The conference culminated with an awards banquet. GM Barry announced that at the conference, Director Faltings won a statewide award for Outstanding Board Member of the Year!
- 3) Chair Faltings reported that many directors attended a succession of rodeo events in honor of the Livermore Stockmen's Rodeo Association's celebration of the 100th anniversary of the rodeo. The rodeo parade was spectacular with a cattle drive downtown, and the rodeo itself was great this year!
- 4) Director Palajac reported on her attendance at the CARPD annual conference. Based on her attendance at a session on crisis management, she asked if LARPD has a disaster management policy or plan, and if so, has it been recently

updated? GM Barry responded that the District is part of the City of Livermore's Emergency Operations Plan, which is connected to the County of Alameda's plan. Further discussion ensued regarding the role of LARPD to the community during an emergency situation, as well as the LARPD's internal Safety Committee.

14. MATTERS INITIATED/ANNOUNCEMENTS BY THE GENERAL MANAGER

GM Barry made the following announcements:

- 1) Having finished rodeo week in Livermore, GM Barry expressed appreciation for LARPD's involvement in keeping Robertson Park maintained and helping the Livermore Stockmen's Rodeo Association with site preparations. He also commended the Directors and Staff for their participation in the rodeo parade.
- 2) While at the CARPD annual conference, LARPD won an award for its program called Sierra Rendezvous which is a week of camping with selected middle school students and LARPD staff/volunteers. Ranger Glen Florey accepted the award on behalf of LARPD.
- 3) The LARPD Foundation is seeking interested community members to serve as trustees. Those interested are invited to go to www.larpd.org to be connected to the Foundation.
- 4) In the "Best of the Best" by East Bay Parent Magazine, LARPD's aquatic center was listed as a bronze award winner. GM Barry encouraged the public to check out LARPD's website or activity guide to sign up for summer programs. There are many programs to sign up for here at the community center during summer time.
- 5) Director Furst pointed out that GM Barry was recognized at CARPD for his 45 years of excellent contributions to recreation and parks.

15. ADJOURNMENT

There being no further business, the meeting adjourned at 8:43 p.m.

APPROVED,

Maryalice Summers Faltings
Chair, Board of Directors


ATTEST:

Timothy J. Barry
General Manager and
Ex-officio Clerk to the Board of Directors

Livermore Area Recreation and Park District

Staff Report

TO: Chair Faltings and Board of Directors

FROM: Timothy J. Barry, General Manager 

PREPARED BY: Thomas Doyle, Park Supervisor

DATE: June 27, 2018

SUBJECT: Separation of Large and Small Dog Sections at Bruno Canziani Dog Park

COMMITTEE: Recommended by the Facilities Committee at their May 21, 2018 meeting

RECOMMENDATION: That the Board of Directors approve the Facilities Committee request for a revised layout plan for creating a large dog section and a small dog section at Bruno Canziani Dog Park.

BACKGROUND: On April 25, 2018, the Board voted to separate Bruno Canziani Dog Park into large dog and small dog sections. The split was intended to be about 2/3 of the total area for large dogs and 1/3 of the total area for small dogs. In the days after the meeting, LARPD staff received several calls from concerned large dog owners, which led to an informal meeting at the Bruno Canziani Dog Park. Assistant General Manager Patricia Lord and Park Supervisor Tom Doyle attended the meeting and listened to input provided by both large and small dog owners. The main concern for large dog owners was that separation would create too small of an area for large dogs to be adequately exercised.

Staff reported on these events to the Facilities Committee and brought a couple of alternate options and their associated costs to the Facilities Committee Meeting on May 21st, 2018. The Facilities Committee recommended staff move forward with determining the costs associated with creating a smaller small dog section, that had the separation fence starting from the furthest west entrance and running to the northeast (See Attachment A). This would ultimately make the small dog section smaller and save on overall costs. The Facilities Committee requested that the Board re-consider its decision of April 25th and consider the newly proposed design.

The proposed separation is outlined in Attachment A. This proposal would create a small dog section that would be roughly 8,500 square feet (representing about 19% of the whole dog park). The large dog side would be roughly 36,500 square feet (representing about 81% of the dog park).

FISCAL IMPACT: The estimated costs for the separation include the materials and labor to install signage, a doggie bag dispenser, and a bench. The costs also include contracting work for the addition of a separation fence and 10' mow gate. The estimated cost for the separation is \$13,765. These funds will come from the Operating Budget of Unit 07, Park Operations and the project would be completed in the 2018/2019 Fiscal Year.

Attachments:

Attachment A: Bruno Canziani Dog Park proposed layout/ costs of separation

Attachment B: Bruno Canziani Dog Park originally proposed layout / costs of separation

Attachment C: Dog Park Measurements for all LARPD Dog Parks

Attachment A: Bruno Canziani Dog Park Proposed Layout and Costs of Separation

Separating Fence: 115 Linear Feet

Total Dog Park Area: Roughly 45,000 square feet

Area of Small Dog Section: Roughly 8,500 square feet (19%)

Area of Large Dog Section: Roughly 36,500 square feet (81%)



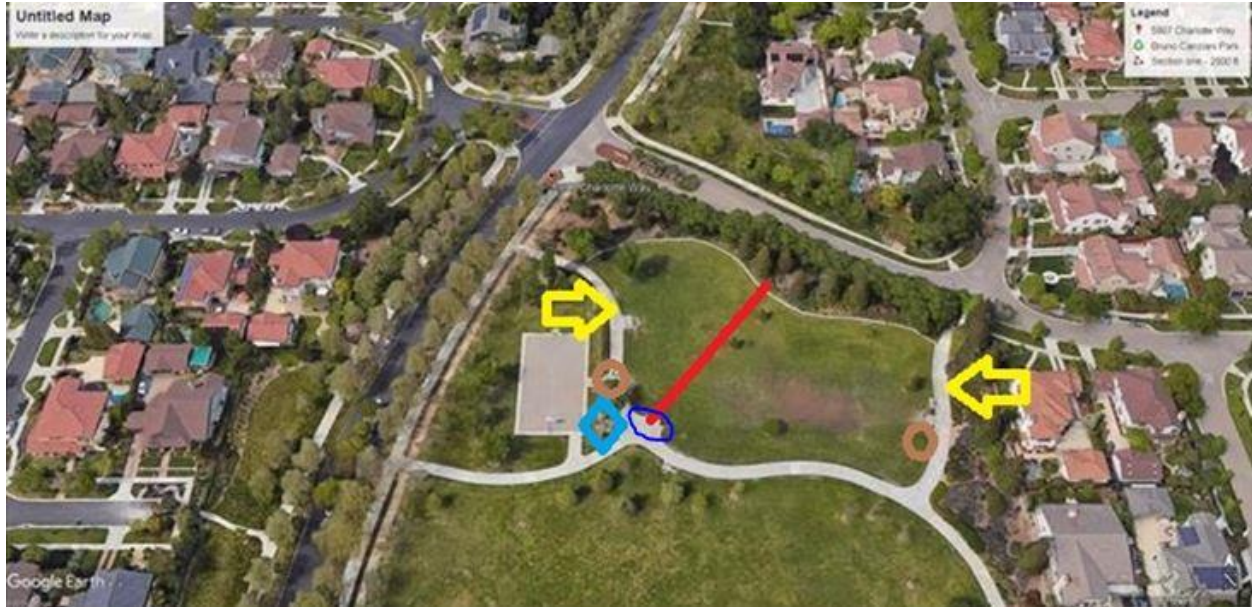
Mow Gate (10')

Existing Water Source

Separation Fence

<u>Item:</u>	<u>Information:</u>	<u>Material Cost:</u>	<u>Labor Cost:</u>	<u>Total Cost:</u>
Separation Fence	115 ft x 4 ft fence: includes 10 ft double swing gate	Contracted	Contracted	\$8,000.00
Entrance Gates	Joint access gate w/ 2 walk-in gates	Contracted	Contracted	\$3,000.00
Additional Mutt Mitt installation:	Additional Mutt Mitt station	\$130	\$70	\$200.00
Additional sign installation:	Two additional signs needed (installed on fence)	\$180	\$70	\$250.00
Additional work and labor:	Add one bench	\$1,860	\$455	\$2,315.00
				\$13,765.00

Attachment B: Bruno Canziani Dog Park Originally Proposed Layout and Costs of Separation



Originally proposed Large Dog Area: Roughly 30,000 square feet (66% of Dog Park)

Originally proposed Small Dog Area: Roughly 15,000 square feet (33% of Dog Park)

<u>Task:</u>	<u>Information:</u>	<u>Material Cost:</u>	<u>Labor Cost:</u>	<u>Total Cost:</u>
Separation Fence	174 Ft x 4 ft fence- includes 10' double swing gate	Contract	Contract	\$10,000
Joint Entrance/ additional 10 ft. gate	Joint access gate with 2 walk-in gates, 10 ft. equip gate	Contract	Contract	\$5,000
Additional Mutt Mitt installation:	Additional Mutt Mitt station	\$130	\$70	\$200
Additional sign installation:	Two additional signs needed (installed on fence)	\$180	\$70	\$250
Additional work and labor:	Addition of one picnic table	\$600	\$280	\$880
				\$16,330

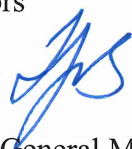
Attachment C: Dog Park Measurements for all LARPD Dog Parks

<u>Dog Parks</u>	<u>Total Size:</u>	<u>Large Section size:</u>	<u>Large Section %</u>	<u>Small Section size:</u>	<u>Small Section %</u>
Robertson Dog Park	230,500	182,700	N/A	N/A	N/A
Bruno Canziani Dog Park	45,000	36,500	81%	8,500	19%
Marlin Pound Dog Park	42,400	27,000	64%	15,400	36%
Vista Meadows	37,000	N/A	N/A	N/A	N/A
Max Baer Dog Park	28,000	N/A	N/A	N/A	N/A
Cayetano Dog Park	23,200	15,500	67%	7,700	33%
May Nissen Dog Park	15,000	N/A	N/A	N/A	N/A

Livermore Area Recreation and Park District

Staff Report

TO: Chair Faltings and Board of Directors

FROM: Timothy J. Barry, General Manager 

PREPARED BY: Linda VanBuskirk, Assistant to the General Manager

DATE: June 27, 2018

SUBJECT: District General Election

RECOMMENDATION: That the Board of Directors adopt Resolution No. ____, approving the following items:

- 1) Calling for the District's election for three Director seats on November 6, 2018.
- 2) Authorizing a charge to candidates for estimated costs associated with Candidate Statements.
- 3) Requesting that the Board of Supervisors of Alameda County permit consolidation with the statewide general election on November 6, 2018.
- 4) Determining that the election precincts, polling places, voting booths and election officials in each of the precincts shall be the same as provided for the statewide election.
- 5) Authorizing the County of Alameda to canvass the returns of said election and mail the results to the District as soon as the result of the canvass is determined.

BACKGROUND: Three seats on the Board of Directors, those currently occupied by Chair Maryalice Faltings, Vice Chair David Furst, and Director Philip Pierpont, are up for re-election in November 2018. The three seats to be filled are for four-year terms ending in December 2022.

As required by Public Resources Code Section 5787, all District elections are called, held and conducted in conformity with the Uniform District Election Law. The Livermore Area Recreation and Park District has chosen to hold its elections on the first Tuesday after the first Monday in even numbered years so that the General District Election can be consolidated with the State General Election. As such, the District should hold its next General District Election on November 6, 2018.

The resolution (draft attached) addresses the details listed above. This is standard procedure for the District in an election year.

ATTACHMENT: Draft Resolution

**IN THE BOARD OF DIRECTORS
OF THE
LIVERMORE AREA RECREATION AND PARK DISTRICT**

RESOLUTION NO. xxxx

**A RESOLUTION CALLING FOR THE DISTRICT'S GENERAL ELECTION
ON NOVEMBER 6, 2018 AND REQUESTING THAT
THE BOARD OF SUPERVISORS OF ALAMEDA COUNTY
PERMIT CONSOLIDATION WITH THE STATEWIDE GENERAL ELECTION
ON NOVEMBER 6, 2018**

WHEREAS, under Public Resources Code Section 5787, all District elections are called, held and conducted in conformity with the Uniform District Election Law; and

WHEREAS, the Livermore Area Recreation and Park District has chosen to hold its election on the first Tuesday after the first Monday in an even numbered year in order that the General District Election can be consolidated with the State General Election also held at that time; and

WHEREAS, said District should hold its next General District Election on November 6, 2018; and

WHEREAS, the elective offices to be filled at said election are three (3) members of the District Board of Directors; and

WHEREAS, the three seats to be filled during said election are for four-year terms ending in December 2022.

NOW, THEREFORE BE IT RESOLVED, that a General District Election shall be held in this District on November 6, 2018, for the purpose of electing three (3) members to the District Board of Directors.

BE IT FURTHER RESOLVED, that the Board of Directors authorizes that candidates for the Office of Director shall pay to the District, upon the filing of candidacy papers, a deposit for the estimated costs of printing, handling, translating and mailing their Candidate's Statements, said sum to be credited by the District against the costs of the Candidate's Statements as determined by the Registrar of Voters.

BE IT FURTHER RESOLVED, that said Board hereby requests that the General District Election in the District on November 6, 2018, be consolidated by the Alameda County Board of Supervisors with the Statewide General Election to be held in this County on the same day.

BE IT FURTHER RESOLVED, that the election precincts, polling places, voting booths, and election officials in each of the precincts shall be the same as provided for the Statewide election on said day.

BE IT FURTHER RESOLVED, that Alameda County is hereby authorized and instructed to canvass the returns of said election and that a statement of results be mailed to this District as soon as the result of the canvass is determined.

ON MOTION of _____, seconded by _____, the foregoing resolution was passed and adopted this 27th day of June, 2018, by the following roll call vote:

AYES:

NOES:

ABSTENTIONS:

ABSENT:

Approved this 27th day of June, 2018,

Maryalice Faltings
Chair, Board of Directors

ATTEST:

Timothy J. Barry
General Manager and ex-officio Clerk
to the Board of Directors

Livermore Area Recreation and Park District Staff Report

TO: Chair Faltings and Board of Directors

FROM: Timothy J. Barry, General Manager

PREPARED BY: Jeffrey Schneider, Finance Manager
Lynn Loucks, Accounting Supervisor

DATE: June 27, 2018

SUBJECT: 2016-2017 District Audit

RECOMMENDATION: That the Board of Directors accept the Fiscal Year 2016-2017 District Audit.

BACKGROUND: District auditors, James Marta & Company, LLP, conducted an annual audit of the District's financial reporting and processes for fiscal year 2016-17 and their work is reflected in **Attachment A** ("Independent Auditor's Report") and **Attachment B** ("Communication with Those Charged with Governance").

AUDIT RESULTS:

1. James Marta & Company conducted a comprehensive and thorough examination of our financial records, policies and procedures and did so in an open, constructive manner in working with LARPD Finance.
2. The District received a clean audit. No deficiencies in internal controls were identified and the financial statements included in Attachment A represent, fairly, the financial position of the District.
3. James Marta & Company made several recommendations to change processes with which we agree; these recommendations are outlined below, along with our response to them.

One of the fundamental purposes of an audit is to have an independent qualified third party (auditor) examine our financial records and procedures and to attest to their reliability. Our auditor's opinion for fiscal year ending June 30, 2016, is at the bottom of page one (1) of the Independent Auditor's Report (**Attachment A**):

"In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate remaining fund information of the Livermore Area Recreation & Park District as of June 30, 2017, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America."

James Marta & Company's audit included assessing the District's internal controls for the purpose of expressing their opinion on the financial statements. The auditor's comment (see page 39 of **Attachment A**) is favorable:

“...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.”

The following are key excerpts from James Marta's "Communication with Those Charged with Governance" (**Attachment B**):

Current Year Recommendations (the District's response to these recommendations is below):

2017-1 Timely Reconciliation of Accounts

Accounting tasks such as monthly reconciliations play a key role in proving the accuracy of accounting data and information included in financial statements. Therefore, in order to provide more accurate and timely accounting information, we strongly recommend that Livermore Area Recreation & Park District establish more timely review and reconciliation policies and procedures as a customary part of the accounting process. This would involve monthly reconciliations of all accounts, making adjustments throughout the year that have typically been made at year-end only, and performing more frequent reviews of the general ledger throughout the year, including making any necessary adjustments.

2017-2 Timely and Accurate Financial Reports

We noted that Livermore Area Recreation & Park District's accounting and reporting processes are being delayed. Delays in receiving timely and current financial information can significantly impact management's ability to effectively guide an organization. Critical areas such as financial analysis, budgetary control, and cash flow can all be negatively impacted. We strongly suggest the accounting department take whatever steps necessary to ensure that senior management and the Board receives current and accurate financial information on a timely basis. This may require that the accounting staff provide extra effort in the form of additional overtime in order to bring the current books and records up to date. If it is determined that the department is understaffed, steps should be taken to alleviate this problem so that work can remain current without an undue hardship on any one employee. Once up-to-date, the accounting staff must consistently provide management with the accurate financial reports and information necessary to effectively manage Livermore Area Recreation & Park District's operations.

2017-3 Maintain a Detailed Schedule for Fixed Assets

Many fixed assets have been grouped together by the date of acquisition on the fixed assets control schedule. However, the fixed assets are physically in many different locations. The fixed asset schedules should be grouped by location and allow enough detail to give the District control over them. In addition, should a particular location be sold, the District would have detailed information to properly record the sale of the correct assets.

2017-4 Depreciation Calculations

Depreciation calculations for book purposes are currently prepared manually by the bookkeeper. This is extremely time consuming and costly and errors are easily made and not found. These calculations are well adapted to a software application for fixed assets and depreciation. This will free time for the bookkeeper to perform more important tasks, expedite the annual year end closing, as well as provide more accurate depreciation amounts for interim and year-end financial statements.

2017-5 AB 1600 Funds

The AB 1600 funds balance as of June 30, 2017 did not agree with the City of Livermore records. LARPD contacted the City of Livermore and came to an agreement as to what the balance should have been as of June 30, 2017, which resulted in a prior period adjustment of \$66,153. We recommend that management work with the City of Livermore to ensure that the District is receiving the correct reports and that the AB 1600 funds are reconciled each month.

Management Response to Recommendations

The District understands and agrees with the above recommendations made by James Marta.

2017-1 and 2017-2: The monthly close process has been recognized as an opportunity and pre-close and final close meetings have been established, including a review of all material journal entries and reconciliations. There was no formal close process that included management review in 2016-17, though it is now in place and the District will review this process with James Marta to ensure that no opportunities to improve our process are neglected.

2017-3 and 2017-4: The District will deploy the Fixed Asset module that exists, today, in its Great Plains accounting system but which has not been utilized. Continuing to track assets and calculate depreciation in Excel is not a reliable and efficient process. As well, providing for reporting by location is clearly the correct direction and will facilitate physical inventory processes and the reconciliation of those inventories with fixed asset data.

2017-5: The District has made strides in working with City of Livermore staff to manage its CIP projects in relation to AB1600 funds, though the accounting team and its counterparts at the City have not managed to address reporting challenges that have existed for years. Addressing this issue is now a formal goal for completion in 2018.

- ✓ There were no uncorrected misstatements noted because of our audit procedures. All adjustments identified during the audit are shown in Attachment I as adjusting journal entries. The District's accounting team will work with James Marta to ensure that procedures and practices are in place to minimize requirements for adjusting entries in future audits.
- ✓ We encountered no significant difficulties in dealing with management relating to the performance of the audit.
- ✓ No disagreements with management arose during the course of the audit.

- ✓ None of the matters discussed with management resulted in a condition to our retention as the District's auditors.
- ✓ Attachment III lists upcoming changes in accounting standards that could impact the District, which is limited to new requirements related to the District's share of the Other Post-Employment Benefits (OPEB) through ACERA.

FISCAL YEAR 2016-2017 FINANCIAL RESULTS: On an operating basis (excluding Capital Improvement Plan revenue and expenditures), the District's financial performance reflects continued growth in revenues from services and effective resource management, which combined with our strong property tax base to create an Operating Surplus of \$403,319 for the year. A staff report which provides more information about this year's results will be presented at future Finance Committee and Board meetings; the report will make recommendations on how the aforementioned surplus can be allocated to bolster reserves for long-term expenditures and projects.

Also of note is the District's unfunded pension (Alameda County Employees' Retirement Association – ACERA) liability, which stood at \$8,644,696 as of June 30, 2017, is down \$643,801 from the beginning of the year as a result of a reduction in the District's share of the overall ACERA unfunded liability (see Attachment A, page 24). This is not a new liability for the District, as it has existed since the early 2000s. Payment of this pension liability is built into the rates (percentage of payroll) that we pay ACERA every pay period, with full payment expected in 17-20 years, depending on future ACERA investment performance. See Notes 1.P and 1.Q (pages 18-19) and Note 5 (pages 23-28) of **Attachment A** for a comprehensive discussion of pension liability.

A very important issue for all public entities is how much liability exists for Other Post-Employment Benefits (OPEB). The District has no unfunded liability and no guarantee to fund OPEB. As stated at the top of page 29 in Note 6 of the Independent Auditor's Report (**Attachment A**):

“The Board of Retirement (of ACERA) has no authority to demand funding from employers or member participants to fund these benefits. If these reserves (Supplemental Retiree Benefit Reserve – SRBR) were depleted, benefits provided by the program will cease. Under the current actuarial assumptions it is anticipated that the reserves will be sufficient to fund the program through year 2027 based on the December 31, 2011, valuation.”

Attachments:

- A. Financial Statements with Independent Auditor's Report
- B. Communication with Those Charged with Governance



LIVERMORE AREA RECREATION & PARK DISTRICT

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

**FOR THE FISCAL YEAR ENDED
JUNE 30, 2017**

DRAFT

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

701 HOWE AVENUE, E3
SACRAMENTO, CA

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ATTACHMENT A

LIVERMORE AREA RECREATION & PARK DISTRICT

JUNE 30, 2017

BOARD OF DIRECTORS

<u>Name</u>	<u>Office</u>	<u>Term Expires</u>
Beth Wilson	Chair	2020
Maryalice Faltings	Vice Chair	2018
David Furst	Director	2018
Jan Palajac	Director	2020
Philip Pierpont	Director	2018

* * * *

General Manager
Timothy J. Barry

LIVERMORE AREA RECREATION & PARK DISTRICT

JUNE 30, 2017

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Tax, and Consulting

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livermore Area Recreation & Park District
Livermore, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the general fund and the aggregate remaining fund information of the Livermore Area Recreation & Park District (the "District"), as of and for the year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the 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 entity's preparation and fair presentation of the 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 entity'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 financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the general fund and the aggregate remaining fund information of the Livermore Area Recreation & Park District as of June 30, 2017, and the respective changes in financial position for the 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, Statement of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of Proportionate Share of Net Pension Liability and Schedule of Contributions be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Kidango Contract – Schedule of Revenues and Expenses is supplementary information presented for purposes of additional analysis and is not a required part of the basic financial statements.

The supplementary information, which consists of the Kidango Contract – Schedule of Revenues and Expenses, 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. We have applied certain limited procedures to the 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 [DATE] 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.

DRAFT

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
[DATE]

MANAGEMENT'S DISCUSSION AND ANALYSIS

LIVERMORE AREA RECREATION & PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Livermore Area Recreation & Park District's (District or District's) annual financial report includes management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2017.

FINANCIAL HIGHLIGHTS

- Net Position increased \$456,029 (0.5%) compared to prior year. A Surplus from Operating and capital improvements added \$355,147 and an extraordinary item for fire insurance reimbursement added \$100,882.
- Total unfunded pension liability at June 30, 2017 was \$8,644,696, a decrease of \$643,801 versus June 30, 2016 that is a result of the District's reduced share of the Alameda County Employees' Retirement Association's (ACERA) total unfunded liability (see Note 5 in audited financial report for details).
- Revenues decreased \$431,230 (-2%) compared to prior year. Operating revenues increased \$1,949,766 due to increases in property tax revenues (+\$1,290,088) and charges for District programs and services (+\$702,805), but capital contributions and grants decreased \$2,380,995 (46%) as a result of a one-time spike in AB 1600 developer fee revenue in the prior year.
- Total expenses increased \$1,697,745 compared to prior year. The most significant increases versus prior year were in: 1) salaries and benefits, which grew by \$814,602 as a result of a cost of living adjustment, step increases, and increases in health benefit costs and workers' compensation premiums; 2) maintenance outlays, which increased \$541,806 as the District addressed priority maintenance items; and 3) utilities, up \$269,607 due to higher water use and modest energy price increases. Capital outlays for grounds, structures, improvements and equipment decreased by \$89,095. The remaining increase of \$160,825 is the collective result of changes in a number of operating accounts.

USING THIS ANNUAL REPORT

This annual report consists of Management's Discussion and Analysis, and Financial Statements. The Financial Statements also include notes that explain in more detail some of the information contained in those statements.

LIVERMORE AREA RECREATION & PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

Required Financial Statements

The District's financial statements report financial information using accounting methods similar to those used by private sector companies based on Generally Accepted Accounting Principles (GAAP). The Statement of Net Position includes all District assets and liabilities, and provides information about the nature and amounts of investments in resources (assets) and obligations to creditors (liabilities). It also provides the basis for evaluating the capital structure of the District, and assessing the liquidity and financial flexibility of the District.

All of the fiscal year's revenues and expenses are reported in the Statement of Activities. This statement measures the success of the District's operations over the past year.

FINANCIAL ANALYSIS OF THE DISTRICT

The Statement of Net Position and the Statement of Activities report information about the District activities to show whether the District's overall financial position has improved or deteriorated. These two statements report the net position of the District and changes in the net position.

Statement of Net Position

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>June 30, 2015</u>
Current and Other Assets	\$ 22,345,169	\$ 19,498,330	\$ 2,846,839	15%	\$ 14,197,591
Capital Assets, Net	85,076,380	85,748,643	(672,263)	(1%)	87,847,621
Total Assets	<u>\$ 107,421,549</u>	<u>\$ 105,246,973</u>	<u>\$ 2,174,576</u>	2%	<u>\$ 102,045,212</u>
Deferred outflows related to pension	3,236,536	3,509,845	(273,309)		2,139,042
Current and Other Liabilities	2,159,838	1,784,226	375,612	21%	1,844,665
Net Pension Liability	8,644,696	9,288,497	(643,801)	(7%)	8,203,447
Long Term Liabilities	-	-	-		-
Total Liabilities	<u>\$ 10,804,534</u>	<u>\$ 11,072,723</u>	<u>\$ (268,189)</u>	(2%)	<u>\$ 10,048,112</u>
Deferred inflows related to pension	2,092,082	1,146,716	945,366		484,248
Investment in Capital Assets, Net	85,076,380	85,748,643	(672,263)	(1%)	87,847,621
Restricted Funds	13,049,475	11,478,456	1,571,019	14%	7,047,494
Unrestricted Net Position	(364,386)	(689,720)	325,334	47%	(1,243,221)
Prior Period Adjustment	-	768,061	(768,061)		-
Total Net Position	<u>\$ 97,761,469</u>	<u>\$ 97,305,440</u>	<u>\$ 456,029</u>	0.5%	<u>\$ 93,651,894</u>

LIVERMORE AREA RECREATION & PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

The District's overall financial condition is strong with only \$2,159,838 in current liabilities, \$8,644,696 in net pension liability, and no long-term liabilities. The District's net position increased \$456,025 (+0.5%). Factors contributing to this increase include:

- Current and Other Assets increased \$2,846,839. Cash for restricted programs increased \$1,733,767 (developer fees via AB1600), cash available for operations increased \$618,166, accounts receivable increased \$446,262, and prepaid expenses were up \$48,644;
- Net Capital (Fixed) Assets decreased \$672,263 as depreciation expense exceeded capital asset additions of \$2,226,623; and
- Total Liabilities decreased \$268,189 due to a decrease of \$643,801 in the District's pension liability that resulted from a reduction in the District's share of the overall ACERA unfunded liability. Accounts payable increased \$360,688, while the combination of accrued wages, accrued compensated balances, accrued liabilities and unearned revenue increased \$14,924 versus the previous year.

Changes in Net Position

Statement of Activities reports changes in the District's net position by reporting revenue and expenses, plus any extraordinary items and prior period adjustments:

Statement of Activities

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>June 30, 2015</u>
Property Tax Revenue	\$ 11,105,172	\$ 9,809,444	\$ 1,295,728	13%	\$ 9,264,903
Charges for Services	8,394,869	7,715,982	678,887	9%	7,717,278
Operating Contributions & Grants	1,385,603	1,410,453	(24,850)	(2%)	1,027,055
Capital Contributions & Grants	2,829,688	5,210,683	(2,380,995)	(46%)	4,465,951
Total Revenues	<u>\$ 23,715,332</u>	<u>\$ 24,146,562</u>	<u>\$ (431,230)</u>	(2%)	<u>\$ 22,475,187</u>
Parks & Recreation Expenses	23,360,189	21,662,440	1,697,749	8%	19,637,934
Interest	-	-	-	-	-
Total Expenses	<u>\$ 23,360,189</u>	<u>\$ 21,662,440</u>	<u>\$ 1,697,749</u>	8%	<u>\$ 19,637,934</u>
Extraordinary Item	100,882	401,363	(300,481)	(75%)	14,260,169
Change in Net Position	456,025	2,885,485	(2,429,460)	(84%)	17,097,422
Net Position, Beginning	96,537,379	93,651,894	2,885,485	3%	82,810,923
Prior Period Adjustment	768,065	-	768,065	-	(6,256,451)
Net Position, Ending	<u>\$ 97,761,469</u>	<u>\$ 96,537,379</u>	<u>\$ 1,224,090</u>	1%	<u>\$ 93,651,894</u>

LIVERMORE AREA RECREATION & PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

The District's revenues decreased \$431,229 from the previous year (-2%) due entirely to a significant reduction in Capital Contributions of \$2,380,995, which is a reflection of a one-time spike in AB 1600 developer fee revenue in the prior year. Otherwise, the District saw increases in property and parcel tax revenues as well as in revenues from programs and services.

- Property tax revenue increased \$1,290,088 (+13%) as real property values continue to recover from the economic downturn of 2008 – 2010 and construction of new properties has continued;
- Charges for services increased \$702,805 (9%). The largest revenue increase was in Extended Student Services (ESS), (+\$347,065) due to higher enrollment, while increases were realized in nearly every area of the District's service offerings.

Operating Expenses were \$23,360,189 or \$1,697,745 (+8%) higher than the prior year, largely as a result of increases to salary and benefit costs, which, at \$13,203,565, is by far the largest component of the District's operating expense. Of note:

- Salaries & Benefits increased \$814,602 (+7%) due to a cost of living adjustment, step increases, increases in health benefit costs and workers' compensation premiums, and additional staff to support program growth;
- Utilities increased \$269,607 due to higher water use and modest energy price increases;
- Services/Supplies increased \$110,388 in relation to program growth.
- Maintenance increased \$541,806 as the District addressed priority maintenance items; and
- Capital outlays for grounds, structures, improvements and equipment decreased \$89,095 but still amounted to \$1,543,751 for the current year.
- The remaining increase of \$50,437 is the collective result of changes in a number of operating accounts.

The extraordinary item reported in the current and prior year (\$100,882 and \$401,363 respectively) is related to insurance reimbursements associated with the Croce Fire of 2014.

Prior period restatements of \$768,061 are associated with a correction to the District's 2015-16 fixed asset reconciliation for capital improvement projects (\$701,912) and a correction to 2016-17 accounting for AB1600 funds (\$66,153).

The District's operating surplus for 2016-17 was \$403,319 (excluding capital improvement and extraordinary items). Operating revenue was \$20,885,645, operating expense was \$19,864,251, and capital equipment expense was \$618,075.

LIVERMORE AREA RECREATION & PARK DISTRICT

MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2017

CAPITAL ASSETS

As of June 30, 2017, the District had \$139,651,552 invested in capital assets and \$85,076,380 in net capital assets after accumulated depreciation. The following table illustrates changes from the prior year:

	<u>June 30, 2017</u>	<u>June 30, 2016</u>	<u>Amount Increase (Decrease)</u>	<u>Percent Increase (Decrease)</u>	<u>June 30, 2015</u>
Land	\$ 52,817,819	\$ 52,817,819	\$ -	0%	\$ 52,814,480
Buildings	40,615,435	39,969,598	645,837	2%	39,456,378
Park Improvements	42,145,012	41,182,301	962,711	2%	40,835,834
Equipment	3,272,591	2,862,774	409,816	14%	2,544,886
Construction in Progress	800,695	781,655	19,040	2%	1,059,016
Capital Assets at Cost	139,651,552	137,614,147	2,037,404	1%	136,710,594
Less: Accumulated Depreciation	(54,575,172)	(51,865,504)	(2,709,668)	(5%)	(48,862,973)
Capital Assets, Net	<u>\$ 85,076,380</u>	<u>\$ 85,748,643</u>	<u>\$ (672,264)</u>	<u>(1%)</u>	<u>\$ 87,847,621</u>

Total capital assets increased by \$2,037,404 during the fiscal year 2016-17. Capital asset additions included Sycamore Grove Wetmore improvements (\$929,349), May Nissen roof repair (\$503,022), and Robert Livermore Park Snack Shack (\$142,815).

BUDGETARY PROCESS

In its commitment to fiscal responsibility, the District adopts an annual operating budget that reflects a zero-based budgeting approach that is applied to all elements of the District's operating plan for the upcoming fiscal year, and a three-year capital improvement plan for projects that are prioritized by the District's Board of Directors.

REQUESTS FOR FINANCIAL INFORMATION

This financial report provides the public and business associates with a general overview of District finances, and demonstrate the District's fiscal accountability for the money it receives. If you have any questions about this report, or need additional financial information, please contact the General Manager:

Timothy Barry, General Manager
Livermore Area Recreation & Park District
4444 East Avenue
Livermore, CA 94550
(925) 373-5700
tbarry@larpd.org

BASIC FINANCIAL STATEMENTS

LIVERMORE AREA RECREATION & PARK DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2017

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	
Available for operations	\$ 8,171,699
Petty cash	5,910
Available for restricted programs	13,094,649
Accounts receivable	1,024,267
Prepaid expenses	48,644
Capital assets, net of accumulated depreciation (Note 3)	<u>85,076,380</u>
Total Assets	<u>107,421,549</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions (Note 5)	<u>3,236,536</u>
LIABILITIES	
Accounts payable	906,983
Accrued salaries and wages	420,064
Accrued liabilities	242,153
Unearned revenue	10,470
Net pension liability (Note 5)	8,644,696
Accrued compensated absences	<u>580,168</u>
Total Liabilities	<u>10,804,534</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions (Note 5)	<u>2,092,082</u>
NET POSITION	
Net investment in capital assets	85,076,380
Restricted	13,049,475
Unrestricted	<u>(364,386)</u>
Total Net Position	<u>\$ 97,761,469</u>

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

LIVERMORE AREA RECREATION & PARK DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Functions/Programs	Expenses	Program Revenues			Net (Expense)
		Charges For	Operating	Capital	Revenue and
		Services	Contributions	Contributions	Change in
			and Grants	and Grants	Net Position
					Governmental
					Activities
Governmental activities:					
Parks and Recreation	<u>\$23,360,189</u>	<u>\$ 8,394,869</u>	<u>\$ 1,385,603</u>	<u>\$ 2,829,688</u>	<u>\$ (10,750,029)</u>
General revenues:					
Property taxes					<u>11,105,172</u>
Total general revenues					<u>11,105,172</u>
Extraordinary item (Note 10):					
Croce Fire Reimbursement					<u>100,882</u>
Change in net position					<u>456,025</u>
Net position - July 1, 2016, as originally reported					96,537,379
Prior period adjustment (Note 13)					768,065
Net position - July 1, 2016, restated					<u>97,305,444</u>
Net position - June 30, 2017					<u>\$ 97,761,469</u>

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

LIVERMORE AREA RECREATION & PARK DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2017

	<u>General Fund</u>
ASSETS	
Cash and investments (Note 2)	
Available for operations	\$ 8,171,699
Petty cash	5,910
Available for restricted programs	13,094,649
Accounts receivable	1,024,267
Prepaid expenses	<u>48,644</u>
 Total Assets	 <u><u>\$ 22,345,169</u></u>
 LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	\$ 906,983
Accrued salaries and wages	420,064
Accrued liabilities	242,153
Unearned revenue	<u>10,470</u>
 Total Liabilities	 <u>1,579,670</u>
 Fund Balances (Note 8):	
Nonspendable	48,644
Restricted	13,049,475
Unassigned	<u>7,667,380</u>
 Total Fund Balance	 <u>20,765,499</u>
 Total Liabilities and Fund Balance	 <u><u>\$ 22,345,169</u></u>

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

LIVERMORE AREA RECREATION & PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
FOR THE YEAR ENDED JUNE 30, 2017

Total fund balances - governmental funds	\$ 20,765,499
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Amounts reported for assets and liabilities for governmental activities in the statement of net position are different from amounts reported in governmental funds because:

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

Deferred outflows of resources relating to pensions	3,236,536
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Deferred inflows of resources relating to pensions	(2,092,082)
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Capital Assets: In governmental funds only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation.

Capital assets at historical cost	139,651,552	
Accumulated depreciation	<u>(54,575,172)</u>	
Capital assets, net		85,076,380

Long-term liabilities: 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	(8,644,696)
Compensated absences	<u>(580,168)</u>

Total net position - governmental activities	<u>\$ 97,761,469</u>
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LIVERMORE AREA RECREATION & PARK DISTRICT

**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE
STATEMENT OF ACTIVITIES**

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	<u>General Fund</u>
REVENUES	
Taxes	\$ 11,105,172
Earned income	9,780,473
Capital development	<u>2,829,688</u>
Total revenues	<u>23,715,333</u>
EXPENDITURES	
Salaries and employee benefits	13,203,565
Services and supplies	795,163
Maintenance	1,347,533
Utilities	1,581,516
Professional service	834,968
Communications	129,329
Transportation	142,543
Training & Conferences	15,837
District legal expense	171,532
District special expense	456,420
Insurance	281,689
Instructor and sports officials	361,377
Rents and leases	313,959
Field Trips & Events	166,287
Finance Charge and Interest	1,558
Licensing	29,364
Publications and Legal	6,341
Memberships	25,120
Miscellaneous	<u>150</u>
Total operating expenditures	<u>19,864,251</u>
Capital outlay	<u>1,543,751</u>
Total expenditures	<u>21,408,002</u>
Excess of revenues over expenditures	<u>2,307,331</u>
OTHER FINANCING SOURCES (USES)	
Extraordinary item (Note 10):	
Croce fire reimbursement	<u>100,882</u>
Total other financing sources	<u>100,882</u>
Net change in fund balance	2,408,212
Fund balance - Beginning of year, as restated (Note 13)	<u>18,357,287</u>
Fund balance - End of year	<u>\$ 20,765,499</u>

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

LIVERMORE AREA RECREATION & PARK DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Net change in fund balances	\$ 2,408,212
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Amounts reported for governmental activities in the Statement of Activities are different because of the following:

Acquisitions of capital assets are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense.

Capital outlay	1,543,751	
Depreciation expense	<u>(2,917,926)</u>	(1,374,175)

Compensated absences: In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The difference between compensated absences paid and earned was:

(3,138)

Pensions: In government funds, pension costs are recognized when employer contributions are made in the statement of activities, pension costs are recognized on the accrual basis. This year, the difference between accrual-basis pension costs and actual employer contributions was:

(574,874)

Change in net position of governmental activities	<u>\$ 456,025</u>
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LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Livermore Area Recreation & Park District was organized in 1947 to provide parks and recreation for the incorporated and unincorporated areas of Livermore, California. An elected five-member Board of Directors who is served by a full-time General Manager and staff governs the District.

The financial statements of the Livermore Area Recreation & Park District are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP). The District's reporting entity applies all relevant Governmental Accounting Standards Board (GASB) pronouncements.

B. BASIS OF PRESENTATION

Government-wide Financial Statements

The statement of net position and the statement of activities display information about the District. These statements include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double counting of internal activities.

The government-wide statement of net position presents information on all of the District's assets, deferred outflow of resources and liabilities and deferred inflow of resources, with the difference between the two presented as net position. Net position is reported as one of three categories: net investment in capital asset; restricted or unrestricted.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are, therefore, clearly identifiable to a particular function. The District does not allocate indirect expenses to functions in the statement of activities. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues, which are not classified as program revenues, are presented as general revenues of the District, with certain exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those that are clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense function.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

B. BASIS OF PRESENTATION (CONTINUED)

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column.

C. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

Government-Wide Financial Statements

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 when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements are met. Expenses are recorded when liabilities are incurred.

Governmental Fund Financial Statements

Governmental fund financial statements (i.e. balance sheet and statement of revenues, expenditures and changes in fund balances) are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenue resulting from exchange transactions, in which each party gives and receives essentially equal value, is recorded under the accrual basis when the exchange takes place. On a modified accrual basis, revenue is recorded in the fiscal year in which the resources are measurable and become available. "Available" means the resources will be collected within the current fiscal year or are expected to be collected soon enough thereafter to be used to pay liabilities of the current fiscal year. For the District, "available" means collectible within the current period or within 120 days after year-end.

Non-exchange transactions, in which the District receives value without directly giving equal value in return, include property taxes, grants, and entitlements. Under the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants and entitlements is recognized in the fiscal year in which all eligibility requirements have been satisfied. Eligibility requirements include timing requirements, which specify the year when the resources are to be used, or the fiscal year when use is first permitted; matching requirements, in which the District must provide local resources to be used for a specified purpose; and expenditure requirements, in which the resources are provided to the District on a reimbursement basis. Under the modified accrual basis, revenue from non-exchange transactions, such as property taxes, are recognized when received.

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

D. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds or account groups, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District has one fund as follows:

Governmental Fund:

General Fund is the general operating fund of the District. It is used to account for all transactions except those required or permitted by law to be accounted for in another fund.

E. CASH AND CASH EQUIVALENTS

For purposes of the statement of net position/balance sheet, the District considers all short-term highly liquid investments, including restricted assets, and amounts held with the fiscal agent to be cash and cash equivalents. Amounts held with the fiscal agent and investments held are available on demand to the District.

F. CAPITAL ASSETS

Capital assets, which can include property, facilities and equipment, are capitalized at total acquisition cost, provided such cost exceeds \$5,000 and the expected useful life of the asset is more than one year. Depreciation is recorded on all depreciable capital assets on a straight-line basis over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings	30
Machines and Equipment	10
Parks and Recreation Areas	10
Vehicles	5

G. ACCOUNTS RECEIVABLE

The District's receivables include amounts due from other governmental agencies and consists mostly of AB 1600 development impact fees held by the City of Livermore. Management has determined that the District's receivables are fully collectible. Accordingly, no allowance for doubtful accounts has been made.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

H. COMPENSATED ABSENCES

District employees are entitled to certain compensated absences based on the length of their employment, which will be paid to them upon separation from the District. Compensated absences accumulate and are accrued when they are earned and reported as a liability in the government-wide financial statements. The balance at June 30, 2017 was \$580,168.

I. FUND BALANCE

In accordance with Governmental Accounting Standards Board (GASB) Statement No. 54, "*Fund Balance Reporting and Governmental Fund Type Definitions*", the District is required to report fund balances in the following categories: Nonspendable, Restricted, Committed, Assigned and/or Unassigned.

Nonspendable Fund Balance reflects assets not in spendable form, either because they will never convert to cash (prepaid expense) or must remain intact pursuant to legal or contractual requirements.

Restricted Fund Balance reflects amounts that can be spent only for the *specific purposes* stipulated by constitution, external resource providers, or through enabling legislation.

Committed Fund Balance reflects amounts that can be used only for the *specific purposes* determined by a formal action of the government's highest level of decision-making authority: the Board of Directors. Commitments may be established, modified, or rescinded only through resolutions approved by the Board of Directors.

Assigned Fund Balance reflects amounts intended to be used by the government for *specific purposes* but do not meet the criteria to be classified as restricted or committed. Under the District's adopted policy, only the Board of Directors is authorized to assign amounts for specific purposes.

Unassigned Fund Balance represents the residual classification for the government's general fund and includes all spendable amounts not contained in the other classifications.

When expenditures are incurred for purposes of which restricted, committed, assigned and unassigned fund balances are available, the District considers restricted funds to have been spent first, followed by committed, assigned and unassigned, respectively. See Note 8 for schedule of fund balances.

J. RESTRICTED NET POSITION

The government-wide statement of net position reports restricted net position at June 30, 2017 as \$13,049,475, which is restricted by the funding source for the programs indicated.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

K. PROPERTY TAXES

The District's property taxes are levied each calendar year on all taxable real property located in the District. Property taxes are recorded on an accrual basis of accounting. The County Assessor is responsible for assessment of all taxable real property within Alameda County. The County Clerk computes the annual tax for each parcel of real property and prepares tax books used by the County Collector as the basis for issuing tax bills to all taxpayers in the County. Property taxes are collected by the County Collector and are submitted to the County Treasurer, who remits to each unit its respective share of the collections. Taxes levied in one year become due and payable in two installments during the following year generally on November 1st and February 1st. The first installment is an estimated bill, and is approximately one-half of the prior year's tax bill. The second installment is based on the current levy, assessment, equalization, and certificate to limit levy, if any and any changes from the prior year will be reflected in the second installment bill.

L. USE OF ESTIMATES

The financial statements have been prepared in conformity with generally accepted accounting principles and, as such, include amounts based on management's informed estimates and judgments, with consideration given to materiality. Actual results could differ from those amounts.

M. RECLASSIFICATIONS

Certain accounts in the prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements

N. 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; injuries to employees; and natural disasters for which the District carries insurance as described in Note 9.

O. INCOME TAXES

The District is a governmental entity and as such its income is exempt from taxation under Section 115(1) of the Internal Revenue Code and Section 23701d of the California and Taxation Code. Accordingly, no provision for federal or state income taxes has been made in the accompanying financial statements.

P. PENSIONS

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the net position of the Livermore Area Recreation & Park District's Alameda County Employees' Retirement Association (ACERA) plans and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by ACERA. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Q. DEFERRED INFLOWS AND OUTFLOWS

In addition to assets, the balance sheet reports separate sections for deferred outflows of resources and deferred inflows of resources. Deferred outflows of resources represent a consumption of resources that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. Consequently, deferred inflows of resources represent an acquisition of resources that applies to future period(s) and will not be recognized as an inflow of resources (revenue) until that time.

Contributions made to the District's pension plans after the measurement date but before the fiscal year end are recorded as a deferred outflow of resources and will reduce the net pension liability in the next year.

Additional factors involved in the calculation of the District's pension expense and net pension liability include the differences between expected and actual experience, changes in assumptions, differences between projected and actual investment earnings, changes in proportion, and differences between the District's contributions and proportionate share of contributions. These factors are recorded as deferred outflows and inflows of resources and amortized over various periods.

In the current year the District had deferred outflows of \$3,236,536 and deferred inflows of \$2,092,082.

2. CASH AND INVESTMENTS

The District maintains commercial bank accounts and accounts with the Alameda County Treasurer.

The District's cash balances at June 30, 2017:

Alameda County Treasurer - General	\$ 7,646,365
Cash with Fiscal Agent	12,915,655
US Bank- General Account	706,513
US Bank- Merchant Card Account	(2,185)
Petty Cash	5,910
Total Cash and Cash Equivalents	<u>\$ 21,272,258</u>

Cash and investments are presented in three categories on the statement of net position at June 30, 2017:

<u>Cash and investments</u>	
Available for operations	\$ 8,171,699
Petty cash	5,910
Available for restricted programs	13,094,649
Total Cash and investments	<u>\$ 21,272,258</u>

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Pooled Funds

The District maintains substantially all of its cash in the Alameda County Treasury. The County pools and invests the cash. These pooled funds are carried at cost which approximates fair value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

Because the deposits are maintained in a recognized pooled investment fund under the care of a third party and the share of the pool does not consist of specific, identifiable investment securities owned by the District, no disclosure of the individual deposits and investments or related custodial risk classifications is required.

In accordance with applicable State laws, the Alameda County Treasurer may invest in derivative securities. However, at June 30, 2017, the Alameda County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Cash with Fiscal Agent

Cash with Fiscal Agent consists of AB 1600 funds held by the City of Livermore and restricted for capital projects.

Deposits - Custodial Credit Risk

The carrying amount of the District's accounts with US Bank at June 30, 2017 was \$704,328 and the bank balance was \$1,030,174. Deposits held in banks are insured up to \$250,000 by the Federal Depository Insurance Corporation. Should deposits exceed the insured limits, the balance is covered by collateral held by the bank in accordance with California law requiring the depository bank to hold collateral equal to 110% of the excess government funds on deposit. This collateral must be in the form of government-backed securities. All cash held by financial institutions at June 30, 2017 was fully insured or collateralized.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2017, was as follows:

	Balance June 30, 2016	Adjustments	Additions	Deletions	Balance June 30, 2017
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 52,817,819		\$ -	\$ -	\$ 52,817,819
Construction in progress	781,655	701,912	945,934	(1,628,806)	800,695
Total Capital Assets, not being depreciated	53,599,474	701,912	945,934	(1,628,806)	53,618,514
Capital assets, being depreciated:					
Buildings	39,969,598	-	645,837	-	40,615,435
Park Improvements	41,182,301	-	962,711	-	42,145,012
Equipment	2,862,774	-	618,075	(208,258)	3,272,591
Total Capital Assets, being depreciated	84,014,673	-	2,226,623	(208,258)	86,033,038
Accumulated Depreciation					
Buildings	20,697,439	-	1,216,189	-	21,913,628
Park Improvements	29,239,170	-	1,413,942	-	30,653,112
Equipment	1,928,895	-	287,795	(208,258)	2,008,432
Total Accumulated Depreciation	51,865,504	-	2,917,926	(208,258)	54,575,172
Net Capital Assets being depreciated	32,149,169	-	(691,303)	-	31,457,866
Capital Assets, net	\$ 85,748,643	\$ 701,912	\$ 254,631	\$ (1,628,806)	\$ 85,076,380

Depreciation expense of \$2,917,926 was all charged to the Parks and Recreation function.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

JUNE 30, 2017

4. LONG- TERM LIABILITIES

Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2017 is as follows:

	Balance June 30, 2016	Additions	Deductions	Balance June 30, 2017	Due Within One Year
Net Pension Liability	\$ 9,288,497	\$ -	\$ 643,801	\$ 8,644,696	-
Compensated Absences	577,030	3,138	-	580,168	-
Total	<u>\$ 9,865,527</u>	<u>\$ 3,138</u>	<u>\$ 643,801</u>	<u>\$ 9,224,864</u>	<u>\$ -</u>

Net Pension Liability

Net pension liability is accrued in accordance with the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions*. Employee Retirement Systems and the related pension liabilities are discussed further in Note 5 to the basic financial statements.

Operating leases

The District has entered into various operating leases that extend beyond the current fiscal year. Lease expenses incurred for the year ended June 30, 2017 were \$49,015. Future minimum lease payments under these agreements are as follows:

Year Ended June 30	Lease Payments
2018	\$ 96,972
2019	93,934
2020	60,874
2021	58,091
2022	52,058
2023-2027	28,190
2028-2031	19,733
Total:	409,852
*Less Lease Buyout	(107,124)
Net Total	<u>\$ 302,728</u>

*Per terms of lease agreement with Shamrock Office Solutions, \$111,000 was received by the District to be used for the payoff of lease agreement with De Lage Landen existing contract. As of June 30, 2017, the remaining amount held was \$107,124.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

5. EMPLOYEE RETIREMENT SYSTEM

A. PLAN DESCRIPTION

Plan Administration

The District contributes to the Alameda County Employees' Retirement Association (the system), a cost-sharing multiple employer, defined benefit, public employee retirement system. The system provides service retirement, disability, death, and survivor benefits to plan members and beneficiaries. The County of Alameda administers the Plan under provisions of the County Employees Retirement Law of 1937. Alameda County Employees' Retirement Association issues a separate comprehensive annual financial report. Copies of the annual financial report may be obtained by visiting their website at www.acera.org.

Benefits Provided

Membership for employees is effective on the first day of employee's hire in an ACERA covered position. The first date of employment is the date of entry into ACERA membership. As of this date of entry, payroll deductions for retirement contributions begin and service credit for each hour of work is earned.

Any new member who becomes a member on or after January 1, 2013 is placed into Tier 4 and is subject to the provisions of California Public Employees' Pension Reform Act of 2013 (PEPRA), California Government Code 7522 et seq. and Assembly Bill (AB) 197.

General members enrolled in Tiers 1 or 3 are eligible to retire once they attain the age of 70 regardless of service or at age 50 with five or more years of retirement service credit and a total of 10 years of qualifying membership. A non-Tier 4 General member with 30 years of service is eligible to retire regardless of age. General members enrolled in Tier 4 are eligible to retire once they have attained the age of 52 and have acquired five years of retirement service credit, or at age 70 regardless of service.

The retirement benefit the member will receive is based upon age at retirement, final average compensation, years of retirement service credit and retirement plan and tier.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

5. EMPLOYEE RETIREMENT SYSTEM (Continued)

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	ACERA		
General Tier	1	3	4
		On or after	On or after
Hire date	Various	October 1, 2008	January 1, 2013
Benefit formula	2% @ 57	2.5% @ 55	2.5% @ 67
Benefit vesting schedule			
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	57	55	67
Monthly benefits, as a % of eligible compensation	varies	varies	varies
Required employee contribution rates	varies	varies	8.06%
Required employer contribution rates	26.22%	26.17%	19.29%

Contributions

Livermore Area Recreation & Park District contributes to the retirement plan based upon actuarially determined contribution rates adopted by the Board of Retirement. Employer contribution rates are adopted annually based upon recommendations received from ACERA's actuary after the completion of the annual actuarial valuation. Members are required to make contributions to ACERA regardless of the retirement plan or tier in which they are included.

For the year ended June 30, 2017 and 2016, employer contributions by the District to ACERA were \$1,189,646 and \$1,199,303, respectively.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

As of June 30, 2017, the District reported net pension liabilities for its proportionate share of the net pension liability of \$8,644,696.

Livermore Area Recreation & Park District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of December 31, 2016, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of December 31, 2016 rolled forward to June 30, 2017. Livermore Area Recreation & Park District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2016 and 2017 was as follows:

	ACERA
Proportion - June 30, 2016	0.438%
Proportion - June 30, 2017	0.385%
Change	-0.053%

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

5. EMPLOYEE RETIREMENT SYSTEM (Continued)

For the year ended June 30, 2017, the District recognized pension expense of \$1,750,565. At June 30, 2017, the District deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	ACERA	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 797,734	\$ -
Changes in proportion and defferences between employer's contributions and proportionate share	68,506	109,432
Changes of assumptions or other	1,354,652	-
Net differences between projected and actual earnings on plan	1,015,644	
Difference between expected and actual experience in the Total Pension	-	1,982,650
Total	\$ 3,236,536	\$ 2,092,082

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date of December 31, 2016 will be recognized as a reduction of the net pension liability in the year ended June 30, 2017. Other amounts reported as deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Year Ended June 30	Deferred Outflows of Resources	Deferred (Inflows) of Resources	Deferred Outflows/(Inflows) of Resources
2018	1,866,965	(1,601,542)	265,423
2019	1,866,937	(1,601,518)	265,419
2020	1,036,695	(889,310)	147,385
2021	(1,770,284)	1,518,606	(251,678)
2022	(561,511)	481,682	(79,829)
Thereafter	-	-	-

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

5. EMPLOYEE RETIREMENT SYSTEM (Continued)

Actuarial Assumptions

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2017
Measurement Date	December 31, 2016
Actuarial Cost Method	Entry Age Cost Method
Actuarial Assumptions	
Discount Rate	7.60%
Inflation	3.25%
Payroll Growth Rate	3.75%
Projected Salary Increase	Varies by service
Investment Rate of Return (1)	7.60%
Mortality	Derived using ACERA' Membership Data for all Tiers

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.60% as of June 30, 2017 and 7.60% as of June 30, 2016. Our understanding is that Article 5.5 of the Statute, which authorizes the allocation of 50% of excess earnings to the SRBR, does not allow for the use of a different investment return assumption for funding than is used for interest crediting. In order to reflect the provisions of Article 5.5, we have treated future allocations to the SRBR as an additional outflow against the plan's Fiduciary Net Position in the GASB crossover test, as mentioned earlier in Section 1. We understand this to be the GASB's preferred method in reflecting gain sharing plan provisions, such as those allowed by Article 5.5. We have estimated that the additional outflow would average approximately 0.75% of assets over time, based on the results of our stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

5. EMPLOYEE RETIREMENT SYSTEM (Continued)

Discount Rate (continued)

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current member contribution rates, and that employer contributions will be made at rates equal to the actuarially determined contribution rates plus additional future contributions that would follow from the future allocation of excess earnings to the SRBR. Projected employer contributions that are intended to fund the service costs for future plan members and their beneficiaries, as well as projected contributions from future plan members, are not included. Based on those assumptions, the pension plan's Fiduciary Net Position was projected to be available to make all projected future benefit payments for current plan members. 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 as of both June 30, 2017 and June 30, 2016.

The long-term expected rate of return on pension plan investments for funding valuation purposes was determined using a building-block method in which expected future real rates of return (expected returns, net of inflation) are developed for each major asset class. This information is combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage, adding expected inflation, and subtracting expected investment expenses and a risk margin.

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, used in the derivation of the long-term expected investment rate of return assumption are summarized in the following table:

Asset Class	Target Allocation	Long- Term (Arithmetic) Expected Real Rate of Return
Domestic Large Cap Equity	25.60%	5.91%
Domestic Small Cap Equity	6.40%	6.47%
Developed International Equity	20.25%	6.88%
Emerging Market Equity	6.75%	8.24%
U.S. Core Fixed Income	11.25%	0.73%
High Yield Bonds	1.50%	2.67%
International Bonds	2.25%	0.42%
Real Estate	6.00%	4.95%
Commodities	2.00%	4.25%
Absolute Return (Hedge Fund)	7.50%	3.17%
Real Return	3.00%	0.70%
Private Equity	7.50%	11.94%
	<u>100.0%</u>	

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

5. EMPLOYEE RETIREMENT SYSTEM (Continued)

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

The following presents the District's proportionate share of the net pension liability for the Plan, calculated using the discount rate for the Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate.

	Discount Rate - 1% (6.60%)	Current Discount Rate (7.60%)	Discount Rate + 1% (8.60%)
Plan's Net Pension Liability	\$ 12,773,854	\$ 8,644,696	\$ 3,689,260

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued ACERA financial reports.

Payable to the Pension Plan

At June 30, 2017, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2017.

6. OTHER POSTEMPLOYMENT BENEFITS

The District, through the County of Alameda (County), is a participant under the Alameda County Employees' Retirement Association's (ACERA) plan for other postemployment benefits as established by the California Legislature under Article 5.5 of the County Employees Retirement Law of 1937. Retired employees from the District receive a monthly medical allowance toward the cost of their retiree health insurance from the Supplemental Retiree Benefit Reserve (SRBR). The SRBR is a funded trust that receives 50% of the investment earnings that are in excess of the target investment return of the ACERA pension fund. The District funds the premiums for current active employees while ACERA funds the premiums for retirees. As the underlying cost for non-Medicare eligible retirees is higher than the blended average of actives and non-Medicare eligible retirees, there is an implicit subsidy inherent in the cost allocation process. GASB 45 requires employers using a blended rate for active and non-Medicare eligible retirees to recognize the implicit subsidy liability.

The SRBR is used to fund these benefits for eligible retirees, including retirees from the County and other employers who contribute to the ACERA pension fund, including the District. Accordingly, the District believes it has already accounted for the payments to be made from the SRBR indirectly through its pension contributions and therefore the District's only GASB 45 liability is for the implicit subsidy. Furthermore, as the Board of Retirement cannot make payments to retirees after the SRBR is exhausted, the liability for these benefits is capped at the amount of SRBR assets, therefore, the unfunded liability for these benefits is, by definition, zero.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

6. OTHER POSTEMPLOYMENT BENEFITS (Continued)

The funding of these benefits is limited to investment earnings to a special reserve allocated in accordance with the statute. The Board of Retirement has no authority to demand funding from employers or member participants to fund these benefits. If these reserves were depleted, benefits provided by the program will cease. Under the current actuarial assumptions it is anticipated that the reserves will be sufficient to fund the program through the year 2027 based on the December 31, 2011 valuation. Because of the limitations on the Board of Retirement's ability to provide these benefits, this program is considered to be 100% funded through 2027.

7. DEFERRED COMPENSATION

District employees may defer a portion of their compensation under District sponsored Deferred Compensation Plans created in accordance with Internal Revenue Code Section 457. Under these plans, participants are not taxed on the deferred portion of their compensation until distributed to them; distributions may be made only at termination, retirement, and death or in an emergency as defined by the Plans.

The District has no liability for any losses which may be incurred by the Plans and does not participate in any gains, but it does have the duty of due care that would be required of an ordinary prudent investor. The District has a contract with Mass Mutual Financial Group to manage and invest the assets of the Plans. These administrators pool the assets of the Plans with those of other participants and do not make separate investments for the District. Plan assets are subject to agreements which incorporated changes in the laws governing deferred compensation plan assets and are held by a trust or for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under this new plan are not the District's property and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

8. FUND BALANCES

The District reports fund balances in accordance with Governmental Accounting Standards Board Statement No. 54. All fund balance categories are reported in the aggregate on the face of the balance sheet. All components of those fund balances and specific purposes are identified as follows:

	General Fund
Nonspendable:	
Prepaid Expenses	\$ 48,644
Total Nonspendable	48,644
Restricted:	
AB 1600 Development Impact Fees	12,915,655
Ravenswood Buckley Trust	133,274
Rotary for Teens	17,149
ESS	1,032
PAL	15,676
Marini Donation for Seniors	3,297
Senior Scholarships	3,442
Dependent Care Assistance Program	898
Park in-Lieu (Quimby)	4,226
RLP LL Snack Shack	248
EBRPD Grant Cequ at Holdener	1,426
Chevron Easement	(46,848)
Total Restricted	13,049,475
Unassigned:	
Unappropriated	7,667,380
Total Unassigned	7,667,380
Total Fund Balances	\$ 20,765,499

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

9. JOINT VENTURE

The District is a member of the California Association for Park and Recreation Indemnity (CAPRI), a joint powers authority. The relationship between the District and CAPRI is such that CAPRI is not a component unit of the District for financial reporting purposes.

CAPRI provided liability, property and workers' compensation coverage for the District. CAPRI is governed by a Board consisting of representatives from member agencies. The Board controls their operations, including selection of management and approval of operating budgets, independent of any influence by the member agencies beyond their representation on the Board. Each member agency pays a contribution commensurate with the level of coverage requested and shares surpluses and deficits proportionate to their participation in the joint powers authority. Full financial statements are available separately from California Association for Park and Recreation Indemnity at 6341 Auburn Blvd, Suite A, Citrus Heights, CA 95621. Condensed information for CAPRI is as follows:

<u>A. Entity</u>	<u>CAPRI</u>
<u>B. Purpose</u>	To pool member contributions and realize the advantages of self-insurance.
<u>C. Participants</u>	As of June 30, 2016, 61 member districts.*
<u>D. Governing Board</u>	Seven representatives employed by members.
<u>E. Payments for the Current Year</u>	<u>\$ 849,157</u>
<u>F. Condensed Financial</u>	<u>June 30, 2016*</u> <u>(Audited)</u>
Total Position	<u>\$ 22,936,604</u>
Total Liabilities	<u>\$ 17,794,332</u>
Net Position	<u>5,142,272</u>
Total Liabilities and Net Position	<u>\$ 22,936,604</u>
Total Revenues	<u>\$ 8,118,870</u>
Total Expenses	<u>(10,735,254)</u>
Change in Net Position	<u>\$ (2,616,384)</u>
<u>Member Agencies Share of Year-End Assets,</u> <u>Liabilities or Net Position</u>	<u>**</u>

* Most current information available.

** Has not been calculated.

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

10. EXTRAORDINARY ITEM

The District received an insurance reimbursement related to the Croce fire in the amount of \$100,882. The total insurance reimbursement is reflected as an extraordinary item in the general fund statement of revenues, expenditures and changes in fund balance and the statement of activities.

11. CONTINGENT LIABILITIES

The District is a defendant in several lawsuits that have arisen in the normal course of business. While substantial damages are alleged in some of these actions, their outcome cannot be predicted with certainty. Sufficient data to arrive at an estimate of the possible loss or range of loss is not available at this time. Accordingly, no provision has been recorded.

12. EXCESS OF EXPENDITURES OVER APPROPRIATIONS

The District incurred unanticipated expenditures in excess of appropriations in expenditure classifications for which the budget was not revised.

Excess of expenditures over appropriations for the year ended June 30, 2017 were as follows:

	Excess Expenditures
Workers compensation insurance	\$ 8,054
Services and Supplies:	
Agriculture	25,469
Clothing	1,506
Medical	3,246
Small tools	13,435
Non-capital equipment	71,674
Maintenance	
Structures	513,708
Utilities	26,816
District legal expense	532
District special expense	71,816
Field Trips & Events	36,037
Insurance	3,189
Training & Conference	15,837
Licensing	4,239
Publications/ Legal Notice	1,441
Rents and leases:	
Equipment	23,626

LIVERMORE AREA RECREATION & PARK DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

13. PRIOR PERIOD RESTATEMENTS

Fixed Assets- In the 2015-16 fiscal year, the fixed asset reconciliation that was prepared by the District excluded current year activity for Construction in Progress from the fixed asset summary schedule. During the preparation of the fixed asset summary schedule for the 2016-17 year by the District, this was identified, which resulted in a \$701,912 prior period adjustment.

AB1600 Funds - The District's staff worked with the City of Livermore's staff during 16-17 fiscal year to reconcile the AB 1600 Funds balance as of June 30, 2017. During the reconciliation process it was determined that the District did not have \$66,153 recorded on the books; therefore a prior period adjustment was recorded.

14. SUBSEQUENT EVENTS

District management has evaluated its June 30, 2017 financial statements for subsequent events through [date], the date the financial statements were available to be issued. Management is not aware of any subsequent events that would require recognition or disclosure in the financial statements.

**REQUIRED SUPPLEMENTARY
INFORMATION**

LIVERMORE AREA RECREATION & PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCE – BUDGET AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
REVENUES				
Taxes:				
Property taxes	\$ 8,824,454	\$ 8,894,454	\$ 9,559,886	\$ 665,432
Special tax	1,444,616	1,444,616	1,536,838	92,222
Special tax interest	2,000	2,000	8,448	6,448
Total Taxes	10,271,070	10,341,070	11,105,172	764,102
Revenues other than taxes:				
Earned Income (Recreation Division)				
Fee classes	406,400	402,400	430,214	27,814
Adult sports	190,000	161,000	109,492	(51,508)
Aquatics	596,050	535,050	562,522	27,472
Camp Shelly	68,750	68,750	66,630	(2,120)
Park operations	583,000	533,000	462,154	(70,846)
Extended student services and childcare grants	4,452,140	4,560,140	4,599,141	39,001
Senior center	181,637	181,637	237,389	55,752
Preschool	434,918	447,418	450,906	3,488
Public information	1,800	1,800	260	(1,540)
Open space	503,878	483,878	472,001	(11,877)
Robertson Park	-	-	46,127	46,127
Facility rentals	697,506	808,506	453,655	(354,851)
Youth sports	161,000	167,000	53,393	(113,607)
Believes program	134,500	134,500	146,290	11,790
Middle school program	609,695	538,695	552,098	13,403
Robert Livermore Community Center	-	-	429,013	429,013
Gym sports	-	-	254,599	254,599
Concessions	65,500	65,500		
CIP administration	305,000	-	-	-
Outdoor facility rental	-	-	307,313	307,313
Other	154,500	89,500	147,275	57,775
Total Earned Income	9,546,274	9,178,774	9,780,473	601,699
Capital development revenue:				
Capital grants and contributions	-	-	383,684	383,684
City AB 1600 In-Lieu	3,000,000		2,446,004	2,446,004
Total Capital development revenue	3,000,000	-	2,829,688	2,829,688
Total Revenues	\$ 22,817,344	\$ 19,519,844	\$ 23,715,333	\$ 4,195,489

See accompanying footnote

LIVERMORE AREA RECREATION & PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND

BALANCE – BUDGET AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

	Budgeted Amounts			Variance with Final Budget Favorable (Unfavorable)
	Original	Final	Actual	
EXPENDITURES				
Salaries and employee benefits:				
Salaries	\$ 10,189,893	\$ 9,736,193	\$ 9,711,632	\$ 24,561
Retirement	1,179,796	1,154,396	1,133,948	20,448
Workers compensation insurance	579,368	560,068	568,122	(8,054)
Employee group insurance	1,518,771	1,472,927	1,335,574	137,353
Employer FICA/Medicare	489,296	465,196	454,289	10,907
Total Salaries and employee benefits	13,957,124	13,388,780	13,203,565	185,215
Services and Supplies:				
Agriculture	105,650	112,550	138,019	(25,469)
Clothing	30,225	31,400	32,906	(1,506)
Household	175,000	199,025	181,637	17,388
Food	142,350	156,700	138,370	18,330
Office	98,800	108,210	106,711	1,499
Medical	11,120	29,265	32,511	(3,246)
Small tools	23,200	28,750	42,185	(13,435)
Non-capital equipment	18,000	51,150	122,824	(71,674)
Total Services and supplies	604,345	717,050	795,163	(78,113)
Maintenance:				
Structures	677,860	677,860	1,191,568	(513,708)
Equipment	158,750	175,750	155,965	19,785
Total Maintenance	836,610	853,610	1,347,533	(493,923)
Utilities	1,364,700	1,554,700	1,581,516	(26,816)
Professional service	982,218	881,218	834,968	46,250
Communications	154,380	154,380	129,329	25,051
Transportation	227,550	169,950	142,543	27,407
District legal expense	171,000	171,000	171,532	(532)
District special expense	363,504	384,604	456,420	(71,816)
Field Trips & Events	130,250	130,250	166,287	(36,037)
Finance Charges & Interest	4,125	4,125	1,558	2,567
Insurance	260,500	278,500	281,689	(3,189)
Instructor and sports officials	351,680	364,680	361,377	3,303
Training and Conferences	-	-	15,837	(15,837)
Licensing	25,125	25,125	29,364	(4,239)
Memberships	29,545	29,125	25,120	4,005
Publications/ Legal Notice	4,900	4,900	6,341	(1,441)
Rents and leases:				
Equipment	79,575	82,575	106,201	(23,626)
Structures	213,400	213,400	207,758	5,642
Total Rents and leases	292,975	295,975	313,959	(17,984)
Miscellaneous	101,000	150,526	150	150,376
Total operating expenditures	19,861,531	19,558,498	19,864,251	(305,753)
Capital Outlay:				
Structures and improvements	1,968,923	1,968,923	941,460	1,027,463
Equipment	558,329	620,129	602,291	17,838
Total Capital outlay	2,527,252	2,589,052	1,543,751	1,045,301
Total expenditures	22,388,783	22,147,550	21,408,002	739,548
Excess (deficiency) of revenues over (under) expenditures	428,561	(2,627,706)	2,307,331	4,935,037
OTHER FINANCING SOURCES (USES)				
Extraordinary item:				
Croce Fire Reimbursement	-	-	100,882	100,882
Total other financing sources (uses)	-	-	100,882	100,882
Net change in fund balance	428,561	(2,627,706)	2,408,212	5,035,919
Fund balance - Beginning of year	18,357,287	18,357,287	18,357,287	-
Fund balance - End of year	\$ 18,785,848	\$ 15,729,581	\$ 20,765,499	\$ 5,035,919

See accompanying footnote

LIVERMORE AREA RECREATION & PARK DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND SCHEDULE OF PENSION CONTRIBUTIONS

FOR THE FISCAL YEAR ENDED JUNE 30, 2017

Schedule of Proportionate Share of the Net Pension Liability

Year Ended June 30,	(a) District's proportion of the net pension liability (asset)*	(b) District's proportionate share of the net pension liability (asset)	(c) District's covered payroll	(b/c) District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll*	Plan fiduciar net position : a percentage the total pens liability*
2017	0.38500%	\$ 8,644,696	\$ 4,487,952	192.62%	77.76%
2016	0.48300%	\$ 9,288,497	\$ 4,203,012	221.00%	75.39%
2015	0.47129%	\$ 8,203,447	\$ 3,919,778	209.28%	77.26%

The amounts presented for each fiscal year were actuarially determined at December 31 of the prior year and rolled forward to the measurement date.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

Schedule of Pension Contributions

Year Ended June 30,	(a) Contractually required contribution*	(b) Contributions in relation to the statutorily required contribution	(a-b) Contribution deficiency (excess)	(c) District's covered payroll	(b/c) Contributions as a percent of covered payroll*
2017	\$1,189,646	\$1,189,646	\$ -	\$ 4,548,036	26.16%
2016	\$1,199,303	\$1,199,303	\$ -	\$ 4,485,863	26.74%
2015	\$1,145,344	\$1,145,344	\$ -	\$ 3,919,778	29.22%

The amounts presented for each fiscal year were actuarially determined at December 31 of the prior year and rolled forward to the measurement date.

*This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend has been compiled, information is presented only for the years for which the required supplementary information is available.

LIVERMORE AREA RECREATION & PARK DISTRICT

FOOTNOTES TO REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2017

Budgetary Comparison Schedule

Through the budget, the District board sets the direction of the District, allocates its resources and establishes its priorities. The annual budget serves from July 1st to June 30th, and is a vehicle that accurately and openly communicates these priorities to the community and other public agencies. Additionally, it establishes the foundation of effective financial planning by providing resources for planning that permit the evaluation of District performance.

The original budget represents the budget adopted by the board in September 2016 and the final budget reflects the mid-year budget adjustments adopted by the board in February 2017.

The District's adopted budget includes designated fund balances to be used in current year operations as well as a contingency expense for unexpected increases in expenditures. These amounts are not in accordance with generally accepted accounting principles and are therefore not included in the budgets presented in the required supplementary information. The amount included in the District's original and final budget for designated fund balances was \$(38,423) for the year ended June 30, 2017. The amounts included in the District's original and final budget for contingencies was \$101,000 and \$181,300, respectively, for the year ended June 30, 2017.

The District's budget did not include the extraordinary item of Croce Fire Reimbursement as the amount could not be estimated and was not within the control of management.

Schedule of Proportionate Share of the Net Pension Liability

In determining the Plan's fiduciary net position, only 50% of the current deferred market gains that would be available to the Pension Plan are included.

The Net Pension Liability decreased from 2016 to 2017 primarily as a result of (i) the change in actuarial assumptions effective with the June 30, 2017 valuation and (ii) favorable investment results during calendar year 2016.

SUPPLEMENTARY INFORMATION

LIVERMORE AREA RECREATION & PARK DISTRICT

**KIDANGO CONTRACT
SCHEDULE OF REVENUES AND EXPENSES**

JUNE 30, 2017

KIDANGO, INC.
Livermore Area Recreation and Park District (LARPD)
Financial Report July 1, 2016 - June 30, 2017

Revenue

Payments from Kidango to LARPD	\$	439,144
Kidango Parent Fees from certified families to LARPD	\$	29,119
Sub-total, Total Kidango-related Payments	\$	468,263
Non-Kidango fees (non-certified children)		3,322,025
TOTAL REVENUE - Certified and non-Certified - at Kidango sites	\$	3,790,288

Expenses - LARPD Sites that support Kidango

1000 Certificated Salaries		1,213,797
2000 Classified Salaries		1,093,315
3000 Employee Benefits		762,572
4000 Books and Supplies		160,149
5000 Services and Other Operating Expenses		238,615
6100/6200 Other Approved Capital Outlay		-
6400 New Equipment (<i>program-related</i>)		-
6500 Equipment Replacement (<i>program-related</i>)		-
Depreciation or Use Allowance		-
Start-Up Expenses (service level exemption)		-
Indirect Costs (Rate: _____%; included in Admin cost)		-
TOTAL EXPENSES - Kidango Sites	\$	3,468,448
Less: Expenses Paid By Livermore Area Recreation & Park District		3,029,304
Total Expenses Claimed for Reimbursement to Kidango	\$	439,144

OTHER INDEPENDENT AUDITOR'S REPORT



James Marta & Company LLP
Certified Public Accountants

Accounting Auditing Tax and Consulting

**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***

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livermore Area Recreation & Park District
Livermore, 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, each major fund, and the aggregate remaining fund information of Livermore Area Recreation & Park District (the "District"), as of and for the years ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated [date].

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Livermore Area Recreation & Park District's internal control over financial reporting (internal control) to determine the 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 Livermore Area Recreation & Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of Livermore Area Recreation & Park 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 over financial reporting 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 determination of financial statement amounts. 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.

DRAFT

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
[date]



James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting, and Tax

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

To the Board of Directors
Livermore Area Recreation & Park District
Livermore, California

We have audited the basic financial statements of Livermore Area Recreation & Park District (the "District") for the year ended June 30, 2017 and have issued our report thereon dated [date]. Professional standards require that we communicate certain matters to you related to our audit.

Our Responsibility under Generally Accepted Auditing Standards

As communicated in our engagement letter dated May 11, 2016, our responsibility, as described by professional standards, is to form and express an opinion(s) about whether the financial statements that have been prepared by management with your oversight are presented fairly, in all material respects, in conformity with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of your respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the District solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

We have provided our comments regarding internal controls and other matters noted during our audit in a separate letter to you dated [date].

ATTACHMENT B

Planned Scope and Timing of the Audit

We were unable to conduct our audit consistent with the planned scope and timing we previously communicated to you, as account reconciliations and year-end closing procedures were not completed by the District timely enough to allow us to complete the audit as originally scheduled.

During the course of the audit a confirmation was sent to the City of Livermore in order to confirm the AB 1600 funds received during the year. Upon receipt of the confirmation we noted that there was a difference between the balance on the confirmation and what was recorded by the District. We worked with management to determine why there was a difference between the two and discovered that the monthly reports that were sent to Livermore Area Recreation & Park District from the City of Livermore were not correct. We contacted the City of Livermore and received an e-mail between LARPD and the City of Livermore which indicated the agreed upon balance as of June 30, 2017 for the AB1600 funds, resulting in a prior period adjustment booked of \$66,153. Going forward management will work with the City of Livermore to insure that the District is receiving the correct reports.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, and our firm, have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of the Entity's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the District is included in Note 1 to the financial statements. There have been no initial selections of accounting policies and no changes in significant accounting policies or their application for the year ended June 30, 2017. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on 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 markedly from management's current judgments. The most significant estimates are those regarding pension liability and the collectability of receivables.

Management's estimate of pension liability is based on an actuarial study performed by independent third parties. We evaluated the key factors and assumptions used to develop the estimates and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Management's estimate of the collectability of receivables is based on historical experience. We evaluated the key factors and assumptions used to develop the estimate of accounts receivable collectability and determined that it is reasonable in relation to the basic financial statements taken as a whole and in relation to the applicable opinion units.

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. There were no uncorrected misstatements noted as a result of our audit procedures.

In addition, professional standards require us to communicate to you all material, corrected adjustments that were brought to the attention of management as a result of our audit procedures. All adjustments identified during the audit are shown in Attachment I as adjusting journal entries.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the District's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the attached letter dated [date]. See Attachment II.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Services

We prepared the following information for the State Controller's Office for the year ending June 30, 2017, based on information provided by management:

- Special District Financial Transactions Report

The performance of the above other services does not constitute an audit. Accordingly, we will provide no opinion on the Special District Financial Transactions Report.

We have assisted management in preparing the financial statements of the District in conformity with U.S. generally accepted accounting principles based on information provided by management.

James Marta & Company LLP
Sacramento, CA

Management's responsibilities for other services included designating qualified individuals with the skill, knowledge, and experience to be responsible and accountable for overseeing financial statement preparation and any other nonattest services we performed as part of this engagement. Management has represented that they have evaluated the adequacy and results of those services and is accepting responsibility for them.

Other Significant Findings or Issues

In the normal course of our professional association with the District, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, business conditions affecting the District, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the District's auditors. See Attachment III for discussion of upcoming accounting changes that will affect the district going forward.

In addition to the financial audit, we performed agreed upon procedures on the appropriations limit under Article XIII B of the California Constitution and issued a related report; prepared the Special Districts Financial Transactions Report for Livermore Area Recreation & Park District and Governments of Livermore Financing Authority; and prepared the financial statements of the District using information provided by management. Performance of these "agreed upon procedures" and issuance of the aforementioned reports does not constitute an audit, nor does it impair our independence.

This report is intended solely for the use of the Board of Directors and management of Livermore Area Recreation & Park District and is not intended to be and should not be used by anyone other than these specified parties.

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
[date]

LIVERMORE AREA RECREATION & PARK DISTRICT

JUNE 30, 2017

ATTACHMENT I

Corrected Misstatements:

Adjusting Journal Entries:

Adjusting Journal Entries JE # 1		
To adjust equity to agree to PY report		
3300-001-000-000 General Fund Balance	4.00	
5555-041-000-000 Miscellaneous		4.00
Total	4.00	4.00
Adjusting Journal Entries JE # 2		
To move prepaid 17-18 district tax rolls of \$3,900 from accrued expense		
1163-001-000-000 Prepaid Expenses - General	3,900.00	
2478-001-000-000 Accrued Liabilities - District Tax Rolls		3,900.00
Total	3,900.00	3,900.00
Adjusting Journal Entries JE # 3		
Checks in-transit adjustment move missposting to correct year. PBC		
5085-001-000-000 Miscellaneous Other Revenue	25.00	
5197-009-906-000 Full Cost Program Fees - MIC	430.00	
1082-001-000-000 USB Checks In-Transit		455.00
Total	455.00	455.00
Adjusting Journal Entries JE # 4		
To adjust out over accrual related to ESS Child Care Links		
5196-009-000-000 Child Care Links	18,500.00	
1179-001-009-000 ESS Child Care Links Accounts Receivable		18,500.00
Total	18,500.00	18,500.00
Adjusting Journal Entries JE # 5		
To record prior period adjustment related to AB 1600 funds PBC		
1134-001-000-000 AB1600 funds held @ COL for Capital Projects	66,153.00	
3130-959-000-106 Fund Balance - AB1600		66,153.00
Total	66,153.00	66,153.00
Adjusting Journal Entries JE # 6		
To recalss ESS Building Upgrades code to capital outlay to maintenance as these expenses are related to routine maintance and not a capital project.		
4450-009-000-000 Maint. - Structures/Grounds	31,930.00	
4918-045-439-900 ESS Building Upgrades		31,930.00
Total	31,930.00	31,930.00
Adjusting Journal Entries JE # 7		
To recalss Robertson/Arroyo Mocho Trail Repair code to capital outlay to maintenance as these expenses are related to design costs and not a		
4465-001-000-000 Professional Services	10,432.00	
4918-045-724-900 Robertson/Arroyo Mocho Trail Repair		10,432.00
Total	10,432.00	10,432.00

LIVERMORE AREA RECREATION & PARK DISTRICT

JUNE 30, 2017

ATTACHMENT III

Upcoming Changes in Accounting Standards

GASB 75 Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions *Effective for the fiscal year ending June 30, 2018*

This standard establishes new requirements for governments to report a “net OPEB liability” for the unfunded portion of its other postemployment benefits, which includes retiree medical benefits.

Historically, governments have only been required to report a net OPEB liability to the extent that they have not met the annual required contribution (ARC) in any given year. Upon implementation of this standard, governments will be required to report a net OPEB liability based on the current funded status of their OPEB plans. Changes in this liability from year to year will largely be reflected on the income statement, though certain amounts will be deferred and amortized over varying periods.