Livermore Area
Recreation and Park District
An independent special district

Board of Directors

James E. Boswell	Maryalice Faltings	David Furst	Jan Palajac	Philip Pierpont
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 based on race, color, religion, national origin, ancestry, sex, disability, age, or sexual orientation in the provision of any services, programs, or activities. To arrange accommodation to participate in this public meeting, please call (925) 373-5725 or e-mail Lvanbuskirk@larpd.org by noon on the day before the meeting.

NOTICE OF REGULAR MEETING OF THE BOARD OF DIRECTORS

WEDNESDAY, JANUARY 31, 2024
5:00 P.M.

ROBERT LIVERMORE COMMUNITY CENTER
4444 EAST AVENUE, LIVERMORE, CALIFORNIA
SYCAMORE ROOM

* AGENDA

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

2. PUBLIC COMMENT

During this comment period, any person is invited to speak on any topic that is not listed on this agenda. Action may not be taken on any matter raised during this public comment period until the matter is specifically listed on a future agenda. Those who wish to comment on an item that has been listed on this agenda may comment when that item has been opened up for consideration by the Board and before any action is taken.

*REVISED TO ADD SUPPLEMENTAL ITEMS 6.1 AND 11.1

3. PROCLAMATION AND PRESENTATION

3.1 **2024 LIVERMORE AMBASSADOG**

The Board will present a Proclamation to the 2024 Livermore Ambassadog.

4. CONSENT ITEMS (Motion)

4.1 Approval of the Minutes of the Regular Board Meeting on January 10, 2024.

5. DISCUSSION AND ACTION ITEMS

The LARPD Board of Directors will review and discuss taking appropriate action with respect to the following matters:

5.1 **DISTRICT AUDIT FOR FISCAL YEAR 2022-2023**

The District audit for Fiscal Year 2022-2023 has been completed. The Board will conduct a review of the Audit Report and consider acceptance. (Motion)

6. INFORMATIONAL ITEMS (No Action Required)

6.1 **MID-YEAR ACTUALS**

The General Manager will provide a financial update on current financial matters.

7. COMMITTEE REPORTS

8. FUTURE AGENDA ITEMS/MATTERS INITIATED/ANNOUNCEMENTS BY THE DIRECTORS

9. FUTURE AGENDA ITEMS/MATTERS INITIATED/ANNOUNCEMENTS BY THE GENERAL MANAGER

10. OPEN SESSION DISCLOSURE REGARDING CLOSED SESSION ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54957.7

11. CLOSED SESSION

11.1 **CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**

Significant exposure to litigation pursuant to paragraph (2) of subdivision (d) of California Government Code section 54956.9: one (1) potential case

12. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54957.1

13. ADJOURNMENT

Proclamation

Of The

Livermore Area Recreation and Park District

Boomer Bowers
As 2024 LIVERMORE AMBASSADOG

WHEREAS, *Boomer Bowers is an English cream labrador retriever of the genus canis, born on April 16, 2015 and became an integral part of the Bowers family at just over eight weeks old, weighing in at that time at 14 lbs; and*

WHEREAS, *Boomer is a "working" dog with a strong work ethic; and he happily retrieves the daily newspaper – rain or shine, puts away his stuffed toys in a basket, and has served as an unofficial "comfort companion" to people of all ages in Livermore; and*

WHEREAS, *Boomer is naturally outgoing, friendly and affectionate with everyone he encounters and loves to interact with everyone he meets, although occasionally he exhibits a slight stubborn streak; and*

WHEREAS, *Boomer volunteered for every community vaccination clinic jointly hosted by the LARPD, LVJUSD and City of Livermore during the height of the pandemic, to provide a calming and soothing presence; and*

WHEREAS, *Boomer "threw" out the first pitch for 2022 Livermore Little League baseball Opening Day ceremonies; and*

WHEREAS, *Boomer has visited nearly every park, dog park and trail in Livermore and has participated in LARPD Dogtoberfest, LARPD Guiness Book of Work Record contests for the most dogs assembled in one place wearing a bandana, and the annual Race to the Flagpole sponsored by the Livermore – Granada Boosters; and*

WHEREAS, *the Bowers family has generously supported the Valley Humane Society over the years, which works to save and improve the lives of Tri-Valley companion animals, through direct donations and by donating handcrafted dog beds made from wine barrels from local wineries; and*

NOW, THEREFORE, BE IT RESOLVED *that the Livermore Area Recreation and Park District hereby confers on Boomer the distinct honor of serving as the 2024 Livermore Ambassadog with all rights and privileges herein and wishes Boomer well as he pleasantly paws his way through Livermore in his new role for our dog-friendly community.*

DATED this 31st day of January, 2024

____
David Furst, Chair
Board of Directors

____
Vice Chair, Jan Palajac

____
Board Member, Philip Pierpont

____
Mathew L. Fuzie
General Manager

____
Board Member, Maryalice Summers Faltings

____
Board Member, James Boswell

Livermore Area
Recreation and Park District
An independent special district

REGULAR MEETING of the BOARD OF DIRECTORS

DRAFT MINUTES

WEDNESDAY, JANUARY 10, 2024

5:00 P.M.

Robert Livermore Community Center
4444 East Avenue, Livermore, California
Sycamore Room

DIRECTORS PRESENT:	Directors James Boswell, Maryalice Faltings, Philip Pierpont, Vice Chair Jan Palajac, Chair David Furst
DIRECTORS ABSENT:	None
STAFF MEMBERS PRESENT:	Mathew Fuzie, Linda VanBuskirk, Patrick Lucky
DISTRICT COUNSEL:	Andrew Shen, Esq. with Renne Public Law Group
OTHERS PRESENT:	Public member Ryan Blake and his minor son

1. **CALL TO ORDER – ROLL CALL – PLEDGE OF ALLEGIANCE:**
   Chair Furst called the meeting to order at 5:00 p.m. All Directors were present. Chair Furst led the Pledge of Allegiance.

   Legal Counsel Andrew Shen was introduced and welcomed by the Board.

2. **PUBLIC COMMENT:** Ryan Blake, a Livermore resident, addressed the Board regarding the need for more sports facilities in Livermore.

   Chair Furst stated that there will be no Closed Session items this evening, so Items 8, 9 and 10 were pulled from the Agenda.

3. **CONSENT ITEMS:**
   3.1 Approval of the Minutes of the Regular Board Meeting on December 13, 2023;
   3.2 General Manager's Monthly Update to the Board on Issues and Projects – January 2024;
   3.3 Revisions to Board Policy No. 2000 – Personnel.

   Chair Furst pulled Item 3.3 from the Consent Agenda and added it to the Discussion Items as Item 4.3 for further discussion.

MOTION:
Moved by Director Palajac, seconded by Director Faltings, approved the Consent Agenda items 3.1 and 3.2, by the following roll call vote:

AYES:	*Directors Pierpont, Boswell, Faltings, Palajac, and Chair Furst (5)*
NOES:	*None (0)*
ABSTENTIONS:	*None (0)*
ABSENT:	*None (0)*

4. DISCUSSION AND ACTION ITEMS

4.1 DIRECTOR ATTENDANCE AT 2024 CONFERENCES

GM Fuzie commented, there is no longer a cap on the budget for how many conferences a Director may attend. Chair Furst suggested each Director review the list carefully and send an email to Executive Assistant (EA) Linda VanBuskirk with their desired conference sessions.

Board Comments/Questions:

- Director Palajac commented that she and GM Fuzie attended the ACSDA meeting today where they learned that the Special Districts Legislative Days to be held on May 21 and 22 are going to be structured differently this year and to keep that in mind when reviewing conferences, as it may be of interest.
- Director Boswell commented that some of the breakout sessions may be of interest for staff. If that appears to be the case, he suggests sharing that information with GM Fuzie, who can recommend staff members for attendance. Board Members expressed agreement with this suggestion.

DIRECTION:

- o Directors were instructed to review the list carefully and send an email to Executive Assistant (EA) Linda VanBuskirk with their desired conference sessions prior to any designated Early Bird Registration to save some money.

4.2 2024 COMMITTEE APPOINTMENTS

Chair Furst indicated he had a request to make a change to one of the Committee assignments. Under Community Outreach Liaison - Alameda County Special Districts Association, the alternate is listed as Director Faltings, who is not available. Director Pierpont and Director Boswell each expressed their respective scheduling conflicts, thus, the new alternate will be Director Palajac.

The Board of Directors had no further comments or questions. This was information only and no Board action was taken.

4.3 REVISIONS TO BOARD POLICY NO. 2000: PERSONNEL

Chair Furst earlier pulled Item 3.3 from the Consent Agenda and added it to the DISCUSSION AND ACTION ITEMS as Item 4.3 because it required a Board resolution.

The Board's directive at the December 13, 2023 meeting was to make the discussed changes to Board Policy 2000 – Personnel and bring it back to the next meeting on the Consent Agenda.

The Board of Directors had no further comments or questions.

RESOLUTION:
Moved by Director Pierpont, seconded by Director Faltings, adopted Resolution No. 2803, approving revisions to Board Policy 2000: Personnel, by the following roll call vote:

AYES:	*Directors Boswell, Palajac, Faltings, Pierpont, and Chair Furst (5)*
NOES:	*None (0)*
ABSTENTIONS:	*None (0)*
ABSENT:	*None (0)*

5. COMMITTEE REPORTS

a) Director Palajac reported on her attendance, along with Director Furst, at the December 14, 2023 Facilities Committee meeting. Summer plans for Camp Shelly were discussed at that meeting. Its agenda was included in the Board agenda packet.
b) Director Palajac reported on her attendance, along with Director Furst, at the January 8, 2024 Personnel Committee meeting. The 2024 HR calendar was reviewed during that meeting. Its agenda was included in the Board agenda packet.
c) Director Palajac also reported on the January 10, 2024 ACSDA meeting. At that meeting, Alameda County Water District gave a presentation on their operations.
d) Director Palajac reported on her attendance at the January 8, 2024 meeting of the LARPD Foundation. Its agenda was included in the Board agenda packet.
e) Director Furst reported on his attendance, along with GM Fuzie, at the December 19, 2023 Intergovernmental Committee meeting. It was held at the Livermore Valley Joint Unified School District (LVJUSD) office, and its agenda was included in the Board agenda packet. GM Fuzie added, we are still working through our Master Property Agreement with the LVJUSD.
f) Director Furst reported on his attendance at the January 10, 2024 Chamber of Commerce Business Alliance meeting. The guest speaker was Yolanda Fintschenko, PhD, Executive Director of Daybreak Labs, who have a variety of programs; one is a non-profit that helps people with no experience or knowledge to learn how to begin a start-up.
g) Director Pierpont reported that he did not attend the December 19, 2023 Livermore Downtown, Inc. meeting, but noted it was a welcome meeting for new members.

6. FUTURE AGENDA ITEMS/MATTERS INITIATED/ANNOUNCEMENTS BY THE DIRECTORS

a) Director Faltings shared that she and GM Fuzie attended the Livermore Rotary meeting earlier that day. They awarded their educational grant (nearly $16k) for outdoor sports.
b) Director Palajac noted that Santa Cruz County has a policy on AI. This is something she believes the LARPD should look at. Chair Furst directed this to be assigned to the Program Committee for initial review.

c) Director Boswell shared that he has been attending the Urban Growth Boundary (UGB) meetings. One of the key things that has come up each time has been that the City of Livermore (COL) Planning Department has been asking for public comment. Public input is being prioritized at these meetings and includes such items as a sports complex.

7. FUTURE AGENDA ITEMS/MATTERS INITIATED/ANNOUNCEMENTS BY THE GENERAL MANAGER

GM Fuzie made the following announcements:

a) For the Board's awareness, LARPD has received 18 responses to the Request for Qualifications for On-Call Professional Services (Engineering, Architectural Design, Construction Project Management.)

b) He has been getting a lot of comments at Rotary meetings about the Bothwell Center.
   - Chair Furst confirmed with Director Boswell (the 2024 Chair of the Facilities Committee) that he would like both of these topics (RFQ responses for contractors and Bothwell Center) to be slated for an upcoming Facilities Committee meeting agenda.

     Public Comment: Member of the public, Ryan Blake commented that his son has attended many art classes at the Bothwell and has found it a great way to spark his creativity. Would like to see this hidden gem continue.

~~**8. OPEN SESSION DISCLOSURE REGARDING CLOSED SESSION ITEMS PURSUANT TO GOVERNMENT CODE SECTION 54957.7**~~

At the beginning of this meeting, Chair Furst stated that there will be no Closed Session items this evening. Items 8, 9 and 10 were pulled from the Agenda.

~~**9. CLOSED SESSION**~~

~~**9.1 PUBLIC EMPLOYEE PERFORMANCE EVALUATION**~~

~~Pursuant to Government Code Section 54957~~

~~Title: General Manager~~

~~**9.2 CONFERENCE WITH LEGAL COUNSEL – ANTICIPATED LITIGATION**~~

~~Pursuant to California Government Code Section 54956.9(d)(2): (2 cases)~~

~~**10. RETURN TO OPEN SESSION; REPORT ON CLOSED SESSION – PURSUANT TO GOVERNMENT CODE SECTION 54957.1**~~

11. ADJOURNMENT: The meeting was adjourned at 5:38 p.m.

APPROVED,

____
David Furst
Chair, Board of Directors

ATTEST:

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

LVB/ph

Livermore Area Recreation and Park District
Staff Report

TO: Chair Furst and Board of Directors

FROM: Mathew Fuzie, General Manager

PREPARED BY: Julie Dreher, Finance Officer

DATE: January 31, 2024

SUBJECT: Agenda Item 5.1: District Audit for Fiscal Year 2022-2023

COMMITTEE: Finance Committee received preliminary view (January 22, 2024)

RECOMMENDATION: That the Board of Directors accept the Fiscal Year 2022-2023 District Audit.

BACKGROUND: District auditors, James Marta & Company, LLP, conducted an annual audit of the District's financial reporting and processes for Fiscal Year (FY) 2022-23, and their work is reflected in the complete audit report (a hard copy of the "Independent Auditor's Report" will be delivered to the board alongside this staff report), and in **Attachment A** ("Communication with Those Charged with Governance"). Embedded in the Independent Auditor's Report is Management's Discussion and Analysis (MD&A), which is also included as **Attachment B**. The MD&A is Staff's contribution to the Auditor's Report and is meant to complement the work of James Marta and assist the Board and other readers in gauging the financial results of the District for FY2022-23. **Attachment C** is a copy of a PowerPoint presentation, compiled by James Marta, that will be reviewed with the Board during the meeting. **Attachment D** is the entire Auditor's Report.

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.

2. The District received a clean audit for its on-going financial operations: no control deficiencies or material weaknesses were identified, and the financial statements included in the Independent Auditor's Report represent, fairly, the financial position of the District (an unmodified opinion, the best an auditor can give).

Attachments:

A: James Marta's "Communication with Those Charged with Governance".

B: Staff's "Management Discussion and Analysis" (a component of the overall Independent Auditor's Report).

C: James Marta's Presentation to be made to the Board of Directors at this meeting.

D: The Independent Auditor's Report

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, 2023 and have issued our report thereon dated January 19, 2024. 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 March 7, 2022, 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 19, 2024.

Planned Scope and Timing of the Audit

In addition to our original planned scope we previously communicated to you, in agreement with management, we changed the scope and timing of the audit in order to perform additional procedures over the capital assets.

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. Other than the GASB 96 policy, there have been no other selections of accounting policies and no changes in significant accounting policies or their application for the year ended June 30, 2023. 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. However, there are new Governmental Accounting Standards that may affect the District in future years. See Attachment III.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments. The most significant estimates are those regarding pension liability, the OPEB liability and the collectability of receivables.

Management's estimate of pension liability and OPEB liability are 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 19, 2024. 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, 2023, 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

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 19, 2024

Corrected Misstatements:

Adjusting Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 2			
Net effect of the reimbursemement from Capri			
1160-001-000-000	Prepaid Expenses Workers Comp	23,863.00	
4130-001-000-000	Workers Compensation		23,863.00
Total		**23,863.00**	**23,863.00**

Reclassifying Journal Entries

Account	Description	Debit	Credit
Reclassifying Journal Entries JE # 3			
PBC - Reclass scoreboard deposit.			
1168-001-000-000	Prepaid Expense - Aquatics Scoreboard	45,838.00	
4950-005-000-000	Capital Equipment		45,838.00
Total		**45,838.00**	**45,838.00**

Proposed Journal Entries

None.

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 19, 2024

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, 2023 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 19, 2024:

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated March 7, 2022, 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.
- We have reviewed and approved the restatement of beginning net position reflect in audit statements.
- 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.

Julie Dreher

Julie Dreher, Finance Officer

Attachment A

JOURNAL ENTRY REPORT

Adjusting Journal Entries

Account	Description	Debit	Credit
Adjusting Journal Entries JE # 2			
Net effect of the reimbursemement from Capri			
1160-001-000-000	Prepaid Expenses Workers Comp	23,863.00	
4130-001-000-000	Workers Compensation		23,863.00
Total		**23,863.00**	**23,863.00**

Reclassifying Journal Entries

Account	Description	Debit	Credit
Reclassifying Journal Entries JE # 3			
PBC - Reclass scoreboard deposit.			
1168-001-000-000	Prepaid Expense - Aquatics Scoreboard	45,838.00	
4950-005-000-000	Capital Equipment		45,838.00
Total		**45,838.00**	**45,838.00**

Proposed Journal Entries

None.

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. 99, Omnibus 2022
Effective dates vary

The objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing (1) practice issues that have been identified during implementation and application of certain GASB Statements and (2) accounting and financial reporting for financial guarantees. The practice issues addressed by this Statement are as follows:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, Accounting and Financial Reporting for Derivative Instruments, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument – *Effective for the fiscal year ending June 30, 2024*
- Clarification of provisions in Statement No. 87, Leases, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives – *Effective for the fiscal year ending June 30, 2023*
- Clarification of provisions in Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset – *Effective for the fiscal year ending June 30, 2023*
- Clarification of provisions in Statement No. 96, Subscription-Based Information Technology Arrangements, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability – *Effective for the fiscal year ending June 30, 2023*
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt – *Effective immediately*
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP) – *Effective immediately*
- Disclosures related to nonmonetary transactions – *Effective immediately*
- Pledges of future revenues when resources are not received by the pledging government – *Effective immediately*
- Clarification of provisions in Statement No. 34, Basic Financial Statements—and Management's Discussion and Analysis—for State and Local Governments, as amended, related to the focus of the government-wide financial statements – *Effective immediately*
- Terminology updates related to certain provisions of Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position – *Effective immediately*
- Terminology used in Statement 53 to refer to resource flows statements. – *Effective immediately*

We do not expect this standard to have any significant impact on the District.

GASB Statement No. 100, Accounting Changes and Error Corrections—an amendment of GASB Statement No. 62
Effective for the fiscal year ending June 30, 2024

The primary objective of this Statement is to enhance accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability.

This Statement defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

This Statement prescribes the accounting and financial reporting for (1) each type of accounting change and (2) error corrections. This Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

We do not expect this standard to have any significant impact on the District.

GASB Statement No. 101, Compensated Absences
Effective for the fiscal year ending June 30, 2025

The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures.

We do not expect this standard to have any significant impact on the District.

LIVERMORE AREA RECREATION & PARK DISTRICT
Management's Discussion and Analysis
Year Ended June 30, 2023

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, 2023.

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, 2023.

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 on general fund accounting, though we isolate Capital Improvement Program (CIP) related income (AB1600 developer fees) and spending from on-going operations, as well as one-time funding from other sources in our regular financial reviews. In reviewing results vs Budget, this narrative will focus on actual results versus the Final Budget, approved mid-year.

1. As the District looks to address deferred maintenance needs in its plans, the net change in the fund balance, while negative for the 22-23 Fiscal Year, is very favorable in relation to the FY22-23 Final Budget. Considering operating results and Capital-related inflows (AB1600 funding) and outflows, the net change in the General Fund in FY22-23 is ($329,691), which is $1,006,776 better than the Final Budget of ($1,336,467).

    a. Operating results (revenue less operating expenses) prior to Capital Equipment, CIP income and outlays are $1,934,120 ($658,637 better than the Final Budget of $1,275,483).

        i. The favorable Operating Contribution variance versus Budget of $658,637 is primarily due to favorable variances in tax revenues, earned income, and other revenues of $218,532, $114,242, and $86,124 respectively, with operating expenditures accounting for the remaining favorable variance of $239,739.

        ii. Operating revenue from services and property/parcel taxes was $22,972,361, or $418,898 (1.9%) above the FY22-23 Final Budget of $22,553,463. Revenue from programs and services of $7,832,593 was

$114,242, or 1.5% favorable versus the Final Budget. Tax revenues of $15,053,644, are $218,532, or 1.5%, above the Final Budget, and are $1,197,731, or 8.6% above FY22-23 results.

iii. Operating expenses, excluding capital equipment and CIP, of $21,038,241 is $239,739 (1.1%) below the Final Budget.

b. The net of Capital Development Revenues ($160,556) and Total Capital Project spend (Equipment plus CIP) of $2,424,367 is ($2,263,811) and reflects the following:

   i. Significant CIP spending of $1,913,862 from the General Fund (projects that did not qualify for AB1600 developer fee revenues) for projects including Robertson Park Synthetic Turf ($1,604,615), Rodeo Stadium ($253,333), Trevarno Sewer Project ($49,515), and Trevarno HVAC Replacement ($6,399).

   ii. Capital Development Revenues are $100,958 below the FY22-23 Final Budget, largely because AB1600 developer fee funding for a few projects that were budgeted FY22-23 did not get completed during the fiscal year ($44,495 for Patterson Ranch Trail project, $79,732 for Sycamore Grove Restroom, and a modest amount of savings on the Joe Michell Building, partially offset by spend that occurred earlier than anticipated on the Sunken Gardens Pump Track).

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.

Statement of Net Position

	June 30, 2023	June 30, 2022	Amount Increase (Decrease)	Percent Increase (Decrease)
Current Assets	$ 12,763,676	$ 13,085,868	$ (322,192)	-2%
Capital Assets, Net	66,469,646	67,785,992	(1,316,346)	-2%
Total Assets	79,233,322	80,871,860	(1,638,538)	-2%
Deferred Outflows of Resources	6,169,624	3,795,574	2,374,050	63%
Current Liabilities	3,722,130	3,040,167	681,963	22%
Long-Term Liabilities	18,469,357	6,736,830	11,732,527	174%
Total Liabilities	22,191,487	9,776,997	12,414,490	127%
Deferred Inflows of Resources	1,111,138	9,688,559	(8,577,421)	-89%
Net Investment in Capital Assets	65,208,598	66,524,944	(1,316,346)	-2%
Restricted Net Position	458,373	407,173	51,200	13%
Unrestricted Net Position	(3,566,650)	(1,730,239)	(1,836,411)	106%
Total Net Position	$ 62,100,321	$ 65,201,878	$ (3,101,557)	-5%

1. For the year-ended June 30, 2023, Net Capital Assets total $66,469,646, with Land now amounting to $33,513,302, Construction in Progress totaling $1,074,359 (CIP projects not yet completed by June 30, 2023, the largest being $508,302 for the Trevarno Sewer Project and $305,068 for the Rodeo Stadium Infrastructure project, both of which were completed in early FY23-24), and $31,881,985 in the form of net depreciable capital assets (facilities, recreation/playground fixtures, vehicles, and equipment, with the largest including the Robert Livermore Community Center complex that had a net book value of $10,746,855 as of June 30, 2023).

2. The District's Current Assets as of June 30, 2023, total $12,763,676 and consist primarily of Cash balances ($11,616,182), Accounts Receivable ($1,101,656), and Prepaid Expenses of $45,838.

3. The other noteworthy component of this schedule is the change in Long-term Liabilities, from $6,736,830 to $18,469,357. As of June 30, 2023, the list of long-term liabilities has not changed, but the specific balances have, particularly those related to the ACERA Pension and OPEB liabilities: largely because of negative investment performance in 2022 that did not meet ACERA's expectations. As of June 30, 2023, the District's net Pension Liability and Other Post-Employment Benefits (OPEB) liabilities stand at $5,617,872 and $790,699, respectively. The remaining POB balance as of June 30, 2023, is $11,665,000 ($11,100,000 long-term, $565,000 is due within one year and thus current), and the PG&E on-bill financing balance is now $1,103,417 ($945,786 is long-term and $157,631 is current). Finally, the remainder of the District's long-term liabilities is associated with the $675,522 of compensated balances.

4. The District's current liabilities of $3,061,608 include: $601,507 in accounts payable, $722,631 for debt obligations due within one year ($565,000 for the POBs and $157,631 for the PG&E on-bill financing), $611,013 in deferred revenue (receipts for classes and events that will occur in the following fiscal year), $752,494 related to accrued payroll for the pay period split between FY22-23 and FY23-24, $106,459 in accrued interest on the POBs, and $267,504 in miscellaneous other liabilities (security deposits, retirement payable, miscellaneous vendor accruals, etc.).

5. Deferred Outflows and Inflows: Deferred outflows include contributions after the ACERA measurement date of December 31, 2021, for FY21-22 and December 31, 2022, for FY22-23. Deferred outflows grew from $3,795,574 to $6,169,624, with $5,225,577 relating to the UAAL and $944,047 relating to OPEB. Deferred inflows declined from $9,688,559 in the prior year to $1,111,138 for FY22-23, driven largely by the lower-than-expected earnings of ACERA's investment activities.

Statement of Activities

	June 30, 2023	June 30, 2022	Amount Increase (Decrease)	Percent Increase (Decrease)
Program Revenues:				
Charges for services	$ 7,071,634	$ 5,756,037	$ 1,315,597	23%
Operating grants and contributions	760,959	889,841	(128,882)	-14%
Capital grants and contributions	160,556	2,631,839	(2,471,283)	-94%
Total Program Revenues	7,993,149	9,277,717	(1,284,568)	-14%
General Revenues:				
Property taxes	15,053,644	13,855,913	1,197,731	9%
Miscellaneous	86,124	-	86,124	N/A
Total General Revenues	15,139,768	13,855,913	1,283,855	9%
Total Revenues	23,132,917	23,133,630	(713)	0%
Program Expenses:				
Parks and recreation	26,234,474	21,467,245	4,767,229	22%
Change in Net Position	(3,101,557)	1,666,385	(4,767,942)	-286%
Net Position, Beginning, as originally reported	65,201,878	63,535,493	1,666,385	3%
Net Position, Beginning, as restated	65,201,878	63,535,493	1,666,385	3%
Net Position, Ending	$ 62,100,321	$ 65,201,878	$ (3,101,557)	-5%

1. The highlight here is how the District continued to expand its services and program offerings relative to the prior year. While the District aims to address deferred maintenance needs, causing an increase in program expenses, the District's Charges for Services (program revenues) grew by 23%.

2. Total District Revenues, including Capital Grants and Contributions (which is primarily associated with AB-1600 developer fees), but excluding the one-time COVID relief funds received in FY21-22, were up $1,222,745 or 6% versus the previous year. Leading the increase versus FY21-22 are Program revenues (Charges for Services), which grew by $1,315,597, or 23%, and tax revenues, which grew by $1,197,731, or 9%.

   a. Operating Grants and Contributions declined by $128,882 as the closure of the ESS programs at Marylin, Junction, and Lawrence resulted in a decrease in Hively enrollment and funding for financial assistance for childcare. Aside from the Hively funding, this line item also includes $200,000 in funding from East Bay Regional Park District to contribute to operating support of our open space parks, $115,512 in grant funding for ESS, and a $63,699 grant from Alameda County for portable generator connectivity for emergency purposes.

   b. Capital Contributions and Grants are associated with AB1600 developer fees ($160,556) used to finance the majority of CIP project activity for projects that increase park/facility capacity. Due to the nature of the CIP projects during FY22-

23, most were funded through the General Fund, which resulted in a $2,471,283 decrease in Capital Contributions and Grants from the prior year.

c. Operating Revenues from Property and Parcel Taxes reached $15,053,644, an increase of 9% versus prior year, with the majority of the growth coming from property taxes (the District's parcel taxes are constrained by the measure that established it at 2% growth per equivalent dwelling unit (EDU, essentially a single-family dwelling) per year).

3. Total District Expenses, based on full accrual accounting (e.g., including depreciation expense as opposed to one-time capital outlays and entries related to Net Pension and OPEB expense) were $26,234,474, which is $4,767,229, or 22%, above the prior year. This increase is largely driven by operational changes which are noted below:

    a. Salaries & Benefits expenses totaled $12,810,613, which is $950,823, or 8%, above the prior year. Over the last few years, the District has focused on adding service delivery resources, largely in the form of increasing the number of part-time non-benefited staff to support the District's enhanced program and services offerings. In addition, the District provided a 3% COLA in July 2022, as well as annual step increases to employees who were not capped out on their salary scale. Finally, the District was faced with higher than anticipated increases in medical and dental benefit plans, which resulted in an increase in Employee Group Insurance expenses.

    b. Services and Supplies expenses amounted to $8,227,628, up $1,180,502 or 17%, versus the prior year. One of the main drivers of the year-over-year increase in these expenses was a shift in philosophy with regards to how capital projects are classified. Beginning in FY22-23, any project under $250k was considered operating capital, and therefore, included in the District's Operating Budget as opposed to the CIP Budget where it previously resided. In addition, the District utilized a landscape contract service to fill some of the vacancies in the parks department, resulting in an increase of $179,654 in professional service spend. While electricity and gas expenses rose substantially, water expenses more than made up for the shortfall due to the overabundance of rain during early 2022. Unfortunately, as a result of the storms, the District was faced with unexpected expenses due to downed trees and flooding. Lastly, as FY22-23 was an election year, the District incurred election expenses of $200k in order to successfully fill the three vacant Board seats.

CAPITAL ASSETS

As of June 30, 2023, the District had $66,469,646 in Capital Assets net of depreciation, down $1,316,346, or 2%, versus the prior year, as the District's capital spend in FY22-23 of $2,424,369 was outweighed by incremental depreciation of $3,740,715.

	June 30, 2023	June 30, 2022	Amount Increase (Decrease)	Percent Increase (Decrease)
Land	$ 33,513,302	$ 33,513,302	$ -	0%
Construction in Progress	1,074,359	2,107,138	(1,032,779)	-49%
Depreciable Assets	107,408,145	103,950,997	3,457,148	3%
Capital Asset at Cost	141,995,806	139,571,437	2,424,369	2%
Less Accumulated Depreciation	(75,526,160)	(71,785,445)	(3,740,715)	5%
Capital Assets, Net	$ 66,469,646	$ 67,785,992	$ (1,316,346)	-2%

1. Construction in Progress, which is comprised of Capital Improvement Program (CIP) projects not yet completed by June 30, 2023, totals $1,074,359, and includes $508,302 for the Trevarno Sewer Project and $305,068 for the Rodeo Stadium Infrastructure project, both of which were completed in early FY23-24. Other in-progress projects include the Sycamore Grove Restroom ($125,028), Sunken Gardens Pump Track ($63,456), and the Patterson Ranch Trail ($72,505).

2. Depreciable Assets increased by $3,457,148. Asset additions include $1,604,615 for Robertson Park Synthetic Turf replacement, $1,489,266 for the Joe Michell ESS Buildings, and $363,267 of miscellaneous equipment (mowers, handfed chippers, HVAC replacement, etc.).

BUDGETARY PROCESS

In its commitment to fiscal responsibility, the District adopts an annual operating budget that reflects an activity-based budgeting approach that is applied to all elements of the District's operating plan for the upcoming fiscal year, and a multi-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 Finance Officer:

Julie Dreher, Finance Officer
Livermore Area Recreation & Park District
4444 East Avenue
Livermore, CA 94550
(925) 373-5726
jdreher@larpd.org

LIVERMORE AREA RECREATION AND PARK DISTRICT
SUMMARY OF AUDIT RESULTS
FISCAL YEAR END

Presented by

Spencer Blanda, Staff Accountant

James Marta & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

ITEM NO. 5.1 - ATTACHMENT C

Agenda

- Communications with Those Charged with Governance
- June 30, 2023, Livermore Area Recreation and Park District (LARPD) Financial Information and Auditor's Report
- Independent Auditor's Report On Internal Control And Compliance

ITEM NO. 5.1 - ATTACHMENT C

COMMUNICATION WITH THOSE CHARGED WITH GOVERNANCE

James Marta & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

SCOPE OF ENGAGEMENT

- Financial Audit
  - Governmental activities
  - General Fund
  - Notes to the financial statements
  - Required supplementary information (limited procedures)
- Report on Internal Control and Compliance
- Report to Those Charged With Governance

Professional standards require that we provide you with information related to our audit of LARPD. This information is summarized as follows:

- Responsibilities and Opinion
  - Financial statements are the responsibility of management
  - Our responsibility is to express an audit opinion
  - We issued an unmodified opinion (the best an auditor can give)

ITEM NO. 5.1 - ATTACHMENT C

Planning and Communication

- Worked closely with the management team.
  - Preliminary questions and opinions
  - Ongoing accounting and allocation issues
  - Compliance

ITEM NO. 5.1 - ATTACHMENT C

REPORT TO YOU - INTERACTIONS WITH MANAGEMENT

Management Consultations with Other Independent Accountants:

- ✓ None

Disagreements with Management of Difficulties Encountered:

- ✓ None

Management Representations:

- ✓ Received

REPORT TO YOU

QUALITATIVE ASPECTS OF ACCOUNTING PRACTICES

- Significant Accounting Policies and Changes in Those Policies - No changes
- Management Judgments and Accounting Estimates
  - Net Pension and OPEB liabilities

AUDIT PROCEDURES

- An Audit is more than just assurance regarding the fairness of presenting financial statements. An Audit involves gaining an understanding of the organization’s systems and controls.
  - Understanding – systems, policies and procedures
  - Tests of control
  - Gathering other audit evidence, review of details, performing test calculations.
  - Review of accounting methods and reporting

RESULTS OF THE AUDIT

Consideration Area	Result
Planned Scope and Timing	Staff availability during the agreed upon field work dates; additional procedures and consultation necessary for chart of accounts and capital assets
Findings Identified in Performing the Audit	None
Significant Adjustments or Disclosures Not Reflected in the Financial Statements	None

FINANCIAL STATEMENTS
WITH INDEPENDENT AUDITOR'S REPORT

James Marta & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

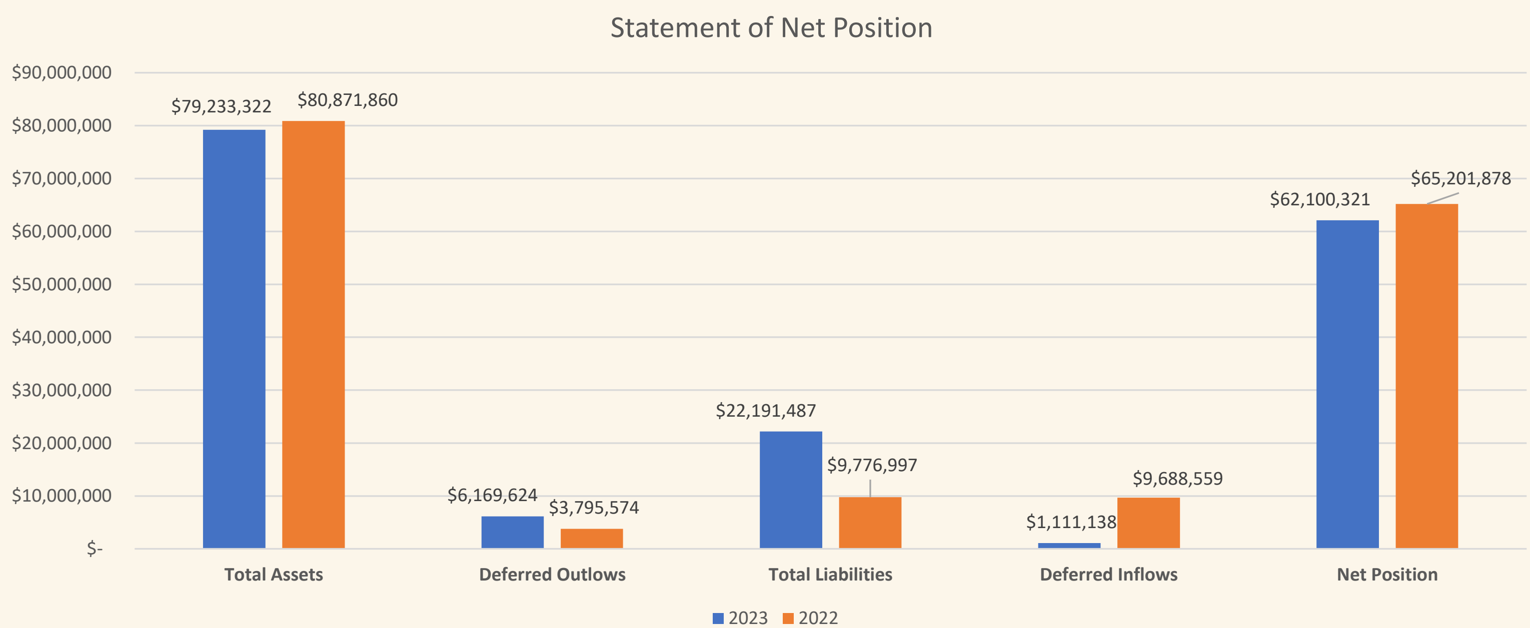
INDEPENDENT AUDITOR'S REPORT

- Pages 1-3 of the Audited Financial Statements
- Unmodified Opinion (Page 1) – the best opinion that we can provide

STATEMENT OF NET POSITION

Primary Drivers:

- Total assets down $1.6M
- Deferred outflows up $2.3M
- Total Liabilities up $12.4M
- Deferred inflows down by $8.6M
- Net position down by $3.1M

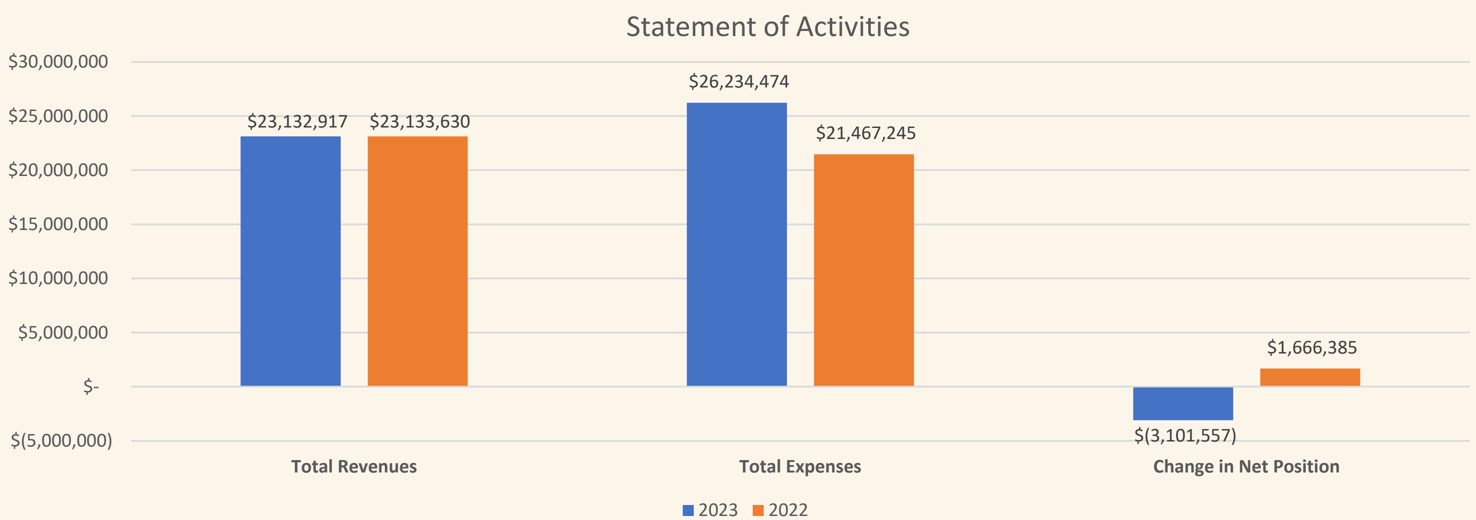


ITEM NO. 5.1 - ATTACHMENT C

STATEMENT OF ACTIVITIES

Primary Drivers:

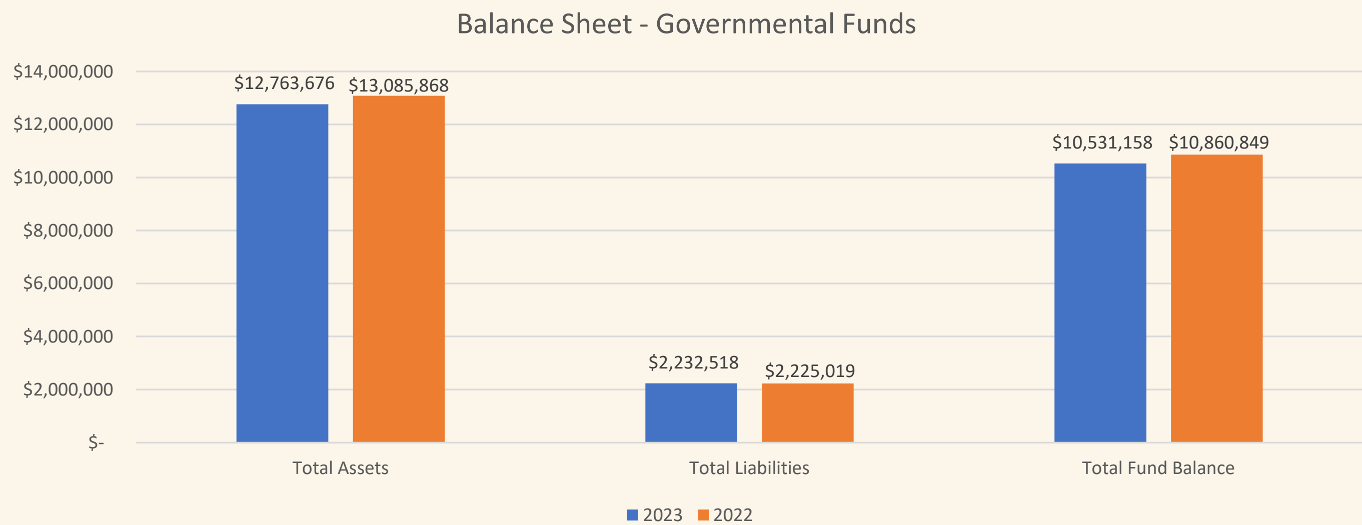
- Revenue down by $713
- Expenses up by $4.8M
- Total change in Net Position down by $4.8M



BALANCE SHEET– GOVERNMENTAL FUNDS

Primary Drivers:

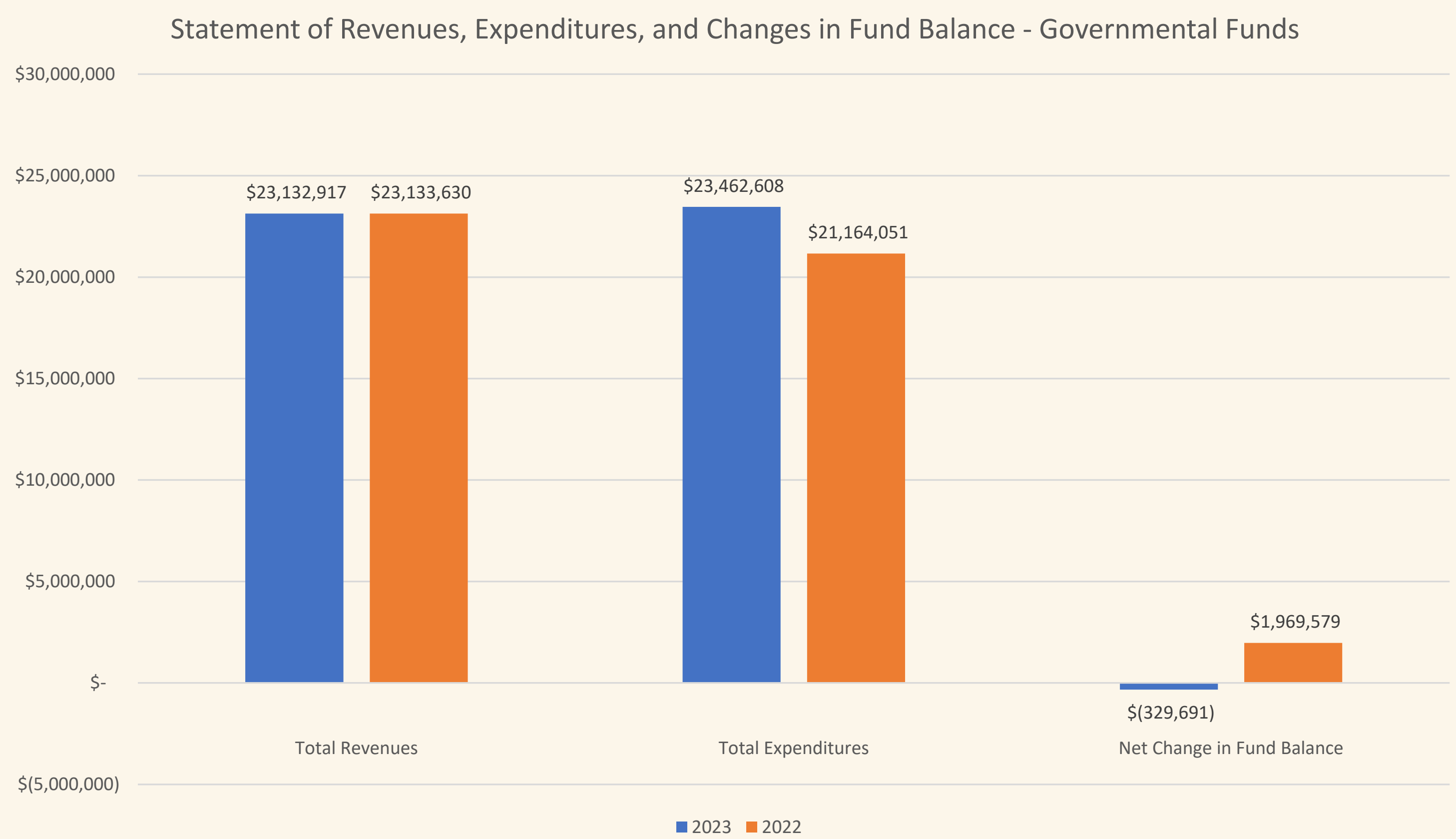
- Total assets down by $322K
- Total liabilities up by $7K
- Total Fund Balance down by $329K



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

Primary Drivers:

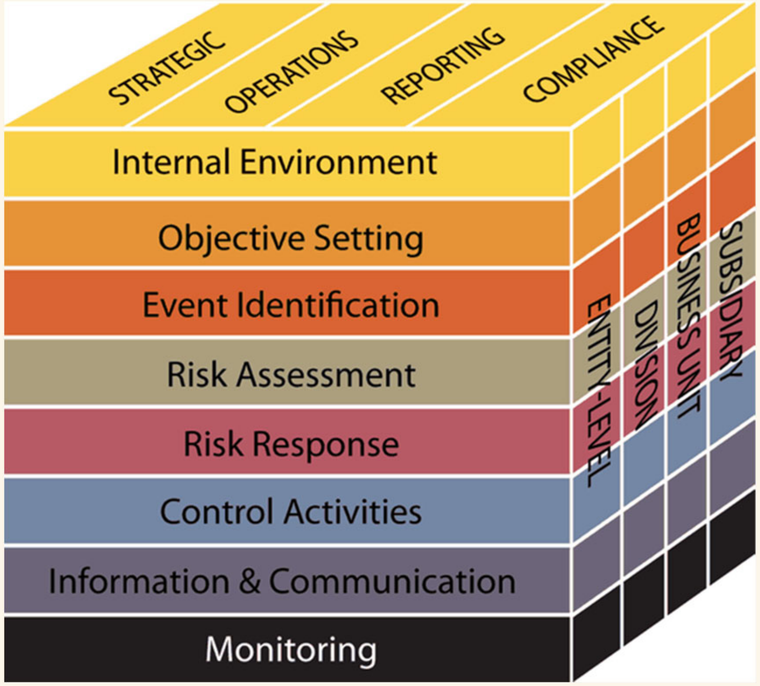
- Total revenues down by $700
- Total expenditures up by $2.3M
- Net change in fund balance down by $2.3M



ITEM NO. 5.1 - ATTACHMENT C

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL AND COMPLIANCE

- No Significant Deficiencies identified
- No Material Weaknesses identified
- No instances of noncompliance identified



ITEM NO. 5.1 - ATTACHMENT C

- The fund balance of the District has decreased by $329K.
- The District continues to benefit from sound financial management.
- We would like to thank Julie Dreher and the District staff for their assistance during the audit process.

QUESTIONS?

Spencer Blanda, Staff Accountant

916-993-9494

James Marta & Company LLP
CERTIFIED PUBLIC ACCOUNTANTS

LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS
WITH
INDEPENDENT AUDITOR'S REPORT

FOR THE FISCAL YEAR ENDED

JUNE 30, 2023

JAMES MARTA & COMPANY LLP
CERTIFIED PUBLIC ACCOUNTANTS

701 HOWE AVENUE, E3
SACRAMENTO, CA

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(916) 993-9489 FAX
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LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2023

BOARD OF DIRECTORS

Name	Office	Term Expires
James Boswell	Chair	2024
David Furst	Vice Chair	2026
Philip Pierpont	Director	2026
Jan Palajac	Director	2024
Maryalice Summers Faltings	Director	2026

* * * *

General Manager
Mathew Fuzie

LIVERMORE AREA RECREATION AND PARK DISTRICT

JUNE 30, 2023

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James Marta & Company LLP
Certified Public Accountants

Accounting, Auditing, Consulting and Tax

INDEPENDENT AUDITOR'S REPORT

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

Opinions

We have audited the accompanying financial statements of the governmental activities Livermore Area Recreation and Park District (the District), as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the Livermore Area Recreation and Park District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of Livermore Area Recreation and Park District, as of June 30, 2023, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

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www.jpmcpa.com jdeol@jpmcpa.com

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and Government Auditing Standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund, Schedule of Changes in the District's Net OPEB Liability and Related Ratios, Schedule of the District's Proportionate Share of the Net Pension Liability and Schedule of Pension Contributions information be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated January 19, 2024 on our consideration of District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 District's internal control over financial reporting and compliance.

James Marta + Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 19, 2024

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, 2023.

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, 2023.

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 on general fund accounting, though we isolate Capital Improvement Program (CIP) related income (AB1600 developer fees) and spending from on-going operations, as well as one-time funding from other sources in our regular financial reviews. In reviewing results vs Budget, this narrative will focus on actual results versus the Final Budget, approved mid-year.

1. As the District looks to address deferred maintenance needs in its plans, the net change in the fund balance, while negative for the 22-23 Fiscal Year, is very favorable in relation to the FY22-23 Final Budget. Considering operating results and Capital-related inflows (AB1600 funding) and outflows, the net change in the General Fund in FY22-23 is ($329,691), which is $1,006,776 better than the Final Budget of ($1,336,467).

    a. Operating results (revenue less operating expenses) prior to Capital Equipment, CIP income and outlays are $1,934,120 ($658,637 better than the Final Budget of $1,275,483).

        i. The favorable Operating Contribution variance versus Budget of $658,637 is primarily due to favorable variances in tax revenues, earned income, and other revenues of $218,532, $114,242, and $86,124 respectively, with operating expenditures accounting for the remaining favorable variance of $239,739.

        ii. Operating revenue from services and property/parcel taxes was $22,972,361, or $418,898 (1.9%) above the FY22-23 Final Budget of $22,553,463. Revenue from programs and services of $7,832,593 was $114,242, or 1.5% favorable versus the Final Budget. Tax revenues of $15,053,644, are $218,532, or 1.5%, above the Final Budget, and are $1,197,731, or 8.6% above FY22-23 results.

        iii. Operating expenses, excluding capital equipment and CIP, of $21,038,241 is $239,739 (1.1%) below the Final Budget.

b. The net of Capital Development Revenues ($160,556) and Total Capital Project spend (Equipment plus CIP) of $2,424,367 is ($2,263,811) and reflects the following:
   i. Significant CIP spending of $1,913,862 from the General Fund (projects that did not qualify for AB1600 developer fee revenues) for projects including Robertson Park Synthetic Turf ($1,604,615), Rodeo Stadium ($253,333), Trevarno Sewer Project ($49,515), and Trevarno HVAC Replacement ($6,399).

   ii. Capital Development Revenues are $100,958 below the FY22-23 Final Budget, largely because AB1600 developer fee funding for a few projects that were budgeted FY22-23 did not get completed during the fiscal year ($44,495 for Patterson Ranch Trail project, $79,732 for Sycamore Grove Restroom, and a modest amount of savings on the Joe Michell Building, partially offset by spend that occurred earlier than anticipated on the Sunken Gardens Pump Track).

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.

Statement of Net Position

	June 30, 2023	June 30, 2022	Amount Increase (Decrease)	Percent Increase (Decrease)
Current Assets	$ 12,763,676	$ 13,085,868	$ (322,192)	-2%
Capital Assets, Net	66,469,646	67,785,992	(1,316,346)	-2%
Total Assets	79,233,322	80,871,860	(1,638,538)	-2%
Deferred Outflows of Resources	6,169,624	3,795,574	2,374,050	63%
Current Liabilities	3,722,130	3,040,167	681,963	22%
Long-Term Liabilities	18,469,357	6,736,830	11,732,527	174%
Total Liabilities	22,191,487	9,776,997	12,414,490	127%
Deferred Inflows of Resources	1,111,138	9,688,559	(8,577,421)	-89%
Net Investment in Capital Assets	65,208,598	66,524,944	(1,316,346)	-2%
Restricted Net Position	458,373	407,173	51,200	13%
Unrestricted Net Position	(3,566,650)	(1,730,239)	(1,836,411)	106%
Total Net Position	$ 62,100,321	$ 65,201,878	$ (3,101,557)	-5%

1. For the year-ended June 30, 2023, Net Capital Assets total $66,469,646, with Land now amounting to $33,513,302, Construction in Progress totaling $1,074,359 (CIP projects not yet completed by June 30, 2023, the largest being $508,302 for the Trevarno Sewer Project and $305,068 for the Rodeo Stadium Infrastructure project, both of which were completed in early FY23-24), and $31,881,985 in the form of net depreciable capital assets (facilities, recreation/playground fixtures, vehicles, and equipment, with the largest including the Robert Livermore Community Center complex that had a net book value of $10,746,855 as of June 30, 2023).

2. The District's Current Assets as of June 30, 2023, total $12,763,676 and consist primarily of Cash balances ($11,616,182), Accounts Receivable ($1,101,656), and Prepaid Expenses of $45,838.

3. The other noteworthy component of this schedule is the change in Long-term Liabilities, from $6,736,830 to $18,469,357. As of June 30, 2023, the list of long-term liabilities has not changed, but the specific balances have, particularly those related to the ACERA Pension and OPEB liabilities: largely because of negative investment performance in 2022 that did not meet ACERA's expectations. As of June 30, 2023, the District's net Pension Liability and Other Post-Employment Benefits (OPEB) liabilities stand at $5,617,872 and $790,699, respectively. The remaining POB balance as of June 30, 2023, is $11,665,000 ($11,100,000 long-term, $565,000 is due within one year and thus current), and the PG&E on-bill financing balance is now $1,103,417 ($945,786 is long-term and $157,631 is current). Finally, the remainder of the District's long-term liabilities is associated with the $675,522 of compensated balances.

4. The District's current liabilities of $3,061,608 include: $601,507 in accounts payable, $722,631 for debt obligations due within one year ($565,000 for the POBs and $157,631 for the PG&E on-bill financing), $611,013 in deferred revenue (receipts for classes and events that will occur in the following fiscal year), $752,494 related to accrued payroll for the pay period split between FY22-23 and FY23-24, $106,459 in accrued interest on the POBs, and $267,504 in miscellaneous other liabilities (security deposits, retirement payable, miscellaneous vendor accruals, etc.).

5. Deferred Outflows and Inflows: Deferred outflows include contributions after the ACERA measurement date of December 31, 2021, for FY21-22 and December 31, 2022, for FY22-23. Deferred outflows grew from $3,795,574 to $6,169,624, with $5,225,577 relating to the UAAL and $944,047 relating to OPEB. Deferred inflows declined from $9,688,559 in the prior year to $1,111,138 for FY22-23, driven largely by the lower-than-expected earnings of ACERA's investment activities.

Statement of Activities

	June 30, 2023	June 30, 2022	Amount Increase (Decrease)	Percent Increase (Decrease)
Program Revenues:				
Charges for services	$ 7,071,634	$ 5,756,037	$ 1,315,597	23%
Operating grants and contributions	760,959	889,841	(128,882)	-14%
Capital grants and contributions	160,556	2,631,839	(2,471,283)	-94%
Total Program Revenues	7,993,149	9,277,717	(1,284,568)	-14%
General Revenues:				
Property taxes	15,053,644	13,855,913	1,197,731	9%
Miscellaneous	86,124	-	86,124	N/A
Total General Revenues	15,139,768	13,855,913	1,283,855	9%
Total Revenues	23,132,917	23,133,630	(713)	0%
Program Expenses:				
Parks and recreation	26,234,474	21,467,245	4,767,229	22%
Change in Net Position	(3,101,557)	1,666,385	(4,767,942)	-286%
Net Position, Beginning, as originally reported	65,201,878	63,535,493	1,666,385	3%
Net Position, Beginning, as restated	65,201,878	63,535,493	1,666,385	3%
Net Position, Ending	$ 62,100,321	$ 65,201,878	$ (3,101,557)	-5%

1. The highlight here is how the District continued to expand its services and program offerings relative to the prior year. While the District aims to address deferred maintenance needs, causing an increase in program expenses, the District's Charges for Services (program revenues) grew by 23%.

2. Total District Revenues, including Capital Grants and Contributions (which is primarily associated with AB-1600 developer fees), but excluding the one-time COVID relief funds received in FY21-22, were up $1,222,745 or 6% versus the previous year. Leading the increase versus FY21-22 are Program revenues (Charges for Services), which grew by $1,315,597, or 23%, and tax revenues, which grew by $1,197,731, or 9%.

   a. Operating Grants and Contributions declined by $128,882 as the closure of the ESS programs at Marylin, Junction, and Lawrence resulted in a decrease in Hively enrollment and funding for financial assistance for childcare. Aside from the Hively funding, this line item also includes $200,000 in funding from East Bay Regional Park District to contribute to operating support of our open space parks, $115,512 in grant funding for ESS, and a $63,699 grant from Alameda County for portable generator connectivity for emergency purposes.

   b. Capital Contributions and Grants are associated with AB1600 developer fees ($160,556) used to finance the majority of CIP project activity for projects that increase park/facility capacity.

Due to the nature of the CIP projects during FY22-23, most were funded through the General Fund, which resulted in a $2,471,283 decrease in Capital Contributions and Grants from the prior year.

c. Operating Revenues from Property and Parcel Taxes reached $15,053,644, an increase of 9% versus prior year, with the majority of the growth coming from property taxes (the District's parcel taxes are constrained by the measure that established it at 2% growth per equivalent dwelling unit (EDU, essentially a single-family dwelling) per year).

3. Total District Expenses, based on full accrual accounting (e.g., including depreciation expense as opposed to one-time capital outlays and entries related to Net Pension and OPEB expense) were $26,234,474, which is $4,767,229, or 22%, above the prior year. This increase is largely driven by operational changes which are noted below:

   a. Salaries & Benefits expenses totaled $12,810,613, which is $950,823, or 8%, above the prior year. Over the last few years, the District has focused on adding service delivery resources, largely in the form of increasing the number of part-time non-benefited staff to support the District's enhanced program and services offerings. In addition, the District provided a 3% COLA in July 2022, as well as annual step increases to employees who were not capped out on their salary scale. Finally, the District was faced with higher than anticipated increases in medical and dental benefit plans, which resulted in an increase in Employee Group Insurance expenses.

   b. Services and Supplies expenses amounted to $8,227,628, up $1,180,502 or 17%, versus the prior year. One of the main drivers of the year-over-year increase in these expenses was a shift in philosophy with regards to how capital projects are classified. Beginning in FY22-23, any project under $250k was considered operating capital, and therefore, included in the District's Operating Budget as opposed to the CIP Budget where it previously resided. In addition, the District utilized a landscape contract service to fill some of the vacancies in the parks department, resulting in an increase of $179,654 in professional service spend. While electricity and gas expenses rose substantially, water expenses more than made up for the shortfall due to the overabundance of rain during early 2022. Unfortunately, as a result of the storms, the District was faced with unexpected expenses due to downed trees and flooding. Lastly, as FY22-23 was an election year, the District incurred election expenses of $200k in order to successfully fill the three vacant Board seats.

CAPITAL ASSETS

As of June 30, 2023, the District had $66,469,646 in Capital Assets net of depreciation, down $1,316,346, or 2%, versus the prior year, as the District's capital spend in FY22-23 of $2,424,369 was outweighed by incremental depreciation of $3,740,715.

	June 30, 2023	June 30, 2022	Amount Increase (Decrease)	Percent Increase (Decrease)
Land	$ 33,513,302	$ 33,513,302	$ -	0%
Construction in Progress	1,074,359	2,107,138	(1,032,779)	-49%
Depreciable Assets	107,408,145	103,950,997	3,457,148	3%
Capital Asset at Cost	141,995,806	139,571,437	2,424,369	2%
Less Accumulated Depreciation	(75,526,160)	(71,785,445)	(3,740,715)	5%
Capital Assets, Net	$ 66,469,646	$ 67,785,992	$ (1,316,346)	-2%

1. Construction in Progress, which is comprised of Capital Improvement Program (CIP) projects not yet completed by June 30, 2023, totals $1,074,359, and includes $508,302 for the Trevarno Sewer Project and $305,068 for the Rodeo Stadium Infrastructure project, both of which were completed in early FY23-24. Other in-progress projects include the Sycamore Grove Restroom ($125,028), Sunken Gardens Pump Track ($63,456), and the Patterson Ranch Trail ($72,505).

2. Depreciable Assets increased by $3,457,148. Asset additions include $1,604,615 for Robertson Park Synthetic Turf replacement, $1,489,266 for the Joe Michell ESS Buildings, and $363,267 of miscellaneous equipment (mowers, handfed chippers, HVAC replacement, etc.).

BUDGETARY PROCESS

In its commitment to fiscal responsibility, the District adopts an annual operating budget that reflects an activity-based budgeting approach that is applied to all elements of the District's operating plan for the upcoming fiscal year, and a multi-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 Finance Officer:

Julie Dreher, Finance Officer
Livermore Area Recreation & Park District
4444 East Avenue
Livermore, CA 94550
(925) 373-5726
jdreher@larpd.org

BASIC FINANCIAL STATEMENTS

LIVERMORE AREA RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

JUNE 30, 2023

	Governmental Activities
ASSETS	
Cash and investments (Note 2)	
Available for operations	$ 1,775,281
Cash Equivalent	8,418,443
Petty cash	6,085
Available for restricted programs	1,416,373
Accounts receivable	1,101,656
Prepaid expenses	45,838
Capital assets, net of accumulated depreciation (Note 3)	66,469,646
Total Assets	79,233,322
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions (Note 5)	5,225,577
Deferred outflows related to OPEB (Note 6)	944,047
Total Deferred Outflows of Resources	6,169,624
LIABILITIES	
Accounts payable	707,966
Accrued salaries and wages	752,494
Accrued liabilities	267,504
Unearned revenue	611,013
Long-term liabilities:	
Due within one year	1,383,153
Due in more than one year	18,469,357
Total Liabilities	22,191,487
DEFERRED INFLOWS OF RESOURCES	
Deferred inflows related to pensions (Note 5)	318,989
Deferred inflows related to OPEB (Note 6)	560,209
Deferred gain on pension obligation bonds	231,940
Total Deferred Inflows of Resources	1,111,138
NET POSITION	
Net investment in capital assets	65,208,598
Restricted	458,373
Unrestricted	(3,566,650)
Total Net Position	$ 62,100,321

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, 2023

Functions/Programs	Expenses	Program Revenues: Charges For Services	Program Revenues: Operating Contributions and Grants	Program Revenues: Capital Contributions and Grants	Net (Expense) Revenue and Change in Net Position: Governmental Activities
Governmental activities:					
Parks and Recreation	$ 26,234,474	$ 7,071,634	$ 760,959	$ 160,556	$ (18,241,325)
		General revenues:			
		Property taxes			15,053,644
		Miscellaneous			86,124
		Total general revenues			15,139,768
		Change in net position			(3,101,557)
		Net position - July 1, 2022			65,201,878
		Net position - June 30, 2023			$ 62,100,321

LIVERMORE AREA RECREATION AND PARK DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2023

	General Fund
ASSETS	
Cash and investments (Note 2)	
Available for operations	$ 1,775,281
Cash Equivalent	8,418,443
Petty cash	6,085
Available for restricted programs	1,416,373
Accounts receivable	1,101,656
Prepaid expenses	45,838
Total Assets	$ 12,763,676
LIABILITIES AND FUND BALANCES	
Liabilities:	
Accounts payable	$ 601,507
Accrued salaries and wages	752,494
Accrued liabilities	267,504
Unearned revenue	611,013
Total Liabilities	2,232,518
Fund Balances (Note 8):	
Nonspendable	45,838
Restricted	458,373
Committed	2,114,480
Assigned	1,532,438
Unassigned	6,380,029
Total Fund Balance	10,531,158
Total Liabilities and Fund Balance	$ 12,763,676

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

LIVERMORE AREA RECREATION AND PARK DISTRICT

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

FOR THE YEAR ENDED JUNE 30, 2023

Total fund balances - governmental funds		$ 10,531,158
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		5,225,577
Deferred inflows of resources relating to pensions		(318,989)
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		944,047
Deferred inflows of resources relating to OPEB		(560,209)
Unamortized costs: In governmental funds, debt issue costs and premiums are recognized in the period they are incurred. In the government-wide statements, debt issue costs and premiums are amortized over the life of the debt. Unamortized debt issue costs and premiums included in deferred inflows and outflows on the statement of net position are:		
Deferred gain on pension obligation bonds		(231,940)
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statement of activities, it is recognized in the period that it is incurred. The additional liability for unmatured interest owing at the end of the period was:		(106,459)
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	141,995,806	
Accumulated depreciation	(75,526,160)	
Capital assets, net		66,469,646
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:		
PG&E on-bill financing		(1,103,417)
Pension obligation bonds		(11,665,000)
Net pension (liability) asset		(5,617,872)
Net OPEB (liability) asset		(790,699)
Compensated absences		(675,522)
Total net position - governmental activities		$ 62,100,321

LIVERMORE AREA RECREATION AND PARK DISTRICT

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

FOR THE FISCAL YEAR ENDED JUNE 30, 2023

	General Fund
REVENUES	
Taxes	$ 15,053,644
Earned income	7,832,593
Capital development/California COVID relief fund	160,556
Other revenues	86,124
Total revenues	23,132,917
EXPENDITURES	
Salaries and employee benefits	12,810,613
Services and supplies	485,701
Maintenance	1,214,151
Utilities	2,118,836
Professional service	1,012,397
Communications	164,980
Transportation	128,277
Training & Conferences	36,765
District legal expense	102,987
Program services and supplies	304,679
Insurance	643,669
Instructor and sports officials	374,389
Rents and leases	448,504
Debt service	951,255
Field Trips & Events	76,386
Finance Charge and Interest	111,781
Licensing	21,751
Publications and Legal	2,314
Memberships	28,209
Miscellaneous	597
Total operating expenditures	21,038,241
Capital outlay	2,424,367
Total expenditures	23,462,608
Excess of revenues over expenditures	(329,691)
Net change in fund balance	(329,691)
Fund balance - July 1, 2022	10,860,849
Fund balance - June 30, 2023	$ 10,531,158

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, 2023

Net change in fund balances		$ (329,691)
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	$ 2,424,369	
Depreciation expense	(3,740,715)	(1,316,346)
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:		(23,437)
Debt service: In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. Expenditures for repayment of the principal portion of long-term debt were:		707,631
Unmatured interest on long-term debt: In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during the period but owing from the prior period was:		1,031
Amortization of deferred gain or loss from debt issuance: In governmental funds, if debt is issued at a premium or at a discount, the premium or discount is recognized as an Other Financing Source or an Other Financing Use in the period it is incurred. In the government-wide statements, the premium or discount, plus any deferred gain or loss from debt issuance, is amortized as interest over the life of the debt. Amortization of premium or discount, or deferred gain or loss from debt issuance, for the period is:		15,905
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:		(2,093,505)
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:		(63,145)
Change in net position of governmental activities		$ (3,101,557)

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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:

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023 was $675,522.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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, 2023 as $458,373, which is restricted by the funding source for the programs indicated.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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. OTHER POSTEMPLOYMENT BENEFITS (OPEB)

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.

R. 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 and OPEB 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 and OPEB liabilities in the next year.

Additional factors involved in the calculation of the District's pension and OPEB expenses and net pension and OPEB liabilities 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, 2023, the District had deferred outflows of $6,169,624 and deferred inflows of $1,111,138.

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

S. FINANCING LEASES

A lease is defined as a contract that coveys control of the right to use another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for financial leases are recorded in the financial statements to the extent that the District's lease capitalization threshold is met, $4,860,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2023, the District did not have any financial leases that met the threshold.

T. SUBSCRIPTION BASED INFORMATION TECHNOLOGY AGREEMENT

A SBITA is defined as a contract that coveys control of the right to use another party's (a SBITA vendor's) IT software, alone or in combination with tangible capital assets (the underlying IT assets) as specified in the contract for a period of time in an exchange or exchange-like transaction. The long-term liability and corresponding asset for SBITAs are recorded in the financial statements to the extent that the District's capitalization threshold is met, $1,250,000. Amortization of related assets using the straight-line method over the life of the contract. As of June 30, 2023, the District did not have any subscription based information technology agreements that met the threshold.

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, 2023:

Alameda County Treasurer - General	$	610,707
US Bank - General Account		1,166,468
US Bank - Merchant Card Account		(1,894)
Petty Cash		6,085
Total Cash Available for Operations	$	1,781,366

Cash and investments are presented in following categories on the statement of net position at June 30, 2023:

Cash and investments		
Available for operations	$	1,781,366
US Bank T-Bill		1,958,433
US Bank - Certificate of Deposit		3,000,000
US Bank - CAMP		3,460,010
Available for restricted programs		1,416,373
Total Cash and investments	$	11,616,182

2. CASH AND INVESTMENTS (CONTINUED)

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, 2023, 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, 2023 was $1,164,574 and the bank balance was $1,334,782. 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, 2023 was fully insured or collateralized.

California Asset Management Program:

Livermore Area Recreation and Park District places funds with the California Asset Management Program (CAMP), a California Joint Powers Authority. CAMP provides California Public Agencies with comprehensive investment management and accounting services. CAMP is a local government investment pool managed under a separate agreement with PFM Asset Management, LLC. The fair value of the District's investment in this pool is reported in the accompanying financial statements based upon the District’s pro-rata share of the fair value provided by CAMP for the entire CAMP portfolio (in relation to the amortized cost of that portfolio). The monies held in the pooled investment funds are not subject to categorization by risk category.

Treasury Obligations and Time Deposits:

The District acquired time deposits on January 2023 amounting to $3,000,000 with maturity of July 12, 2023 and Treasury Obligations of $1,958,433 acquired January 2023 with maturity date of July 6, 2023.

3. PROPERTY AND EQUIPMENT

Capital assets activity for the year ended June 30, 2023, was as follows:

	Balance July 1, 2022	Additions	Deletions	Balance June 30, 2023
Capital Assets, not being depreciated:				
Land	$ 33,513,302	$ -	$ -	$ 33,513,302
Construction in progress	2,107,138	2,061,102	3,093,881	1,074,359
Total	35,620,440	2,061,102	3,093,881	34,587,661
Capital assets, being depreciated:				
Buildings	47,132,337	1,489,266	-	48,621,603
Park Improvements	53,330,607	1,604,615	-	54,935,222
Equipment	3,488,053	363,267	-	3,851,320
Total	103,950,997	3,457,148	-	107,408,145
Accumulated Depreciation				
Buildings	29,130,893	1,436,849	-	30,567,742
Park Improvements	39,415,913	2,111,673	-	41,527,586
Equipment	3,238,639	192,193	-	3,430,832
Total	71,785,445	3,740,715	-	75,526,160
Net Capital Assets being depreciated	32,165,552	(283,567)	-	31,881,985
Capital Assets, net	$ 67,785,992	$ 1,777,535	$ 3,093,881	$ 66,469,646

Depreciation expense of $3,740,715 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, 2023 is as follows:

	Balance July 1, 2022	Additions	Deductions	Balance June 30, 2023	Due Within One Year
Net Pension Liability (Asset)	$ (4,882,346)	$ 10,500,218	$ -	$ 5,617,872	$ -
Net OPEB Liability (Asset)	(1,801,299)	2,591,998	-	790,699	-
Pension Obligation Bonds	12,215,000	-	550,000	11,665,000	550,000
PG&E On-Bill Financing	1,261,048	-	157,631	1,103,417	157,631
Compensated Absences	652,085	23,437	-	675,522	-
Total	$ 7,444,488	$ 13,115,653	$ 707,631	$ 19,852,510	$ 707,631

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.

PG&E On-Bill Financing

The District received an interest-free loan through PG&E in the amount of $1,576,310 to finance an energy-efficient retrofit project. The loan calls for monthly payments of $13,136 for 120 months beginning in January 2020. In May 2020, the District received a 6-month loan deferral until December 2020. Future loan payments are as follows:

Year Ended June 30	Payments
2024	$ 157,631
2025	157,631
2026	157,631
2027	157,631
2028	157,631
2029-2030	315,262
Total	$ 1,103,417

4. LONG- TERM LIABILITIES (CONTINUED)

Pension Obligation Bonds

In June 2021, the District issued Pension Obligation Bonds totaling $12,875,000. The bonds were issued to refund certain obligations of the District owed to the Alameda County Employees' Retirement Association (ACERA) with respect to pension benefits accruing with respect to current and former District employees and to pay costs of issuing the bonds. The serial bonds bear interest rates from 0.332% to 2.915% and are scheduled to mature through February 1, 2038. Future debt payments are as follows:

Year Ended June 30	Payments
2024	$ 550,000
2025	565,000
2026	720,000
2027	730,000
2028	740,000
2029-2033	3,925,000
2034-2038	4,435,000
Total	$ 11,665,000

5. EMPLOYEE RETIREMENT SYSTEM

Plan Description

Plan Administration

The District contributes to the Alameda County Employees' Retirement Association (ACERA), 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 annual comprehensive 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.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

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.

The Plans' provisions and benefits in effect at June 30, 2023, 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 yrs. of service	5 yrs. of service	5 yrs. 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	8.00% - 16.63%	10.02% - 18.88%	9.23%
Required employer contribution rates	10.97%	16.41%	9.23%

Plan Membership

At December 31, 2022 measurement date, pension plan membership consisted of the following:

Retired members or beneficiaries currently receiving benefits	10,798
Inactive vested members entitled to but not yet receiving benefits	3,564
Active members	11,346
Total	25,708

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.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

For the year ended June 30, 2023 and 2022, employer contributions by the District to ACERA were $466,371 and $710,803, respectively.

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

As of June 30, 2023, the District reported net pension liabilities for its proportionate share of the net pension liability of $5,617,872.

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, 2021, 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, 2021 rolled forward to December 31, 2022. 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, 2023 and 2022 is shown below:

	ACERA
Proportion - June 30, 2023	0.252%
Proportion - June 30, 2022	-0.616%
Change	0.868%

For the year ended June 30, 2023, the District recognized pension expense of $2,093,505. At June 30, 2023, 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	$ 226,367	$ -
Changes in proportion and differences between employer's contributions and proportionate share of contributions	974,936	-
Changes of assumptions or other inputs	735,843	193,425
Net difference between projected and actual earnings on pension plan investments	2,944,369	-
Difference between expected and actual experience in the Total Pension Liability	344,062	125,564
Total	$ 5,225,577	$ 318,989

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

The amounts reported as deferred outflows of resources related to contributions subsequent to the measurement date of December 31, 2022, will be recognized as a reduction of the net pension liability in the year ended June 30, 2024. 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
2024	$ 643,426
2025	1,300,732
2026	1,175,340
2027	1,560,723
2028	-
Thereafter	-

Actuarial Assumptions

Actuarial Assumptions – The total pension liabilities in the June 30, 2023 actuarial valuations were determined using the following actuarial assumptions:

	ACERA
Valuation Date	December 31, 2021
Measurement Date	December 31, 2022
Actuarial Cost Method	Entry Age Actuarial Cost Method
Actuarial Assumptions	
Discount Rate	7.00%
Inflation	2.75%
Payroll Growth Rate	3.25%
Projected Salary Increase	General: 8.35% to 3.65%, vary by service, including inflation
Investment Rate of Return (1)	7.00%

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

Mortality assumptions were based on the following tables:

- *Healthy* -Pub-2010 General Healthy Retiree Amount-Weighted Above-Median Mortality Tables (separate tables for males and females), projected generationally with the two-dimensional mortality improvement scale MP-2019.
- *Disables* - Pub-2010 Non-Safety Disabled Retiree Amount-Weighted Mortality Tables (separate tables for males and females) with rates decreased by 10% for females, projected generationally with the two-dimensional mortality improvement scale MP-2019.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Discount Rate

The discount rate used to measure the Total Pension Liability (TPL) was 7.00% as of December 31, 2022 and 7.00% as of December 31, 2021. The provisions of Article 5.5 of the Statute do 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 of the Statute, future allocations to the SRBR as an additional outflow against the Plan's Fiduciary Net Position in the GASB crossover test. It is estimated that the additional outflow would average approximately 0.65% of assets over time, based on the results of the actuary's stochastic modeling of the 50% allocation of future excess earnings to the SRBR.

The projection of cash flows used to determine the discount rate assumes plan member contributions will be made at the current 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, 2022 and December 31, 2021.

The long-term expected rate of return on pension plan investments was determined in 2020 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. These 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2022 actuarial valuation. This information will be subject to change every three years based on the results of an actuarial experience study.

5. EMPLOYEE RETIREMENT SYSTEM (CONTINUED)

Asset Class	Target Allocation	Long-Term Expected Arithmetic Real Rate of Return
US Large Cap Equity	22.40%	5.43%
US Small Cap Equity	2.50%	6.21%
International Developed Equity	17.00%	6.67%
International Small Cap Equity	3.00%	7.36%
Emerging Markets Equity	5.00%	8.58%
Core Plus Fixed Income	11.50%	1.10%
High Yield Bonds	1.60%	2.91%
Global Fixed Income	3.00%	-0.63%
Private Equity	10.50%	10.00%
Core Real Estate	8.00%	4.58%
Commodities	0.75%	3.46%
Infrastructure	1.75%	7.80%
Private Credit	4.00%	8.50%
Absolute Return	9.00%	3.70%
Total	100.0%	5.56%

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, calculated using the discount rate of 7.00%, 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 (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Plan's Net Pension Liability/(Asset)	$ 13,412,664	$ 5,617,872	$ (714,560)

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, 2023, the District had no outstanding amount of contributions to the pension plan required for the year ended June 30, 2023.

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 service retirement, disability, death, and survivor benefits to the employee members.

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.

Plan membership. At December 31, 2022 measurement date, OPEB plan membership consisted of the following:

Retired members currently receiving medical benefits	6,876
Retired members currently receiving dental and vision benefits	8,272
Vested terminated members entitled to, but not yet receiving benefits	508
Active members	11,346
Total	27,002

Benefits provided. ACERA provides benefits to eligible employees.

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.

Other Postemployment Benefits (OPEB)
Monthly Medical Allowance
For retirees not purchasing individual insurance through the Medicare Insurance Exchange, a Maximum Monthly Medical Allowance of $596.73 per month is provided, effective January 1, 2022. For the period January 1, 2023 through December 31, 2023, the maximum allowance will increase to $616.12 per month. For those purchasing individual insurance through the Individual Medicare Insurance Exchange, the Maximum Monthly Medical Allowance is $457.13 per month for 2022 and will increase to $471.99 per month in 2023. These Allowances are subject to the following subsidy schedule.

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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.

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.

Dental and Vision Plans

The SRBR provides dental and vision benefits for retirees only. The maximum combined monthly dental and vision premium is $48.12 in 2022 and 55.87 2023. 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.

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

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

At June 30, 2023, the District reported a liability of $790,699 for its proportionate share of the collective net OPEB liability. The collective net OPEB liability was measured as of December 31, 2021, 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, 2022, the District's proportion was 0.413%, which was a decrease of 0.015% from its proportion measured as of December 31, 2021 (0.428%).

For the year ended June 30, 2023, the District recognized OPEB expense of $63,145. At June 30, 2023, 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
Changes in proportion and differences between employer's contributions and proportionate share of contributions	$ 68,448	$ 91,876
Changes of assumptions or other inputs	174,173	168,034
Net difference between projected and actual earnings on OPEB plan investments	701,426	-
Difference between expected and actual experience in the Total OPEB Liability	-	300,299
District contributions subsequent to the measurement date	-	-
Total	$ 944,047	$ 560,209

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
2024	$ (147,850)
2025	(32,902)
2026	149,577
2027	471,082
2028	(47,706)
2029	(8,363)
Thereafter	-
Total	$ 383,838

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial assumptions. The actuarial assumptions used for the December 31, 2022 valuation were based on the results of the experience study for the period from December 1, 2016 through November 30, 2019 that were approved by the Board effective with the December 31, 2020 valuation and the health care trend assumptions recommended for the upcoming sufficiency study for the SRBR as of December 31, 2022. The actuarial assumptions on the following page were applied to all periods included in the measurement:

December 31, 2022	
Inflation	2.75%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	
Non-Medicare medical plan	Graded from 7.50% to ultimate 4.50% over 12 years
Medicare medical plan	Graded from 6.25% to ultimate 4.50% over 7 years
Dental	4.00%
Vision	0.00% for the first two years to reflect a five-year rate guarantee and 4.00% thereafter
Medicare Part B	4.50%

Actuarial assumptions. The actuarial assumptions used for the December 31, 2021 valuation were based on the results of the experience study for the period from December 1, 2016 through November 30, 2019 that were approved by the Board effective with the December 31, 2020 valuation and the health care trend assumptions recommended for the upcoming sufficiency study for the SRBR as of December 31, 2021. The actuarial assumptions on the following page were applied to all periods included in the measurement:

December 31, 2021	
Inflation	2.75%
Investment rate of return	7.00%, net of OPEB plan investment expense, including inflation
Healthcare cost trend rates	
Non-Medicare medical plan	Graded from 7.50% to ultimate 4.50% over 12 years
Medicare medical plan	Graded from 6.50% to ultimate 4.50% over 8 years
Dental	0.00% for the first year to reflect a three-year guarantee and 4.00% thereafter
Vision	0.00% for the first three years to reflect a three-year guarantee and 4.00% thereafter
Medicare Part B	4.50%

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

The long-term expected rate of return on OPEB plan investments1 was determined in 2020 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. These 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, adding expected inflation and subtracting expected investment expenses and a risk margin. The target allocation (approved by the Board) and projected arithmetic real rates of return for each major asset class, after deducting inflation, but before investment expenses are shown in the following table. This information was used in the derivation of the long-term expected investment rate of return assumption for the December 31, 2022 actuarial valuation. This information will be subject to change every three years based on the results of an actuarial experience study.

Asset Class	Target Allocation	Long-Term Expected Artihmetic Real Rate of Return
US Large Cap Equity	22.40%	5.43%
US Small Cap Equity	2.50%	6.21%
International Developed Equity	17.00%	6.67%
International Small Cap Equity	3.00%	7.36%
Emerging Markets Equity	5.00%	8.58%
Core Plus Fixed Income	11.50%	1.10%
High Yield Bonds	1.60%	2.91%
Global Fixed Income	3.00%	-0.63%
Private Equity	10.50%	10.00%
Core Real Estate	8.00%	4.58%
Commodities	0.75%	3.46%
Infrastructure	1.75%	7.80%
Private Credit	4.00%	8.50%
Absolute Return	9.00%	3.70%
Total	100.00%	5.56%

Discount rate: The discount rates used to measure the Total OPEB Liability (TOL) was 7.00% as of December 31, 2022 and December 31, 2021, respectively. The projection of cash flows used to determine the discount rate assumed benefits are paid out of current SRBR OPEB 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, 2022 and December 31, 2021.

Sensitivity of the Net OPEB Liability to changes in the discount rate. The following presents the Net OPEB Liability (NOL) of the District as of December 31, 2022, calculated using the discount rate of 7.00%, as well as what the District's NOL 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:

6. OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

	1% Decrease (6.00%)	Discount Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the collective net OPEB liability/(asset)	$ 1,470,104	$ 790,699	$ 229,166

Sensitivity of the Net OPEB Liability to changes in the healthcare cost trend rate. The following presents the Net OPEB Liability of the District as of December 31, 2021, as well as what the District's proportionate share of the 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/(asset)	$ 122,329	$ 790,699	$ 1,621,298

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, 2023, 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 Empower 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	$ 45,838
Total Nonspendable	45,838
Restricted:	
Buckley Trust	302,029
Ponderosa Homes	30,696
Signature Homes	84,720
Schurman	40,928
Total Restricted	458,373
Committed:	
Annual Debt Service - Pension Obligation Bonds	800,000
Annual Debt Service - PG&E On-Bill Financing	158,000
Deferred Maintenance	1,156,480
Total Committed	2,114,480
Assigned:	
Budget Contingency	1,532,438
Total Assigned	1,532,438
Unassigned:	
Unappropriated	6,380,029
Total Unassigned	6,380,029
Total Fund Balances	$ 10,531,158

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 1075 Creekside Ridge Drive, Suite 240, Roseville, CA 95678. 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, 2022, 59 member districts.*
D. Governing Board	Seven representatives employed by members.
E. Payments for the Current Year	$ 968,007
F. Condensed Financial Information	June 30, 2022* (Audited)
Total Assets and Deferred Outflows	$ 28,021,303
Total Liabilities and Deferred Inflows	$ 19,780,560
Net Position	8,240,743
Total Liabilities and Net Position	$ 28,021,303
Total Revenues	$ 11,651,717
Total Expenses	(10,857,208)
Change in Net Position	$ 794,509
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 one 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. COMMITMENTS

In December 2019, the District entered into a power purchase agreement for electricity at a fixed rate for a period of 20 years beginning when the seller completes the project. As of June 30, 2023, the District has not purchased any electricity.

12. SUBSEQUENT EVENTS

District management has evaluated its June 30, 2023 financial statements for subsequent events through January 19, 2024, 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, 2023

	Budgeted Amounts			Variance with Final Budget Favorable
	Original	Final	Actual	(Unfavorable)
REVENUES				
Taxes	$ 14,783,600	$ 14,835,112	$ 15,053,644	$ 218,532
Earned income	7,207,618	7,718,351	7,832,593	114,242
Capital development/California COVID Relief Fund	-	-	160,556	160,556
Other Revenues	-	-	86,124	86,124
Total revenues	21,991,218	22,553,463	23,132,917	579,454
EXPENDITURES				
Salaries and employee benefits	13,287,346	13,026,450	12,810,613	215,837
Services and supplies	7,582,938	8,251,530	8,227,628	23,902
Total operating expenditures	20,870,284	21,277,980	21,038,241	239,739
Capital Outlay	-	2,541,036	2,424,367	(2,339,733)
Total expenditures	20,870,284	23,819,016	23,462,608	(2,099,994)
Excess (deficiency) of revenues over (under) expenditures	1,120,934	(1,265,553)	(329,691)	(1,520,540)
Net change in fund balance	1,120,934	(1,265,553)	(329,691)	(1,520,540)
Fund balance - July 1, 2022	10,860,849	10,860,849	10,860,849	-
Fund balance - June 30, 2023	$ 11,981,783	$ 9,595,296	$ 10,531,158	$ (1,520,540)

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, 2023

	2018	2019	2020	2021	2022	2023
District's proportion of the collective net OPEB liability/(asset)	0.42%	0.41%	0.44%	0.48%	0.43%	0.41%
District's proportionate share of the collective net OPEB liability/(asset)	$ 116,763	$ 950,150	$ 495,308	$ 32,184	$(1,801,299)	$ 790,699
District's covered payroll	$ 4,254,668	$ 4,585,695	$ 4,434,257	$ 3,765,062	$ 3,622,647	$ 3,625,722
District's proportionate share of the collective net OPEB liability/(asset) as a percentage of its covered payroll	2.74%	20.72%	11.17%	0.85%	-49.72%	21.81%
Plan fiduciary net position as a percentage of the total OPEB liability	97.33%	77.91%	89.57%	99.44%	134.96%	84.47%

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, 2023

Schedule of Proportionate Share of the Net Pension Liability

Year Ended June 30,	District's proportion of the Net Pension Liability/ (Asset)	District's proportionate share of Net Pension Liability/(Asset)	Covered payroll	District's proportionate share of the net pension liability/(asset) as a percentage of its covered payroll*	Plan's Fiduciary Net Position as a percentage of the Total Pension Liability
2023	0.25200%	$ 5,617,872	$ 3,625,722	154.94%	91.51%
2022	-0.61600%	$ (4,882,346)	$ 3,622,647	-134.77%	107.51%
2021	0.64400%	$ 14,126,234	$ 3,765,062	375.19%	78.44%
2020	0.64000%	$ 13,701,573	$ 4,434,257	308.99%	77.82%
2019	0.57200%	$ 15,804,862	$ 4,585,695	344.66%	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*
2023	$ 1,514,139	$ 1,514,139	$ -	$ 3,625,722	41.76%
2022	$ 1,422,470	$ 1,422,470	$ -	$ 3,622,647	39.27%
2021	$ 1,490,917	$ 1,490,917	$ -	$ 3,765,062	39.60%
2020	$ 1,306,574	$ 1,306,574	$ -	$ 4,434,257	29.47%
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.

Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

The District employs budget control by object codes and by individual appropriation accounts. Budgets are prepared on the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board. The budgets are revised during the year by the Board of Directors to provide for revised priorities. Expenditures cannot legally exceed appropriations by major object code. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The basis of budgeting is the same as GAAP.

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 June 2020 and the final budget reflects the mid-year budget adjustments adopted by the board in March 2021.

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

Changes in Assumptions
The discount rate remained the same at 7.00%; while the inflation assumption remained the same at 2.75%.

Changes in Benefit Terms
There were no changes in benefit terms since the previous valuation.

Schedule of Proportionate Share of the Net Pension Liability

Changes in Assumptions
The discount and inflation rates remained the same at 7.00% and 2.75%, respectively.

Changes in Benefit Terms
There were no changes in benefit terms since the previous valuation.

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, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 19, 2024.

Report on 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) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the 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 or significant deficiencies may exist that were not identified.

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

James Marta & Company LLP

James Marta & Company LLP
Certified Public Accountants
Sacramento, California
January 19, 2024

LIVERMORE AREA RECREATION AND PARK DISTRICT (LARPD)
Summary View: FY23-24 Mid-Year with Actuals through December

	July			August			September			October		
	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance	Actual	Budget	Variance
Revenue												
Taxes	$55,619	$0	$55,619	$12,535	$67,000	($54,465)	$569,785	$512,000	$57,785	$0	$0	$0
From Operations	907,149	790,430	116,719	772,434	811,827	(39,393)	577,746	537,360	40,386	543,295	555,904	(12,609)
Total Revenue	**$962,768**	**$790,430**	**$172,338**	**$784,969**	**$878,827**	**($93,858)**	**$1,147,532**	**$1,049,360**	**$98,171**	**$543,295**	**$555,904**	**($12,609)**
Salary and Benefits	**908,335**	**923,306**	**14,970**	**1,164,084**	**1,142,746**	**(21,338)**	**1,558,010**	**1,591,479**	**33,469**	**1,027,618**	**1,062,006**	**34,388**
Services and Supplies	**839,214**	**899,097**	**59,883**	**815,884**	**773,982**	**(41,902)**	**744,715**	**727,779**	**(16,937)**	**652,240**	**638,726**	**(13,514)**
Operating Capital	**0**	**0**	**0**	**0**	**150,000**	**150,000**	**45,838**	**230,000**	**184,162**	**24,012**	**95,000**	**70,988**
Sub-total, Expenses	**$1,747,549**	**$1,822,402**	**$74,853**	**$1,979,968**	**$2,066,728**	**$86,760**	**$2,348,563**	**$2,549,258**	**$200,695**	**$1,703,869**	**$1,795,732**	**$91,863**
Net Operating Results	**($784,782)**	**($1,031,972)**	**$247,190**	**($1,195,000)**	**($1,187,901)**	**($7,099)**	**($1,201,031)**	**($1,499,897)**	**$298,866**	**($1,160,574)**	**($1,239,828)**	**$79,254**

LIVERMORE AREA RECREATION AND PARK DISTRICT (LARPD)
Summary View: FY23-24 Mid-Year with Actuals through December

	November			December			January	February	March	April	May	June
	Actual	Budget	Variance	Actual	Budget	Variance	Budget	Budget	Budget	Budget	Budget	Budget
Revenue												
Taxes	$19,748	$0	$19,748	$7,235,957	$7,245,000	($9,043)	$72,000	$650,000	($442,000)	$6,307,000	$290,000	$788,000
From Operations	565,938	512,682	53,255	623,942	604,673	19,269	951,229	551,972	750,768	547,688	583,002	797,845
Total Revenue	**$585,686**	**$512,682**	**$73,004**	**$7,859,898**	**$7,849,673**	**$10,226**	**$1,023,229**	**$1,201,972**	**$308,768**	**$6,854,688**	**$873,002**	**$1,585,845**
Salary and Benefits	**1,026,392**	**1,058,211**	**31,819**	**1,035,398**	**1,047,306**	**11,908**	**1,048,612**	**1,066,775**	**1,602,063**	**1,068,018**	**1,120,921**	**1,432,411**
Services and Supplies	**579,322**	**518,604**	**(60,718)**	**622,606**	**582,048**	**(40,558)**	**1,052,025**	**509,785**	**555,662**	**758,712**	**654,883**	**803,508**
Operating Capital	**43,147**	**0**	**(43,147)**	**41,548**	**0**	**(41,548)**	**0**	**0**	**0**	**0**	**0**	**0**
Sub-total, Expenses	**$1,648,861**	**$1,576,815**	**($72,047)**	**$1,699,552**	**$1,629,354**	**($70,198)**	**$2,100,637**	**$1,576,560**	**$2,157,726**	**$1,826,730**	**$1,775,804**	**$2,235,919**
Net Operating Results	**($1,063,175)**	**($1,064,132)**	**$957**	**$6,160,346**	**$6,220,319**	**($59,973)**	**($1,077,409)**	**($374,587)**	**($1,848,958)**	**$5,027,958**	**($902,802)**	**($650,074)**

	FY23-24 Total Actuals through December + January through June Budget		
	Actual	Budget	Variance
Revenue			
Taxes	$15,558,643	$15,489,000	$69,643
From Operations	8,173,007	7,995,380	177,627
Total Revenue	**$23,731,651**	**$23,484,380**	**$247,270**
Salary and Benefits	**14,058,638**	**14,163,854**	**105,216**
Services and Supplies	**8,588,557**	**8,474,811**	**(113,746)**
Operating Capital	**154,545**	**475,000**	**320,455**
Sub-total, Expenses	**$22,801,739**	**$23,113,664**	**$311,925**
Net Operating Results	**$929,912**	**$370,716**	**$559,196**

ITEM 6.1 SUPPLEMENTAL

	COMMITTEES SINCE BOARD MEETING	
	OF JANUARY 10, 2024	
	STANDING COMMITTEES	
Date	**Committee**	**Chair & Member**
	Program	Pierpont/Boswell
1/22	Finance	Pierpont/Palajac
	Facilities	Boswell/Faltings
	Intergovernmental-LARPD/City/LVJUSD	Furst/Palajac
	Personnel	Palajac/Furst
	AD HOC COMMITTEES	
Date	**Committee**	**Chair & Member**
Date	***COMMUNITY OUTREACH LIAISON***	**Member**
	Committee	
	Ala. Co. Special Districts Assn.	Furst/Palajac
	Chamber of Commerce Business Alliance	Furst
	Community Gardens	Faltings
	LARPD Foundation	Palajac
	Livermore Cultural Arts Council	Boswell
1/16	Livermore Downtown, Inc.	Pierpont
1/22	Ala. Co. Agricultural SubComm. for Trails	Palajac
	OTHER	
		AGENDA ITEM NO. 7

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LIVERMORE AREA RECREATION AND PARK DISTRICT

FINANCE COMMITTEE

AGENDA

MONDAY, January 22, 2024
2:00 PM

Robert Livermore Community Center
4444 East Avenue, Livermore, CA 94550-5053
West Wing Conference Room

COMMITTEE CHAIR: PIERPONT

COMMITTEE MEMBER: PALAJAC

1. Call to Order
2. Public Comment
3. Approval of the Minutes of the Finance Committee Meeting held on November 20, 2023
4. FY22-23 Audit Review
5. Procurement Policy (Discussion)
6. Directors'/General Manager's Reports and Announcements
7. Adjournment

DEMAS LAW GROUP
PLAINTIFF PERSONAL INJURY ATTORNEYS

December 21, 2023

SENT VIA HAND DELIVERY

Livermore Area Recreation and Park District
4444 East Avenue
Livermore, CA 94550

Re: Public Entity Claim

To Whom It May Concern:

Please find enclosed a public entity claim on behalf of Guadalupe Vega Villalvazo, individually, and as Successor-in-Interest to Marissalyn Santos for the incident that occurred on July 4, 2023.

Please provide an endorsed stamped copy of the claim in the prepaid self-addressed envelope included herewith.

Sincerely,

Tim S. Spangler
Attorney at Law
tss@demaslawgroup.com

CLAIM FORM

If you wish to file a claim against Livermore Area Recreation and Park District (LARPD or District), please complete this form and mail or return it to the General Manager at the Robert Livermore Community Center, located at: 4444 East Avenue Livermore, CA 94550. Attach additional pages, if necessary.

Section 1: Claimant Information

Full Name of Claimant: Guadalupe C Vega Villalvazo (Individually and as Successor-in-Interest to Marissalyn Santos)

Address: [redacted] City: [redacted]

State and Zip Code: California, [redacted] Telephone Number (area code + number): [redacted]

Mailing Address, if different from above: NOTICES SHOULD BE MAILED TO MY ATTORNEY - INFORMATION BELOW

Address: City:

State and Zip Code:

Date of Birth*: [redacted] Gender: ☒ Female ☐ Male Social Sec. Number*: Not Required

Section 2: Claim Information

Is the claim filed on behalf of a minor or dependent person? ☐ Yes ☒ No

If yes, indicate relationship:

Date of Accident/Incident: 07/04/2023 Time of Accident/Incident: Approx 3:30 ☐ AM ☒ PM

Exact Location of Accident/Incident: May Nissen Swim Center, 685 Rincon Avenue, Livermore, CA, 94551

Explain the circumstances that led to the alleged damage or injury. State all the facts that support your claim against LARPD, and why you believe LARPD is responsible for the alleged damage or injury. If known, provide the name(s) of the LARPD employee(s) who allegedly caused the damage, injury, or loss.

See Attachment 1

*required if filing a personal injury claim

Describe the specific injury, damage or loss as a result of the accident/incident

Wrongful death of Claimant's wife, Marissalyn Santos. Damages include loss of financial support, loss of gifts and benefits that Claimant would have expected to receive, funeral and burial expenses, the reasonable value of household services, the loss of the decedent's love, companionship, comfort, care, assistance, protection, affection, society, and moral support, loss of enjoyment of sexual relations, and loss of training and guidance. As the Successor in Interest of Marissalyn Santos, Claimant also seeks damages for the pre-death pain and suffering incurred by Marissalyn Santos before her death.

Explain how the dollar amount claimed was computed

Jurisdiction in this case rests with the Superior Court. The value of the case exceeds $25,000. This will NOT be a limited civil case.

Dollar Amount of Claim

$ Exceeds $25,000

Attach copies of the supporting documentation for the amount claimed with this form

List all items that are attached

Not required -- case exceeds $25,000

Section 3: Insurance Information

Has the claim for alleged damage/injury been filed or will it be filed with your insurance company? (Yes (X No
If yes, please fill out the information below

Name of Insurance Company and agent (if known) (if more than one, please attach additional sheets with required information for each company)

Type of Insurance

Policy Number

Mailing Address

City, State, Zip Code

Limits of Insur $

Deductible $

If claim involves damage to a vehicle:

Make

Model

Year

Are you the registered owner?: (Yes (No

Section 4: Representative Information
Must be completed if claim is being filed by an attorney or authorized representative

Name of Attorney/Representative: John Demas and Tim Spangler, Demas Law Group

Address: 701 Howe Avenue, Suite A-1

City: Sacramento

State and Zip Code: CA 95825

Telephone Number (include area code): (916) 444-0100

Section 5: Notice and Signature
Form must be signed and dated to process your claim

Signature of Claimant		Date	
Signature of Attorney/Representative		Date	12/19/23

NOTE: California Penal Code, section 72 states, every person who, with intent to defraud, presents any false or fraudulent claim is punishable either by imprisonment in the county jail for a period of not more than one year, by a fine of not exceeding one thousand dollars ($1,000), or by both such imprisonment and fine, or by imprisonment in the state prison, by a fine of not exceeding ten thousand dollars ($10,000), or both such imprisonment and fine.

CLAIMS FOR DEATH, INJURY TO PERSON OR TO PERSONAL PROPERTY MUST BE FILED NOT LATER THAN 6 MONTHS AFTER THE OCCURRENCE. (GOVERNMENT CODE SECTION 911.2) ALL OTHER CLAIMS FOR DAMAGES MUST BE FILED NOT LATER THAN ONE YEAR AFTER THE OCCURRENCE. (GOVERNMENT CODE SECTION 911.2)

Submit an original, completed claim form and all documentation to:
LARPD
General Manager
4444 East Avenue
Livermore, CA 94550

ATTACHMENT 1

CLAIM OF GUADALUPE C VEGA VILLALVAZO

Explain the circumstances that led to the alleged damage or injury. State all the facts that support the claim against LARPD, and why you believe LARPD is responsible for the alleged damage or injury. If known, provide the name(s) of the LARPD employee(s) who allegedly caused the damage, injury, or loss.

On the afternoon of July 4, 2023, Claimant Guadalupe Vega Villalvazo was with her wife, Marissalyn Santos ("Decedent"), at the May Nissen Swim Center ("Swim Center"), located at 685 Rincon Avenue, in Livermore, California. Respondent Livermore Area Recreation and Park District ("District") is a Special District and a public entity in the State of California. The District owned, managed, controlled, maintained, operated, administered, and otherwise was responsible for the Swim Center.

While swimming, Decedent became distressed and began to drown. Though a lifeguard entered the water and brought Decedent to the edge of the pool, the lifeguard in the water, and another on the pool deck, took an inordinately long period of time to get Decedent out of the water, thus delaying the commencement of timely, appropriate, reasonable, and/or necessary life saving measures. Once Decedent was on the pool deck, the attending lifeguards were in a panic and did not begin timely, appropriate, reasonable, and/or necessary life saving measures and failed to contact EMS. Instead, the lifeguards were shouting and attempting to locate an individual who was apparently their supervisor. The lifeguards continued to fail to provide timely, appropriate, reasonable, and/or necessary life saving measures to Decedent. Eventually, an ambulance arrived. The EMS personnel who had arrived by ambulance started life saving measures and Decedent was transported to the Emergency Department at Stanford Health Care – Tri Valley. Claimant witnessed the entirety of the incident and suffered serious emotional distress a result. Tragically, Decedent's condition declined at the hospital and, on July 7, 2023, she died. The cause of death was identified as anoxic encephalopathy, secondary to cardiopulmonary arrest, secondary to drowning.

Claimant is informed and believes that Decedent would be alive today if District employees had taken timely, appropriate, reasonable, and/or necessary life saving measures on July 4, 2023.

Negligence of District Employees and Vicarious Liability of the District (Wrongful Death)

District employees are liable for their negligence to the same extent as a private person. (Govt. Code § 820(a).) In this matter, District employees were negligent in: (1) maintaining, inspecting, supervising, observing, managing, regulating, warning, patrolling, protecting, guarding, and controlling the subject Swim Center; (2) failing to timely contact emergency medical services to assist Decedent; and (3) failing to undertake timely, appropriate, reasonable, and/or necessary life saving measures with respect to Decedent. Further, the action and/or inaction of District employees in this instance demonstrates the want of even scant care and/or an extreme departure from the ordinary standard of conduct and thus meets the definition of gross negligence. This negligence was the direct and legal cause of Decedent's death. As a direct and legal result of the negligent acts and wrongdoing of District employees, agents, representatives, and/or contractors, Claimant has suffered injuries and damages arising out of the wrongful death of her wife.

The District is vicariously liable for the negligence of District employees acting in the course and scope of their employment. (Govt. Code § 815.2(a).) As set forth above, District employees were negligent in: (1) maintaining, inspecting, supervising, observing, managing, regulating, warning, patrolling, protecting, guarding, and controlling the subject Swim Center; (2) failing to timely contact emergency medical services to assist Decedent; and (3) failing to undertake timely, appropriate, reasonable, and/or necessary life saving measures with respect to Decedent. Further, the action and/or inaction of

District employees in this instance demonstrates the want of even scant care and/or an extreme departure from the ordinary standard of conduct and thus meets the definition of gross negligence. This negligence was the direct and legal cause of Decedent's death. As a direct and legal result of the negligent acts and wrongdoing of District employees, for whose negligence the District is vicariously liable, Claimant has suffered injuries and damages arising out of the wrongful death of her wife.

Negligent Hiring, Training, Supervision and Retention of District Employees and Vicarious Liability of the District (Wrongful Death)

Though a public agency such as the District cannot be held directly liable for negligent hiring, training, supervision and retention of its employees, the District is vicariously liable for negligence of District employees who were responsible for the hiring/training/ supervision/retention of District employees. District employees, whose identities are currently unknown to Claimant (but whose identities are known to the District) were negligent in hiring, training, supervising, and retaining the District employees whose negligence is described in the foregoing section. The result of the negligent hiring/training/supervision/retention was the presence of unqualified, unprepared, unsafe, and incompetent lifeguards/pool staff at the time of the subject incident. The negligent hiring/training/ supervision/retention includes, but is not limited to, failing to: (a) properly evaluate lifeguards/pool staff qualifications before hiring; (b) perform appropriate background checks on prospective lifeguard/pool staff hires; (c) ensure that lifeguards/pool staff had the appropriate licensure/certification upon hiring; (d) ensure that lifeguards/pool staff maintained the appropriate licensure/certification throughout their employment; (e) provide lifeguards/pool staff with proper training and/or ensure that lifeguards/pool staff received proper training; (f) conduct periodic tests/checks to ensure that lifeguards/pool staff were proficient in, and physically capable of performing, necessary lifesaving skills, techniques, rules and regulations; (g) promulgate appropriate employment and safety rules and regulations and ensure compliance with same; (h) dismiss lifeguards/pool staff who were not proficient in, or physically capable of performing, necessary lifesaving skills and techniques; and (i) dismiss lifeguards/pool staff who were unfit, unsuited, or otherwise unqualified for the job of keeping pool patrons safe. This negligent hiring/training/supervision/ retention was the direct and legal cause of Decedent's death. As a direct and legal result of the negligent acts and wrongdoing of District employees, for whose negligence the District is vicariously liable, Claimant has suffered injuries and damages arising out of the wrongful death of her wife.

District Liability for the Negligence of Independent Contractors Hired by the District (Wrongful Death)

The District is liable for the negligence of independent contractors. (Govt. Code § 815.4.) Claimant is informed and believes that District contractors were involved in lifeguarding and pool safety responsibilities at the Swim Center. These District contractors were negligent in (1) maintaining, inspecting, supervising, observing, managing, regulating, warning, patrolling, protecting, guarding, and controlling the subject Swim Center; (2) failing to timely contact emergency medical services to assist Decedent; and (3) failing to undertake timely, appropriate, reasonable, and/or necessary life saving measures with respect to Decedent. Further, the action and/or inaction of District employees in this instance demonstrates the want of even scant care and/or an extreme departure from the ordinary standard of conduct and thus meets the definition of gross negligence. Providing timely, appropriate, reasonable, and/or necessary life saving measures pool patrons as necessary and the hiring, training, supervision, and retention of employees suitable for carrying out such measures are non-delegable duties. Claimant is currently unaware of the identity of any District-employed contractors who may have been negligent in connection with the death of Decedent, however, Claimant is informed and believes that this information is available to the District. The negligence on the part of District contractors was the direct and legal cause of Decedent's death. As a direct and legal result of the negligent acts and wrongdoing of District contractors, for whose negligence the District is liable, Claimant has suffered injuries and damages arising out of the wrongful death of her wife.

Failure to Discharge Mandatory Duties (Wrongful Death)

The District is liable for the failure to discharge a mandatory duty set forth by enactment. (Govt. Code § 815.6.) Specifically, based on the foregoing factual and legal assertions, the District and/or its employees failed to discharge duties required by: Cal. Health and Safety Code sections 1797.182, 116028, 116040, 116043, and 116045; Cal. Code of Regulations, Title 22, Div. 4, Chap. 20, Art. 3, sections 65521, 65539, 65540; and other statutory and regulatory frameworks pertaining to public swimming pool operation. These enactments impose mandatory duties, are intended to protect against the risk of the kind of injury suffered by Decedent, and the breach of such mandatory duties was the direct and proximate cause of Claimant's injuries and damages.

Negligent Infliction of Emotional Distress to Bystander by District Employees and Vicarious Liability of the District

District employees are liable for their negligence to the same extent as a private person. (Govt. Code § 820(a).) The District is vicariously liable for the negligence of District employees acting in the course and scope of their employment. (Govt. Code § 815.2(a).) As set forth in detail above, District employees acting with the course and scope of their employment were negligent (and/or grossly negligent) in, among other things, providing timely, appropriate, reasonable and/or necessary life saving measures to Decedent. At all times during the District employees' negligent actions and/or inactions, Claimant was present at the scene and was aware that the negligent actions and/or inactions were causing injury and harm to Decedent. As a direct and proximate result of the aforementioned negligence on the part of District employees, Claimant suffered serious emotional distress including suffering, anguish, fright, horror, nervousness, grief, anxiety, worry, and shock. The serious emotional distress was such that an ordinary, reasonable person would be unable to cope with it.

Survival Cause of Action Against District Employees and the District

Claimant is the surviving spouse of Decedent and is Decedent's Successor-in-Interest pursuant to Code of Civil Procedure section 377.30. As a direct and proximate result of the negligence of District employees as set forth in detail above (for which the District is vicariously liable), Decedent suffered fatal injuries. Decedent survived for an appreciable period of time after the injuries were inflicted upon her before subsequently dying. Pursuant to Code of Civil Procedure section 377.34, and as Decedent's Successor-in-Interest, Claimant seeks damages for Decedent's pre-death pain and suffering.

Dangerous Condition of Public Property (Wrongful Death)

The District is liable for injuries resulting from dangerous conditions of its property. (Govt. Code § 835.) On or about July 4, 2023, and prior thereto, the District owned, repaired, maintained, managed, inspected, failed to inspect, erected, supervised, monitored, managed, contracted for repair, controlled and/or was legally responsible for the Swim Center at the above described location and its compliance with applicable laws, rules, and/or regulations. The subject Swim Center created a substantial risk of injury when the property was used with due care in a manner that was reasonably foreseeable that it would be used, in that there existed at the above-mentioned date, time and location, numerous dangerous and defective conditions, all of which were unknown to Decedent and all of which were created by and/or were known to exist by the District. These dangerous and defective conditions include, but are not limited to negligent, careless, reckless, inappropriate and/or otherwise unlawful management, maintenance, and control of the property such that it was in an unreasonable and/or unsafe state, inappropriate pool design, interrupted sight lines between lifeguard stations and the pool, inadequately trained lifeguards/pool staff, inadequate safety lifesaving equipment, and inadequate rules and regulations, including those related to safety and lifesaving training/certification/ re-certification/skill demonstration, response to emergencies, administration of first aid and CPR, use of safety and lifesaving equipment, and communication regarding emergencies. The above-stated defects were the direct and legal cause of Decedent's death. As a direct and legal result of the direct result of the aforementioned dangerous condition, Claimant has suffered injuries and damages arising out of the wrongful death of her wife.

There may be additional facts and information pertinent to the District's responsibility for Claimant's injuries and damages that are not currently known to Claimant. Further, Claimant is currently unaware of the identity of all District employees/agents/representatives/contractors who are responsible for Claimant's injuries and damages. Claimant reserves the right to amend this claim, or the subsequent civil complaint, in the future when additional facts and information become available.