

AGENDA  
REGULAR MEETING  
BOARD OF DIRECTORS

EAST BAY REGIONAL PARK DISTRICT

Tuesday, September 6, 2016

D. BUSINESS BEFORE THE BOARD

6. BOARD COMMITTEE REPORTS

- b. Finance Committee Report and Recommended Actions from the June 22, 2016 (Waespi)

Attendees

Board:

Directors Dennis Waespi, Ayn Wieskamp, Diane Burgis

Staff:

Robert E. Doyle, Debra Auker, Ana M. Alvarez, Pam Burnor, David Sumner, Kim Balingit, Nadine Vargas, Meadow D'Arcy, Jamie LeBow, Matthew James, Alicia Gonzales

Speakers:

AJ Major, Audit Partner with Vavrinek, Trine, Day and Company CPA's

Public:

None

Committee chair Dennis Waespi began the meeting at 12:30 PM with the introduction of committee members.

**Agenda Item No. 1**

**Draft 2015 Comprehensive Annual Financial Report, SAS 114 Auditor's Communications with Those Charged with Governance Agreed Upon Procedure Applied to Appropriations Limit Calculation**

Assistant General Manager/CFO Debra Auker introduced the District's 2015 Comprehensive Annual Financial Report (CAFR), and stated that each year an independent audit is conducted of the District's financial information and internal controls. She stated that the December 31, 2015 audit resulted in a "clean" unmodified opinion from the auditors.

AGM/CFO Auker presented details of the 2015 CAFR including the new GASB 68 portion, related to reporting pensions.

- Net position in the government-wide statements, which are presented on a full accrual basis, decreased by \$61.7 million during 2015 to \$734.2 million due to the implementation of GASB 68. The District's pension liability is \$100.1 million (the Districts overall assets went down \$61.7 million and net growth was \$38 million). The financial statements reflect a restatement of beginning net position due to the

implementation of GASB Statement No. 68 (*Accounting and Financial Reporting for Pensions*). This restatement reduced the beginning net position by \$100.1 million.

Governmental funds had an overall decrease in fund balance while the internal service fund slightly increased.

- General Fund fund balance decreased \$.05 million due to the transfer of funds to the Major Infrastructure Renovation and Replacement Fund and funding for workers' compensation claims.
- Debt service funds fund balance decreased \$2.1 million, mainly as a result of the final payoff of the 2006 Measure AA bond issue.
- Project funds fund balance decreased \$4.3 million, due to increased spending on projects.
- Non-major governmental funds decreased \$5.3 million due to commitment of Measure CC funds.
- Internal Service fund increased \$6.1 million as the result of transfers to Major Infrastructure Renovation and Replacement Fund and Workers' Compensation Fund.
- General Fund fund balance, included in the governmental and financial statements decreased \$0.5 million.
  - Revenues totaled \$126.6 million compared to \$117 million in 2014 with increase attributed to property tax revenues.
  - Expenditures totaled \$106.8 million, which was comparable to 2014.
  - General Fund transfers out totaled \$20.8 million.

Committee chair Waespi requested clarification on the District's general revenue source property tax increase of 13%. AGM/CFO Auker advised included in the revenues are tax on bonds. However the District's property tax did increase over 10% last year due to both Alameda and Contra Costa Counties reassessments of parcels to bring levels back to pre-recession levels.

Committee member Ayn Wieskamp asked if the District still receives Redevelopment funds. AGM/CFO Auker replied yes, the District receives on going money from some agencies.

AJ Major Audit Partner with Vavrinek, Trine, Day and Company CPA's (VTD) was introduced and he summarized the audit report as follows:

- The financial statements are the responsibility of management.
- The audit work performed provides a reasonable basis for the auditor's opinion.
- In the auditor's opinion the financial statement presented fairly, in all material respects the financial position of the District.
- The financial statements are in conformity with accounting general accepted accounting principles.

AJ Majors highlighted the implementing of GASB 68 (how pensions are reported) to the committee.

The SAS 114 communication with those charged with governance provided information about internal control weaknesses encountered. A material weakness is the most severe issue, a significant deficiency a set lower in significance, and a control deficiency the lowest level of finding. AJ Major stated that during the 2015 audit the District had no material weakness (the internal controls are functioning as they should), no control deficiencies, and no Management Letter Comments.

AGM/CFO Auker thanked AJ Major for his information and reiterated the District is in sound financial condition with internal controls functioning property.

AGM/CFO Auker concluded her report by thanking the Finance Staff, in particular Kim Balingit, Accountant Manager and Interim Chief Financial Officer Bill Zenoni for managing the audit and the auditors for their assistance and asked for Committee recommendation.

**Recommendation: Motioned by Ayn Wieskamp and seconded by Diane Burgis that the Finance Committee recommends to the full Board of Directors to review the financial reports and submit the 2015 Comprehensive Annual Financial Report and other reports to Board of Director for consideration and acceptance. Motion approved.**

## **Agenda Item No. 2** **2017 Measure CC Expenditure Plan**

Assistant Finance Officer Jeff Rasmussen and Administrative Analyst Matthew James presented the 2017 Measure CC Expenditure Plan to the Finance Committee. Provisions of Measure CC require an annual expenditure plan to be adopted by the Board of Directors. The purpose of this item is to review the proposed expenditure plan and recommend it be adopted as the basis of the 2017/2018 Tax Report and 2017 Budget.

AFO Rasmussen provided committee members with handouts illustrating ongoing and first time funded projects.

Committee chair Waespi inquired if staff anticipates the need of the \$1.95 million unappropriated funds. AFO Rasmussen responded yes however staff has not made a spending recommendation at this time.

Committee chair Waespi asked how often Measure CC funds become available. AGM/CFO Auker replied the District receives payments from the counties twice a year.

Committee chair Waespi referenced the \$100,000 a year the District gives to Oakland Zoo requesting if staff receives reports on usage of funds. AFO Rasmussen responded staff receives detailed records from Oakland Zoo adding, funds are used for operation items such as computers, vehicles and equipment repairs.

**RECOMMENDATION: Motioned by Diane Burgis and seconded by Ayn Wieskamp that the Finance Committee recommends to the full Board of Directors acceptance of the Measure CC 2017 budget and adopted as the basis for the 2016/2017 Measure CC Tax Report. Motion Approved.**

### **Agenda Item No. 3**

#### **First Quarter 2016 General Fund and Other Governmental Funds Financial Reports**

Administrative Analyst Jamie LeBow presented the First Quarter 2016 General Fund Reports and Unaudited Financial Statements. Admin. Analyst Lebow summarized first quarter revenues and expenditures for the District.

#### **General Fund Revenues and Expenditures**

##### Revenue highlights:

- Revenues are on track to end the year on budget.
- First quarter revenues were \$14.5 million, an increase of the \$10.8 million received the same period last year.

##### Expenditure highlights:

- Expenditures were \$29.4 million in the first quarter, slightly above the \$27.6 million in the same period last year.
- The increase was related to Transfers Out for one-time projects, including Land Use Plans for Concord Hills, Black Diamond and Clayton Ranch.

Committee members appreciated the footnotes and ease of reading the report.

**RECOMMENDATION: Motioned by Ayn Wieskamp and seconded by Diane Burgis that the Finance Committee recommends to the full board of Directors to acceptance of First Quarter 2015 General Fund and Other Governmental Funds Financial Reports. Motion Approved.**

### **Agenda Item No. 4**

#### **Open Forum for Public Comment**

None

### **Agenda Item No. 5**

#### **Board Comments**

None

Meeting adjourned 1:55 p.m.

Respectfully submitted,

Connie Swisher  
Finance

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