Livermore Area Recreation and Park District
An independent special district

Board of Directors

Maryalice Faltings	David Furst	Jan Palajac	Philip Pierpont	Beth Wilson
Director	Director	Chair	Vice Chair	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 2 "Public Comment" 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, JANUARY 29, 2020, 7:00 P.M.

ROBERT LIVERMORE COMMUNITY CENTER
4444 EAST AVENUE, LIVERMORE, CALIFORNIA

1. **CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE**

2. **PUBLIC COMMENT**

3. **PROCLAMATION AND PRESENTATION**
   3.1 The Board will present a Proclamation Supporting a Culture of Welcome, Inclusion, and Respect to General Manager Mathew Fuzie.

4. **CONSENT ITEMS** (Motion)
   4.1 Approval of the Minutes of the Regular Board Meeting of January 8, 2020

5. **DISCUSSION AND ACTION ITEMS**

   5.1 **DISTRICT AUDIT FOR FY 2018-2019**
   The District Audit for Fiscal Year 2018-2019 has been completed. The Board will receive a presentation by David Becker of the audit firm James Marta & Company LLP and will be asked to accept the Fiscal Year 2018-2019 District Audit. (Motion)

   5.2 **RESOLUTION PROCLAIMING SUPPORT OF 2020 CENSUS**
   The Board will consider making a proclamation supporting the 2020 Census. (Resolution)

   Resolution No. ____, approving a proclamation in support of Census 2020.

   5.3 **ZONE 7/PATTERSON RANCH TRAIL NAMING**
   The Board will consider approving the proposed trail name for the Zone 7/Patterson Ranch trail. (Motion)

6. **COMMITTEE REPORTS**

7. **MATTERS INITIATED/ANNOUNCEMENTS BY THE DIRECTORS**

8. **MATTERS INITIATED/ANNOUNCEMENTS BY THE GENERAL MANAGER**

9. **ADJOURNMENT**

Proclamation

Of The

Livermore Area Recreation and Park District

SUPPORTING A CULTURE OF WELCOME, INCLUSION, AND RESPECT 2019

WHEREAS, *the region around the Livermore area has a diverse history that begins with the Ohlone, Miwok, and Yokuts peoples, continues with being a part of Spain and Mexico, and is now part of California and the United States; and*

WHEREAS, *the Livermore Area Recreation and Park District aims to ensure that everyone has access to the benefits of parks and recreation to create environments in which everyone feels welcome, safe and respected; and*

WHEREAS, *Livermore has been and continues to be home to people of different national origins, immigration or refugee status, culture, histories, races, ethnicities, religious affiliations or none, gender identities, sexual orientations, ages, education, economic status and physical, mental or emotional abilities. Our strength is derived from our diversity and inclusiveness, from respecting one another, from welcoming immigrants and others, and from collaborating with one another across our differences; and*

WHEREAS, *the Livermore Area Recreation and Park District Board of Directors believes that the District can best stand against bigotry, intolerance and hate through leading by example and living our shared community values of welcome, inclusion, and respect and by developing common ground; and*

WHEREAS, *the Livermore Area Recreation and Park District strives to create welcoming and inclusive facilities and programs with the goal of ensuring programs are accessible, hospitable and equitable.*

NOW, THEREFORE, *the Livermore Area Recreation and Park District supports community efforts which invite residents to learn from each other and bring members of the community together to celebrate diversity, and support the integration of immigrants and other new residents into our community.*

David Furst

David Furst, Chair
Board of Directors

Mathew L. Fuzie
General Manager

Vice Chair, Jan Palajac

Board Member, Maryalice Faltings

Board Member, Philip Pierpont

Beth Wilson

Board Member, Beth Wilson

ITEM NO 3.1

Livermore Area
Recreation and Park District
An independent special district

LIVERMORE AREA RECREATION AND PARK DISTRICT

REGULAR MEETING of the BOARD OF DIRECTORS

DRAFT MINUTES

WEDNESDAY, JANUARY 8, 2020

7:00 P.M.

ROBERT LIVERMORE COMMUNITY CENTER
4444 EAST AVENUE, LIVERMORE, CALIFORNIA

DIRECTORS PRESENT:	Directors Faltings, Pierpont, Wilson and Chair Palajac
DIRECTORS ABSENT:	Director Furst
STAFF MEMBERS PRESENT:	Mathew Fuzie, Patricia Lord, Jeffrey Schneider, Stacey Kenison, Michelle Newbould, Linda VanBuskirk, Monica Streeter

1. CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE:
Chair Palajac called the meeting to order at 7:00 p.m. All Directors were present, except Director Furst. Chair Palajac led the Pledge of Allegiance.

2. PUBLIC COMMENT: None.

3. PRESENTATION

3.1 **DISTRICT-WIDE SPECIAL EVENTS**

The Board received a PowerPoint presentation by Stacey Kenison, Marketing and Public Information Officer, which highlighted a Year in Review of 2019 Special Events - "Making Memories and Changing Lives." She showcased 16 special events held in over five facilities, utilizing over 50 volunteers, all providing many happy, smiling faces throughout our community.

Board members expressed excitement about upcoming events, and thanked Ms. Kenison for showcasing LARPD's wonderful special events.

4. CONSENT ITEMS (Motion)

4.1 Approval of the Minutes of the Regular Board Meeting of December 11, 2019

4.2 General Manager's Monthly Report – January 2020

Director Wilson asked to pull item 4.2 to address a question she had on page 8 of the General Manager's Monthly Report. Item number 4 Shade Structures states that "Four new shade structures were installed during FY 2018/19." Director Wilson asked where these shade structures were installed. CIP Administrative Assistant, Michelle Newbould, responded that shade structures were added at Bothwell Park, Robertson Park, and Henry Maitland Park.

- ➢ Staff to confirm the final park location and supply Director Wilson with a list of areas with new shade structures.

Director Faltings moved to approve the Consent Agenda, as amended, and Director Pierpont seconded the motion. The Consent Agenda was approved by the following voice vote:

AYES:	*Directors Faltings, Pierpont, Wilson, and Chair Palajac*
NOES:	*None*
ABSTENTIONS:	*None*
ABSENT:	*Director Furst*

5. DISCUSSION AND ACTION ITEMS

5.1 CAPITAL IMPROVEMENT PROGRAM (CIP): RECOMMENDED PROJECT CLOSURES

Chair Palajac stated the Board would consider accepting the Recommended CIP Project Closures as complete, and authorize the General Manager to file a Notice of Completion with Alameda County.

GM Fuzie introduced Administrative Services Manager Jeffrey Schneider who presented a very positive staff report to the Board. Staff asked for Board acceptance of the closure of the projects listed in Table 1 of the staff report, and to authorize the General Manager and Staff to submit Notices of Completion for the five projects for which notices are required. As shown in Table 1 of the staff report, Life to Date Spend was $14,049,829, which was 5% favorable to those budgets in total. He recognized team members who were instrumental in managing these projects to completion, on time, and with very minor exceptions, under budget.

Director questions/comments included: appreciation for receiving the information on completed projects; appreciation for staff and associates that worked on these projects to bring them to completion on time and under budget; how does the number in the column Total Project Budget relate to the number we started with?

No public comment.

Moved by Director Pierpont, seconded by Director Wilson, adopted Resolution No. 2680, accepting the following projects as complete:

446-SG Extension-Arroyo Del Valle Trail Bridge Connection;
432-Camp Shelly;
729E-MaxBaer Lighting;
905-Bill Payne Park Master Plan;
442-RLCC Aquatics Center Renovation;
720-Robertson Park Synthetic Turf;
806-Altamont Creek Park Playground;
729D-Energy Efficiency Measures;
209-Ravenswood Upgrade;
327-Jane Addams Playground;
508-May Nissen Playground;
426-Big Trees Playground;
706-Pleasure Island Playground

and authorizing the General Manager to file a Notice of Completion with Alameda County for the five projects that have contractual language requiring it: Project 442-RLCC Aquatics Center Renovation; 327-Jane Addams Playground; 508-May Nissen Playground; 426-Big Trees Playground; and 706-Pleasure Island Playground, by the following roll call vote:

AYES:	*Directors Faltings, Pierpont, Wilson, and Chair Palajac,*
NOES:	*None*
ABSTENTIONS:	*None*
ABSENT:	*Director Furst*

5.2 DISCUSSION ON SUPPORT OF 2020 CENSUS

GM Fuzie reported that at the last Intergovernmental Liaison Committee meeting, the 2020 Census was discussed. Out of that discussion came a suggestion to support the census and its development by gathering information within the community. Since LARPD interacts with and provides services for a great variety of ages and ethnicities in this community, LARPD may be in a good position to work with the City of Livermore and the Livermore Valley Joint Unified School District to support the Census Bureau via a joint proclamation. He asked where the Board would like to direct staff in this endeavor.

Board questions/comments included: the importance of getting an accurate count; providing staff training on engaging the public to participate; amenable to a joint resolution with the City and LVJUSD or our own; offering LARPD sites and services. Board consensus was in favor of supporting the 2020 Census.

No public comment.

Chair Palajac then directed staff to check in with the school district on its proclamation and then bring something back to the Board to consider approving that. GM Fuzie stated he will continue to work with the District's partners on joint efforts and confirmed that LARPD independently is in support of doing whatever we can within our means to support the gathering of accurate information. Staff will work on a District resolution and will report back on requests that come to us as a community center.

5.3 2020 COMMITTEE APPOINTMENTS

Chair Palajac announced the 2020 board committee appointments which were included in the board agenda packet and made available to the public.

5.4 DIRECTOR ATTENDANCE AT 2020 CONFERENCES

Chair Palajac stated the Board would review a list of 2020 conferences and discuss their desire to attend. GM Fuzie stated this item was presented in order to anticipate Board attendance and gather information so that staff may be of assistance regarding scheduling, registration and travel arrangements. Board members then expressed their interest in attending the listed conferences.

6. COMMITTEE REPORTS

a) Director Faltings reported on the January 8, 2020 Alameda County Special Districts Association (ACSDA) chapter meeting, which was hosted by the Alameda County Mosquito Abatement District in Hayward. The 2020 ACSDA meeting schedule is now available. She encouraged the other board members to attend these interesting meetings.
   - Would like the speaker at this meeting to come to LARPD to give a class on the topic of ongoing restoration of salt ponds around the bay.
   - Mark your calendars for the CSDA Annual Dinner Meeting, to be held on Thursday, March 26, 2020 at Wedgewood at Redwood Canyon Golf Course in Castro Valley.

b) Director Pierpont reported on the December 18, 2019 Facilities Committee meeting.

c) Director Wilson reported that due to the New Year's holiday, there was no Livermore Cultural Arts Council meeting in January.

d) Chair Palajac reported there was not a December meeting of the Livermore Downtown, Inc. due to a lack of quorum. There was a meeting, out of sequence, on January 7, 2020 in order to approve their 2020 budget and to introduce the new board. Director Pierpont will be on their board in 2020.

e) Chair Palajac reported that she and Director Furst both attended a meeting of the LARPD Personnel Commission on January 7, 2020. An ad hoc committee has been created to look at the roles and responsibilities of the Personnel Commission. The documents that support their duties are old, some dating back to the 60s and 70s, and will be updated at the committee level before bringing back to the Board. She encouraged the other board members to attend one of these Personnel Commission meetings in the future. They are held the first Tuesday of each month at 7:00 p.m.
   - The Livermore Area Recreation and Park District (LARPD) Board of Directors is seeking applicants to serve on the Personnel Commission and is accepting applications. Personnel Commissioners are appointed by the Board to four-year terms. Anyone interested is encouraged to visit the LARPD website where you will find more information on the Personnel Commission page.

7. MATTERS INITIATED/ANNOUNCEMENTS BY THE DIRECTORS

Director Faltings stated that while she was working in the LARPD booth at the Dogtoberfest event, many people requested a list of dog parks. She also mentioned that she has noticed requests on social media for information regarding dog parks for small dogs. LARPD has seven dogs parks, four of those have areas split for large and small dogs. She asked that staff generate a list of dog parks and post it on the LARPD website.

8. MATTERS INITIATED/ANNOUNCEMENTS BY THE GENERAL MANAGER

GM Fuzie made the following announcements:

1) In January, LARPD will start a new Leadership Academy, to be held one day a month for three months. Twenty employees will attend the classes, primarily to learn about leadership and supervisory practices. In addition to this, LARPD will work with its Open Space consultant who is a specialist in training, having served as the Department of Parks and Recreation Training Officer, to develop long-term training goals for its employees.
2) On January 15, LARPD will receive delivery of the new Wetmore Ranger Station. This will be a temporary station, until plans for a permanent station are evaluated and developed.
3) GM Fuzie will be meeting this week with Livermore's City Manager regarding assets that LARPD and the City cooperate on to set goals and prioritize for future needs.
4) LARPD's own Assistant General Manager, Patricia Lord, will be a featured speaker at the next Livermore Chamber of Commerce Business Alliance meeting. She will be speaking on LARPD as a special district, who we are and what we do.

9. ADJOURNMENT: The meeting was adjourned at 8:02 p.m.

APPROVED,

____
Jan Palajac
Chair, Board of Directors

ATTEST:

____
Mathew L. Fuzie
General Manager and
Ex-officio Clerk to the Board of Directors

Livermore Area Recreation and Park District
Staff Report

TO:	Chair Palajac and Board of Directors
FROM:	Mathew Fuzie, General Manager
PREPARED BY:	Jeffrey Schneider, Administrative Services Manager
DATE:	January 29, 2020
SUBJECT:	2018-2019 District Audit

RECOMMENDATION: That the Board of Directors accept the Fiscal Year 2018-2019 District Audit.

BACKGROUND: District auditors, James Marta & Company, LLP, conducted an annual audit of the District's financial reporting and processes for fiscal year 2018-19 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. The most noteworthy component of the attached Auditor's Report is the District's growing Pension and Other Post Employment Benefits (OPEB) liabilities: the Pension Liability now stands at $15,804,862, more than double the previous year's figure of $7,228,288, while the OPEB liability sits at $950,150, nearly five times the balance as of June 30, 2018. The primary driver of this material increase in retirement liabilities is a change made, during Fiscal 2018-19, to isolate LARPD from the rest of the ACERA pool due to the declining active payroll in relation to the District's retiree population for its Tier 1 ACERA participants, which drove up the District's share of the overall net Pension liability as well as its contribution rates. Also contributing to the increase in our retirement-related liabilities is lower-than-excepted return on the plan's investment portfolio.
4. Also of note is the impact of the significant Capital Improvement Program (CIP) activity that occurred in FY18-19, and which continued into the following fiscal

year. This activity is reflected in numerous places throughout the Auditor's report, including capital expense and "Capital Contributions and Grants" in relation to AB1600 funding;

5. While the Auditor's report reflects the use of full accrual accounting, the District's regular budget and actual reporting to its Board is based upon Fund Accounting (eg, focused on both operating and capital items that impact the District's General Fund). As such, the following bullet points outline the District's results for the year-ended June 30, 2019 using the same Fund Accounting methods:
    a. The District's operating surplus for 2018-19 was $1,355,456 (excluding Capital Improvement Program (CIP) related income and outlays and extraordinary items), a result that exceeded the Final Budget (reflecting mid-year Budget adjustments and that reflected a $560,230 net operating surplus) by $795,226 for the year.
    b. Operating revenue was $22,572,539, or $206,924 (0.9%) above the Final FY18-19 Budget. Revenue from Programs and Services of $10,550,679 was $51,393 (0.5%) above the Final Budget, while Tax revenues of $12,021,860 were $155,531 (1.3%), above the Final Budget.
    c. Operating expense, including capital equipment but not CIP, was $21,217,083, or $588,302 (2.7%) below the Final Budget, a result of lower than budgeted spending across all expense categories.
6. 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, 2019, is at the top of page two of the Independent Auditor's Report: "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, 2019, 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."
7. James Marta & Company's audit included <u>assessing the District's internal controls</u> for the purpose of expressing their opinion on the financial statements. In this regard, the auditor's comment 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."

<u>Attachments</u>:

A. Financial Statements with Independent Auditor's Report
B. Communication with Those Charged with Governance
C. Management Representation Letter

Attachment A

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2019

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

701 HOWE AVENUE, E3
SACRAMENTO, CA

(916) 993-9494
(916) 993-9489 FAX
WWW.JPMCPA.COM

LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2019

BOARD OF DIRECTORS

Name	Office	Term Expires
David Furst	Chair	2022
Jan Palajac	Vice Chair	2020
Maryalice Summers Faltings	Director	2022
Philip Pierpoint	Director	2022
Beth Wilson	Director	2020

* * * *

General Manager
Mathew Fuzie

LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2019

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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Livermore Area Recreation and 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 and Park District (the "District"), as of and for the year ended June 30, 2019, 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.

701 Howe Avenue Suite E3, Sacramento, California 95825 Phone: (916) 993-9494 Fax: (916) 993-9489
e-mail: dbecker@jpmcpa.com www.jpmcpa.com

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 and Park District as of June 30, 2019, 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, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

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 District's Proportionate Share of Net OPEB Liability, Schedule of Proportionate Share of Net Pension Liability, and Schedule of Pension 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 January 23, 2020 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.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 23, 2020

MANAGEMENT’S DISCUSSION AND ANALYSIS

Livermore Area Recreation & Park District's annual financial report includes management's discussion and analysis of the District's financial performance during the fiscal year ended June 30, 2019.

FINANCIAL HIGHLIGHTS

- While the Auditor's report reflects the use of full accrual accounting, the District's regular budget and actual reporting to its Board is based upon Fund Accounting (eg, focused on both operating and capital items that impact the District's General Fund). As such, the following bullet points outline the District's results for the year-ended June 30, 2019 using the same Fund Accounting methods:

    - The District's operating surplus for 2018-19 was $1,355,456 (excluding Capital Improvement Program (CIP) related income and outlays and extraordinary items), a result that exceeded the Final Budget (reflecting mid-year Budget adjustments and that reflected a $560,230 net operating surplus) by $795,226 for the year.
    - Operating revenue was $22,569,035, or $203,416 (0.9%) above the Final FY18-19 Budget. Revenue from Programs and Services of $10,547,175 was $110,988 (1.1%) above the Final Budget, while Tax revenues of $12,021,860 were $92,428 (0.8%), above the Final Budget.
    - Operating expense, including capital equipment but not CIP, was $21,263,461, or $541,922 (2.5%) below the Final Budget, a result of lower than budgeted spending across all expense categories.

- Of particular note is the growing liability associated with the District's Pension and Other Post-Employment Benefits (OPEB), which increased dramatically versus the previous year. The District's Net Pension Liability now stands at $15,804,862, more than double the previous year's figure of $7,228,288, while the OPEB Liability is now $950,150. The primary driver of this material increase in retirement liabilities is a change made, this year, to isolate LARPD from the rest of the ACERA pool due to the declining active payroll in relation to the District's retiree population for its Tier 1 ACERA participants, which drove up the District's share of the overall net Pension liability as well as its contribution rates. Also contributing is the lower-than-excepted return on the plan's investment portfolio.

USING THIS ANNUAL REPORT

Management's Discussion and Analysis is meant to complement the Independent Auditor's Report. Together, these schedules and notes provide a view of the District's financial health and the results of its operations for the year-ended June 30, 2019.

FINANCIAL ANALYSIS OF THE DISTRICT

The financial statements and related notes contained herein are based upon full accrual accounting methods that are consistent with Generally Accepted Accounting Principles (GAAP).

- The Statement of Net Position outlines the difference between the District's assets and liabilities, and in doing so provides the basis for evaluating the capital structure of the District, its liquidity and financial flexibility.

The Statement of Activities reflects all of the fiscal year's revenues, including those that are related to capital contributions (largely AB1600 developer fees), and expenses, including depreciation. This statement measures the success of the District's operations over the past year.

Statement of Net Position

	June 30, 2019	June 30, 2018	Amount Increase (Decrease)	Percent Increase (Decrease)
Current and Other Assets	$ 11,588,928	$ 11,039,509	$ 549,419	5%
Capital Assets, Net	92,087,043	83,743,383	8,343,660	10%
Total Assets	103,675,971	94,782,892	8,893,079	9%
Deferred outflows related to pension	8,176,823	3,447,064	4,729,759	137%
Current and Other Liabilities	4,125,126	2,544,972	1,580,154	62%
Net Pension Liability	15,804,862	7,228,288	8,576,574	119%
Net OPEB Liability	950,150	116,763	833,387	714%
Total Liabilities	20,880,138	9,890,023	10,990,115	111%
Deferred inflows related to pension	1,531,669	4,663,781	(3,132,112)	(67%)
Investment in Capital Assets, Net	92,087,043	83,743,383	8,343,660	10%
Restricted Funds	329,234	323,832	5,402	2%
Unrestricted Net Position	(2,975,290)	(391,063)	(2,584,227)	661%
Total Net Position	$ 89,440,987	$ 83,676,152	$ 5,764,835	7%

The District has no long-term debt, and a significant amount of the $4,125,126 of current liabilities is associated with accounts payable for CIP project work ($1,703,127) that was invoiced late in the fiscal year and for which AB1600 developer fees will be received to fund their payment. Also included are:

- Accounts payable for CIP retention fees for the large-scale CIP projects that remained in progress at year-end and for which a 5% retention will be paid ($322,858);
- Payroll payable of $486,497 for the pay period ended June 20, 2019 that would be paid the following fiscal year;
- Accrued compensated balances (vacation and other paid time off balances) totaling $643,544; and
- Other miscellaneous operating related payables, in line with prior experience, totaling $969,100.

The most noteworthy component of the Statement of Net Position is the District's growing Pension and OPEB liabilities: the Pension Liability now stands at $15,804,862, more than double the previous year's figure of $7,228,288, while the OPEB liability sits at $950,150, nearly five times the balance as of June 30, 2018. The primary driver of this material increase in retirement liabilities is a change made, this year, to isolate LARPD from the rest of the ACERA pool due to the declining active payroll in relation to the District's retiree population for its Tier 1 ACERA participants, which drove up the District's share of the overall net Pension liability as well as its contribution rates. Also contributing is the lower-than-excepted return on the plan's investment portfolio.

Statement of Activities

	June 30, 2019	June 30, 2018	Amount Increase (Decrease)	Percent Increase (Decrease)
Property Tax Revenue	$ 12,021,860	$ 11,317,182	$ 704,678	6%
Charges for Services	9,014,685	8,797,250	217,435	2%
Operating Contributions & Grants	1,535,994	1,512,119	23,875	2%
Capital Contributions & Grants	8,955,696	1,412,706	7,542,990	534%
Total Revenues	31,528,235	23,039,257	8,488,978	37%
Parks & Recreation Expenses	25,763,400	23,543,311	2,220,089	9%
Total Expenses	25,763,400	23,543,311	2,220,089	9%
Change in Net Position	5,764,835	(504,054)	6,268,889	(1,244%)
Net Assets, Beginning	83,676,152	97,761,469	(14,085,317)	(14%)
Prior Period Adjustment	-	(12,915,655)	12,915,655	(100%)
Change in Accounting Principle	-	(665,608)	665,608	(100%)
Net Assets, Ending	$ 89,440,987	$ 83,676,152	$ 5,764,835	7%

Comparing results for the year-ended June 30, 2019 with years prior to the year-ended June 30, 2018 is difficult given that the District's Capital Contributions for prior years do not reflect adjustments to our accounting for AB1600 fees held by the City of Livermore, which are embedded in last year's Prior Period Adjustment figure of $12,915,655. For this reason, only a comparison of the current and previous year is included here.

In addition, the accounting adjustment reported in the previous year of $665,608 is related to accounting changes (GASB 75) for Other Post-Employment Benefits, the District's contribution to retirees' health plan that is funded through excess returns (beyond target earnings) of the ACERA pension fund and is NOT dependent, directly, on ACERA pension contributions; Relevant law: the 1937 County Employees Retirement Law of 1937 (CERL), which allows ACERA to transfer funds contributed by the District to the 401(h) program back to the District's Advance Reserve Account - as such these funds are treated as a pension contribution by the District (e.g., no adjustment to the District's ACERA pension contribution is required in order to fund the 401(h) program). The ACERA Board cannot authorize and make payments to retirees after the related funds are exhausted, so no unfunded liability exists in relation to OPEB.

Total District Revenues, including capital contributions, which is primarily associated with AB-1600 developer fees, are up 37% vs the previous year, largely as a result of the significant increase in CIP project activity achieved in the current period and AB1600 related funding of it.

- Operating Revenues from Property and Parcel Taxes reached $12,021,860, an increase of $704,678, or 6% versus prior year. Property Taxes amounted to $10,447,364, up $672,094, or 7%, versus prior year. Parcel taxes grew to $1,574,496 and were up $32,584, or 2%, above the previous year, which is in line with the District's annual 2% maximum increase in its charge per equivalent family dwelling unit (EDU).
- Charges for Programs/Services, excluding Grants, reached $9,014,685, an increase of $217,435 (2%) versus the previous year. Revenues in Community Services, excluding Grants, were $6,550,224, which is $81,222, or 1%, above the previous year and largely associated with the District's Extended Student Services programs, which saw higher enrollment. The Recreation department saw increased Facility Rental activity that reached $1,366,185, which is $180,000, or 15%, above the previous year. Offsetting these favorable results and more modest increases in other areas was the impact of the discontinuation, at mid-year, of the District's agreement with Zone 7 for weed abatement, which drove a $76,225 reduction in Park Operations revenue versus the previous year.
- Operating Contributions and Grants, largely associated with the District's Youth Services programs but which also includes a $200,000 open space grant from the East Bay Regional Park District, grew by $23,875 (2%) to $1,535,994, mostly as a result of contractual increases and enrollment associated with the Kidango program that supports early learning for low-income families.
- The most significant change in year-over-year revenues came from Capital Contributions and Grants, which represents the AB1600 (developer fees) funds used to finance the significant CIP project activity that occurred in the year ended June 30, 2019. At $8,955,696, these funds exceeded the previous year by $7,542,990. Note that these funds are recorded as received and are not dependent upon the completion of CIP projects.

Total District Expenses, based on full accrual accounting (eg, including depreciation expense as opposed to one-time capital outlays and entries related to Net Pension and OPEB expense) were $25,763,400 or $2,220,089 (9%) higher than the previous year.

- Salaries & Benefits expenses totaled $14,733,868, up $937,589, or 7%, versus the previous year as a result of cost of living and step increases to salaries, ACERA contribution rate increases, and improvements to benefit offerings (enhanced for 46 Part-time benefited staff and increased for 45 staff who were converted from Part-time benefited to Full-time regular status (non-pensioned) at mid-year).
- Services and Supply expenses amounted to $6,210,813, up $119,817, or 2%, versus the previous year, as maintenance expenses rose $223,614, or 24% versus the prior year, driven by a variety of deferred maintenance projects, and which offset modest improvements in other cost categories.
- The difference between accrual-based expense calculations for Pensions and OPEB and actual employer contributions amounted to $1,402,467 and $145,623 respectively. At a total of $1,548,090, these items are up $1,152,172 versus the previous year.

CAPITAL ASSETS

As of June 30, 2019, the District had $152,729,126 invested in capital assets and $92,087,043 in net capital assets after accumulated depreciation, a significant increase over the year ended June 30, 2018 that reflects the material increase in CIP project activity during the year. The following table illustrates changes from the prior year:

	June 30, 2019	June 30, 2018	Amount Increase (Decrease)	Percent Increase (Decrease)
Land	$ 52,817,819	$ 52,817,819	$ -	0%
Buildings	43,096,289	40,615,435	2,480,854	6%
Park Improvements	44,237,607	42,437,680	1,799,927	4%
Equipment	3,859,852	3,518,950	340,902	10%
Construction in Progress	8,717,559	1,729,836	6,987,723	404%
Capital Assets at Cost	$ 152,729,126	$ 141,119,720	$ 11,609,406	8%
Less: Accumulated Depreciation	(60,642,083)	(57,376,337)	(3,265,746)	(6%)
Capital Assets, Net	$ 92,087,043	$ 83,743,383	$ 8,343,660	10%

Total capital assets, net of accumulated depreciation, increased by $8,343,660 during the fiscal year 2018-19.

- At $8,717,559, Construction in Progress is significantly above previous levels, reflecting the fact that major outlays were made for four large playground projects (Jane Addams, Big Trees, Pleasure Island, and May Nissen) that remained in-progress as of June 30, 2019.
- Buildings increased by $2,480,854, which includes the completed RLCC aquatics renovation project ($2,006,364) and the new Camp Shelly restroom facility ($474,490).
- Park Improvements increased by $1,799,976, which includes Shade Structures at Various Parks ($164,450), Robertson Park Synthetic Turf ($183,366), Max Baer Lighting ($107,662), the District's contribution to the Altamont Creek Playground ($200,000), and the Sycamore Grove Arroyo Del Valle Trail Renovation ($1,144,448).
- Capital Equipment additions totaled $340,902, which primarily consisted of a number of irrigation projects at neighborhood parks throughout the District which totaled $290,881. The completion of the District's upgraded website deployment contributed another $43,220.

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 Program (CIP) for capital projects that are prioritized by the District's Board of Directors. At mid-year, the District revisits both its Operating and CIP budgets to reflect updated information and modifications to plans relative to what had been reflected in the original budgets that were created prior to the onset of the fiscal year.

REQUESTS FOR FINANCIAL INFORMATION

This financial report provides the public and business associates with a general overview of District finances and demonstrates 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 Administrative Services Manager:

Jeffrey Schneider, Administrative Services Manager
Livermore Area Recreation & Park District
4444 East Avenue
Livermore, CA 94550
(925) 373-5716
jschneider@larpd.org

BASIC FINANCIAL STATEMENTS

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2019

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	
Available for operations	$ 7,806,056
Petty cash	6,210
Available for restricted programs	329,234
Accounts receivable	3,440,300
Prepaid expenses	7,128
Capital assets, net of accumulated depreciation (Note 3)	92,087,043
Total Assets	103,675,971
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions (Note 5)	7,775,193
Deferred outflows related to OPEB (Note 6)	401,630
Total Deferred Outflows of Resources	8,176,823
LIABILITIES	
Accounts payable	2,823,130
Accrued salaries and wages	486,497
Accrued liabilities	151,135
Unearned revenue	20,820
Net pension liability (Note 5)	15,804,862
Net OPEB liability (Note 6)	950,150
Accrued compensated absences	643,544
Total Liabilities	20,880,138
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions (Note 5)	1,249,807
Deferred inflows related to OPEB (Note 6)	281,862
Total Deferred Inflows of Resources	1,531,669
NET POSITION	
Net investment in capital assets	92,087,043
Restricted	329,234
Unrestricted	(2,975,290)
Total Net Position	$ 89,440,987

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

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

		Program Revenues			Net (Expense) Revenue and Change in Net Position
Functions/Programs	**Expenses**	**Charges For Services**	**Operating Contributions and Grants**	**Capital Contributions and Grants**	**Governmental Activities**
Governmental activities:					
Parks and Recreation	$ 25,763,400	$ 9,014,685	$ 1,535,994	$ 8,955,696	$ (6,257,025)
		General revenues:			
		Property taxes			12,021,860
		Total general revenues			12,021,860
		Change in net position			5,764,835
		Net position - July 1, 2018			83,676,152
		Net position - June 30, 2019			$ 89,440,987

LIVERMORE AREA RECREATION AND PARK DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2019

	General Fund
ASSETS	
Cash and investments (Note 2)	
Available for operations	$ 7,806,056
Petty cash	6,210
Available for restricted programs	329,234
Accounts receivable	3,440,300
Prepaid expenses	7,128
Total Assets	$ 11,588,928
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 2,823,130
Accrued salaries and wages	486,497
Accrued liabilities	151,135
Unearned revenue	20,820
Total Liabilities	3,481,582
Fund Balances (Note 8)	
Nonspendable	7,128
Restricted	329,234
Unassigned	7,770,984
Total Fund Balance	8,107,346
Total Liabilities and Fund Balance	$ 11,588,928

LIVERMORE AREA RECREATION & PARK DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET POSITION

FOR THE YEAR ENDED JUNE 30, 2019

Total fund balances - governmental funds		$ 8,107,346
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		7,775,193
Deferred inflows of resources relating to pensions		(1,249,807)
Deferred outflows and inflows of resources relating to OPEB: In governmental funds, deferred outflows and inflows of resources relating to OPEB are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to OPEB are reported.		
Deferred outflows of resources relating to OPEB		401,630
Deferred inflows of resources relating to OPEB		(281,862)
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	152,729,126	
Accumulated depreciation	(60,642,083)	
Capital assets, net		92,087,043
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		(15,804,862)
Net OPEB liability		(950,150)
Compensated absences		(643,544)
Total net position - governmental activities		$ 89,440,987

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

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE GOVERNMENTAL FUNDS

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	General Fund
REVENUES	
Taxes	$ 12,021,860
Earned income	10,547,175
Capital development	8,955,696
Total revenues	31,524,731
EXPENDITURES	
Salaries and employee benefits	14,733,868
Services and supplies	624,076
Maintenance	1,172,201
Utilities	1,692,608
Professional service	909,105
Communications	129,224
Transportation	131,332
Training & Conferences	46,378
District legal expense	136,330
District special expense	130,309
Insurance	303,275
Instructor and sports officials	372,494
Rents and leases	247,022
Field Trips & Events	134,397
Finance Charge and Interest	118,047
Licensing	25,083
Publications and Legal	4,635
Memberships	34,413
Miscellaneous	(116)
Total operating expenditures	20,944,681
Capital outlay	11,609,406
Total expenditures	32,554,087
Net change in fund balance	(1,029,356)
Fund balance - July 1, 2018	9,136,702
Fund balance - June 30, 2019	$ 8,107,346

LIVERMORE AREA RECREATION AND 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, 2019

Net change in fund balances		$ (1,029,356)
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	$ 11,609,406	
Depreciation expense	(3,265,746)	8,343,660
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:		(1,379)
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:		(1,402,467)
OPEB: In government funds, OPEB costs are recognized when employer contributions are made in the statement of activities, OPEB costs are recognized on the accrual basis. This year, the difference between accrual-basis OPEB costs and actual employer contributions was:		(145,623)
Change in net position of governmental activities		$ 5,764,835

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. ORGANIZATION

The Livermore Area Recreation and 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 and 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.

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.

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:

D. FUND ACCOUNTING (CONTINUED)

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:

Asset	Years
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.

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, 2019 was $643,544.

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, 2019 as $329,234, which is restricted by the funding source for the programs indicated.

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 and 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.

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.

As of June 30, 2019, the District had deferred outflows of $8,176,823 and deferred inflows of $1,531,669.

R. POSTEMPLOYMENT BENEFITS

For purposes of measuring the District’s OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District’s OPEB Plan (OPEB Plan) and additions to/deductions from the District’s fiduciary net position have been determined on the same basis as they are reported by the OPEB Plan. For this purpose, the OPEB Plan recognizes benefit payments when due and payable in accordance with the benefit terms. Investments are reported at fair value, except for money market investments and participating interest earning investment contracts that have a maturity at the time of purchase of one year or less, which are reported at cost.

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, 2019:

Alameda County Treasurer - General	$	6,292,425
US Bank - General Account		1,844,413
US Bank - Merchant Card Account		(1,548)
Petty Cash		6,210
Total Cash and Cash Equivalents	$	8,141,500

Cash and investments are presented in three categories on the statement of net position at June 30, 2019:

Cash and investments		
Available for operations	$	7,806,056
Petty cash		6,210
Available for restricted programs		329,234
Total Cash and investments	$	8,141,500

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, 2019, the Alameda County Treasurer has represented that the Treasurer's pooled investment fund contained no derivatives or other investments with similar risk profiles.

Deposits - Custodial Credit Risk

The carrying amount of the District's accounts with US Bank at June 30, 2019 was $1,842,865 and the bank balance was $2,378,946. 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, 2019 was fully insured or collateralized.

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2019, was as follows:

	Balance June 30, 2018	Additions	Deletions	Balance June 30, 2019
Governmental Activities				
Capital Assets, not being depreciated:				
Land	$ 52,817,819	$ -	$ -	$ 52,817,819
Construction in progress	1,729,836	11,290,629	(4,302,906)	8,717,559
Total Capital Assets, not being depreciated	54,547,655	11,290,629	(4,302,906)	61,535,378
Capital assets, being depreciated:				
Buildings	40,615,435	2,480,854	-	43,096,289
Park Improvements	42,437,680	1,799,927	-	44,237,607
Equipment	3,518,950	340,902	-	3,859,852
Total Capital Assets, being depreciated	86,572,065	4,621,683	-	91,193,748
Accumulated Depreciation				
Buildings	23,121,055	1,228,162	-	24,349,217
Park Improvements	32,069,885	1,599,177	-	33,669,062
Equipment	2,185,397	438,407	-	2,623,804
Total Accumulated Depreciation	57,376,337	3,265,746	-	60,642,083
Net Capital Assets being depreciated	29,195,728	1,355,937	-	30,551,665
Capital Assets, net	$ 83,743,383	$ 12,646,566	$ (4,302,906)	$ 92,087,043

Depreciation expense of $3,265,746 was all charged to the Parks and Recreation function.

4. LONG- TERM LIABILITIES

Changes in Long-Term Liabilities

A schedule of changes in long-term liabilities for the year ended June 30, 2019 is as follows:

	Balance June 30, 2018	Additions	Deductions	Balance June 30, 2019	Due Within One Year
Net Pension Liability	$ 7,228,288	$ 8,576,574	$ -	$15,804,862	$ -
Net OPEB Liability	116,763	833,387	-	950,150	-
Compensated Absences	642,165	1,379	-	643,544	-
Total	$ 7,987,216	$ 9,411,340	$ -	$17,398,556	$ -

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.

Net OPEB Liability

Net OPEB liability is accrued in accordance with the provisions of Governmental Accounting Standards Board Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits other than Pensions*. Other postemployment benefit plan and the related OPEB liability are discussed further in Note 6 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, 2019 were $105,419. Future minimum lease payments under these agreements are as follows:

Year Ended June 30	Lease Payments
2020	$ 59,386
2021	58,091
2022	52,058
2023	5,638
2024-2028	28,190
2029-2031	14,095
Total	217,458
*Less Lease Buyout	(12,665)
Net Total	$ 204,793

4. LONG- TERM LIABILITIES (CONTINUED)

*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, 2019, the remaining amount held was $12,665.

5. EMPLOYEE RETIREMENT SYSTEM

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.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

The Plans' provisions and benefits in effect at June 30, 2019, are summarized as follows:

	ACERA		
General Tier	**1**	**3**	**4**
Hire date	Various	On or after October 1, 2008	On or after January 1, 2013
Benefit formula	2% @ 57	2.5% @ 55	2.5% @ 67
Benefit vesting schedule	5 years of service	5 years of service	5 years of service
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	7.36 - 15.32%	8.63 - 16.18%	8.10 - 8.76%
Required employer contribution rates	26.59 - 28.72%	26.39 - 29.77%	19.76 - 23.12%

Contributions

Livermore Area Recreation and 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, 2019 and 2018, employer contributions by the District to ACERA were $1,100,236 and $1,049,843, respectively.

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

As of June 30, 2019, the District reported net pension liabilities for its proportionate share of the net pension liability of $15,804,862.

Livermore Area Recreation and 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, 2018, 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, 2017 rolled forward to June 30, 2019. Livermore Area Recreation and 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, 2019 and 2018 is shown in the following table:

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

	ACERA
Proportion - June 30, 2019	0.572%
Proportion - June 30, 2018	0.359%
Change	0.213%

For the year ended June 30, 2019, the District recognized pension expense of $1,402,467. At June 30, 2019, 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	$ 863,075	$ -
Changes in proportion and differences between employer's contributions and proportionate share of contributions	30,864	132,281
Changes of assumptions or other inputs	1,518,478	154,457
Net excess of actual over projected earnings on pension plan investments	1,701,476	-
Difference between expected and actual experience in the Total Pension Liability	3,661,300	963,069
Total	$ 7,775,193	$ 1,249,807

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date of December 31, 2018 will be recognized as a reduction of the net pension liability in the year ended June 30, 2019. 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/(Inflows) of Resources
2020	$ 1,383,342
2021	991,004
2022	1,171,424
2023	1,779,189
2024	337,352
Thereafter	-

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Actuarial Assumptions

Actuarial Assumptions – The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

	ACERA
Valuation Date	December 31, 2017
Measurement Date	December 31, 2018
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	7.25%
Inflation	3.00%
Payroll Growth Rate	3.50%
Projected Salary Increase	General: 8.30% to 3.90% vary by service, including inflation
Investment Rate of Return (1)	7.25%
Mortality	Headcount-Weighted RP-2014 (RPH-2014) Healthy Annuitant Mortality Tables, projected generationally with the two-dimensional MP-2016 projection scale

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

Discount Rate

The discount rate used to measure the Total Pension Liability was 7.25% as of December 31, 2018 and December 31, 2017. 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. Again, we are estimating that the additional outflow would average approximately 0.60% of assets over time, based on the results of our stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

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 December 31, 2018 and December 31, 2017.

The long-term expected rate of return on pension plan investments was determined in 2017 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. The returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation 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, are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2018 valuation. This information is subject to change every three years based on the actuarial experience study.

Asset Class	Target Allocation	Long- Term (Arithmetic) Expected Real Rate of Return
Domestic Large Cap Equity	22.40%	5.75%
Domestic Small Cap Equity	5.60%	6.37%
Developed International Equity	19.50%	6.89%
Emerging Markets Equity	6.50%	9.54%
U.S. Core Fixed Income	11.25%	1.03%
High Yield Bonds	1.50%	3.99%
International Bonds	2.25%	0.19%
TIPS	2.00%	0.98%
Real Estate	8.00%	4.47%
Commodities	3.00%	3.78%
Hedge Funds	9.00%	4.30%
Private Equity	9.00%	7.60%
	100.0%	

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.

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Plan's Net Pension Liability	$ 23,065,103	$ 15,804,862	$ 9,949,630

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, 2019, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2019.

6. OTHER POSTEMPLOYMENT BENEFITS

General Information about the OPEB Plan

Plan administration. The Alameda County Employees' Retirement Association (ACERA) was established by the Alameda County Board of Supervisors in 1947. ACERA is administered by the Board of Retirement and governed by the County Employees' Retirement Law of 1937 (California Government Code Section 31450 et. seq.). ACERA is a cost-sharing, multiple employer, defined benefit, public employee retirement system whose main function is to provide retirement benefits to the employee members of the District.

The management of ACERA is vested with the ACERA Board of Retirement. The Board consists of nine members and two alternates. The County Treasurer is a member of the Board of Retirement by law and is elected by the general public. Four members are appointed by the Board of Supervisors, one of whom may be a County Supervisor. Two active members are elected by the General members; one active member and one alternate are elected by the Safety members; one retired member and one alternate are elected by the retired members. All members of the Board of Retirement serve terms of three years except for the County Treasurer whose term runs concurrent with his term as County Treasurer.

Benefits provided. ACERA provides benefits to eligible employees.

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Membership Eligibility

Service Retirees Retired with at least 10 years of service (including deferred vested members who terminate employment and receive a retirement benefit from ACERA).

Disabled Retirees A minimum of 10 years of service is required for non-duty disability. There is no minimum service requirement for duty disability.

Benefit Eligibility

Service Retirees For retirees not purchasing individual insurance through the Individual Medicare Insurance Exchange, a Maximum Monthly Medical Allowance of $540.44 per month was provided, effective January 1, 2018 and through December 31, 2018. For the period January 1, 2019 through December 31, 2019, the maximum allowance is $558.00 per month. For those purchasing individual insurance through the Medicare exchange, the Monthly Medical Allowance was $414.00 per month for 2018 and is $427.46 for 2019 These Allowances are subject to the following subsidy schedule:

Completed Years of Service	Percentage Subsidized
10-14	50%
15-19	75%
20+	100%

Disabled Retirees Non-duty disabled retirees receive the same Monthly Medical Allowance as service retirees.
Duty disabled retirees receive the same Monthly Medical Allowance as those service retirees with 20 or more years of service.

2. Medicare Benefit Reimbursement Plan

The SRBR reimburses the full Medicare Part B premium to qualified retired members. To qualify for reimbursement, a retiree must:

- Have at least 10 years of ACERA service,
- Be eligible for Monthly Medical Allowance,
- Provide proof of enrollment in Medicare Part B.

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

3. Dental and Vision Plans

The SRBR provides dental and vision benefits for retirees only. The maximum combined monthly dental and vision premiums will be $47.91 in 2018 and $48.39 in 2019. The eligibility for these premiums is as follows:

Service Retirees	Retired with at least 10 years of service
Disabled Retirees	For non-duty disabled retirees, 10 years of service is required. For grandfathered non-duty disabled retirees (with effective retirement dates on or before January 31, 2014), there is no minimum service requirement. For duty disabled retirees, there is no minimum service requirement.

Note about the Monthly Medical Allowance

The maximum levels of subsidy are reviewed by the Board annually and are not indexed to increase automatically. In addition, the Monthly Medical Allowance can only be used to pay for retiree medical benefits. There is no benefit payable to beneficiaries, current spouses, former spouses or dependents. If the actual cost of coverage is less than the Monthly Medical Allowance, the difference is not paid in cash or applied towards the coverage for beneficiaries, current spouses, former spouses or dependents.

Deferred Benefit

Members who terminate employment with 10 or more years of service before reaching Pension eligibility commencement age may elect deferred MMA and/or dental/vision benefits.

Death Benefit

Surviving spouses/domestic partners of members who die before the member commences retiree health benefits may enroll in an ACERA group medical plan on the date that the member would have been eligible to commence benefits. The surviving spouse/domestic partner must pay 100% of the premium. Because premiums for surviving spouses/domestic partners under age 65 include active participants for purposes of underwriting, the surviving spouses/domestic partners receive an implicit subsidy from the actives, which creates a liability for the SRBR.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At June 30, 2019, the District reported a liability of $950,150 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the collective net OPEB liability was determined by an actuarial valuation as of that date. The District's proportion of the collective net OPEB liability was based on a projection of the District's long-term share of contributions to the OPEB plan relative to the projected contributions of all participating employers, actuarially determined. At December 31, 2018, the District's proportion was 0.408 percent, which was a decrease of 0.017 from its proportion measured as of December 31, 2017 (0.425 percent).

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

For the year ended June 30, 2019, the District recognized OPEB expense of $145,623. At June 30, 2019, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in Total OPEB Liability	$ -	$ 157,926
Changes of assumptions or other inputs	168,560	39,640
Net excess of actual over projected earnings on OPEB plan investments	233,070	-
Changes in proportion and differences between District contributions and proportionate share of contributions	-	84,296
District contributions subsequent to the measurement date	-	-
Total	$ 401,630	$ 281,862

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in the District's OPEB expense as follows:

Year ended June 30	Total Deferred Outflows/(Inflows) of Resources
2020	$ 2,350
2021	2,350
2022	2,350
2023	152,517
2024	(21,322)
2025	(18,477)
Total	$ 119,768

Actuarial assumptions. The actuarial assumptions used for the December 31, 2018 valuation were based on the results of the experience study for the period from December 1, 2013 through November 30, 2016 that were approved by the Board effective with the December 31, 2017 valuation and the health care trend assumptions used in the sufficiency study for the SRBR as of December 31, 2018. The following actuarial assumptions were applied to all periods included in the measurement:

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

December 31, 2018	
Inflation	3.00%
Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	
Non-Medicare medical plan	Graded from 7.00% to ultimate 4.50% over 10 years
Medicare medical plan	Graded from 6.50% to ultimate 4.50% over 8 years
Dental/Vision and Medicare Part B	4.00%

The actuarial assumptions used for the December 31, 2017 valuation were based on the results of the experience study for the period from December 1, 2013 through November 30, 2016 that were approved by the Board effective with the December 31, 2017 valuation and the health care trend assumptions used in the sufficiency study for the SRBR as of December 31, 2017. The following actuarial assumptions were applied to all periods included in the measurement.

December 31, 2017	
Inflation	3.00%
Investment rate of return	7.25%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	
Non-Medicare medical plan	Graded from 7.00% to ultimate 4.50% over 10 years
Medicare medical plan	Graded from 6.50% to ultimate 4.50% over 8 years
Dental/Vision and Medicare Part B	4.50%

The long-term expected rate of return on OPEB plan investments was determined in 2017 using a building-block method in which expected future real rates of return (expected returns, net of pension plan inflation) are developed for each major asset class. The returns are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation and subtracting expected investment expenses and a risk margin.

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The target allocation and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before deducting investment expenses, are summarized in the following table. These values were used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2018 valuation. This information is subject to change every three years based on the actuarial experience study:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Large Cap Equity	22.40%	5.75%
Domestic Small Cap Equity	5.60%	6.37%
Developed Interational Equity	19.50%	6.89%
Emerging Markets Equity	6.50%	9.54%
U.S. Core Fixed Income	11.25%	1.03%
High Yield Bonds	1.50%	3.99%
International Bonds	2.25%	0.19%
TIPS	2.00%	0.98%
Real Estate	8.00%	4.47%
Commodities	3.00%	3.78%
Hedge Funds	9.00%	4.30%
Private Equity	9.00%	7.60%
Total	100.00%	

Discount rate: The discount rate used to measure the Total OPEB Liability was 7.25% as of December 31, 2018 and December 31, 2017. The projection of cash flows used to determine the discount rate assumed benefits are paid out of current OPEB SRBR assets. Based on those assumptions, the SRBR OPEB plan's Fiduciary Net Position was projected to be available to make all projected future benefits payments for current plan members. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the Total OPEB Liability as of December 31, 2018 and December 31, 2017.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of ACERA as of December 31, 2018, calculated using the discount rate of 7.25%, as well as what ACERA's NOL would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25%) or 1-percentage-point higher (8.25%) than the current rate:

	1% Decrease (6.25%)	Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the collective net OPEB liability	$ 1,483,289	$ 950,150	$ 504,690

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate. The following presents the Net OPEB Liability of ACERA as of December 31, 2018, as well as what ACERA's Net OPEB Liability would be if it were calculated using a trend rate that is 1-percentage-point lower or 1-percentage-point higher than the current rate.

	1% Decrease	Current Trend Rates	1% Increase
District's proportionate share of the collective net OPEB liability	$ 450,929	$ 950,150	$ 1,562,224

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

Payables to the OPEB plan. At June 30, 2019, the District had no outstanding amount of contributions to the OPEB plan required.

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.

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	$ 7,128
Total Nonspendable	7,128
Restricted:	
Ravenswood Buckley Trust	283,489
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	923
Quimby	4,226
Total Restricted	329,234
Unassigned:	
Unappropriated	7,770,984
Total Unassigned	7,770,984
Total Fund Balances	$ 8,107,346

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 seperately 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:

A. Entity	**CAPRI**
B. Purpose	To pool member contributions and realize the advantages of self-insurance.
C. Participants	As of June 30, 2018, 61 member districts.*
D. Governing Board	Seven representatives employed by members.
E. Payments for the Current Year	$ 1,872,648
F. Condensed Financial Information	June 30, 2018* (Audited)
Total Assets and Deferred Outflows	$ 23,934,562
Total Liabilities and Deferred Inflows	$ 17,463,890
Net Position	6,470,672
Total Liabilities and Net Position	$ 23,934,562
Total Revenues	$ 9,300,872
Total Expenses	(8,664,499)
Change in Net Position	$ 636,373
Member Agencies Share of Year-End Assets, Liabilities, or Net Position	**

* Most current information available. ** Has not been calculated.

10. 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.

11. 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, 2019 were as follows:

	Excess Expenditures
Salaries and employee benefits:	
Retirement	$ 6,046
Employee group insurance	60,714
Services and Supplies:	
Agriculture	5,885
Small tools	3,560
Non-capital equipment	15,022
Maintenance:	
Structures	83,880
Finance charge and interest	45,399
Training and conferences	4,674
Licensing	2,887
Rents and leases:	
Equipment	3,520

12. SUBSEQUENT EVENTS

District management has evaluated its June 30, 2019 financial statements for subsequent events through January 23, 2020, 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 AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes:				
Property taxes	$ 10,064,000	$ 10,376,591	$ 10,447,364	$ 70,773
Special tax	1,549,200	1,552,841	1,548,789	(4,052)
Special tax interest	-	-	25,707	25,707
Total Taxes	11,613,200	11,929,432	12,021,860	92,428
Revenues other than taxes:				
Earned Income (Recreation Division)				
Recreation classes	415,400	433,270	538,442	105,172
Adult sports & fitness	161,230	159,259	140,876	(18,383)
Aquatics	545,836	527,476	516,328	(11,148)
Camp Shelly	68,183	77,121	75,411	(1,710)
Park operations	466,790	452,258	432,964	(19,294)
Extended student services (ESS)	5,315,417	5,250,910	5,141,359	(109,551)
Senior services and volunteers	144,589	186,882	204,192	17,310
Preschool	435,495	460,174	445,514	(14,660)
Marketing & public information	-	22,180	22,000	(180)
Open space	519,401	538,357	541,372	3,015
Facility use & rentals	816,820	811,498	889,649	78,151
Youth sports & fitness	188,443	224,166	191,833	(32,333)
Believes program	149,500	132,255	136,128	3,873
Middle school program	577,122	605,777	623,031	17,254
Concessions	65,900	60,823	56,067	(4,756)
Field & gym rentals	455,603	463,273	476,536	13,263
Other	78,119	30,508	115,473	84,965
Total Earned Income	10,403,848	10,436,187	10,547,175	110,988
Capital development revenue:				
Capital grants and contributions	-	-	218,551	218,551
City AB 1600 In-Lieu	10,192,169	11,398,000	8,737,145	(2,660,855)
Total Capital development revenue	10,192,169	11,398,000	8,955,696	(2,442,304)
Total Revenues	$ 32,209,217	$ 33,763,619	$ 31,524,731	$ (2,238,888)

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE – BUDGET AND ACTUAL – GENERAL FUND

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
EXPENDITURES				
Salaries and employee benefits:				
Salaries	$ 10,852,277	$ 11,002,517	$ 10,678,557	$ 323,960
Retirement	1,361,077	1,259,019	1,265,065	(6,046)
Workers compensation insurance	663,436	589,096	560,344	28,752
Employee group insurance	1,831,939	1,645,333	1,706,047	(60,714)
Employer FICA/Medicare	551,093	549,274	523,855	25,419
Total Salaries and employee benefits	15,259,822	15,045,239	14,733,868	311,371
Services and Supplies:				
Agriculture	106,650	84,774	90,659	(5,885)
Clothing	40,420	35,035	30,048	4,987
Household	130,455	128,793	117,836	10,957
Food	147,382	146,266	140,532	5,734
Office	109,915	74,744	71,702	3,042
Medical	36,242	26,737	21,627	5,110
Small tools	27,305	29,307	32,867	(3,560)
Non-capital equipment	88,412	103,783	118,805	(15,022)
Total Services and supplies	686,781	629,439	624,076	5,363
Maintenance:				
Structures	834,950	972,646	1,056,526	(83,880)
Equipment	191,940	141,303	115,675	25,628
Total Maintenance	1,026,890	1,113,949	1,172,201	(58,252)
Utilities	1,766,892	1,782,021	1,692,608	89,413
Professional service	994,375	922,297	909,105	13,192
Communications	153,950	147,730	129,224	18,506
Transportation	138,030	135,234	131,332	3,902
District legal expense	144,000	141,592	136,330	5,262
District special expense	477,014	144,444	130,309	14,135
Field Trips & Events	104,151	135,210	134,397	813
Finance Charges & Interest	-	72,648	118,047	(45,399)
Insurance	328,961	331,689	303,275	28,414
Instructor and sports officials	348,824	374,522	372,494	2,028
Training and Conferences	66,506	41,704	46,378	(4,674)
Licensing	23,499	22,196	25,083	(2,887)
Memberships	36,759	35,263	34,413	850
Publications/Legal Notice	7,980	4,635	4,635	-
Rents and leases:				
Equipment	110,720	101,899	105,419	(3,520)
Structures	192,440	160,916	141,603	19,313
Total Rents and leases	303,160	262,815	247,022	15,793
Miscellaneous	-	43,398	(116)	43,514
Total operating expenditures	21,867,594	21,386,025	20,944,681	441,344
Capital Outlay:				
Structures and improvements	13,722,564	13,722,564	11,290,626	2,431,938
Equipment	49,454	419,358	318,780	100,578
Total Capital outlay	13,772,018	14,141,922	11,609,406	2,532,516
Total expenditures	35,639,612	35,527,947	32,554,087	2,973,860
Net change in fund balance	(3,430,395)	(1,764,328)	(1,029,356)	734,972
Fund balance - July 1, 2018	9,136,702	9,136,702	9,136,702	-
Fund balance - June 30, 2019	$ 5,706,307	$ 7,372,374	$ 8,107,346	$ 734,972

LIVERMORE AREA RECREATION AND PARK DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

	2018	2019
District's proportion of the collective net OPEB liability (asset)	0.42%	0.41%
District's proportionate share of the collective net OPEB liability (asset)	$ 116,763	$ 950,150
District's covered payroll	$ 4,254,668	$ 4,585,695
District's proportionate share of the collective net OPEB liability (asset) as a percentage of its covered payroll	2.74%	20.72%
Plan fiduciary net position as a percentage of the total OPEB liability	97.33%	77.91%

The amounts presented for each fiscal year were determined as of the calendar year-end that occurred within the fiscal year.

*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 AND PARK DISTRICT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2019

Schedule of Proportionate Share of the Net Pension Liability

Year Ended June 30,	District's proportion of the Net Pension Liability	District's proportionate share of Net Pension Liability	Covered payroll	District's proportionate share of the net pension liability as a percentage of its covered payroll*	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2019	0.57200%	$ 15,804,862	$ 4,585,695	364.98%	72.74%
2018	0.35900%	$ 7,228,288	$ 4,254,668	169.89%	82.99%
2017	0.38500%	$ 8,644,696	$ 4,548,036	190.08%	77.76%
2016	0.48300%	$ 9,288,497	$ 4,485,863	207.06%	75.39%
2015	0.47129%	$ 8,203,447	$ 3,919,778	209.28%	77.26%

Schedule of Pension Contributions

Year Ended June 30,	Contractually required contribution*	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	District's covered payroll	Contributions as a percent of covered payroll*
2019	$ 1,100,236	$ 1,100,236	$ -	$ 4,585,695	23.99%
2018	$ 1,049,843	$ 1,049,843	$ -	$ 4,254,668	24.68%
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.

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 2018 and the final budget reflects the mid-year budget adjustments adopted by the board in March 2019.

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.

Schedule of the District's Proportionate Share of the Net OPEB Liability

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

The Net OPEB Liability increased primarily as a result of unfavorable investment returns during the calendar year 2018 offset by the effect of the changes in the actuarial assumptions.

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 increased primarily as a result of the unfavorable investment return during calendar year 2018.

SUPPLEMENTARY INFORMATION

KIDANGO CONTRACT
SCHEDULE OF REVENUES AND EXPENSES

JUNE 30, 2019

KIDANGO, INC.
Livermore Area Recreation and Park District (LARPD)
Financial Report July 1, 2018 - June 30, 2019

Revenue

Payments from Kidango to LARPD	$	678,442
Kidango Parent Fees from certified families to LARPD	$	38,689
Sub-total, Total Kidango-related Payments	**$**	**717,131**
Non-Kidango fees (non-certified children)		3,628,909
TOTAL REVENUE - Certified and non-Certified - at Kidango sites	**$**	**4,346,040**

Expenses - LARPD Sites that support Kidango

1000 Certificated Salaries		1,328,232
2000 Classified Salaries		1,376,171
3000 Employee Benefits		991,202
4000 Books and Supplies		147,652
5000 Services and Other Operating Expenses		196,480
6100/6200 Other Approved Capital Outlay		-
6400 New Equipment *(program-related)*		-
6500 Equipment Replacement *(program-related)*		-
Depreciation or Use Allowance		-
Start-Up Expenses (service level exemption)		-
Indirect Costs (Rate:___________%; included in Admin cost)		-
TOTAL EXPENSES - Kidango Sites	**$**	**4,039,737**
Less: Expenses Paid By Livermore Area Recreation & Park District		3,361,295
Total Expenses Claimed for Reimbursement to Kidango	**$**	**678,442**

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 and 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 and Park District (the "District"), as of and for the year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 23, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered Livermore Area Recreation and 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 and Park District's internal control. Accordingly, we do not express an opinion on the effectiveness of Livermore Area Recreation and 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.

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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.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 23, 2020

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 and Park District
Livermore, California

We have audited the basic financial statements of Livermore Area Recreation and Park District (the "District") for the year ended June 30, 2019 and have issued our report thereon dated January 23, 2020. 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 June 26, 2018, 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 January 23, 2020.

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.

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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, 2019. 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 net pension and OPEB liabilities and the the collectability of receivables.

Management's estimate of the net pension and OPEB 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 January 23, 2020. 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, 2019, based on information provided by management:

- Special Districts Financial Transactions Report

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

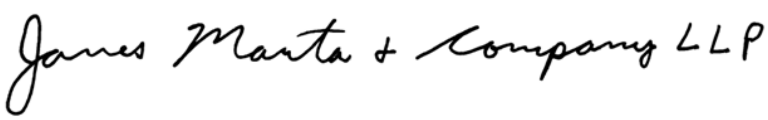
Management's responsibilities for other services included designating qualified individuals with the skill, knowledge, and experience to be responsible and accountable for overseeing financial statement preparation and any other nonattest services we performed as part of this engagement. Management has 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 XIIIB of the California Constitution and issued a related report; prepared the Special Districts Financial Transactions Report for Livermore Area Recreation and 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 and 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
January 23, 2020

LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2019

ATTACHMENT I

Corrected Misstatements:

Adjusting Journal Entries

Adjusting Journal Entries JE# 1			
To agree beginning fund balance to PY audited ending fund balance			
3300-001-000-000	General Fund Balance	3,504	
4918-045-508-106	May Nissen BBQ & South Area Playgrounds		3,504
Total		**3,504**	**3,504**

Adjusting Journal Entries JE# 3			
PBC To correct the prepaid expenses balance			
4465-001-000-000	Professional Services	3,900	
1163-001-000-000	Prepaid Expenses - General		3,900
Total		**3,900**	**3,900**

Adjusting Journal Entries JE# 4			
DO NOT POST - To book balances of capital assets and accumulated depreciation as part of government-wide financial reporting			
4010	Auditor Account Fixed Assets	152,729,126	
4020	Auditor Account Accumulated Depr		60,642,083
6000	Auditor Account Govt Wide Addtnl Equity		92,087,043
Total		**152,729,126**	**152,729,126**

Adjusting Journal Entries JE# 5			
DO NOT POST - To book balances of pension-related items from the GASB 68 actuarial valuation as part of government-wide financial reporting			
4030	Auditor Account Deferred Outflows - Pension	7,775,193	
6000	Auditor Account Govt Wide Addtnl Equity	9,279,476	
5010	Auditor Account Net Pension Liability		15,804,862
5030	Auditor Account Deferred Inflows - Pension		1,249,807
Total		**17,054,669**	**17,054,669**

Adjusting Journal Entries JE# 6			
DO NOT POST - To book balances of OPEB-related items from the GASB 75 actuarial valuation as part of government-wide financial reporting			
4040	Auditor Account Deferred Outflows - OPEB	401,630	
6000	Auditor Account Govt Wide Addtnl Equity	830,382	
5015	Auditor Account Net OPEB Liability		950,150
5040	Auditor Account Deferred Inflows - OPEB		281,862
Total		**1,232,012**	**1,232,012**

Adjusting Journal Entries JE# 7			
DO NOT POST - To book balance of compensated absences as part of government wide reporting.			
6000	Auditor Account Govt Wide Addtnl Equity	643,544	
5020	Auditor Account Compensated Absences		643,544
Total		**643,544**	**643,544**

Reclassifying Journal Entries

Reclassifying Journal Entries JE# 2			
PBC To correct the entry made recording the payout made for the unemployment liability in 2018-19			
2130-001-000-000	Unemployment Payable	261	
4470-001-000-000	Insurance		261
Total		**261**	**261**

Proposed Journal Entries

None.

Livermore Area
Recreation and Park District
An independent special district

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General Manager
Mathew L. Fuzie

MANAGEMENT REPRESENTATION LETTER

January 23, 2020

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of Livermore Area Recreation and Park District as of June 30, 2019 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Livermore Area Recreation and Park District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 23, 2020:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 26, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.

- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have reviewed and approved the adjusting and reclassifying journal entries reflected in the audit statements and Attachment A.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.

- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
  - Management;
  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- Livermore Area Recreation and Park District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Livermore Area Recreation and Park District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements*. Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Livermore Area Recreation and Park District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
- We have complied with all aspects of grant agreements and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.

Required Supplementary Information

With respect to the required supplementary information accompanying the financial statements:

a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with GASB.
b. We believe the required supplementary information, including its form and content, is measured and fairly presented in accordance with GASB.
c. The methods of measurement or presentation have not changed from those used in the prior period.
d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Supplementary Information in Relation to the Financial Statements as a Whole

With respect to the supplementary information accompanying the financial statements:

a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with GASB.
b. We believe the supplementary information, including its form and content, is fairly presented in accordance with GASB.
c. The methods of measurement or presentation have not changed from those used in the prior period.
d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.
e. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
f. We acknowledge our responsibility to include the auditor's report on the supplementary information in any document containing the supplementary information and that indicates the auditor reported on such supplementary information.
g. We acknowledge our responsibility to present the supplementary information with the audited financial statements or, if the supplementary information will not be presented with the audited financial statements, to make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.

Use of a Specialist

We agree with the findings of specialists in evaluating the District's proportionate share of net pension and net OPEB liabilities and have adequately considered the qualifications of the specialist in determining the amounts and disclosures used in the financial statements and underlying accounting records. We did not give or cause any instructions to be given to specialists with respect to the values or amounts derived in an attempt to bias their work, and we are not otherwise aware of any matters that have had an impact on the independence or objectivity of the specialists.

Pension and Postretirement Benefits

We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Jeffrey Schneider, Administrative Services Manager

Attachment A

JOURNAL ENTRY REPORT

Adjusting Journal Entries

Adjusting Journal Entries JE# 1			
To agree beginning fund balance to PY audited ending fund balance			
3300-001-000-000	General Fund Balance	3,504	
4918-045-508-106	May Nissen BBQ & South Area Playgrounds		3,504
Total		**3,504**	**3,504**

Adjusting Journal Entries JE# 3			
PBC To correct the prepaid expenses balance			
4465-001-000-000	Professional Services	3,900	
1163-001-000-000	Prepaid Expenses - General		3,900
Total		**3,900**	**3,900**

Adjusting Journal Entries JE# 4			
DO NOT POST - To book balances of capital assets and accumulated depreciation as part of government-wide financial reporting			
4010	Auditor Account Fixed Assets	152,729,126	
4020	Auditor Account Accumulated Depr		60,642,083
6000	Auditor Account Govt Wide Addtnl Equity		92,087,043
Total		**152,729,126**	**152,729,126**

Adjusting Journal Entries JE# 5			
DO NOT POST - To book balances of pension-related items from the GASB 68 actuarial valuation as part of government-wide financial reporting			
4030	Auditor Account Deferred Outflows - Pension	7,775,193	
6000	Auditor Account Govt Wide Addtnl Equity	9,279,476	
5010	Auditor Account Net Pension Liability		15,804,862
5030	Auditor Account Deferred Inflows - Pension		1,249,807
Total		**17,054,669**	**17,054,669**

Adjusting Journal Entries JE# 6			
DO NOT POST - To book balances of OPEB-related items from the GASB 75 actuarial valuation as part of government-wide financial reporting			
4040	Auditor Account Deferred Outflows - OPEB	401,630	
6000	Auditor Account Govt Wide Addtnl Equity	830,382	
5015	Auditor Account Net OPEB Liability		950,150
5040	Auditor Account Deferred Inflows - OPEB		281,862
Total		**1,232,012**	**1,232,012**

LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2019

ATTACHMENT II

Adjusting Journal Entries JE # 7

DO NOT POST - To book balance of compensated absences as part of government wide reporting.

6000	Auditor Account Govt Wide Addtnl Equity	643,544	
5020	Auditor Account Compensated Absences		643,544
Total		**643,544**	**643,544**

Reclassifying Journal Entries

Reclassifying Journal Entries JE # 2

PBC To correct the entry made recording the payout made for the unemployment liability in 2018-19

2130-001-000-000	Unemployment Payable	261	
4470-001-000-000	Insurance		261
Total		**261**	**261**

Proposed Journal Entries

None.

Upcoming Changes in Accounting Standards

The following pronouncements of the Governmental Accounting Standards Board (GASB) have been released recently and may be applicable to the District in the near future. We encourage management to review the following information and determine which standard(s) may be applicable to the District. For the complete text of these and other GASB standards, visit www.gasb.org and click on the "Standards & Guidance" tab. If you have questions regarding the applicability, timing, or implementation approach for any of these standards, please contact your audit team.

GASB Statement No. 84, Fiduciary Activities
Effective for the fiscal year ending June 30, 2020

This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities.

An activity meeting the criteria should be reported in a fiduciary fund in the basic financial statements. Governments with activities meeting the criteria should present a statement of fiduciary net position and a statement of changes in fiduciary net position. An exception to that requirement is provided for a business-type activity that normally expects to hold custodial assets for three months or less.

This Statement describes four fiduciary funds that should be reported, if applicable: (1) pension (and other employee benefit) trust funds, (2) investment trust funds, (3) private-purpose trust funds, and (4) custodial funds. Custodial funds generally should report fiduciary activities that are not held in a trust or equivalent arrangement that meets specific criteria. A fiduciary component unit, when reported in the fiduciary fund financial statements of a primary government, should combine its information with its component units that are fiduciary component units and aggregate that combined information with the primary government's fiduciary funds.

This Statement also provides for recognition of a liability to the beneficiaries in a fiduciary fund when an event has occurred that compels the government to disburse fiduciary resources. Events that compel a government to disburse fiduciary resources occur when a demand for the resources has been made or when no further action, approval, or condition is required to be taken or met by the beneficiary to release the assets.

GASB Statement No. 87, Leases
Effective for the fiscal year ending June 30, 2021

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

GASB Statement No. 88, Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements
Effective for the fiscal year ending June 30, 2020

The primary objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt.

This Statement defines debt for purposes of disclosure in notes to financial statements as a liability that arises from a contractual obligation to pay cash (or other assets that may be used in lieu of cash) in one or more payments to settle an amount that is fixed at the date the contractual obligation is established.

This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses.

For notes to financial statements related to debt, this Statement also requires that existing and additional information be provided for direct borrowings and direct placements of debt separately from other debt.

GASB Statement No. 89, Accounting for Interest Cost Incurred Before the End of a Construction Period
Effective for the fiscal year ending June 30, 2021

This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. Such interest cost includes all interest that previously was accounted for in accordance with the requirements of paragraphs 5–22 of Statement No. 62, Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements, which are superseded by this Statement. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund.

This Statement also reiterates that in financial statements prepared using the current financial resources measurement focus, interest cost incurred before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles.

GASB Statement No. 90, Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61
Effective for the fiscal year ending June 30, 2020

The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. A majority equity interest that meets the definition of an investment should be measured using the equity method, unless it is held by a special-purpose government engaged only in fiduciary activities, a fiduciary fund, or an endowment (including permanent and term endowments) or permanent fund. Those governments and funds should measure the majority equity interest at fair value.

For all other holdings of a majority equity interest in a legally separate organization, a government should report the legally separate organization as a component unit, and the government or fund that holds the equity interest should report an asset related to the majority equity interest using the equity method. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit.

This Statement also requires that a component unit in which a government has a 100 percent equity interest account for its assets, deferred outflows of resources, liabilities, and deferred inflows of resources at acquisition value at the date the government acquired a 100 percent equity interest in the component unit. Transactions presented in flows statements of the component unit in that circumstance should include only transactions that occurred subsequent to the acquisition.

Attachment C

Livermore Area
Recreation and Park District
An independent special district

4444 East Avenue, Livermore, CA 94550-5053
(925) 373-5700 www.larpd.org

General Manager
Mathew L. Fuzie

MANAGEMENT REPRESENTATION LETTER

January 23, 2020

James Marta & Company LLP
Certified Public Accountants
Sacramento, California

This representation letter is provided in connection with your audit of the financial statements of the governmental activities, the general fund, and the aggregate remaining fund information of Livermore Area Recreation and Park District as of June 30, 2019 and for the year then ended, and the related notes to the financial statements, for the purpose of expressing opinions on whether the basic financial statements present fairly, in all material respects, the financial position, results of operations, and cash flows, where applicable, of the various opinion units of Livermore Area Recreation and Park District in accordance with accounting principles generally accepted for governments in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in the light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement.

We confirm that, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of January 23, 2020:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated June 26, 2018, for the preparation and fair presentation of the financial statements of the various opinion units referred to above in accordance with U.S. GAAP.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- We acknowledge our responsibility for compliance with the laws, regulations, and provisions of contracts and grant agreements.
- We acknowledge that we are responsible for distributing the issued report as well as the communication with governance letter and internal control letter to all governing board members.
- We have reviewed, approved, and taken responsibility for the financial statements and related notes.

- We have a process to track the status of audit findings and recommendations.
- We have identified and communicated to you all previous audits, attestation engagements, and other studies related to the audit objectives and whether related recommendations have been implemented.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- All events subsequent to the date of the financial statements and for which U.S. GAAP requires adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the applicable opinion units and to the financial statements as a whole.
- We have reviewed and approved the various adjusting journal entries that were proposed by you for recording in our books and records and reflected in the financial statements.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have reviewed and approved the adjusting and reclassifying journal entries reflected in the audit statements and Attachment A.
- All component units, as well as joint ventures with an equity interest, are included and other joint ventures and related organizations are properly disclosed.
- All funds and activities are properly classified.
- All funds that meet the quantitative criteria in GASB Statement No. 34, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments*, GASB Statement No. 37, *Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments: Omnibus* as amended, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, for presentation as major are identified and presented as such and all other funds that are presented as major are considered important to financial statement users.
- All components of net position, nonspendable fund balance, and restricted, committed, assigned, and unassigned fund balance are properly classified and, if applicable, approved.
- Our policy regarding whether to first apply restricted or unrestricted resources when an expense is incurred for purposes for which both restricted and unrestricted net position/fund balance are available is appropriately disclosed and net position/fund balance is properly recognized under the policy.
- All revenues within the statement of activities have been properly classified as program revenues, general revenues, contributions to term or permanent endowments, or contributions to permanent fund principal.
- All expenses have been properly classified in or allocated to functions and programs in the statement of activities, and allocations, if any, have been made on a reasonable basis.
- All interfund and intra-entity transactions and balances have been properly classified and reported.
- Special items and extraordinary items have been properly classified and reported.

- Deposit and investment risks have been properly and fully disclosed.
- Capital assets, including infrastructure assets, are properly capitalized, reported, and if applicable, depreciated.
- All required supplementary information is measured and presented within the prescribed guidelines.
- With regard to investments and other instruments reported at fair value:
  - The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated courses of action.
  - The measurement methods and related assumptions used in determining fair value are appropriate in the circumstances and have been consistently applied.
  - The disclosures related to fair values are complete, adequate, and in accordance with U.S. GAAP.
  - There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Information Provided

- We have provided you with:
  - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements of the various opinion units referred to above, such as records, documentation, meeting minutes, and other matters;
  - Additional information that you have requested from us for the purpose of the audit; and
  - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the entity and involves:
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  - Employees who have significant roles in internal control; or
  - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud, or suspected fraud, affecting the entity's financial statements communicated by employees, former employees, vendors, regulators, or others.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- There have been no communications from regulatory agencies concerning noncompliance with or deficiencies in accounting, internal control, or financial reporting practices.

- Livermore Area Recreation and Park District has no plans or intentions that may materially affect the carrying value or classification of assets and liabilities.
- We have disclosed to you all guarantees, whether written or oral, under which Livermore Area Recreation and Park District is contingently liable.
- We have disclosed to you all nonexchange financial guarantees, under which we are obligated and have declared liabilities and disclosed properly in accordance with GASB Statement No. 70, *Accounting and Financial Reporting for Nonexchange Financial Guarantees*, for those guarantees where it is more likely than not that the entity will make a payment on any guarantee.
- For nonexchange financial guarantees where we have declared liabilities, the amount of the liability recognized is the discounted present value of the best estimate of the future outflows expected to be incurred as a result of the guarantee. Where there was no best estimate but a range of estimated future outflows has been established, we have recognized the minimum amount within the range.
- We have disclosed to you all significant estimates and material concentrations known to management that are required to be disclosed in accordance with GASB Statement No. 62 (GASB-62), *Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.* Significant estimates are estimates at the balance sheet date that could change materially within the next year. Concentrations refer to volumes of business, revenues, available sources of supply, or markets or geographic areas for which events could occur that would significantly disrupt normal finances within the next year.
- We have identified and disclosed to you the laws, regulations, and provisions of contracts and grant agreements that could have a direct and material effect on financial statement amounts, including legal and contractual provisions for reporting specific activities in separate funds.
- There are no:
  - Violations or possible violations of laws or regulations, or provisions of contracts or grant agreements whose effects should be considered for disclosure in the financial statements or as a basis for recording a loss contingency, including applicable budget laws and regulations.
  - Unasserted claims or assessments that our lawyer has advised are probable of assertion and must be disclosed in accordance with GASB-62.
  - Other liabilities or gain or loss contingencies that are required to be accrued or disclosed by GASB-62
  - Continuing disclosure consent decree agreements or filings with the Securities and Exchange Commission and we have filed updates on a timely basis in accordance with the agreements (Rule 240, 15c2-12).
- Livermore Area Recreation and Park District has satisfactory title to all owned assets, and there are no liens or encumbrances on such assets nor has any asset or future revenue been pledged as collateral, except as disclosed to you.
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a. We acknowledge our responsibility for the presentation of the required supplementary information in accordance with GASB.
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c. The methods of measurement or presentation have not changed from those used in the prior period.
d. We believe the significant assumptions or interpretations underlying the measurement or presentation of the required supplementary information, and the basis for our assumptions and interpretations, are reasonable and appropriate in the circumstances.

Supplementary Information in Relation to the Financial Statements as a Whole

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a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with GASB.
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e. When the supplementary information is not presented with the audited financial statements, management will make the audited financial statements readily available to the intended users of the supplementary information no later than the date of issuance by the entity of the supplementary information and the auditor's report thereon.
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Pension and Postretirement Benefits

We believe that the actuarial assumptions and methods used to measure pension and other postemployment benefit liabilities and costs for financial accounting purposes are appropriate in the circumstances.

Jeffrey Schneider, Administrative Services Manager

Attachment A
JOURNAL ENTRY REPORT

Adjusting Journal Entries

Adjusting Journal Entries JE# 1			
To agree beginning fund balance to PY audited ending fund balance			
3300-001-000-000	General Fund Balance	3,504	
4918-045-508-106	May Nissen BBQ & South Area Playgrounds		3,504
Total		**3,504**	**3,504**

Adjusting Journal Entries JE# 3			
PBC To correct the prepaid expenses balance			
4465-001-000-000	Professional Services	3,900	
1163-001-000-000	Prepaid Expenses - General		3,900
Total		**3,900**	**3,900**

Adjusting Journal Entries JE# 4			
DO NOT POST - To book balances of capital assets and accumulated depreciation as part of government-wide financial reporting			
4010	Auditor Account Fixed Assets	152,729,126	
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6000	Auditor Account Govt Wide Addtnl Equity		92,087,043
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Adjusting Journal Entries JE# 5			
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5010	Auditor Account Net Pension Liability		15,804,862
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Total		**17,054,669**	**17,054,669**

Adjusting Journal Entries JE# 6			
DO NOT POST - To book balances of OPEB-related items from the GASB 75 actuarial valuation as part of government-wide financial reporting			
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6000	Auditor Account Govt Wide Addtnl Equity	830,382	
5015	Auditor Account Net OPEB Liability		950,150
5040	Auditor Account Deferred Inflows - OPEB		281,862
Total		**1,232,012**	**1,232,012**

Adjusting Journal Entries JE# 7			
DO NOT POST - To book balance of compensated absences as part of government wide reporting.			
6000	Auditor Account Govt Wide Addtnl Equity	643,544	
5020	Auditor Account Compensated Absences		643,544
Total		**643,544**	**643,544**

Reclassifying Journal Entries

Reclassifying Journal Entries JE# 2			
PBC To correct the entry made recording the payout made for the unemployment liability in 2018-19			
2130-001-000-000	Unemployment Payable	261	
4470-001-000-000	Insurance		261
Total		**261**	**261**

Proposed Journal Entries

None.

Livermore Area Recreation and Park District

Staff Report

TO: Chair Palajac and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Patricia Lord, Assistant General Manager

DATE: January 29, 2020

SUBJECT: Support of the 2020 Census

RECOMMENDATION: That the Board of Directors adopt resolution No._____recognizing the importance of the 2020 Census and encouraging all residents to be counted.

BACKGROUND: The U.S. Census is required by Article I, Section 2 of the U.S. Constitution to conduct an accurate count of the population every ten years. The next enumeration will be April 1, 2020 and will be the first to rely heavily on online responses. There are challenges posed to obtaining an accurate and complete count, so the U.S. Census Bureau encourages partnerships with local governments, the State, businesses, schools, and community organizations to conduct outreach and communicate the importance of the 2020 Census.

California receives nearly $77 billion in federal funding that relies, in part, on census data. A complete and accurate count of California's population is essential, and the data collected by the Census determines the number of seats each state has in the U.S. House of Representatives and is used to distribute billions of dollars in federal funds to state and local governments. The data is also used in the redistricting of state legislatures, county board of supervisors and city councils.

By adopting the attached resolution, the Board of Directors will be recognizing the importance of the 2020 U.S. Census and supporting efforts to collaborate with the City of Livermore, Livermore Valley Joint Unified School District, and County of Alameda to ensure a complete, fair and accurate count of all Californians, and declaring April 19-25, 2020 to be "Livermore Counts!" Week.

ATTACHMENT:

A. Draft Resolution Approving a Proclamation in Support of Census 2020
B. Draft Proclamation in Support of Census 2020

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

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DRAFT RESOLUTION NO. _____

A RESOLUTION APPROVING A PROCLAMATION IN SUPPORT OF CENSUS 2020

BE IT RESOLVED that the Board of Directors, as the governing body of the Livermore Area Recreation and Park District hereby approves the attached Proclamation in Support of Census 2020.

ON MOTION of Director _____, seconded by Director _____, the foregoing resolution was passed and adopted this 29th day of January , 2020 by the following roll call vote:

AYES: ***Directors***

NOES:

ABSTENTIONS:

ABSENT:

Approved this 29th day of January, 2020,

____
Jan Palajac
Chair, Board of Directors

ATTEST:

____
Mathew L. Fuzie
General Manager and ex-officio Clerk
to the Board of Directors

Proclamation

Of The

Livermore Area Recreation and Park District

IN SUPPORT OF CENSUS 2020

***WHEREAS**, The United States Census, which is mandated by The Constitution of the United States of America, is intended to enumerate every person residing in the country regardless of citizenship status, and is fundamental to a fair and representative democracy; and*

***WHEREAS**, The United States Census has critical political implications for the State of California as it determines our allocation of seats in the United States House of Representatives, which is important to legislative and budgetary matters; and*

***WHEREAS**, The United States Census count is used to allocate billions of dollars in federal funding for programs, such as, food and nutrition services, health care, special education, foster care, housing, child care, and highways funding; and*

***WHEREAS**, A fair and accurate Census count in 2020 will help ensure that our District's community members are represented in our democracy and receive critical social services, education programs, housing, health care, and transportation; and*

***WHEREAS**, The Livermore Area Recreation and Park District is committed to serving our diverse community and aims to ensure everyone has access to the benefits of parks and recreation; and*

***NOW, THEREFORE**, the Livermore Area Recreation and Park District is joining with the City of Livermore and Livermore Valley Joint Unified School District to support efforts to ensure a complete count of our District residents and has declared April 19-25, 2020 to be Livermore Counts! Week.*

____

Jan Palajac, Chair
Board of Directors

____

Mathew L. Fuzie
General Manager

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Vice Chair, Philip Pierpont

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Board Member, Maryalice Faltings

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Board Member, David Furst

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Board Member, Beth Wilson

Livermore Area Recreation and Park District

Staff Report

TO: Chair Palajac and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Patricia Lord, Assistant General Manager

DATE: January 29, 2020

SUBJECT: Zone 7/Patterson Ranch Trail Naming

RECOMMENDATION: That the Board of Directors approve the proposed trail name of "Patterson Ranch Trail" for the Zone 7/Patterson Ranch trail. Other names considered were "Sage Trail" for the abundance of sage in the area and "Veterans View Trail" suggested because of the views of the Veterans Hospital from the trail.

BACKGROUND: On September 11, 2019, the Board of Directors approved the Recreational Trail Use Agreement with Zone 7 Water Agency for the Patterson Ranch Project, No. 719, also known as Zone 7 Trail Project. The majority of the proposed trail goes through the Patterson Ranch property, now owned by Zone 7.

At the December 11, 2019 Board meeting, the Board reviewed and discussed the District's Policy No. FAC-8-02101 "Joint Policy for Naming Recreational and Municipal Facilities" and directed staff to explore trail name options and provide a recommendation. Proposed trail names for Board consideration are:

- Patterson Ranch Trail
- Sage Trail
- Veteran's View Trail

Staff recommends "Patterson Ranch Trail" as the name honors the history of the Livermore area. According to Historic Livermore, California by Anne Marshall Homan, Nathaniel Greene Patterson lived from 1820 to 1887. He first came to California in 1846 and served under Fremont in the Mexican-American war. Patterson became a member of a secret sheriff's posse formed to protect settlers from bandits. In 1854, he settled on property south of Livermore and gradually acquired more land and expanded into raising cattle and horses. In the 1860 census, Patterson labeled himself a "ranchero." Veterans View and Sage did not seem to carry the preponderance of support that would be required by our Trail Naming Policy.

	COMMITTEES SINCE BOARD MEETING	
	OF JANUARY 8, 2020	
*=Written Report		
	STANDING COMMITTEES	
Date	**Committee**	**Chair & Member**
1/23	Facilities	Furst/Palajac
1/27	Finance	Faltings/Pierpont
	Intergovernmental-EBRPD	Palajac/Pierpont
	Intergovernmental-LVJUSD/COL/LARPD	Palajac/Pierpont
	Personnel	Wilson/Faltings
	Program	Furst/Wilson
	AD HOC COMMITTEES	
Date	**Committee**	**Chair & Member**
1/21	Ad Hoc Facilities re: Memorial & Commemorative Program	Pierpont/Wilson
	COMMUNITY OUTREACH LIAISON	
Date	**Committee**	**Member**
	Ala. Co. Special Districts Assn.	Faltings
	Chamber of Commerce Business Alliance	Furst
	Community Gardens	Wilson
	ESS Parent Advisory Commission	Pierpont
1/21	LARPD Foundation	Faltings
	Livermore Cultural Arts Council	Wilson
1/21	Livermore Downtown, Inc.	Palajac
	Ravenswood Progress League	Pierpont
	Safe Parking Program	Furst/Palajac
		ITEM NO. 6