

**AUBURN AREA RECREATION AND PARK DISTRICT
MEETING OF THE BOARD OF DIRECTORS AGENDA**

6:00 PM

**THURSDAY, JUNE 28, 2018
CANYON VIEW COMMUNITY CENTER, BOARD ROOM
471 MAIDU DRIVE
AUBURN, CA**

Materials related to an item on this Agenda submitted to the District after distribution of the agenda packet are available for public inspection in the District's Office at 471 Maidu Drive, Auburn, CA 95603 during normal business hours. In compliance with the Americans with Disabilities Act, if you need assistance to participate in this meeting, please contact the District Clerk at (530) 537-2187. Notification 48 hours prior to the meeting will enable the District to make reasonable arrangements to ensure accessibility to this meeting.

1.0 CALL TO ORDER

(PLEDGE TO THE FLAG)

The Board of Directors of the Auburn Area Recreation and Park District welcomes you to its meetings. Regular meetings are scheduled at 6 p.m. the last Thursday of each month. The November and December Board meetings will be scheduled in consideration of recognized holidays. Your attendance and interest is encouraged and appreciated. Special accommodations may be made upon request to the District Administrator 72 hours in advance of the meeting.

Roll Call

Gray _____ Ainsleigh _____ Ferris _____ Holbrook _____ Lynch _____

2.0 INTRODUCTIONS, PRESENTATIONS AND ANNOUNCEMENTS

Presentation of a check to ARD in the amount of \$500.00 from Carryn Perry of the Foothill Quilters Guild.

3.0 AGENDA REVIEW, CHANGES, AND APPROVAL

Motion by _____ Second by _____ to _____

Gray _____ Ainsleigh _____ Ferris _____ Holbrook _____ Lynch _____

Roll Call Vote

4.0 PUBLIC COMMENT – This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Board of Directors. After you are recognized by the Board Chairperson, please come to the lectern and state your name, and address for the record (optional). There is a time limitation of three minutes.

_____ 7.2 **Amendments for Facilities & Grounds Job Descriptions (Program, Personnel, Policy, Fee & Legal Review Committee)**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors amend three Facilities & Grounds job descriptions?

Motion by _____ Second by _____ to _____

Gray _____ Ainsleigh _____ Ferris _____ Holbrook _____ Lynch _____

Roll Call Vote

_____ 7.3 **Placer County Local Agency Formation Commission (LAFCO) - Appointments to Countywide Redevelopment Oversight Board**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors vote for one candidate for the Countywide Redevelopment Oversight Board?

Motion by _____ Second by _____ to _____

Gray _____ Ainsleigh _____ Ferris _____ Holbrook _____ Lynch _____

Roll Call Vote

_____ 7.4 **Placer County Local Agency Formation Commission (LAFCO) – Call for Nomination – Special District Representative**

Shall the Auburn Area Recreation and Park District (ARD) Board of Directors make a nomination to the Placer County Local Agency Formation Commission (LAFCO) of a Special District Representative?

Motion by _____ Second by _____ to _____

Gray _____ Ainsleigh _____ Ferris _____ Holbrook _____ Lynch _____

Roll Call Vote

___ 9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS

1. County Mitigation Fund, current balance \$487,738.

___ 10.0 BRIEF ANNOUNCEMENTS AND REPORTS FROM BOARD MEMBERS

No action will be taken at this time on any item announced or reported by a Board Member. The Board or a member of the Board may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent meeting concerning any matter so reported, or take action to direct staff to place a matter of business on a future agenda.

___ 11.0 CORRESPONDENCE/COMMUNICATIONS AND INFORMATIONAL

None.

___ 12.0 PUBLIC COMMENT This is the time wherein any person may comment on any item not on the agenda within the subject matter jurisdiction of the Board of Directors. After you are recognized by the Board Chairperson, please come to the lectern and state your name, and address for the record (optional). There is a time limitation of three minutes.

___ 13.0 CLOSED SESSION

13.1 Public Employee Performance Evaluation. (Gov. Code, 54954.5, subd. (e), 54957.)

Title: District Administrator

___ 14.0 OPEN SESSION – REPORT/ACTION ON OR ABOUT CLOSED SESSION

ADJOURNMENT

AUBURN AREA RECREATION AND PARK DISTRICT
This agenda is hereby certified to have been posted as follows:

6-21-18
Date

1:00 pm.
Time

P. Larson
Clerk to the Board

**Auburn Area Recreation and Park District
Minutes of the Meeting of the Board of Directors
Thursday, May 31, 2018, 6:00 p.m., Canyon View Community Center
471 Maidu Drive, Auburn, CA**

Board Members

Present: Chairman Jim Gray
Director Gordon Ainsleigh
Director Scott Holbrook
Director Mike Lynch

Board Members

Absent: Director Jim Ferris

Staff Present:

Kahl Muscott, District Administrator
Joe Fecko, Administrative Services Manager
Brian Simpson, Facilities & Grounds Manager
Manouch Shirvanioun, Customer Service/Marketing Manager
Sheryl Petersen, Recreation Services Manager
Debbie Thomas, Youth Services Manager
Patricia Larson, Recording Secretary

1.0 CALL TO ORDER

The Meeting of the Board of Directors was called to order at 6:00 p.m. by Chairman Gray.

(PLEDGE TO THE FLAG)

2.0 INTRODUCTIONS, PRESENTATIONS AND ANNOUNCEMENTS

Announcement of Joe Fecko's retirement.

3.0 AGENDA REVIEW, CHANGES AND APPROVAL

A motion was made by Director Holbrook and seconded by Director Lynch to approve the agenda as written.

Roll Call Vote

Director Gray – Yes
Director Ainsleigh – Yes
Director Ferris – Absent
Director Holbrook – Yes
Director Lynch – Yes

4 – 0 Motion carries.

6.0 ADMINISTRATOR’S AND DEPARTMENTAL REPORTS

Board reports, fee waiver log, vandalism reports, and project activity report were provided to the Board under separate cover.

7.0 UNFINISHED BUSINESS

7.1 Resolution Number 2018-11: Atwood III Fiscal Year 2018-2019 Intention to Levy Assessments; Engineer’s Report; Notice of Hearing (Acquisition & Development Committee)

A motion was made by Director Lynch and seconded by Director Gray to adopt Resolution Number 2018-11, A Resolution of Intention to Continue Assessments for Fiscal Year 2018-19, Preliminarily Approving Engineer’s Report, and Providing for notice of Hearing for the Auburn Area Recreation and Park District, Atwood Ranch III Landscaping and Lighting Assessment District.

Roll Call Vote

Director Gray – Yes
Director Ainsleigh – Yes
Director Ferris – Absent
Director Holbrook – Yes
Director Lynch – Yes

4 – 0 Motion carries.

8.0 NEW BUSINESS

8.1 Surplus and Disposal of Assets (Program, Personnel, Policy, Fee & Legal Review Committee)

A motion was made by Director Holbrook and seconded by Director Ainsleigh to approve the change in the Fixed Asset Capitalization Policy, item C. Surplus as presented.

Roll Call Vote

Director Gray - Yes
Director Ainsleigh - Yes
Director Ferris - Absent
Director Holbrook - Yes
Director Lynch – Yes

4 – 0 Motion carries.

9.0 ITEMS FOR DISCUSSION AND INFORMATIONAL ITEMS

1. County Mitigation Fund, current balance \$487,738.

10.0 BRIEF ANNOUNCEMENTS AND REPORTS FROM BOARD MEMBERS

No action will be taken at this time on any item announced or reported by a Board Member. The Board or a member of the Board may provide a reference to staff or other resources for factual information, request staff to report back to the body at a subsequent Meeting concerning any matter so reported, or take action to direct staff to place a matter of business on a future agenda.

Party in the Park is June 15th.

11.0 CORRESPONDENCE/COMMUNICATIONS AND INFORMATIONAL

Correspondence was attached in the Board Agenda.

12.0 PUBLIC COMMENT

None.

13.0 CLOSED SESSION – Closed Session began at 6:51 p.m.

- 13.1 **Public Employee Performance Evaluation. (Gov. Code, 54954.5, subd. (e), 54957.)**

14.0 OPEN SESSION – Open Session began at 7:01 p.m. There was no reportable action.

ADJOURNMENT - As there was no further business, the meeting was adjourned at 7:01 p.m. by Chairman Gray.

Board Secretary

Date

Auburn Rec & Park
 VENDOR CHECK REGISTER REPORT
 Payables Management

Ranges:	From:	To:	From:	To:
Check Number	First	Last	Check Date	5/1/2018
Vendor ID	First	Last	Checkbook ID	COMM 1ST
Vendor Name	First	Last		5/31/2018
				COMM 1ST

Sorted By: Check Date

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
16767	F0004	Court-Ordered Debt Collections	5/4/2018	COMM 1ST	PMCHK00002475	\$135.73
16768	S0016	Sam's Club	5/4/2018	COMM 1ST	PMCHK00002475	\$689.18
16769	S1007	Stationary Engineers, Local 39	5/4/2018	COMM 1ST	PMCHK00002475	\$437.22
16770	1099-104	Thomas Seibel	5/11/2018	COMM 1ST	PMCHK00002476	\$195.00
16771	1099-193	Celena Polena	5/11/2018	COMM 1ST	PMCHK00002476	\$221.00
16772	1099-216	Gerald Harris	5/11/2018	COMM 1ST	PMCHK00002476	\$364.00
16773	1099-269	Deborah Lynn	5/11/2018	COMM 1ST	PMCHK00002476	\$292.50
16774	1099-271	Kelpro Security	5/11/2018	COMM 1ST	PMCHK00002476	\$1,053.00
16775	1099-291	Isaac Humber	5/11/2018	COMM 1ST	PMCHK00002476	\$156.00
16776	1099-313	Alison Lloyd	5/11/2018	COMM 1ST	PMCHK00002476	\$552.00
16777	1099-341	Twardis, Bryan	5/11/2018	COMM 1ST	PMCHK00002476	\$120.00
16778	1099-358	Natalia Roberti	5/11/2018	COMM 1ST	PMCHK00002476	\$384.00
16779	1099-359	Tai Batov	5/11/2018	COMM 1ST	PMCHK00002476	\$216.00
16780	1099-5	Daniel Crandall DBA:Current A	5/11/2018	COMM 1ST	PMCHK00002476	\$151.20
16781	A0001	Recology Auburn Placer	5/11/2018	COMM 1ST	PMCHK00002476	\$397.86
16782	A0014	AT&T	5/11/2018	COMM 1ST	PMCHK00002476	\$296.28
16783	A0051	Anderson's Sierra Pipe Co.	5/11/2018	COMM 1ST	PMCHK00002476	\$247.53
16784	A0139	Auburn Ford	5/11/2018	COMM 1ST	PMCHK00002476	\$1,494.60
16785	A0159	Auburn Crane	5/11/2018	COMM 1ST	PMCHK00002476	\$840.00
16786	A1010	Advantage Marketing and Print	5/11/2018	COMM 1ST	PMCHK00002476	\$357.69
16788	C0041	CPRS	5/11/2018	COMM 1ST	PMCHK00002476	\$170.00
16789	C0072	CIT Technology Fin. Serv., Inc	5/11/2018	COMM 1ST	PMCHK00002476	\$553.57
16790	C0075	Cintas Corporation	5/11/2018	COMM 1ST	PMCHK00002476	\$197.54
16791	C0113	Cooks Portable Toilets & Septi	5/11/2018	COMM 1ST	PMCHK00002476	\$326.08
16792	C0121	Cota Cole LLP	5/11/2018	COMM 1ST	PMCHK00002476	\$288.00
16793	D0010	Diamond Pacific	5/11/2018	COMM 1ST	PMCHK00002476	\$269.38
16794	D0025	Dawson Oil Company	5/11/2018	COMM 1ST	PMCHK00002476	\$2,823.72
16795	F0038	Fastenal Company	5/11/2018	COMM 1ST	PMCHK00002476	\$527.61
16796	G0009	General Wholesale Electric Sup	5/11/2018	COMM 1ST	PMCHK00002476	\$139.76
16797	G0021	Veona Galbraith	5/11/2018	COMM 1ST	PMCHK00002476	\$26.16
16798	I0010	Inland Business Systems	5/11/2018	COMM 1ST	PMCHK00002476	\$98.17
16799	J0010	JeffCo Plumbing, Inc.	5/11/2018	COMM 1ST	PMCHK00002476	\$1,059.46
16800	J0070	Jeremy Burke	5/11/2018	COMM 1ST	PMCHK00002476	\$550.00
16801	K0011	Kaiser Foundation Health Plan,	5/11/2018	COMM 1ST	PMCHK00002476	\$16,108.53
16802	L0027	Pat Larson	5/11/2018	COMM 1ST	PMCHK00002476	\$31.61
16803	M0013	Meadow Vista True Value Hardwa	5/11/2018	COMM 1ST	PMCHK00002476	\$47.49
16804	M0019	Kahl Muscott	5/11/2018	COMM 1ST	PMCHK00002476	\$74.66
16805	M0028	Maki Heating & A/C, Inc.	5/11/2018	COMM 1ST	PMCHK00002476	\$576.00
16806	M0098	Meadow Vista County Water Dist	5/11/2018	COMM 1ST	PMCHK00002476	\$578.38
16807	M0099	George Eric Menig DBA Menig We	5/11/2018	COMM 1ST	PMCHK00002476	\$5,375.00
16808	N0003	Norris Electric, Inc.	5/11/2018	COMM 1ST	PMCHK00002476	\$190.00
16809	N0045	Near U CO2	5/11/2018	COMM 1ST	PMCHK00002476	\$228.42
16810	P0001	Placer Farm Supply	5/11/2018	COMM 1ST	PMCHK00002476	\$2,032.98
16811	P0023	PG&E	5/11/2018	COMM 1ST	PMCHK00002476	\$110.26
16812	P0084	Placer County Public Works & F	5/11/2018	COMM 1ST	PMCHK00002476	\$16,745.03
16813	R0073	Riebes Auto Parts	5/11/2018	COMM 1ST	PMCHK00002476	\$237.35
16814	S0009	Sierra Saw Sales And Service	5/11/2018	COMM 1ST	PMCHK00002476	\$226.98
16815	S0067	Superfast Copy	5/11/2018	COMM 1ST	PMCHK00002476	\$12.07
16816	S0086	Sac-Val Janitorial Supply, Inc	5/11/2018	COMM 1ST	PMCHK00002476	\$1,623.77
16817	S0094	Manouch Shirvanioun	5/11/2018	COMM 1ST	PMCHK00002476	\$43.60
16818	S0143	SNOA	5/11/2018	COMM 1ST	PMCHK00002476	\$187.00
16819	S0145	SCP Pool Distributors LLC	5/11/2018	COMM 1ST	PMCHK00002476	\$1,247.27
16820	S0161	SWANK Motion Pictures, Inc	5/11/2018	COMM 1ST	PMCHK00002476	\$1,633.00
16821	TEMPB	Ackerman School District	5/11/2018	COMM 1ST	PMCHK00002476	\$123.51
16822	TEMPG	Leslie Golden	5/11/2018	COMM 1ST	PMCHK00002476	\$40.00
16823	TEMPL	Tamara Lapointe	5/11/2018	COMM 1ST	PMCHK00002476	\$40.00

* Voided Checks

Check Number	Vendor ID	Vendor Check Name	Check Date	Checkbook ID	Audit Trail Code	Amount
16888	TEMPC	Kelly Cleverley	5/25/2018	COMM 1ST	PMCHK00002479	\$115.00
16889	TEMPF	George Foucek	5/25/2018	COMM 1ST	PMCHK00002479	\$35.00
16890	TEMPH	Ivy Hays	5/25/2018	COMM 1ST	PMCHK00002479	\$30.00
16891	TEMPM	Jasmine Mulder	5/25/2018	COMM 1ST	PMCHK00002479	\$35.00
16892	TEMPO	Amber Ordway	5/25/2018	COMM 1ST	PMCHK00002479	\$320.00
16893	TEMPS	Kelly Seado	5/25/2018	COMM 1ST	PMCHK00002479	\$30.00
16894	TEMPW	Jessica White	5/25/2018	COMM 1ST	PMCHK00002479	\$30.00
16895	V0019	Valley Rock Landscape Material	5/25/2018	COMM 1ST	PMCHK00002479	\$391.73
16896	W0001	Walker's Office Supplies, Inc.	5/25/2018	COMM 1ST	PMCHK00002479	\$1,326.98

Total Checks: 128

Total Amount of Checks: \$132,933.72

PROFIT & LOSS

18/19 Approved Budget

	Approved Budget FY 18-19	% Of Total	Mid-Yr Revision FY 18-19	% Of Total	2018 May ACTUALS	Last Yr April Actuals	2018 YTD ACTUALS	2018 YTD BUDGET	Last Yr YTD ACTUALS
Operating Revenues									
Program Revenue	1,114,565	20%	-	#DIV/0!	197,023	163,656	307,881	256,530	246,114
Facility Revenue	153,385	3%	-	#DIV/0!	21,982	14,605	78,208	75,955	71,441
Misc. Revenue	41,331	1%	-	#DIV/0!	5,046	4,667	9,599	7,088	7,781
Grants & Donations	33,755	1%	-	#DIV/0!	322	213	322	1,885	378
Interest Income	64,375	1%	-	#DIV/0!	8,496	11,491	15,742	12,650	11,542
Projects Revenue	331,800	6%	-	#DIV/0!	-	-	-	-	-
Tax Revenue	3,121,712	55%	-	#DIV/0!	3,329	1,149,122	1,199,141	1,190,863	1,149,122
In Kind/Atwood	22,381	0%	-	#DIV/0!	-	-	-	-	-
Trans from Cap Const/City Trust/Eq Res	743,500		-		-	-	-	-	-
Total Operating Revenue	5,626,804	100.00	-	100.00	236,198	1,343,754	1,610,893	1,544,971	1,486,378
Expenditures									
Program Expense	233,650	4%	-	#DIV/0!	15,395	13,254	40,128	23,360	31,750
Operating & Supplies	370,580	7%	-	#DIV/0!	36,964	36,930	51,636	58,316	46,090
Utilities Expense	190,660	3%	-	#DIV/0!	25,603	8,408	38,646	30,590	11,800
Professional Services	44,780	1%	-	#DIV/0!	1,365	1,003	5,802	4,750	4,000
Building & Grounds Maintenance	373,695	7%	-	#DIV/0!	31,600	31,890	37,778	36,475	83,150
Property Tax Admin.	89,900	2%	-	#DIV/0!	-	-	-	-	-
Wages	2,240,948	40%	-	#DIV/0!	165,791	154,017	230,411	244,950	196,752
Benefits & Payroll Costs	790,332	14%	-	#DIV/0!	52,333	56,271	110,948	119,614	115,340
Fixed Asset Expense	134,800	2%	-	#DIV/0!	7,529	-	8,202	7,700	5,000
Capital Improvement Projects	968,300	17%	-	#DIV/0!	338	13,964	86,935	81,000	13,950
Debt Services	2,000	0%	-	#DIV/0!	-	383	-	-	400
Special Dept Expenses (equip res.)	-	0%	-	#DIV/0!	-	-	-	-	-
Project Expenditures	-	0%	-	#DIV/0!	-	-	-	-	-
Misc Expense (CalPERS unfunded liab)	100,800	2%	-	#DIV/0!	-	-	-	-	-
Total Expenditures	5,540,445	100.00	-	100.00	336,918	316,120	711,286	707,555	554,032
Net Revenue Over Expenditures	\$ 86,359	1.53	\$ -		\$ (100,720)	1,027,634	\$699,607	\$837,416	\$932,346
Annual Contingency Reserve (1-2%)	\$ 450,000		\$ 450,000				\$ 450,000		\$ 450,000
Annual Equip Replacement Reserve	\$ 868,886		\$ 868,886				\$ 868,886		\$ 758,531
Future Capital Construction Reserve	\$ 965,971		\$ 965,971				\$ 965,971		\$ 705,971
ADA Reserve	\$ 75,032		\$ 75,032				\$ 75,032		\$ 65,032
CalPERS unfunded liability reserve	\$ 137,400		\$ 137,400				\$ 137,400		\$ 45,800
TOTAL RESERVE BALANCES	\$ 2,497,289		\$ 2,497,289				\$ 2,497,289		\$ 2,025,334

Auburn Recreation and Park District

Balance Sheet

As of 5/31/2018

ASSETS

Current Assets

Petty Cash	\$ 580.00
First Foundation Bank	153,919.75
Placer County Treasurer – General Fund	4,637,926.40
Placer County Treasurer – City Trust	421,126.38
Accounts Receivable	18,330.83
A/R – Friends 501C3	5,000.00
Prepaid Liability Expense	5,566.67
Prepaid Workers Comp Insurance	9,070.19
PCOE Youth Services Receivable	<u>17,389.00</u>

Total Current Assets \$ 5,268,909.22

Fixed Assets

Fixed Assets: Land	\$ 1,970,546.12
Fixed Assets: Structures	12,168,108.97
Fixed Assets: Equipment	922,382.87
Fixed Assets: Computer Equipment & Software	132,521.02
Fixed Assets: Vehicles	247,332.21
Fixed Assets: Office Furniture & Rec Equipment	79,149.60
Construction In Progress	496,492.82
Less: Accumulated Depreciation	<u>(9,543,246.30)</u>

Total Fixed Assets \$ 6,473,287.31

TOTAL ASSETS \$ 11,742,196.53

SECTION: 6.0

**BOARD REPORTS, FEE WAIVER LOG,
VANDALISM REPORTS & PROJECT
ACTIVITY REPORT**

INFORMATION:

SEE ATTACHMENTS

Veona Galbraith
Administrative Services Manager
Report to the Board of Directors
June, 2018

Staff said goodbye to our beloved Joe Fecko as he moved onto retirement. Summer Camps have infiltrated the Canyon View Community Center, laughter and the essence of youthful times fills the building.

Staff completed the annual audit with Don Cole & Company, which will be presented to the Board of Directors tonight.

Staff took possession of the New Toro Groundmaster Tri-Deck Mower as well as the new Kioti Tractor and Loader.

Next month:

- Staff will be submitting Quarter Reports
- Staff will be updating Fiscal Year Files
- Staff will Order Updated computers for Departments, per budget
- Donna-Renee, ARD's new Account Clerk will be trained on CalPERS registration procedures
- Veona, ARD's new Administrative Services Manager, will become familiar with our Liability Insurance and Workers' Compensation Policies

Brian Simpson
Facilities & Grounds Manager
Report to the Board of Directors
June, 2018

Hired two part time park workers/facilities attendants: Justin Nash and Sienna Fick.

Meadow Vista

New irrigation pump scheduled to be installed on 06/22. Old pump failed.

New Toro mower delivered 06/04.

Pond sprayed for weeds and algae on 06/5 and then again on 06/18.

Regional Park

Party in the park set up and take down 06/15

Surveillance cameras installed week of 06/04.

Ball fields lined during week for softball program.

administration/observation in the amount of \$13,500.00. Staff has directed the engineer to proceed with the CD's to a 50% stage (approximately \$3800 in cost) and then hold-off until the signed federal Finding of No Significant Impact (FONSI) has been received. This will allow the District to get a fresh cost estimate to help confirm budget and show/obtain progress on the project. US Bureau of Reclamation (USBR) still needs to sign the FONSI and they have been sent letters asking about the status of this by various bike park support organizations and members of the public. At the 90% CD stage a review by USBR needs to take place, all required permits need to be obtained with final plans completion, bidding and construction to follow.

- Regional Park South Play Structure Replacement: The ARD website voting page for the new play structure was completed and made live on June 1st. The link was also shared on Facebook social media and after a couple minor adjustments appears to be working well, allowing people to vote from their cell phones as well as at their desktops. Staff is also preparing construction documents for a concrete ramp to be installed from the adjacent parking lot to play structure for ADA compliance and planning on having the new play structure built first.
- Dry Creek Picnic Area Parking & Path ADA improvements at Regional Park: Staff has completed construction documents for this work and is having two contractors review the set and provide preliminary pricing in order to help confirm whether the project will be put out to formal or informal bid.
- Regional Park Irrigation Pump System Improvements: No New Action. All this work will now take place in the fall so that irrigation operations are not interrupted during the growing season. Staff was able to get three quotes from professional scuba contractors and has entered into contract with the low bidder to perform the pump inlet plugging work that needs to be done in order for the gate valve or any of the other work to take place. A new gate valve needs to be installed between the pond intake and the pump room before any work is done (new filter etc.). Staff is in process of obtaining one more quote for the gate valve work so that once the inlet is plugged by the diver in the fall, the gate valve work can start as soon as possible.
- Regional Park Asphalt Path Repair Project: No New Action. Bids were opened March 8th with Central Valley Engineering & Asphalt Inc. providing the low bid right at the Engineers estimate (50K). This work will be awarded now but scheduled for the summertime when conditions are optimum for asphalt paving. Performing this work when the ground is soft will likely result in damaging additional asphalt path areas and require different and more expensive paving methods. Work involves pathway repairs at approximately 23 locations throughout park with additional minor drainage improvements. UAIC has been kept notified of this schedule as they have expressed interest in having a monitor present for 2-3 locations of path repair.
- Riparian Management Plan/Streambed Alteration Agreement: No New Action. USFWS has finally gotten back to the District giving authorization to proceed and outlining the various forms and reports that will need to be filled out as the work is done and what fees will be required.
- Recreation Park Sierra Pool Re-plastering: No New Action. Pool re-plaster project pushed out to bid in July.
- O&D Plan: No new action. Staff working with USBR to get draft reviewed and begin process of enhancing the Plan with a 5-year projection or similar. USBR has said they will try to speed this up and get it done soon.
- 24 Acre Project: No new action. Two concept plans have been merged into one after public/A&D input and drawing close to final master plan (Foothill Assocs.). Dog

- Attended one Mermaid Swim meet
- Attended Rotary Demotion event
- Met with owner of Cross Fit on a Master class (balance)

AARC – All American Rib Cookoff, ACHF-Auburn Community Harvest Festival, ASR-Auburn Sunset Rotary, PIP-Party in the Park, SCB- Senior Center Board, SF String Fling, SHF-Auburn Senior Health Fair, UKE- Ukulele Festival, VFCAL-Valley Foothills Competitive Aquatics League,

Coming up this Month

July

4	Independence Day Public Swim (1-5pm)	Offices Closed Sierra Pool
11	Family Swim Night (6-8pm) Movie in the Park: Peter Rabbit	Sierra Pool Recreation Park
14	Ain't Necessarily Dead Concert	Regional Park
13-15	VFCAL Championships	Am River College, Davis
24	Mermaids Water Show (7pm)	Sierra Pool
26	ARD Board Meeting	CVCC

Debbie Thomas

Youth Services Manager

Report to the Board of Directors

June, 2018

- The tile floors at Skyridge Discovery Club were refinished and the carpet at Auburn Elementary's modular 1 was replaced with laminate flooring. Thank you to Brian and Victor and their crews for the great refresh.
- Day camp opened June 4. Our highest day for attendance was 155. There were 175 campers who actually paid for the day but 20 did not attend. Our average attendance is 136 per day, and this also does not include campers who paid for the days but did not attend.
- We have one staff opening due to a regular part-time staff giving notice after camp started.
- Our field trips and special events at camp for June are: Incredibles 2 movie, Railhead Park sports day, Funfinity, and Strikes Bowling. We also have bike days on Wednesdays and the Bookmobile on Tuesdays.
- Newcastle Discovery had to move out all furniture and supplies while the school remodels the two classrooms we use. Thanks again to Brian's crew for moving us.
- Registration for the 2018-19 Discovery Club year opens June 26.

6/28/18

Vandalism Report

DATE	LOCATION	VANDALISM	LABOR COSTS	MATERIAL COSTS	
19-Jun-18	Recreation	Fence to Maintenance Compound Cut	\$289.00	\$189.00	
6/6/2018	Overlook	Graffiti	\$60	\$14.99	
11-Jun-18	Regional	Trash cans dumped near Gym	\$60	\$10.00	
		Total labor costs	\$409	Total material costs	\$213.99
		Total for year	\$1,229.00	Total for year	\$1,310.99

4/19/18

Vandalism Report

DATE	LOCATION	VANDALISM	LABOR COSTS	MATERIAL COSTS
2-Apr-18	Regional	Graffiti Removal	\$80.00	\$35.00
3/28/2018	Overlook	Graffiti Removal	\$40	\$12.00

Total labor costs	\$120.00	Total	\$47.00
		material costs	
Total for year	\$710.00	Total for year	\$897.00

2/15/18

Vandalism Report

DATE	LOCATION	VANDALISM	LABOR COSTS	MATERIAL COSTS
5-Feb-18	Regional	Graffiti Removal	\$60.00	\$35.00
2/6/2018	Regional	Drinking Fountain	\$250	\$600.00
Total labor costs			\$310.00	Total \$635.00
Total for year			\$370.00	material costs Total for year \$670.00

7/2018 PROJECT ACTIVITY REPORT		UPDATED 06/12/18	
PROJECT	EST. COST	NOTES	EST. COMPLETED
CREATION PARK			
erra Pool Re-Plastering	100,000.00	Both City and County Permits/Approvals have been obtained but not enough time to bid and perform the work prior to pool opening Feb. 1st. Will bid July 2018 and construct Sept-Dec 2018 instead.	DECEMBER 2018
acher Shade Structure	150,000.00	Project, including the surrounding fence work and some additional safety modifications, is completed.	MAY 2018
MILHEAD PARK			
ld "A" Turf Renovation Project	60,000.00	Project completed.	OCTOBER 2017
LL ROAD SITE			
nning/CEQA/Construction Documents	517,000.00	Project site has been removed from ARD consideration.	DECEMBER 2017
ACER HILLS POOL			
A Path of Travel	10,000.00	Minor sidewalk repair to be done in-house in the off season	JUNE/JULY 2018
GIONAL PARK			
gional Park South Play Structure	140,000.00	Playground voting site is up and running and has had over 280 votes cast. Voting will be allowed to continue through June. County Mitigation Funds for the playground and ADA pathway have been obtained. Staff is also preparing construction documents for a concrete ramp to be installed from parking lot to play structure for ADA compliance and planning on having the new play structure built first.	JULY/AUGUST 2018

eambed Alteration Agreement (no labor)	44,000.00	USFWS has finally gotten back to the District giving authorization to proceed and outlining the various forms and reports that will need to be filled out as the work is done and what fees will be required.	TBD
try over projects from 2016 2017 list in LOW			
iscal Year Projects Total:	1,596,000.00		

The State of California, through GASB 68, mandates that all State agencies must recognize unfunded pension liabilities on their balance sheets. The Districts portion of unfunded pension liability totaled \$1,000,500 in 2017/2018 and was reduced by a special payment of \$33,500, making the net pension liability \$967,000. This assumes that every employee currently with the District works to full retirement age and accumulates 30 years of work history. While that is highly unlikely, GASB 68 requires such recognition of the liability. Because pension liability is long term, it does not fully affect the income statements of the District. CalPERS has adopted a "smoothing" method of amortizing the expense, so that the unfunded portion of the liability will be paid through increasing the percentage of payroll dollars paid into the system each year. So effectively, the District will pay an increased "premium" each year until the unfunded liability is extinguished. This will, of course, be expensed through the income statement. Additionally, because CalPERS uses an assumed rate of return on investment of 7% and the actual rate is less than the assumed rate, it creates a funding gap that must be made up by each government entity.

Staff, at the Boards direction, has created a reserve account to facilitate erasing the full amount of the District's unfunded portion of the liability. As of March 31, 2018, the reserve account had been funded by approximately \$91,600.

Recommendation: The Standing Finance Committee forwarded the annual audit to the Board of Directors with a positive recommendation.

Attachment:

- 1) Letter Dated May 15, 2018 to J. Fecko
- 2) Final Audit from Don Cole and Company
- 3) Report on Internal Controls
- 4) Letter dated June 7, 2018 to the Board of Directors

Audit Objective and Scope

The objective of my audit is the expression of opinions as to whether your financial statements are fairly presented, in all material respects, in conformity with generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. My audit will be conducted in accordance with auditing standards generally accepted in the United States of America, and State Controller's Minimum Audit Requirements for California Special Districts and will include tests of the accounting records and other procedures I consider necessary to enable me to express such opinions. I will issue a written report upon completion of my audit of the District's financial statements. My report will be addressed to the Board of Directors of the District. I cannot provide assurance that an unmodified opinion will be expressed. Circumstances may arise in which it is necessary for me to modify my opinions or add emphasis-of-matter or other-matter paragraphs. If my opinions are other than unmodified, I will discuss the reasons with you in advance. If, for any reason, I am unable to complete the audit or am unable to form or have not formed an opinion, I may decline to express opinions or may withdraw from this engagement.

Audit Procedures – General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, my audit will involve judgment about the number of transactions to be examined and the areas to be tested. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I will plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the government or to acts by management or employees acting on behalf of the government.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because I will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by me, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards. In addition, an audit is not designed to detect immaterial misstatements, or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, I will inform the appropriate level of management of any material errors, fraudulent financial reporting, or misappropriations of assets that come to my attention. I will also inform the appropriate level of management of any violations of laws or governmental regulations that come to my attention, unless clearly inconsequential. My responsibility as auditor does not extend to any later periods for which I am not engaged as auditor.

My procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. At the conclusion of my audit, I will require certain written representations from you about the financial statements and related matters.

Audit Procedures – Internal Control

My audit will include obtaining an understanding of the government and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. An audit is not designed to provide assurance on internal control or to identify deficiencies in internal control. However, during the audit, I will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards.

Audit Procedures – Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, I will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, and agreements. However, the objective of my audit will not be to provide an opinion on overall compliance and I will not express such an opinion.

appropriate individuals will be made available upon request and in a timely manner to regulatory agencies. I will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Don Cole & Company personnel. Furthermore, upon request, I may provide copies of selected audit documentation to regulatory agencies. The regulatory agency may intend or decide to distribute the copies or information contained therein to others, including other governmental agencies.

I expect to begin my audit on approximately May 15, 2018 and to issue my reports no later than July 1, 2018.

My fee for these services will be at my standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that I agree that my gross fee, including expenses, will not exceed \$8,160. My standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. My invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with my firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If I elect to terminate my services for nonpayment, my engagement will be deemed to have been completed upon written notification of termination, even if I have not completed my report. You will be obligated to compensate me for all time expended and to reimburse me for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, I will discuss it with you and arrive at a new fee estimate before I incur the additional costs.

I appreciate the opportunity to be of service to the District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let me know. If you agree with the terms of our engagement as described in this letter, please sign this letter below.

Very truly yours,

Don Cole & Company
Don Cole & Company

RESPONSE:

This letter correctly sets forth the understanding of the Auburn Area Recreation and Parks District.

Signed:

Title:

Date:

ADM. SERV. MGR

5/17/18

**AUBURN AREA RECREATION AND PARK DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED MARCH 31, 2018
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An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of the Auburn Area Recreation and Park District as of March 31, 2018, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America, as well as compliance requirements, prescribed by the State Controller, governing special districts.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, I have also issued my report dated June 7, 2018, on my consideration of the District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on page 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I 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 I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Other Information

The audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the District's basic financial statements. The supplementary information as listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements.


Don Cole & Company
Sacramento, California

June 7, 2018

**AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

In conjunction with the financial statements that begin on page 8, our discussion and analysis of the District's financial activity provides an overview of the financial health of ARD.

This annual report consists of a variety of financial statements that not only provide an understanding of the current years activities but also provide insight on the long term financial health of the District.

1. Statement of Net Position or Balance Sheet

This statement is the result of compiling the Total Assets and Deferred Outflows of the District minus its Total Liabilities and Deferred Inflows. The three components of Net Position are:

1. investment in capital assets net of related debt
2. restricted net position
3. unrestricted net position

A continuing increase in assets generally reflects a healthy condition and is a good indicator that the District is in good financial shape. Decreasing assets generally reflect the opposite condition.

2. Statement of Activities or Income Statement

This statement ultimately reports the District's net revenue from all of its activities. These revenues minus the expenses related to generating the revenues result in either a surplus or a deficit. The District's activities are all Governmental in nature and are financed primarily through property tax levies.

These two government-wide statements reflect the changes in ARD's net assets and how they have changed from previous years. They represent the best way to measure ARD's health or financial condition. In assessing ARD's "health", one must also consider the impact of changes in the property tax base as well as the condition of the District's facilities.

3. Fund Financial Statements

Fund accounts are set up because governments receive resources from a variety of sources for a variety of purposes. Governments must be able to demonstrate that they are using resources for the purposes for which they were given. These fund financial statements provide more detailed information on the individual funds or fund types that ARD uses to manage and account for its activities. The District has the following funds:

1. General Fund
2. City Mitigation Fund
3. Youth Assistance Fund
4. Atwood Park Fund

Reporting the District's Most Significant Funds

Fund financial statements begin on page 10 and provide detailed information about the most significant funds – not the district as a whole. The District's Board of Directors establishes these funds to help it control and manage money for particular purposes or to show that it is meeting legal responsibilities for using certain taxes and other monies.

**AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

The Net Position of the District as a whole decreased by \$42,888 from 4/1/17 to 3/31/18. The District's programs for governmental activities include general government. The District had no business-type activities in 2017/18. A comparison of each programs revenues and expenses for the current year and prior year is presented below.

Governmental Activities		
	2018	2017
Revenues:		
Program revenues:		
Charges for services	\$ 1,166,056	\$ 1,072,705
Grants & contributions	37,314	824,427
Total program revenues	1,203,370	1,897,132
General Revenues:		
Property taxes	3,117,857	2,999,467
Rents & concessions	141,135	191,229
Interest income	66,452	54,172
Other general revenues	193,556	61,377
Total general revenues	3,519,000	3,306,245
Total revenues	4,722,370	5,203,377
Program expenses:		
General government	4,765,258	4,035,177
Interest on L/T debt	-	-
Total Program expenses	4,765,258	4,035,177
Change in net position	\$ (42,888)	\$ 1,168,200

Reconciliation of Budget

The final budget approved by the Board of Directors on April 27, 2017 reflected a projected surplus of \$4,948, inclusive of a \$50,000 Board required contribution to the Equipment Reserve and a Board required contribution of \$5,000 to the ADA reserve and a Board required contribution of \$45,800 to the CalPERS unfunded Liability reserve as well as a proposed contribution to the Future Capital Construction Reserve Fund. In 2017/2018, the District's base property tax revenues increased by 3.9%. The Mid-Year Budget Revision reflected a \$19,139 forecasted surplus which included a transfer of \$40,000 from the general fund to the Future Capital Construction Reserve Fund.

The District reported an operational loss of \$42,888 (inclusive of mandatory contributions of \$100,800 to reserves) at fiscal year-end versus the projected mid-year forecast of \$19,139. Tax revenues, inclusive of RDA revenue (Redevelopment Pass Through) were forecasted to be \$3,091,765. Actual tax revenue came in at \$3,117,858.

Additionally, program revenues came in at \$111,787 higher and facility rentals came in at \$14,938 lower and operating expenses were \$16,529 higher than forecast.

**AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

- The Sierra Splash Pool was sanded, sealed and urethaned for maintenance prior to the 2017-2018 Public Swim Season.
- The 1997 John Deere 310E Backhoe was reconditioned by Pape' Machinery and should extend the life on the equipment extensively.

The District's overall property tax revenues declined substantially from fiscal year 07/08 through fiscal 2012/2013 and began to recover in FY 2013/2014. The following data illustrate the trends:

2007/2008:	\$2,711,000
2008/2009:	\$2,695,000
2009/2010:	\$2,628,000
2010/2011:	\$2,443,000
2011/2012:	\$2,354,000
2012/2013:	\$2,494,000 (Includes special payment of \$166,000 RDA refund)
2013/2014:	\$2,466,000
2014/2015:	\$2,604,000
2015/2016:	\$2,824,980
2016/2017:	\$2,999,467
2017/2018:	\$3,117,857

The District has been able to balance its budgets each year through attrition, cost cutting, control of benefit expenses and shrewd purchasing of supplies and services. This past year has seen a return to continuing modest increases in property tax revenues as well as increases in program revenues. While we are cautiously optimistic that the economy is continuing to improve, we will continue to budget conservatively to maintain a strong balance sheet and to keep the parks in peak condition.

Should any member of the public have questions regarding this report, District management may be contacted at the following address:

The audit for Fiscal 2017/2018 may also be viewed at the Districts website, www.auburnrec.com

Auburn Area Recreation and Park District
471 Maidu Drive
Auburn, CA 95603
(530) 885-8461

**AUBURN AREA RECREATION AND PARK DISTRICT
GOVERNMENT-WIDE STATEMENT OF NET POSITION
AS OF MARCH 31, 2018**

	<u>Governmental Activities</u>
ASSETS:	
Current assets:	
Cash and investments	\$ 4,375,053
Accounts receivable	28,879
Prepaid insurance	<u>18,644</u>
Total current assets	<u>4,422,576</u>
Noncurrent assets:	
Capital assets	15,926,237
Less: accumulated depreciation	<u>(9,577,895)</u>
Capital assets, net	<u>6,348,342</u>
Total noncurrent assets	<u>6,348,342</u>
Total assets	<u>\$ 10,770,918</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 541,505</u>
LIABILITIES:	
Current liabilities:	
Accounts payable	\$ 284
Accrued payroll	119,618
Compensated absences	153,607
Deposits	<u>34,802</u>
Total current liabilities	<u>308,311</u>
Noncurrent liabilities:	
Net pension liability	<u>966,748</u>
Total noncurrent liabilities	<u>966,748</u>
Total liabilities	<u>\$ 1,275,059</u>
DEFERRED INFLOWS OF RESOURCES	<u>\$ 39,273</u>
NET POSITION:	
Invested in capital assets, net of related debt	\$ 6,348,342
Unrestricted	<u>3,649,749</u>
Total net position	<u>\$ 9,998,091</u>

See accompanying notes to basic financial statements

**AUBURN AREA RECREATION AND PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AS OF MARCH 31, 2018**

	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
ASSETS:			
Cash and investments	\$ 3,945,263	\$ 429,790	\$ 4,375,053
Accounts receivable	28,879	-	28,879
Prepaid expenses	18,644	-	18,644
Due from other funds	<u>2,183</u>	<u>-</u>	<u>2,183</u>
TOTAL ASSETS	<u>\$ 3,994,969</u>	<u>\$ 429,790</u>	<u>\$ 4,424,759</u>
LIABILITIES:			
Accounts payable	\$ 284	\$ -	\$ 284
Accrued payroll	119,618	-	119,618
Compensated absences	153,607	-	153,607
Deposits	34,802	-	34,802
Due to other funds	<u>-</u>	<u>2,183</u>	<u>2,183</u>
TOTAL LIABILITIES	<u>308,311</u>	<u>2,183</u>	<u>310,494</u>
FUND BALANCES:			
Nonspendable	18,644	-	18,644
Committed	2,414,364	419,809	2,834,173
Unassigned	<u>1,253,650</u>	<u>7,798</u>	<u>1,261,448</u>
TOTAL FUND BALANCES	<u>3,686,658</u>	<u>427,607</u>	<u>4,114,265</u>
TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 3,994,969</u>	<u>\$ 429,790</u>	<u>\$ 4,424,759</u>

See accompanying notes to basic financial statements

**AUBURN AREA RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

	<u>General Fund</u>	<u>Non-Major Funds</u>	<u>Total Governmental Funds</u>
REVENUES:			
Program revenues	\$ 1,166,056	\$ -	\$ 1,166,056
Rents and concessions	140,925	210	141,135
Grants and donations	18,230	19,084	37,314
Interest income	62,123	4,329	66,452
Mitigation fees	-	146,625	146,625
Tax revenue	3,095,678	22,179	3,117,857
Miscellaneous revenue	<u>46,931</u>	<u>-</u>	<u>46,931</u>
TOTAL REVENUES	<u>4,529,943</u>	<u>192,427</u>	<u>4,722,370</u>
EXPENDITURES:			
Program expenditures	258,968	-	258,968
Operations and supplies	346,884	19,575	366,459
Utilities	179,268	4,596	183,864
Legal fees	12,552	-	12,552
Professional services	23,483	6,069	29,552
Building and grounds maintenance	428,991	22,834	451,825
Property tax administration/LAFCO	51,092	-	51,092
Salaries	2,059,494	14,557	2,074,051
Benefits and payroll costs	732,333	-	732,333
Capital outlay	<u>359,596</u>	<u>24,000</u>	<u>383,596</u>
TOTAL EXPENDITURES	<u>4,452,661</u>	<u>91,631</u>	<u>4,544,292</u>
EXCESS OF REVENUES OVER (UNDER) EXPENDITURES	<u>77,282</u>	<u>100,796</u>	<u>178,078</u>
OTHER FINANCING SOURCES (USES):			
Transfers in	-	24,000	24,000
Transfers out	<u>(24,000)</u>	<u>-</u>	<u>(24,000)</u>
TOTAL OTHER FINANCING SOURCES (USES)	<u>(24,000)</u>	<u>24,000</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	53,282	124,796	178,078
FUND BALANCE, beginning of year	<u>3,633,376</u>	<u>302,811</u>	<u>3,936,187</u>
FUND BALANCE, end of year	<u>\$ 3,686,658</u>	<u>\$ 427,607</u>	<u>\$ 4,114,265</u>

See accompanying notes to basic financial statements

**AUBURN AREA RECREATION AND PARK DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

ORGANIZATION

The financial statements of the Auburn 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.

The Auburn Area Recreation and Park District was formed under Section 5780.15 of the California Public Resources Code. The District operates under a Board of Directors and provides the following services: maintaining recreation and park facilities, recreational services, and general administrative services.

BASIS OF PRESENTATION

A. Government-wide Financial Statements

The government-wide financial statements, comprised of the Statement of Net Position and the Statement of Activities, report aggregated information for the overall government for all the activities of the primary government.

Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other non-exchange revenues are reported separately. The Statement of Net Position presents the overall government's financial position at year-end. The Statement of Activities presents direct expenses of a given function or identifiable activity offset by program revenues for the fiscal reporting period. The resulting net expense or revenue is then totaled and offset by general revenues producing the aggregate change in net position for the period. Program revenues include (1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or activity of the government, and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or activity. Taxes and other non-exchange revenues not properly included among program revenues are reported as general revenues.

B. Fund Financial Statements

The accounts of the District are organized on the basis of funds, 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 balance, revenues, and expenditures. 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 emphasis in fund financial statements is on the major funds in the governmental activities categories. Nonmajor funds by category are summarized into a single column. GASB No. 34 sets forth minimum criteria (percentage of the assets, liabilities, revenue or expenditures) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements.

**AUBURN AREA RECREATION AND PARK DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (continued)

Imposed Non-exchange Revenue, result from assessments on non-governmental entities, other than assessments on exchange transactions. Examples include: ad valorem (property) taxes and fines, penalties, and property forfeitures. Assets from imposed nonexchange revenues are recognized in the period when an enforceable legal claim to the assets arises or when the resources are received, whichever occurs first. Property taxes are recognized in the period for which the taxes are levied. All other imposed nonexchange revenues are recognized in the same period that the assets are recognized.

Government-mandated Non-exchange Transactions, frequently established eligibility requirements before a transaction can occur. Examples include federal awards and state financial assistance. Until the requirements are met, the recipient does not have a receivable and the recognition of revenue received in advance is deferred. The providers (usually federal, state, and county governments) often offer resources on a reimbursement ("expenditure-driven") basis at the time the recipient has incurred allowable costs under the applicable program.

Voluntary Non-exchange Transactions, result from legislative or contractual agreements other than exchanges, entered into willingly by two or more parties. Examples include certain grants, entitlements, and donations by non-governmental entities. Principal characteristics of these types of transactions are (1) they are not imposed on the provider or recipient, and (2) fulfillment of eligibility requirements is essential for a transaction to occur. Assets and revenues are recognized when all applicable eligibility requirements, including time requirements, are met. Resources received in advance are reported as deferred revenue.

Derived Tax Revenue, result from assessments imposed on exchange transactions. Examples include income taxes, sales taxes, and other assessments on earnings or consumption.

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 are available on demand to the District.

CAPITAL ASSETS

Capital assets, which include property, facilities, and equipment are capitalized provided such cost exceeds \$1,000 and the expected useful life of the asset is more than three years. Capital assets are reported at historical cost, or estimated historical cost if constructed. Contributed assets are reported at fair market value as of the date received.

**AUBURN AREA RECREATION AND PARK DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

Note 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

FUND BALANCE

In accordance with Government Accounting Standards Board (GASB) No. 54, Fund Balance Reporting and Governmental Fund Type Definitions, the District classifies governmental fund balances as follows:

Nonspendable – includes amounts that are not in a spendable form or are required to be maintained intact.

Restricted – includes fund balance amounts that are constrained for specific purposes which are externally imposed by providers, such as creditors of amounts constrained due to constitutional provisions or enabling legislation.

Committed – includes 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. Commitments may be changed or lifted only by the government taking the same formal action that imposed the constraint originally.

Assigned – includes fund balance amounts that are intended to be used for specific purposes that are neither considered restricted or committed. Fund balance maybe assigned by the District Manager or Board of Directors.

Unassigned – includes positive fund balance within the General Fund which has not been classified within the above mentioned categories and negative fund balances in other governmental funds.

USE OF ESTIMATES

Management uses estimates and assumptions in preparing financial statements in accordance with generally accepted accounting principles. Those estimates and assumptions affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities, and the reported revenue and expenses. Actual results could vary from the estimates assumed in preparing the financial statements.

FAIR VALUE MEASUREMENT

The District uses a framework for defining and measuring fair value in accordance with generally accepted accounting principles, which maximizes the use of observable inputs and minimizes the use of unobservable inputs. There are three levels of inputs that may be used to measure fair value;

Level 1 uses quoted prices and active markets for identical assets or liabilities when determining fair market value;

Level 2 uses non active quoted prices for similar assets and liabilities that can be corroborated with market data;

Level 3 uses unobservable information with little or no market data.

The District reports assets and liabilities using level 1 inputs.

**AUBURN AREA RECREATION AND PARK DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
FOR THE FISCAL YEAR ENDED MARCH 31, 2018**

Note 2 CASH AND INVESTMENTS (continued)

POOLED FUNDS

The District maintains substantially all of its cash in the Placer 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 classification is required.

In accordance with applicable State laws, the Placer County Treasurer may invest in derivative securities. However, at March 31, 2018 the Placer 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 was \$4,375,053 and the custodial balance was \$4,429,274 (\$4,194,219 with Placer County Treasurer and \$235,055 with the bank) at March 31, 2018. Deposits held in banks and in the revolving fund are insured up to \$250,000 by the Federal depository Insurance Corporation. All cash held by financial institutions at March 31, 2018 was fully insured.

INTEREST RATE RISK

The District does not have a formal investment policy that limits cash and investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates.

CREDIT RISK

The District does not have a formal investment policy that limits its investment choices other than the limitation of State law.

CONCENTRATION OF CREDIT RISK

The District does not place limits on the amount it may invest in any one issuer. At March 31, 2018 the District had no concentration of credit risk.