

Item 4.5 Cover sheet – Placer County Auditor-Controller Memo of Understanding (MOU)

Auburn Area Recreation and Park (ARD) Finance Committee, July, 2021

The Issue

Shall the Auburn Area Recreation and Park District (ARD) enter into a Memorandum of Understanding (MOU) with the Placer County Auditor-Controller for services provided?

Background

On July 1, 2020, Andrew Sisk from the Placer County Auditor-Controller's office initiated an MOU with the District to provide services for the District for July 2020 – June 2021.

A new MOU has been sent via email on July 7, 2021 for this fiscal year.

These services include the use of the County's centralized accounting system and recording of financial system entries. The Auditor-Controller's office processes checks to us per the District's weekly request. They also calculate the appropriation limit (GANN Limit) for the District.

Recommendation for the Policy Committee

Staff recommends the Finance Committee send a positive recommendation for approval from the Board of Directors on consent for the MOU between ARD and the Placer County Auditor-Controller.

Fiscal Impact

\$1,024.11 (covers July 1, 2021 – June 30, 2021). The following is a breakdown of the costs, which decreased from the \$1,055.46 charged to the District last year:

General accounting: \$774.11
Appropriation GANN Limit: \$250.00

Attachments

Memo of Understanding (MOU) between ARD and the Placer County Auditor-Controller.



COUNTY OF PLACER

OFFICE OF AUDITOR-CONTROLLER

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June 30, 2021

To the Board of Directors and Management
Auburn Area Park and Recreation District

The Auditor-Controller is pleased to confirm our understanding of the terms and costs of our services under this agreement for the 2021-2022 fiscal year.

A. Scope of Services

The Auditor-Controller will provide the following services to Auburn Area Park and Recreation ("District"):

1. **General Accounting** – includes use of County's centralized accounting system and recording of financial system entries submitted by the District. Transactions will be reviewed for authorization by appropriate District personnel prior to processing. This also includes compiling the District's financial information to report within the County's A-87 Cost Plan, if applicable.
2. **Accounts Payable** – includes processing payment claims by warrant, wire or ACH. Claims will be reviewed to validate authorized District signers have approved the payment prior to processing, recording and mailing payments. Any invoices submitted with payment claims will be scanned and archived for retention. Review of invoices for mathematical accuracy and appropriateness of expenditure is not part of the service agreement. Maintaining vendors and payments for purposes of 1099 reporting along with issuing 1099 forms for the calendar year, if applicable.
3. **Gann Limit** - calculation of appropriation limit for the current fiscal year and measurement (testing) of appropriation limit for the previous fiscal year to assist the District in meeting the requirements of Article XIII B, Section 1.5 of the California Constitution.

B. Term

The term of this Agreement will commence on July 1, 2021 and end on June 30, 2022. Subject to written agreement of the parties, this agreement may be renewed annually.

C. Responsibilities of Auditor-Controller

The Auditor-Controller's responsibility under this Agreement is to perform the services enumerated above. The Auditor-Controller will not audit accounting entries, payment claims or budget transactions, nor will we validate the appropriateness of accounting transactions or claims for payment.

The Auditor-Controller's services are not designed to detect instances of fraud, noncompliance with laws or regulations or significant errors; however, the Auditor-Controller will communicate to District any known and suspected fraud, noncompliance with laws or regulations or significant errors that come to their attention. Neither the County nor the Auditor-Controller will be held liable should any instances of fraud, noncompliance with laws or regulations or significant errors be subsequently discovered by either District or through a claim or lawsuit to District.

D. Responsibilities of District Management

District is responsible for (1) ensuring all transactions are submitted and/or approved by authorized staff, (2) reviewing all transactions prior to submittal to ensure appropriateness of the expenditure, compliance with laws or regulations and to check for significant errors and fraud, (3) retaining all source documents, and (4) providing all District Board authorized budgets and budget amendments. District is encouraged to routinely provide accounting reports and payment registers to its Board for review.

District agrees to inform County of significant noncompliance, fraud and/or errors immediately upon discovery.

For all services provided District management agrees to assume all management responsibilities; oversee the services by designating an individual who possesses suitable skill, knowledge, and/or experience to understand the services; evaluate the adequacy and results of the services; and accept responsibility for the results of the services. District agrees to hold the County and the Auditor-Controller harmless for any subsequent claims or lawsuits that may arise from the results of the services.

Annual Cost and Billing

The annual cost of services identified above is \$1,024.11. Your District will be billed by journal entry during the third quarter of the fiscal year for the entire annual costs. A copy of the journal entry will be provided to your District.

Agreement

The Auditor-Controller appreciates the opportunity to be of service to you and believes this letter accurately summarizes the significant terms of your agreement. This Agreement constitutes the entire agreement between the parties and supersedes all prior agreements. Please execute this document and return the original version to my office at your earliest convenience.

Sincerely,

Andrew C. Sisk, CPA
Auditor-Controller

We, the undersigned, have read and agree to the terms of this Agreement. We represent we have the authority to execute this Agreement on behalf of the Auburn Area Park and Recreation.

Authorized Signature Director: _____ Dated: _____

Authorized Signature Board Chair: _____ Dated: _____

District Name: _____

Item 4.6 Cover Sheet for Annual Audit for Fiscal Year 2020/2021

Auburn Area Recreation and Park District Finance Committee meeting, July 2021

The Issue:

Shall the Auburn Area Recreation and Park District (ARD) approve the annual audit conducted by Richardson and Company, LLC?

Background:

Richardson and Company, LLC conducted an audit of the Auburn Area Recreation and Park District FY 2019/2020 Financial statements in May & June of 2021. The report issued audited financials with auditors' opinion. The auditor has made note of some recommendations that they would like implemented by the District.

The District purchased a variety of equipment during the year valued at approximately \$157,661. The major items were a John Deere Front Mower valued at \$30,819, a new Pool Pump was purchased for Sierra Pool valued at \$18,725, a Chipper valued at \$43,259 and a used 2017 Ford Edge valued at \$19,419.

Additionally, the District expensed approximately \$357,953 in Capital Improvement projects during the 2020-2021 Fiscal Year. These are the three major ongoing projects that have not been completed:

1. Energy Efficiency Project:	\$236,293
2. CVCC Bike Park (Phase Two):	\$ 50,566
3. Regional Park's 24 Acre Expansion:	\$ 62,554

The funding for the Energy Efficiency Project was provided by a 16-year lease obligation through Sterling Leasing at 2.12%. The CVCC Bike Park construction was funded by Public Donations, and Future Capital Construction.

The District's property tax revenue increased by 3.8% this year over last year 2019/2020. The District is showing a decrease in our overall Net Position by \$624,967, primarily due to the impact of the Global Pandemic of 2020.

The State of California, through GASB 68, mandates that all State agencies must recognize unfunded pension liabilities on their balance sheets. The District's portion of unfunded pension liability totaled \$1,252,736 in 2020/2021 and reduced by payments of \$215,771, making the net pension liability \$1,036,965. 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 Board's direction, has created a reserve account to facilitate erasing the full amount of the District's unfunded portion of the liability. The District sent an additional \$140,000 (included above) to prefund the growing pension liability. As of March 31, 2021, the reserve account had a remaining \$140,000 in that fund.

Recommendation: Staff recommends the Finance Committee sent the Final Audit to the Board of Directors for final approval.

Attachment:

- 1) Audit letter from Richardson and Company
- 2) Governance letter from Richardson and Company
- 3) Management letter from Richardson and Company.
- 4) Final Audit from Richardson and Company

AUBURN AREA RECREATION AND PARK DISTRICT
SUMMARY OF FY 2020 21 AUDIT RESULTS

July 21, 2021

Reports issued

- Audited Financial Statements with auditors opinion
- Governance letter
- Management letter with recommendations
- Appropriations limit report

Independent Auditor's Report (pages 1 and 2)

- Unmodified (clean) opinion

Highlights of financial statements

- Management discussion & analysis (pages 3 to 9)
- Statement of Net Position (page 10)
 - Unrestricted net position of \$1.9 million
- Statement of Activities (page 11)
 - Expenses exceeded revenues by \$624,962, including depreciation, pension and OPEB accounting entries totaling \$672,000
- Fund Balance Sheets (page 12)
 - Fund balance of \$5.2 million (includes \$1.9 million of unexpended debt proceeds)
- Fund Revenue/Expense (pages 14)
 - General Fund revenues exceeded expenses by \$1.8 million (includes \$2.1 million of debt proceeds received)
- Capital assets, Note D (page 25)—capital expenditures of \$514,000
- Fund balance, Note F (pages 26)—Components of funds balance
- Pension Plan, Note G (pages 26 to 30)
- OPEB Plan, Note H (pages 30 to 33)

Governance Letter

- Audit adjustments – 54 audit adjustments identified
- No difficulties in performing the audit and no unusual accounting practices

Management letter

- No material weaknesses in internal controls
- Other areas where recommendations were identified
 - Financial reporting changes
 - Review of paid check list to include comparison to prior month listing
 - List of accounts payable to be developed
 - Capital asset rollforward to be prepared as part of closing process
 - Project invoices to be recorded in proper period based on service date and retentions to be recorded as a liability
 - Dayworks database reconciliations to be completed
 - Establish fraud risk assessment process

**AUBURN AREA
RECREATION AND PARK DISTRICT**

Audited Financial Statements

March 31, 2021

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AUBURN AREA
RECREATION AND PARK DISTRICT

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INDEPENDENT AUDITOR'S REPORT

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

We have audited the accompanying financial statements of the governmental activities of each major fund, and the aggregate remaining fund information of the Auburn Area Recreation and Park District (the District) as of and for the year ended March 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of March 31, 2021, 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.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, schedule of the proportionate share of the net pension liability, schedule of contributions to the pension plan, and schedule of changes in the net OPEB liability and related ratios to be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Richardson & Company, LLP

July 13, 2021

AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021

This section of the Auburn Area Recreation and Park District's annual financial report presents an analysis of the District's financial performance during the fiscal year ended March 31, 2021. This information is presented in conjunction with the audited basic financial statements, which follow this section.

FINANCIAL HIGHLIGHTS FOR FISCAL YEAR 2020-2021

- The assets of the District exceeded liabilities at the close of the 2020-2021 fiscal year by \$9,341,690 (net position). Of this amount, \$7,156,136 is invested in capital assets, and \$267,836 is restricted for particular purposes.
- As of March 31, 2021, the District's governmental funds reported combined fund balances of \$5,428,595, of which \$1,512,759 is available to meet the District's current and future needs (unreserved general fund balance).
- At the end of the fiscal year, the unreserved fund balance for the general fund was \$1,512,759 or approximately 33% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: government-wide financial statements, fund financial statements, and notes to the financial statements. This report also includes additional required supplementary information in addition to the basic financial statements.

REQUIRED FINANCIAL STATEMENTS

Government-Wide Financial Statements are designed to provide readers with a broad overview of District finances in a manner similar to a private-sector business.

The Statement of Net Position includes information on the District's assets and liabilities and provide information about the nature and amount of investments in resources (assets) and the obligations to District creditors (liabilities). Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The Statements of Activities presents information showing how net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

Both of these government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a portion of their costs through user fees and charges (business type activities). The governmental activities of the District are recreational and park activities. There are no business type activities.

AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021

Fund Financial Statements are groupings of related accounts that are used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and to demonstrate finance-related legal compliance. All of the funds of the District can be combined into one category: governmental funds.

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources at the end of the fiscal year. Such information may be useful in evaluating the District's near-term requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financial decisions. Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate comparison between governmental funds and governmental activities. Additional information is provided on separate schedules that reconcile the differences between the government-wide financial statements and the fund financial statements.

Notes to the Financial Statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found immediately following the basic financial statements.

Other Information

In addition to the basic financial statements and accompanying notes, this report presents certain required supplementary information concerning the District's budgetary comparative information for the general fund and major special revenue fund and the District's pension and post-employment benefit plans.

**AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following table compares the Statement of Net Position/Fund Balance at March 31, 2021 and 2020:

Condensed Statement of Net Position
Fiscal Years
Ended March 31, 2021 and 2020

	<u>2021</u>	<u>2020</u>
Current and other assets	\$ 5,769,017	\$ 3,876,633
Capital assets – net	<u>7,436,139</u>	<u>7,466,979</u>
Total assets	<u>13,205,156</u>	<u>11,343,612</u>
Deferred outflows	<u>497,574</u>	<u>437,039</u>
Liabilities		
Current	597,105	389,632
Non-current	<u>3,618,313</u>	<u>1,325,193</u>
Total liabilities	<u>4,215,418</u>	<u>1,714,825</u>
Deferred inflows	<u>145,622</u>	<u>99,174</u>
Net Position:		
Net investment in capital assets	7,156,136	7,466,979
Restricted	267,836	250,724
Unrestricted	<u>1,917,718</u>	<u>2,248,949</u>
Total Net Position	<u>\$ 9,341,690</u>	<u>\$ 9,966,652</u>

Total net position decreased from 2020 to 2021 by 6% or \$624,962. This decrease is mostly due to the 2020 COVID 19 Pandemic. Virtually, there were no programs to speak of and no rentals. The fiscal years liability for post-employment benefits (OPEB) and Pension Liability will also have an effect on the decrease. The OPEB liability and Pension Liability lowered net position by \$211,120 from March 31, 2020 to March 31, 2021. The decrease can also be attributed to the annual Depreciation Expense recorded for the fiscal year 2020-2021 in the amount of \$475,020.

AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021

A summary of the District's Statement of Activities, recapping the District's revenues earned during the fiscal year ended March 31, 2021 and 2020, and the expenses incurred is as follows:

Condensed Statement of Activities
Fiscal Years
Ended March 31, 2021 and 2020

	2021	2020
Program Revenue:		
Charges for services	\$ 592,862	\$ 1,500,794
Operating grants and contributions	33,690	35,490
Capital grants and contributions	3,268	3,254
General Revenue:		
Property taxes and assessments	3,612,399	3,479,344
Mitigation fees	-	275,300
Interest earnings	26,344	76,185
Miscellaneous	47,508	43,534
Total Revenue	4,316,071	5,413,901
Expenses:		
Recreation and park activities	4,941,033	5,272,131
Total Expense	4,941,033	5,272,131
Changes in Net Position	(624,962)	141,770
Beginning Net Position	9,966,652	10,015,299
Restatement		(190,417)
Ending Net Position	\$ 9,341,690	\$ 9,966,652

Following are explanations of significant variances from fiscal year 2020 to 2021.

- Revenues decreased by \$1,097,830 between 2020 and 2021. This decrease was due mostly to the 2020 COVID 19 Pandemic, offset by an increase in Property Taxes. The Pandemic halted all programs and rentals.
- Expenses decrease by \$331,098, mostly due to a large reduction in program expenses as well as decreased maintenance and some wage cuts caused by layoffs or reclassing staff. While the Pandemic cut some of the cost, payroll and benefits were not affected greatly. The District kept most staff and sustained the benefits through the pandemic.

**AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

Financial Analysis of the Governmental Funds

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. The fund financial statements focus on individual parts of the District, reporting the District's operations in more detail than the government-wide financial statements. The governmental funds provide information on near-term inflows, outflows and balances of spending resources. Total governmental fund balance at March 31, 2021 was \$5,428,595 which is a decrease of \$1,822,038 in comparison with FY 2020.

The following table shows the fund balance by classifications for the last two years.

<u>Fund Balance</u>	<u>Year ended March 31.</u>	
	<u>2021</u>	<u>2020</u>
General Fund	\$ 5,225,840	\$ 3,412,555
Atwood Park Fund	(1,053)	(11,419)
City Mitigation Fund	206,768	205,421
Total fund balances	<u>\$ 5,431,555</u>	<u>\$ 3,606,557</u>

Significant changes in fund balances by classification consist of the following.

- **General Fund:** The fund balance increase by 53% or \$1,810,325 in FY 2021 due to the issuance of \$2,190,000 of debt for the Energy Efficiency Project, less financing costs of \$54,500, of which \$1,909,997 had not been expended as of March 31, 2021.
- **City Mitigation Fund:** Fund balance in the impact fees fund increased by \$1,347 because of interest earned.

CAPITAL ASSETS

As of March 31, 2021, the District's investment in capital assets totaled \$7,436,139, net of accumulated depreciation, which decreased by \$30,840 from 2020. The investment in capital assets includes land, site improvements, buildings and improvements and equipment. Decreases during the year include a reclassification of asset limits, from \$5,000 to \$3,000. Increases include \$30,819 for a John Deere Front Mower, \$43,259 for a Chipper, \$62,564 for Planning and Construction doc for the expansion of the 24 Acres at Regional Park, \$50,567 for progress work on Phase II of the Bike Park, and \$236,293 on the beginning of the District's Energy Efficiency Project. These additions are offset by the recording of depreciation for \$475,023. The capital assets are presented in the government-wide statement of net position. Additional information on the District's capital assets can be found in Note D to the financial statements.

LONG-TERM DEBT

As of March 31, 2021, the District has a Sterling Lease debt of \$2,190,000 secured to pay for the District's Energy Efficiency Project. The energy savings for this project will be cost neutral for the District. This lease is for the term of 16 years at an interest rate of 2.12%. Note E discusses the District's long-term obligations, which consist of compensated absences, net pension liability and OPEB liability.

**AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

GENERAL FUND BUDGETARY HIGHLIGHTS

The District's property tax receipts were \$103,720 more than budgeted for the fiscal year, and \$133,055 more than collected in the prior fiscal year which is primarily due to increasing property values.

The final budget approved by the Board of Directors on May 29, 2020 reflected a projected surplus of \$21,900, 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 modified required contribution of \$45,800 to the CalPERS unfunded Liability reserve. In 2020/2021, the District's base property tax revenues increased by 3.8%. The Mid-Year Budget Revision reflected a \$17,073 forecasted surplus.

The Year in Review

Several accomplishments warrant mention for FY 2020/2021:

ARD purchased a few Asset for the District's Replacement Plan. Two of the Assets purchased in fiscal year 2019/2020 were funded through the Equipment Replacement Reserves. (John Deere Front Mower and the Chipper). the other Assets were funded through the General Fund. Some of the notable asset purchases included the following:

- A new Irrigation Filter for Ashford Park to be installed in 2021-22
- A new Pool Pump for Sierra Pool
- A new John Deere Front Mower
- A new 20' Low Profile Trailer
- A 2017 used Ford Edge Vehicle
- A new Chipper

**AUBURN AREA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED MARCH 31, 2021**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

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
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
2018/2019:	\$3,298,841
2019/2020:	\$3,479,345

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 continued modest increase in property tax revenues. Program revenues had a huge decline due to the Global Pandemic of 2020. While we are in the midst of a worldwide pandemic, we will continue to budget conservatively to maintain a strong balance sheet and to keep the parks in great 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 2020/2021 may also be viewed at the District's website, www.auburnrec.com.

Auburn Area Recreation and Park District
471 Maidu Drive
Auburn, CA 95603
(530) 537-2185

BASIC FINANCIAL STATEMENTS

AUBURN AREA RECREATION AND PARK DISTRICT

STATEMENT OF NET POSITION

March 31, 2021

ASSETS	
Cash and investments	\$ 3,774,464
Restricted cash and investments	1,909,997
Accounts receivable	25,065
Prepaid expenses	59,491
Capital assets:	
Nondepreciable	3,449,831
Depreciable, net	3,986,308
Total capital assets	<u>7,436,139</u>
TOTAL ASSETS	<u>13,205,156</u>
DEFERRED OUTFLOWS OF RESOURCES	
Pensions	<u>497,574</u>
	<u>497,574</u>
LIABILITIES	
Accounts payable	127,569
Accrued payroll	142,922
Unearned revenue	77,798
Compensated absences - due within one year	140,816
Lease payable - due within one year	108,000
Due in more than one year:	
Lease payable	2,082,000
Net pension liability	1,238,090
Other postemployment benefits (OPEB) liability	298,223
TOTAL LIABILITIES	<u>4,215,418</u>
DEFERRED INFLOWS OF RESOURCES	
Pensions	60,601
Other postemployment benefits (OPEB)	85,021
	<u>145,622</u>
NET POSITION	
Net investment in capital assets	7,156,136
Restricted for:	
City mitigation projects	206,768
Youth assistance	30,632
Arboretum grant projects	13,276
Foundation activities	17,160
Unrestricted	<u>1,917,718</u>
NET POSITION	<u>\$ 9,341,690</u>

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

AUBURN AREA RECREATION AND PARK DISTRICT

STATEMENT OF ACTIVITIES

For the Year Ended March 31, 2021

Functions Programs	Expenses	Program Revenues			Net (Expense) Revenue and Change in Net Position
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants	
GOVERNMENTAL ACTIVITIES:					
Parks and recreation	\$ 4,941,033	\$ 592,862	\$ 33,690	\$ 3,268	\$ (4,311,213)
TOTAL GOVERNMENTAL ACTIVITIES	<u>\$ 4,941,033</u>	<u>\$ 592,862</u>	<u>\$ 33,690</u>	<u>\$ 3,268</u>	<u>(4,311,213)</u>

GENERAL REVENUES

Property taxes	3,586,437
Special assessments	25,962
Interest earnings	26,344
Other revenues	47,508
TOTAL GENERAL REVENUES	<u>3,686,251</u>
Change in net position	(624,962)
Net position at beginning of year	<u>9,966,652</u>
NET POSITION AT END OF FISCAL YEAR	<u>\$ 9,341,690</u>

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

AUBURN AREA RECREATION AND PARK DISTRICT

BALANCE SHEETS - GOVERNMENTAL FUNDS

March 31, 2021

	Non-Major Funds			Total Governmental Funds
	General Fund	Atwood Park Fund	City Mitigation Fund	
ASSETS				
Cash and investments	\$ 3,567,696		\$ 206,768	\$ 3,774,464
Restricted cash and investments	1,909,997			1,909,997
Accounts receivable	25,065			25,065
Due from other funds	1,053			1,053
Prepaid costs	59,491			59,491
TOTAL ASSETS	<u>\$ 5,563,302</u>		<u>\$ 206,768</u>	<u>\$ 5,770,070</u>
LIABILITIES AND FUND EQUITY				
LIABILITIES				
Accounts payable	\$ 119,702			\$ 119,702
Accrued pay roll	142,922			142,922
Unearned revenue	77,798			77,798
Due to other funds		\$ 1,053		1,053
TOTAL LIABILITIES	<u>340,422</u>	<u>1,053</u>		<u>341,475</u>
FUND BALANCE				
Nonspendable	59,491			59,491
Restricted	1,971,065		\$ 206,768	2,177,833
Committed	1,679,565			1,679,565
Unassigned	1,512,759	(1,053)		1,511,706
TOTAL FUND BALANCE	<u>5,222,880</u>	<u>(1,053)</u>	<u>206,768</u>	<u>5,428,595</u>
TOTAL LIABILITIES AND FUND EQUITY	<u>\$ 5,563,302</u>	<u>\$ -</u>	<u>\$ 206,768</u>	<u>\$ 5,770,070</u>

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

AUBURN AREA RECREATION AND PARK DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUND BALANCE SHEETS TO THE
GOVERNMENT-WIDE STATEMENT OF NET POSITION

March 31, 2021

Fund Balances of Governmental Funds	\$ 5,428,595
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds.	7,436,139
Pension contributions subsequent to the valuation measurement date and other items will reduce the pension liability in the future and are reported as deferred outflows of resources on the statement of net position.	497,574
Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds.	
Compensated absences	(140,816)
Interest payable	(7,867)
Lease payable	(2,190,000)
Net pension obligation	(1,238,090)
OPEB liability	(298,223)
Employee pension and OPEB differences to be recognized in the future as pension or OPEB expense are reported as deferred inflows of resources on the statement of net position.	<u>(145,622)</u>
Net position of governmental activities	<u><u>\$ 9,341,690</u></u>

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

AUBURN AREA RECREATION AND PARK DISTRICT
 STATEMENTS OF REVENUES, EXPENDITURES, AND
 CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS

For the Year Ended March 31, 2021

	Non-Major Funds			Total Funds
	General Fund	Atwood Park Fund	City Mitigation Fund	
REVENUES				
Property taxes	\$ 3,586,437			\$ 3,586,437
Charges for current services	564,823			564,823
Special assessments		\$ 25,962		25,962
Rents and concessions	28,039			28,039
Interest income	24,997		\$ 1,347	26,344
Grants and donations	36,958			36,958
Other revenues	48,310			48,310
Total revenues	<u>4,289,564</u>	<u>25,962</u>	<u>1,347</u>	<u>4,316,873</u>
EXPENDITURES				
Salaries and benefits	2,927,263	5,127		2,932,390
Services and supplies	1,173,754	11,434		1,185,188
Capital outlay	513,615			513,615
Total expenditures	<u>4,614,632</u>	<u>16,561</u>	<u>-</u>	<u>4,631,193</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(325,068)	9,401	1,347	(314,320)
OTHER FINANCING SOURCES (USES)				
Issuance of site lease debt	2,190,000			2,190,000
Financing costs	(54,500)			(54,500)
Proceeds from sale of capital assets	858			858
Operating transfers in	2,989	3,954		6,943
Operating transfers out	(3,954)	(2,989)		(6,943)
Total other Financing Sources (Uses)	<u>2,135,393</u>	<u>965</u>	<u>-</u>	<u>2,136,358</u>
Change in fund balance	1,810,325	10,366	1,347	1,822,038
Fund Balances, March 31, 2020	<u>3,412,555</u>	<u>(11,419)</u>	<u>205,421</u>	<u>3,606,557</u>
Fund Balances, March 31, 2021	<u>\$ 5,222,880</u>	<u>\$ (1,053)</u>	<u>\$ 206,768</u>	<u>\$ 5,428,595</u>

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

AUBURN AREA RECREATION AND PARK DISTRICT

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

For the Year Ended March 31, 2021

Net Change in Fund Balances - Total Governmental Funds	\$ 1,822,038
<p>Amounts reported for governmental activities in the Statement of Activities differ from the amounts reported in the Statement of Revenues, Expenditures, and Changes in Fund Balances because:</p>	
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This activity is reconciled as follows:</p>	
Cost of assets capitalized	513,615
Depreciation expense	(475,020)
Adjustments to capital assets	11,651
<p>Governmental funds report proceeds from disposal of capital assets as revenues. However, in the government-wide statement of activities only the gain or (loss) on the sale of capital assets is reported. This is the difference between the gain or (loss) and proceeds.</p>	
	(81,086)
<p>Debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Government-wide Statement of Net Position. Repayment of principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position</p>	
Issuance of lease	(2,190,000)
Interest payable	(7,867)
<p>Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.</p>	
Change in compensated absences liability	(21,260)
Change in net pension obligation and deferred outflows/inflows of resources related to employee pensions	(61,553)
Change in OPEB liability and deferred outflows/inflows of resources related to OPEB	(135,480)
Change in net position of governmental activities	<u>\$ (624,962)</u>

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

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity: The Auburn Area Recreation and Park District (the District) was organized in 1948 by a vote of the public and operates under the California Public Resources Code Section 5780. The District is operated under the direction of a five-member board duly elected and empowered by the electorate with sole authority over the District operations.

In addition to providing recreational programs and services to the community, the District maintains park sites serving residents of the Auburn area. The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to local governments.

The District has defined its reporting entity in accordance with accounting principles generally accepted in the United States of America, which provide guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

Based upon the aforementioned oversight criteria, the following are component units:

The Friends of the Auburn Area Recreation and Park, Inc. (the Foundation) was created as a non-profit entity under section 501(c)(3) to receive donations, obtain grants, and conduct fundraising events to generate revenues that will enhance the District's recreation programs. The Foundation is reported as a blended component unit of the District because the District's governing body is also the governing body of the Foundation. The Foundation's funds are reported as restricted assets on the District's financial statements as a component of the general fund as of the year ended December 31, 2020 since the Foundation has a different fiscal year end than the District.

Basis of Presentation – Government-wide Financial Statements: The government-wide financial statements (i.e., the statement of net position and statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. The District has no business-type activities.

The statement of activities presents direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position is available, restricted resources are used only after the unrestricted resources are depleted.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Basis of Presentation – Fund Financial Statements: The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund is established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations.

The District reports the following major governmental fund:

General Fund – The General Fund is the primary operating fund of the District. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

In addition to the General Fund, the District also has special revenue funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes that are nonmajor funds:

Atwood Park Special Revenue Fund – to account for revenues and the associated expenditures of fees levied on property owners of the District that are specifically restricted for installation, maintenance and servicing of public facilities within Atwood Park.

City Mitigation Special Revenue Fund – to account for revenues and the associated expenditures of fees levied on property owners of the District that are specifically restricted for installation, maintenance and servicing of public facilities within the City of Auburn.

Measurement Focus and Basis of Accounting: 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 at the time liabilities are incurred, regardless of when the related cash flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period, usually 60 days. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources. The District considers property taxes available if they are collected within sixty-days after year-end.

Budgetary Principles: As required by the laws of the State of California, the District prepares and legally adopts a final balanced operating budget on or before April 1 of each fiscal year. Public hearings are conducted on the proposed final budget to review all appropriations and the sources of financing.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Operating budgets are adopted for the General Fund on the modified accrual basis of accounting. Budgetary control and the legal level of control are at the object level which classifies expenditures by type of goods purchased and services obtained. The Statements of Revenues, Expenditures – Budget to Actual present revenues at the source level and expenditures at the function level. It is not feasible to compare budget to actual data at the object level in this report. Significant amendments and appropriation transfers from contingencies must be approved by the District's Board of Directors. Supplemental appropriations financed by unanticipated revenues also must be approved by the Board.

The legal level of budgetary control (the level on which expenditures may not legally exceed appropriations) is at the object level. Object levels of expenditures are as follows: salaries and benefits, services and supplies, other charges including debt service, capital outlay, contingencies, expenditure transfers, and other financing uses.

Restricted Cash and Investments: The amount reported as restricted cash and investments consist of debt proceeds from a Site Lease to be used to design, construct and install energy conservation measures at the District facilities.

Prepaid Expenses: Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses/costs in both the government-wide and fund financial statements. Prepaid costs are reported in the fund financial statements as non-spendable fund balance to indicate they do not constitute resources available for appropriation.

Capital Assets: Capital assets, which include land, structures and improvements, machinery and equipment, and infrastructure assets, are reported in government-wide financial statements. Capital assets are defined as assets with an initial individual cost of more than \$3,000. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at the estimated acquisition value at the date of donation. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Amortization of assets acquired by way of capital leases are included in depreciation and amortization. Structures, improvements, and equipment are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Structures	20 years
Equipment	10 years
Computer Equipment	3 years
Vehicles	8 years
Furniture	10 years
Small Tools	5 years

Compensated Absences: The District personnel policy allows employees to accumulate earned but unused vacation. Unused accrued vacation time will be paid to employees upon separation from the District's service, subject to a vesting policy. The cost of vacation is recorded in the period accrued.

Amounts that are expected to be liquidated with expendable available financial resources, for example, as a result of employee resignations or retirements that are currently payable are reported as expenditures and fund liabilities of the governmental fund that will pay it. Amounts not expected to be liquidated with expendable

AUBURN AREA RECREATION AND PARK DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

available financial resources represent a reconciling item between the fund and government-wide presentation. No expenditure is reported in a governmental fund financial statements for these amounts. Compensated absences are liquidated by the General Fund.

Deferred Outflows and Inflows of Resources: In addition to assets and liabilities, the statement of net position reports separate sections for deferred outflows and deferred inflows of resources. *Deferred outflows of resources* represent a consumption of net position by the government that is applicable to a future reporting period. *Deferred inflows of resources* represent an acquisition of net position that is applicable to a future reporting period. These amounts will not be recognized as an outflow of resources (expense) or an inflow of resources (revenue) until the earnings process is complete. Deferred outflows and inflows of resources represent amounts deferred related to the District's pension and OPEB plans as described in Notes G and H.

Pensions: For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

Other Postemployment Benefits (OPEB): For purposes of measuring the net 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 plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

Property Taxes: The County of Placer (the County) is responsible for the collection and allocation of property taxes. Under California law, property taxes are assessed and collected by the County up to 1% of the full cash value of taxable property, plus other increases approved by the voters and distributed in accordance with statutory formulas. The valuation/lien date for all property taxes is January 1. Secured property tax is due in two instalments: the first is due November 1 and delinquent with penalties after December 10; the second is due February 1 and delinquent penalties after April 10. These taxes are secured by liens on the property being taxed. Unsecured taxes are due in one instalment on billing and are subject to late payment penalties if paid after August 31.

The term "unsecured" refers to taxes on personal property other than land and buildings. Property tax revenues are recognized in the fiscal year for which they are levied, provided they are due and collected within sixty days after fiscal year-end. The County apportions secured property tax revenue in accordance with the alternate methods of distribution, the "Teeter Plan," as prescribed by Section 4717 of the California Revenue and Taxation code. Therefore, the District receives 100% of the secured property tax levies to which it is entitled, whether or not collected. Unsecured delinquent taxes are considered fully collectible.

Unearned Revenue: Unearned revenue represents fees received prior to March 31, 2021 for events that take place after March 31, 2021.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from these estimates.

Interfund Transactions: Operating transfers are transactions to allocate resources from one fund to another fund not contingent on the incurrence of specific expenditures in the receiving fund. Interfund transfers are generally recorded as operating transfers in and operating transfers out in the same accounting period.

Transactions between funds that represent lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either “due to/from other funds” (i.e., the current portion of interfund loans) or “advances to/from other funds” (i.e., the non-current portion of interfund loans). Eliminations have not been made between or within the fund types.

Fund Balance: In the fund financial statements, governmental funds report non-spendable, restricted, committed, assigned and unassigned balances.

Nonspendable Funds – Fund balance should be reported as nonspendable when the amounts cannot be spent because they are either not in spendable form, or are legally or contractually required to be maintained intact. Nonspendable balances are not expected to be converted to cash within the next operating cycle, which comprise prepaid items.

Restricted Funds – Fund balance should be reported as restricted when constraints placed on the use of resources are either externally imposed by creditors, grantors, contributors, or laws or regulations of other governments, or imposed by law through constitutional provisions or enabling legislation.

Committed Funds – Fund balance should be reported as committed when the amounts can only be used for specific purposes pursuant to constraints imposed by formal action of the government’s highest level of decision-making authority, the District’s Board of Directors. These amounts cannot be used for any other purpose unless the District’s Board modifies, or removes the fund balance commitment.

Assigned Funds – Fund balance should be reported as assigned when the amounts are constrained by the government’s intent to be used for specific purposes, but are neither restricted nor committed.

Unassigned Funds – Unassigned fund balance is the residual classification of the District’s funds and includes all spendable amounts that have not been restricted, committed, or assigned to specific purposes.

Net Position: The government-wide financial statements utilize a net position presentation. Net position is categorized as investment in capital assets (net of related debt), restricted and unrestricted.

Net Investment in Capital Assets – This category groups all capital assets into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category represents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

AUBURN AREA RECREATION AND PARK DISTRICT
 NOTES TO THE BASIC FINANCIAL STATEMENTS
 March 31, 2021

NOTE A – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Unrestricted Net Position – This category represents net position of the District not restricted for any project or other purpose.

The District’s Board establishes, modifies or rescinds fund balance commitments and assignments by passage of a resolution. When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, then unrestricted, committed, assigned and unassigned resources as they are needed. The District’s committed, assigned, or unassigned amounts are considered to have been spent when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classifications could be used.

New Pronouncements: In June 2017, the GASB issued Statement No. 87, *Leases*. This Statement increases the usefulness of governments’ financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. A lease is defined as a contract that conveys 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. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the lease’s guidance, unless specifically excluded in this Statement. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021.

In June 2018, the GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement enhances disclosures about capital assets and the cost of borrowing for a reporting period and simplifies the accounting for interest cost incurred before the end of a construction period. Interest cost incurred before the end of a construction period will be recognized as an expense rather than being recorded as part of the cost of capital assets in a business-type activity or enterprise fund and interest cost incurred by a fund using the current financial resources measurement focus before the end of a construction period should be recognized as an expenditure on a basis consistent with governmental fund accounting principles. The requirements of this Statement are effective for the reporting periods beginning after December 15, 2020.

The District is currently analyzing the impact of the required implementation of these new statements.

NOTE B – CASH AND INVESTMENTS

Cash and cash investments as of March 31, 2021 are classified in the accompanying financial statements as follows:

Cash and investments	\$ 3,774,464
Restricted cash and investments	<u>1,909,997</u>
	<u><u>\$ 5,684,461</u></u>

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE B – CASH AND INVESTMENTS (Continued)

At March 31, 2021, the District's total cash and investments at fair value were as follows:

Cash:	
Imprest cash	\$ 580
Deposits in financial institutions	147,052
Total Cash	<u>147,632</u>
Investments	
County of Placer investment pool	5,536,829
Total Investments	<u>5,536,829</u>
Total Cash and Investments	<u>\$ 5,684,461</u>

Investment Policy: The County's Board of Supervisors approves an investment policy each year and provides oversight for all pooled investments in the County Treasury. California statutes authorize districts to invest idle or surplus funds in a variety of credit instruments as provided for in the California Government Code, Section 53600, Chapter 4 – Financial Affairs. The following table identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Bonds	30 years	No limit	No limit
U.S. Treasury Obligations	5 years	No limit	100%
U.S. Agency Securities	5 years	No limit	75%
Bankers' Acceptances	180 days	40%	30%
Commercial Paper	270 days	40%	40%
Negotiable Certificates of Deposit	5 years	30%	30%
Repurchase Agreements	7 days	25%	20%
Reverse Repurchase Agreements	1 year	20%	May not be purchased
Mutual Funds	N/A	15%	May not be purchased
Money Market Mutual Funds	N/A	20%	10%
Mortgage Backed Securities	5 years	No limit	May not be purchased
County Pooled Investment Funds	N/A	No limit	No limit
Local Agency Investment Fund (LAIF)	365 days	40MM	40MM
Collateralized Obligation	5 years	No limit	May not be purchased
Asset Backed Securities	5 years	No limit	May not be purchased
Collateralized Certificates of Deposit	Not specified	No limit	20%
CDARS Certificates of Deposit	Not specified	30%	30%
Supranational - Washington dollar			
Denominated IDRD, IFC or IAD	5 years	30%	30%
Corporate Notes	5 years	30%	30%

The District complied with the provisions of the California Government Code pertaining to the types of investments held, the institutions in which deposits were made and the security requirements. The District will continue to monitor compliance with applicable statutes pertaining to public deposits and investments.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE B – CASH AND INVESTMENTS (Continued)

Investment in the County of Placer Investment Pool: The District's cash is held in the County of Placer's cash and investment pool which is managed by the Placer County Treasurer. The District's cash balances invested in the Placer County Treasurer's cash and investment pool are stated at amortized cost, which approximates fair value. The amount invested by all public agencies in Placer County's cash and investment pool is \$1,641,637,141 at March 31, 2021. Placer County does not invest in any derivative financial products. The Placer County Treasury Investment Oversight Committee (Committee) has oversight responsibility for Sacramento County's cash and investment pool. The Committee consists of ten members as designated by State law. The value of pool shares in Placer County that may be withdrawn is determined on an amortized cost basis, which is different than the fair value of the District's position in the pool. Investments held in the County's investment pool are available on demand to the District and are stated at cost, which approximates fair value. The Treasurer may require 30 days written notice prior to any withdrawals. This investment is not subject to categorization under GASB No. 3.

Interest rate risk: Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District's investment in the County pool has an average maturity of 558 days as of March 31, 2021.

Credit Risk: Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The County's external investment pool is not rated.

Concentration of Credit Risk: The investment policy of the District limits the amount that can be invested in any one issuer to the California Government Code. There are no investments in any one issuer (other than external investment pools) that represent 5% or more of total District investments.

Custodial Credit Risk: Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counter-party (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities with governmental investment pools (such as the County of Sacramento investment pool). The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure public agency deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Custodial credit risk does not apply to a local government's indirect deposits or investments in securities through the use of government investment pools.

At March 31, 2021, the carrying amounts of the District's deposits were \$147,052, and the balances in financial institutions were \$406,536. Of the balance in financial institutions, \$274,064, was covered by federal depository insurance and \$132,472 at March 31, 2021, was covered by the pledging financial institution with assets held in a common pool for the District and other governmental agencies, but not in the name of the District.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE C – INTERFUND TRANSACTIONS

Due to/from other funds: Amounts due to and from other funds are temporary loans to cover deficit cash and other shortfalls. Due to/from other funds consisted of the following at March 31, 2021:

Receivable Fund	Payable Fund	Amount
General Fund	Atwood Park Fund	\$ 1,053
		<u>\$ 1,053</u>

Transfer in/out: With Board approval, resources may be transferred from one District fund to another. Transfers between funds during the fiscal year ended March 31, 2021 were as follows:

Transfer In	Transfer Out	Amount
Atwood Park Fund	General Fund	\$ 3,954 (a)
General Fund	Atwood Park Fund	2,989 (b)
		<u>\$ 6,943</u>

(a) - Transfer for park expenses

(b) - Transfer for administrative services, wages and insurance.

NOTE D – CAPITAL ASSETS

Capital assets activity for the year ended March 31, 2021, is as follows:

	Balance at March 31, 2020	Additions	Deletions	Adjustments	Balance at March 31, 2021
<u>Governmental Activities</u>					
Capital assets, not being depreciated:					
Land	\$ 1,970,546				\$ 1,970,546
Construction in progress	1,121,331	\$ 357,954			1,479,285
Total capital assets, not being depreciated	<u>3,091,877</u>	<u>357,954</u>			<u>3,449,831</u>
Capital assets, being depreciated:					
Buildings and improvements	12,938,861		\$ (98,358)	\$ 6,924	12,847,427
Equipment and furniture	1,555,202	136,242	(221,951)	4,727	1,474,220
Vehicles	265,281	19,419	(2,149)		282,551
Total capital assets, being depreciated	<u>14,759,344</u>	<u>155,661</u>	<u>(322,458)</u>	<u>11,651</u>	<u>14,604,198</u>
Less accumulate depreciation:					
Buildings and improvements	(9,442,312)	(362,261)	74,590		(9,729,983)
Equipment and furniture	(742,662)	(98,596)	165,084		(676,174)
Vehicles	(199,268)	(14,163)	1,698		(211,733)
Total accumulated depreciation	<u>(10,384,242)</u>	<u>(475,020)</u>	<u>241,372</u>		<u>(10,617,890)</u>
Total capital assets being depreciated, net	<u>4,375,102</u>	<u>(319,359)</u>	<u>(81,086)</u>	<u>11,651</u>	<u>3,986,308</u>
GOVERNMENTAL ACTIVITIES CAPITAL ASSETS, NET	<u>\$ 7,466,979</u>	<u>\$ 38,595</u>	<u>\$ (81,086)</u>	<u>\$ 11,651</u>	<u>\$ 7,436,139</u>

Depreciation expense for the year was \$475,020 and was all charged to the recreation function.

AUBURN AREA RECREATION AND PARK DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE E – LONG-TERM OBLIGATIONS

The following is a summary of long-term liabilities for the year ended March 31, 2021:

	Balance March 31, 2020	Additions	Deletions	Balance March 31, 2021	Due Within One Year
Governmental Activities:					
Lease payable		\$ 2,190,000		\$ 2,190,000	\$ 108,000
Compensated absences	\$ 119,556	21,260		140,816	140,816
Net pension liability	1,077,429	351,504	\$ (190,843)	1,238,090	
OPEB liability	247,764	50,459		298,223	
Totals	\$ 1,444,749	\$ 2,613,223	\$ (190,843)	\$ 3,867,129	\$ 248,816

Lease Payable: On January 1, 2021, the District executed a lease agreement with CSDA Finance Corporation in the amount of \$2,190,000, which was subsequently assigned to Sterling National Bank to finance the design and build of energy conservation measures for the District. Principal payments of \$54,000 to \$80,000 and interest payments of \$848 to \$22,069 are due semi-annually on January 1 and July 1 through January 1, 2037. The lease bears an interest rate of 2.12%. The financing was secured as a result of the Design-Build Energy Services Agreement that the District entered into with Centrica Business Solutions Services Inc. to design, construct and install energy conservation measures into the District's facilities. In the event of default, the lessor may exercise may any and all remedies available under law or granted under the lease agreement.

The annual requirements to amortize the outstanding long-term liabilities were as follows at March 31, 2021:

Years Ending March 31	Principal	Interest	Total
2022	\$ 108,000	\$ 42,244	\$ 150,244
2023	119,000	43,513	162,513
2024	122,000	40,969	162,969
2025	125,000	38,361	163,361
2026	127,000	35,711	162,711
2027-2031	677,000	136,719	813,719
2032-2036	752,000	61,501	813,501
2037-2038	160,000	2,545	162,545
	\$ 2,190,000	\$ 401,563	\$ 2,591,563

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE F – FUND BALANCE

The following are the components of the Governmental Funds fund balances.

	General	Atwood Park Funds	City Mitigation Fund	Total Governmental Funds
Fund balances:				
Nonspendable:				
Prepaid expenses	\$ 59,491			\$ 59,491
Total Nonspendable	<u>59,491</u>			<u>59,491</u>
Restricted for:				
Energy efficiency projects	1,909,997			1,909,997
Foundation activities	17,160			17,160
Youth assistance	30,632			30,632
Arboretum grant projects	13,276			13,276
City mitigation projects			\$ 206,768	206,768
Total Restricted	<u>1,971,065</u>		<u>206,768</u>	<u>2,177,833</u>
Committed:				
Future capital construction	895,574			895,574
Annual equipment replacement	613,959			613,959
CalPERS unfunded liability	140,000			140,000
ADA reserve	30,032			30,032
Total Committed	<u>1,679,565</u>			<u>1,679,565</u>
Unassigned:				
Annual contingency	473,000			473,000
Unassigned	1,042,759	\$ (4,053)		1,038,706
Total Unassigned	<u>1,515,759</u>	<u>(4,053)</u>		<u>1,511,706</u>
Total Fund Balances	<u>\$ 5,225,880</u>	<u>\$ (4,053)</u>	<u>\$ 206,768</u>	<u>\$ 5,428,595</u>

NOTE G – DEFINED BENEFIT PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's cost-sharing multiple employer defined benefit pension plans administered by the California Public Employees' Retirement System (CalPERS). The District has the following cost-sharing rate plans:

- Miscellaneous Plan
- PEPRM Miscellaneous Plan

Benefit provisions under the Plan are established by State statute and Board resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at www.calpers.ca.gov.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Benefits Provided: CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 55 (62 for PEPRA Miscellaneous Plan) with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan's provisions and benefits in effect at March 31, 2021, are summarized as follows:

	Miscellaneous Plan (Prior to January 1, 2013)	PEPRA Miscellaneous Plan (On or after January 1, 2013)
Hire date		
Benefit formula (at full retirement)	2.0% @ 55	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 - 63	52 - 67
Monthly benefits, as a % of eligible compensation	1.092% to 2.418%	1.0% to 2.5%
Required employee contribution rates - April to June 2020	7.000%	6.500%
Required employer contribution rates - April to June 2020	10.327%	7.072%
Required employer contribution rates - July 2020 to March 2021	11.199%	7.874%

In addition to the contribution rates above, the District was required to make payments of \$73,681 toward its unfunded actuarial liability during the year ended March 31, 2021. The Miscellaneous Plan is closed to new members that are not already CalPERS eligible participants.

Contributions: Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. For the year ended March 31, 2021, the employer contribution to the Plan (all rate plans combined) was \$373,538, including the contribution for the employer's unfunded accrual liability.

Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions: As of March 31, 2021, the District reported a net pension liability for its proportionate share of the net pension liability of \$1,238,090.

The District's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2019 rolled forward to June 30, 2020 using standard update procedures. The District's proportion of the net pension

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

liability was based on a projection of the District's long-term share of contributions to the pension plans 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 March 31, 2021 and 2020 were as follows:

	<u>Miscellaneous Plan</u>
Proportion - June 30, 2019	0.02691%
Proportion - June 30, 2020	0.02935%
Change - Increase (Decrease)	0.00244%

For the year ended March 31, 2021, the District recognized pension expense of \$339,926. At March 31, 2021, the District reported deferred outflows of resources and deferred inflows of resources related to the Plan combined from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Pension contributions subsequent to measurement date	\$ 278,373	
Change in assumptions		\$ 8,831
Net differences between projected and actual earnings on plan investments	36,780	
Difference between actual and allocated contributions		51,770
Difference between expected and actual experience	63,802	
Adjustment due to differences in proportions	<u>118,619</u>	
Total	<u>\$ 497,574</u>	<u>\$ 60,601</u>

The \$278,373 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the following fiscal year. Other amounts reported as net deferred inflows of resources related to pensions will be recognized as pension expense as follows:

Fiscal Year Ended <u>June 30</u>	
2020	\$ 47,987
2021	53,028
2022	39,944
2023	<u>17,641</u>
	<u>\$ 158,600</u>

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

Actuarial Assumptions: The total pension liabilities in the actuarial valuations for the Plan was determined using the following actuarial assumptions:

Valuation Date	June 30, 2019
Measurement Date	June 30, 2020
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Projected Salary Increase	0.4% - 8.5% ⁽¹⁾
Mortality	Derived using CalPERS Membership Data for all Funds

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2019 valuation were based on the results of a December 2017 actuarial experience study for the period 1997 to 2015. Further details of the Experience Study can be found on the CalPERS website.

Discount Rate: The discount rate used to measure the total pension liability was 7.15% for the Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for the plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate is applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.15 percent investment return assumption used in this accounting valuation is gross of administrative expenses. Administrative expenses are assumed to be 15 basis points.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns of all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE G – DEFINED BENEFIT PENSION PLAN (Continued)

The table below reflects the long-term expected real rate of return by asset class for the Plan. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

Asset Class	New Strategic Allocation	Real Return Years 1 - 10(a)	Real Return Years 11+(b)
Global Equity	50.0%	4.80%	5.98%
Global Fixed Income	28.0%	1.00%	2.62%
Inflation Sensitive	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Estate	13.0%	3.75%	4.93%
Liquidity	1.0%		-0.92%
Total	100.0%		

(a) An expected inflation of 2.00% used for this period.

(b) An expected inflation of 2.92% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate: The following presents the District's proportionate share of the net pension liability for the Plans, calculated using the discount rate for the Plans, 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	6.15%
Net Pension Liability	\$ 2,141,242
Current Discount Rate	7.15%
Net Pension Liability	\$ 1,238,090
1% Increase	8.15%
Net Pension Liability	\$ 491,843

Pension Plan Fiduciary Net Position: Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE H – OTHER POSTEMPLOYMENT BENEFIT PLANS

Plan Description: The District administers a single employer defined benefit healthcare plan (the Retiree Health Plan). The District currently provides retiree health benefits to eligible Non-bargaining employees. The District sponsors healthcare coverage under the California Public Employees Medical and Hospital Care Act ("PEMHCA"), commonly referred to as PERS Health. PEMHCA provides health insurance through a variety of Health Maintenance Organization (HMO) and Preferred Provider Organization (PPO) options.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE H – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Non-represented employees are eligible for District-paid retiree medical benefits upon attainment of age 50 and 5 years of service. The District contributes the PEMHCA minimum under the unequal method (5% times number of years the District has been in PEMHCA). The District's non-represented group joined PEMHCA in 2015. Employees must work more than 30 hours a week to be eligible for benefits. The statutory minimum was \$139.00 per month for 2020 that the District designates for PEMHCA. The \$139.00 per month increased to \$143.00 per month in 2021, which is scheduled by law to be indexed with medical inflation (CPI). In addition to the PEMHCA minimum, the District pays all administrative fees.

Effective August 1, 2020, the District amended the plan to include represented employees. The resulting increase in OPEB liability is described on the following pages as changes of benefit terms.

The Plan does not issue separate financial statements. No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Employees Covered by Benefit Terms: As of the March 31, 2021 valuation, the following employees were covered by the Plan's benefit terms:

Active employees	33
Inactive employees or beneficiaries currently receiving benefit payments	1
	<u>34</u>

Contributions: The contribution requirements of Plan members and the District are established and may be amended by the District's Board of Directors subject to the District's Memorandums of Understanding with bargaining units. The required contribution is based on actual retiree health insurance premium payments required under the Plan. For the year ended March 31, 2021, the District contributed \$441 to the Plan through pay-as-you-go health insurance benefit payments on behalf of Plan members. Plan members did not make any contributions to the Plan. The District does not contribute to a trust fund on behalf of employees.

OPEB Liability: The District's OPEB liability of \$298,223 was measured as of March 31, 2021, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of March 31, 2020.

Actuarial Assumptions: The net OPEB liability in the March 31, 2021 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount rate	2.27%
Salary increases	2.75%
Inflation	2.75%
Healthcare cost trend rates	5.90% for 2021; 5.80% for 2022; 5.70% for 2023; and decreasing 0.10% per year to an ultimate rate of 5.00% for 2030 and later years
Mortality rates	RP-2014 Employee Mortality Table, without projection
Pre-Retirement	RP-2014 Health Annuitant Mortality Table, without projection

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE H – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

Pre-retirement mortality rates were based on the RP-2014 Employee Mortality Table for Males or Females, as appropriate, without projection. Post-retirement mortality rates were based on the RP-2014 Health Annuitant Mortality Table for Males or Females, as appropriate, without projection.

Discount Rate: The discount rate used to measure the total OPEB liability was 2.27%. The discount rate is based on the Fidelity GO AA 20 Years Municipal Index. The discount rate was reduced from 2.48% to 2.27%.

Changes in the Total OPEB Liability: The change in the total OPEB liability for the plan is as follows:

	Total OPEB Liability
Balance at March 31, 2020	\$ 247,764
Changes for the year:	
Service cost	28,779
Interest on the total OPEB liability	5,992
Change of benefit terms	108,149
Change in assumption on other inputs	(91,877)
Benefit payments	(584)
Net changes	<u>50,459</u>
Balance at March 31, 2021	<u>\$ 298,223</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate: The following presents the total OPEB liability of the District, as well as what the District's total OPEB 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 discount rate:

	1% Decrease <u>1.27%</u>	Discount Rate <u>2.27%</u>	1% Increase <u>3.27%</u>
Total OPEB liability	\$ 352,819	\$ 298,223	\$ 253,825

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates: The following presents the total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower or 1 percentage point higher than the current healthcare cost trend rates:

	1% Decrease 4.90% for 2021 (4.00% decreasing to <u>3.00%</u>)	Current Healthcare Cost Trend Rates 5.90% for 2021 (5.00% decreasing to <u>4.00%</u>)	1% Increase 6.90% for 2021 (6.00% decreasing to <u>5.00%</u>)
Total OPEB liability	\$ 235,297	\$ 298,223	\$ 383,467

OPEB Plan Fiduciary Net Position: The Plan does not have fiduciary net position as the District does not contribute to a qualified trust fund on behalf of the participants.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE H – OTHER POSTEMPLOYMENT BENEFIT PLANS (Continued)

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB: For the year ended March 31, 2021, the District recognized OPEB expense of \$135,480. At March 31, 2021, the District reported deferred inflows of \$85,021 for changes in assumptions or other inputs. These changes of assumptions are recognized over the expected average remaining service lifetime (EARSLL), which was 13.4 years at March 31, 2020 valuation date. Deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

<u>Year Ended March 31</u>	
2022	\$ (6,856)
2023	(6,856)
2024	(6,856)
2025	(6,856)
2026	(6,856)
Thereafter	<u>(50,741)</u>
	<u>\$ (85,021)</u>

NOTE I – RISK MANAGEMENT

The District is self-insured for comprehensive liability coverage as a member of the California Association for Park and Recreation Insurance (CAPRI). CAPRI is a public agency risk pool created pursuant to a joint powers' agreement between the numerous member Districts. CAPRI manages one pool for all member agencies. Each member pays an annual premium to the system based on numerous factors including the number of personnel, types and values of assets held, and an experience factor. CAPRI reinsures through a commercial carrier for claims in excess of \$1,000,000 for each insured event. The District also participates in the Special District Risk Management Authority (SDRMA) Workers' Compensation and Employers' Liability Coverage Agreement.

Coverage provided under CAPRI and SDRMA are as follows:

Workers' compensation coverage of \$5,000,000 under (SDRMA) with zero-member deductible.

Comprehensive general liability coverage with a \$25,000,000, including \$1,000,000 (CAPRI) self-insured limit per occurrence for personal injury and property damage to which the coverage applies. There is no deductible to the District.

Public officials and employee liability coverage with a \$1,000,000 annual aggregate limit per member district because of a wrongful act which occurs during the coverage period for which the coverage applies. There is a \$25,000 deductible for any covered claim for wrongful termination payable by the District.

Flood and earthquake coverage with an annual aggregate limit of \$5,000,000 for all the member districts. The deductible for all loss or damage arising from the risks of flood and/or earthquake is \$50,000 per occurrence, or 5% for earthquake and \$50,000 for flood or wildfire, of the value of the building, contents, and/or structure damaged, whichever is greater.

Theft and employee dishonesty coverage with a limit of \$1,000,000 and a deductible of up to \$25,000 per occurrence.

AUBURN AREA RECREATION AND PARK DISTRICT

NOTES TO THE BASIC FINANCIAL STATEMENTS

March 31, 2021

NOTE J – COMMITMENTS AND CONTINGENCIES

On November 20, 2020, the District entered into a Design-Build Energy Services Agreement (Agreement) with Centrica Business Solutions Service Inc. (Centrica) for the design, construction and installation of energy efficiency equipment (equipment). Additionally, the agreement, Centrica will provide ongoing energy savings monitoring a reporting services, management and or modification (MM&V Service) of the equipment. The total contract agreement for the equipment is \$2,133,891, of which 235,790 has been accrued as of March 31, 2021. The contract agreement for MM&V Service will be \$7,116 per year starting on the MM&V Services commencement date.

On March 11, 2020, the World Health Organization declared the outbreak of a coronavirus (COVID-19) pandemic. The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on the District's operation and financial performance depends on certain developments, including the duration and spread of the outbreak, and the impact on customers, taxpayers, employees and vendors, all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact the financial condition or results of operations is uncertain and the accompanying financial statements include no adjustments relating to the effects of the pandemic.

REQUIRED SUPPLEMENTARY INFORMATION

AUBURN AREA RECREATION AND PARK DISTRICT

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

For the Year Ended March 31, 2021

	Budgeted Amounts		Actual	Variance with Final Budget
	Original	Final		
REVENUES				
Property taxes	\$ 3,508,680	\$ 3,508,680	\$ 3,586,437	\$ 77,757
Charges for current services	558,381	558,381	564,823	6,442
Rents and concessions	15,708	15,708	28,039	12,331
Interest income	36,043	36,043	24,997	(11,046)
Grants and donations	157,503	157,503	36,958	(120,545)
Other revenues	45,717	45,717	48,310	2,593
Total revenues	<u>4,322,032</u>	<u>4,322,032</u>	<u>4,289,564</u>	<u>(32,468)</u>
EXPENDITURES				
Salaries and benefits	2,759,852	2,759,852	2,927,263	(167,411)
Services and supplies	1,347,905	1,347,905	1,173,754	174,151
Capital outlay	619,736	619,736	513,615	106,121
Total expenditures	<u>4,727,493</u>	<u>4,727,493</u>	<u>4,614,632</u>	<u>112,861</u>
Excess (Deficit) of Revenues Over (Under) Expenditures	(405,461)	(405,461)	(325,068)	80,393
Other Financing Sources (Uses)				
Issuance of debt			2,190,000	2,190,000
Financing costs			(54,500)	(54,500)
Proceeds from capital assets			858	858
Operating transfers in			5,989	5,989
Operating transfers out	(35,000)	(35,000)	(3,954)	31,046
Total other Financing Sources (Uses)	<u>(35,000)</u>	<u>(35,000)</u>	<u>2,138,393</u>	<u>2,173,393</u>
Change in fund balance	(440,461)	(440,461)	1,813,325	2,253,786
Fund Balances, March 31, 2020	<u>3,412,555</u>	<u>3,412,555</u>	<u>3,412,555</u>	
Fund Balances, March 31, 2021	<u>\$ 2,972,094</u>	<u>\$ 2,972,094</u>	<u>\$ 5,225,880</u>	<u>\$ 2,253,786</u>

ALBUQUERQUE AREA RECREATION AND PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended March 31, 2021

SCHEDULE OF THE PROPORTIONATE SHARE OF THE NET PENSION LIABILITY (UNAUDITED)
Last 10 Years

	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Proportion of the Net Pension Liability	0.02935%	0.02691%	0.02489%	0.02452%	2.24600%	0.02011%	Varies by plan
Proportionate Share of the Net Pension Liability	\$ 1,238,090	\$ 1,077,429	\$ 934,476	\$ 966,748	\$ 780,085	\$ 458,264	\$ 458,264
Covered Payroll - Plan Measurement Period	\$ 1,907,049	\$ 1,897,953	\$ 2,059,494	\$ 1,874,726	\$ 1,719,670	\$ 1,333,961	\$ 1,333,961
Proportionate Share of the Net Pension Liability as Percentage of Covered Payroll	62.94%	59.50%	45.37%	51.57%	45.36%	34.35%	34.35%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	51.76%	82.80%	83.05%	89.31%	87.64%	84.02%	86.17%

Notes to Schedule

Change in Benefit Terms: None

Changes in Assumptions: The demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate.

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date.

SCHEDULE OF CONTRIBUTIONS TO THE PENSION PLAN (UNAUDITED)
Last 10 Years

	March 31, 2021	March 31, 2020	March 31, 2019	March 31, 2018	March 31, 2017	March 31, 2016	March 31, 2015
Contractually Required Contribution (Actuarially Determined)	\$ 233,538	\$ 164,229	\$ 156,700	\$ 146,616	\$ 128,997	\$ 121,477	\$ 150,179
Contributions in Relation to the Actuarially Determined Contributions	(373,538)	(164,229)	(156,700)	(146,616)	(128,997)	(121,477)	(150,179)
Contribution Deficiency (Excess)	\$ (140,000)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Covered Payroll - Employer Fiscal Year	\$ 1,742,314	\$ 1,961,011	\$ 2,244,919	\$ 2,059,494	\$ 1,874,726	\$ 1,719,670	\$ 1,333,961
Contributions as a Percentage of Covered Payroll	13.40%	8.37%	6.98%	7.12%	6.88%	7.06%	11.26%

Notes to Schedule

Valuation date: June 30, 2018, June 30, 2017, June 30, 2016, June 30, 2015, June 30, 2014, June 30, 2013, June 30, 2012

Methods and Assumptions Used to Determine Contribution Rates:

Amortization Method	Entry age normal						
Remaining Amortization Period	Level percentage of payroll, closed						
Asset Valuation Method	Varies, not more than 30 years						
	Market Value	Market Value	Market Value	Market Value	Market Value	Market Value	15-year smoothed market
Inflation	2.50% ⁽¹⁾	2.62% ⁽¹⁾	2.75% ⁽¹⁾	2.75% ⁽¹⁾	2.75% ⁽¹⁾	2.75% ⁽¹⁾	2.75% ⁽¹⁾
Salary Increases	2	2	3	2	2	2	2
Investment Rate of Return	7.00% ⁽²⁾	7.25% ⁽¹⁾	7.375% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾	7.50% ⁽¹⁾
Payroll growth	2.75%	2.75%	3.00%	3.00%	3.00%	3.00%	3.00%

Notes to Schedule

⁽¹⁾ Net of administrative expenses, includes inflation

⁽²⁾ 0.40% to 8.50% depending on entry age and service

⁽³⁾ 3.20% to 12.20% depending on entry age and service

Omitted Years: GASB Statement No. 68 was implemented during the year ended June 30, 2015. No information was available prior to this date. Future years will be reported prospectively as they become available.

AUBURN AREA RECREATION AND PARK DISTRICT

REQUIRED SUPPLEMENTARY INFORMATION

For the Year Ended March 31, 2021

SCHEDULE OF CHANGES IN THE NET OPEB LIABILITY AND RELATED RATIOS (UNAUDITED)

	2021	2020
Total OPEB liability:		
Service cost	\$ 28,779	\$ 16,000
Interest	5,992	5,614
Changes in benefit terms	108,149	
Changes in assumptions or other inputs	(91,877)	
Benefit payments	(584)	(462)
Net change in total OPEB liability	50,459	21,152
Total OPEB liability - beginning	247,764	226,612
Total OPEB liability - ending	<u>\$ 298,223</u>	<u>\$ 247,764</u>
Covered-employee payroll - measurement period	<u>\$ 1,562,465</u>	<u>\$ 719,947</u>
Total OPEB liability as percentage of covered-employee payroll	<u>19.09%</u>	<u>34.41%</u>
Notes to schedule:		
Valuation date	March 31, 2020	March 31, 2020
Measurement period - fiscal year ended	March 31, 2021	March 31, 2020

Note: No assets are accumulated in a trust that meets the criteria in GASB Statement 75, paragraph 4, to pay related benefits.

Omitted years: GASB Statement No. 75 was implemented during the year ended March 31, 2020. No information was available prior to this date. Information will be added prospectively as it becomes available until 10 years are reported.

Cover sheet - Discussion Item 1. – Electric Charging Stations and Electric Vehicle Fleets

Auburn Area Recreation and Park District Policy Committee; May, 2021; Board of Directors meeting May, 2021; Finance Committee meeting June, 2021; July, 2021

The Issue

A discussion about electric vehicles, electric vehicle charging stations and associated costs.

Background

Auburn City Councilwoman and ARD liaison Rachel Radell-Harris shared information at the April, 2021 Board of Directors meeting about grants that are coming available for electric vehicle charging stations. Rachel also spoke about new laws that will require public and private fleets to switch to electric. Staff met with Rachel to discuss these items. The following is a brief synopsis:

Electric Vehicle Charging Stations

Rachel suggested that ARD consider installing Level 2 chargers. Rachel does not recommend that ARD make these free for the users. Rachel feels that these Level 2 chargers will be adequate for what most of our park users will need – the ability to top off the battery, as opposed to a rapid, full charge from a DC Fast Charger. These DC Fast Chargers are generally found right off of a freeway.

Rachel explained that there is grant money coming available through the CALeVIP Inland Counties Incentive Program. This incentive program will provide a rebate up to \$3,500/connector. Each charging station generally has two connectors (\$7,000 rebate). The cost to install a charging station depends on the location (distance to existing power, necessary ADA upgrades, possible additional lighting, etc.). Rachel put ARD staff in touch with a local engineer that specializes in review and providing specs and diagrams on how/where to install charging stations.

Applications for the Inland Counties Incentive Program were submitted for four parks – Recreation Park, Regional Park, Ashford Park and Meadow Vista Park. Rachel recommends applying for all possible sites. ARD can always withdraw their application, if desired.

Clean Fleet Regulations

A new law, which should go into effect in Fall, 2021, will require all public and private fleets to begin purchasing only electric vehicles (with a few exceptions for police, fire, etc.). A high level summary of the proposed new law follows:

The regulation applies to:

- Vehicles with a gross vehicle weight over 8,500 lbs (Medium-Duty and Heavy-Duty)
- Private, Public, Drayage
- Does not cover: transit vehicles subject to the ICT regulation, emergency vehicles defined by vehicle code section 165, school buses

* Implementation timeframe is from 2023 to 2045

Requirement is on fleet purchases and replacements. No requirement to replace early.

50% of 2024-2026 model years must be Zero Emission Vehicles (ZEV) or Plug In Hybrid Electric Vehicles (PHEV)

100% of 2027 and newer model years must be ZEVs or PHEVs

PHEVs allowed until 2035

The current costs for electric trucks (as ARD will need) are very high, however prices are continuing to drop and there are grants to pay for these electric vehicles.

ARD will also need to look at its fleet of gator carts and lawn mowers.

With Rachel's assistance, staff has reached out to Phil Haupt, a local electrician who specializes in installing EV chargers. Phil walked four different sites with ARD staff and provided cost estimates. Those estimates and drawings, along with a spreadsheet of estimated costs is attached. A few important notes about these estimates:

1. These are 2021 estimates. Staff expects construction costs to continue to rise, and budgeting for install in out years will need to reflect this.
2. The costs for PG&E to provide the dropped power is **unknown** at this time. Phil said that the costs could range from \$0 to over \$50,000. Phil said that there is a good chance that most of the power drops will qualify for a waiver (\$0), but we cannot be sure at this time.
3. These are just cost estimates for budgeting purposes. Other costs may get added in as we dial in closer. Staff has added a 30% contingency number to the estimates to help cushion the blow of unexpected issues.

Recommendation for the Finance Committee

Review and provide direction. Forward to the Board for discussion when ready.

If we want to move forward with installation of these charging stations, we will need to figure out how to fit these costs into our Five-Year CIP. Some of these costs could be covered with some additional grant funding (grants for the charging stations themselves - \$7,500 each – have been applied for).

Fiscal Impact

The cost estimates are included on the spreadsheet

Attachments

Spreadsheet of costs

Cost estimates and drawings from Phil Haupt Electric

Auburn Area Recreation Park District
EV Charging Station Installation Cost Estimates

Note #1: these estimates are to be used for budgeting purposes only

Note #2: Estimates do NOT include any PG&E costs (to be negotiated)

Ashford Park

Engineered drawings & permits	\$5,500
EV Station	\$7,500
EV Station installation	\$24,560
Asphalt work/striping	\$15,000
<i>Subtotal</i>	<i>\$52,560</i>
TOTAL + 30% contingency	\$68,328

Recreation Park

Engineered drawings & permits	\$4,500
EV Station	\$7,500
EV Station Installation	\$23,750
Asphalt work/striping	\$15,000
<i>Subtotal</i>	<i>\$50,750</i>
TOTAL + 30% contingency	\$65,975

Meadow Vista Park

Engineered drawings & permits	\$5,500
EV Station	\$7,500
EV Station Installation	\$22,875
Asphalt work/striping	\$15,000
<i>Subtotal</i>	<i>\$50,875</i>
TOTAL + 30% contingency	\$66,138

Regional Park

Engineered drawings & permits	\$5,500
EV Station	\$7,500
EV Station Installation	\$24,200
Asphalt work/striping	\$15,000
Curb cuts	\$15,000
<i>Subtotal</i>	<i>\$67,200</i>
TOTAL + 30% contingency	\$87,360



5098 Foothills Blvd., Suite #3-358
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June 29, 2021

Kahl Muscott
City of Auburn-Parks

RE: Installation of one (1) dual handle charging station at Ashford Park 1500 Auburn Ravine Rd. Auburn, Ca 95603

Dear Kahl,

What an exciting project! Thank you for the opportunity to provide you with a proposal. Phil Haupt Electric shall supply the following to share in the success of this project: All labor, materials, equipment, and services for a complete installation of the following:

Inclusions:

- Trenching and backfill
- Install two (2) steel bollards
- Install one (1) dual handle charging station
- Spare conduits for two (2) additional charging stations
- One (1) 100 AMP Tesco service pedestal
- Two (2) "EV charging only" signs
- Temporary construction fencing
- Engineered drawings
- Permit and inspection fees

Exclusions:

- Circuitry other than outlined
- EVSE and pedestals provided by others and installed by PHE
- Unrelated electrical work
- Asphalt leveling
- Painting of any conduits
- Any PG&E infrastructure upgrade fees
- Any data or networking fees

TOTAL PROPOSAL PRICE

\$ 24,560.00

Thank you once again, and I look forward to working with you on this project.

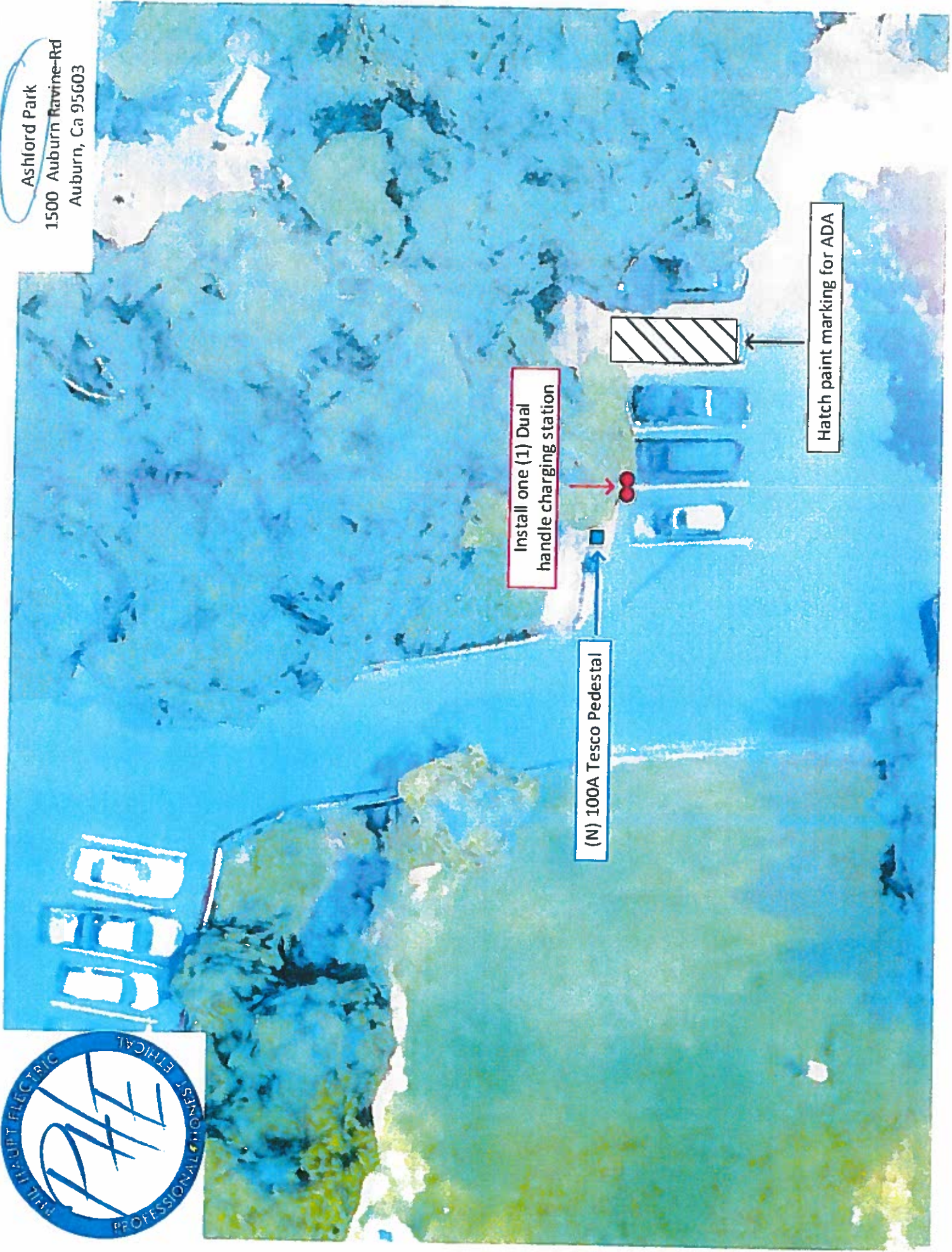
Sincerely,

Phil Haupt

Phil Haupt Electric



Ashford Park
1500 Auburn Ravine Rd
Auburn, Ca 95603



Install one (1) Dual handle charging station

(N) 100A Tesco Pedestal

Hatch paint marking for ADA



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June 29, 2021

Kahl Muscott
City of Auburn-Parks

RE: Installation of one (1) dual handle charging station at Auburn Rec Park 123 Recreation Dr. Auburn, Ca 95603

Dear Kahl,

What an exciting project! Thank you for the opportunity to provide you with a proposal. Phil Haupt Electric shall supply the following to share in the success of this project: All labor, materials, equipment, and services for a complete installation of the following:

Inclusions:

- Trenching and backfill
- Install two (2) steel bollards
- Install one (1) dual handle charging station
- Spare conduits for three (3) additional charging stations
- One (1) 100 AMP Tesco service pedestal
- Two (2) concrete equipment pads
- Two (2) "EV charging only" signs
- Two (2) "EV charging only" paint markings
- Temporary construction fencing

Exclusions:

- Circuitry other than outlined
- EVSE and pedestals provided by others and installed by PHIE
- Unrelated electrical work
- Asphalt leveling
- Unforeseen soil conditions
- Painting of any conduits
- Any PG&E infrastructure upgrade fees
- Any data or networking fees
- Engineered drawings
- Permit and inspection fees

TOTAL PROPOSAL PRICE

\$ 23,750.00

Thank you once again, and I look forward to working with you on this project.

Sincerely,

Phil Haupt

Phil Haupt Electric

Auburn Rec Park
123 Recreation Dr
Auburn, Ca 95603

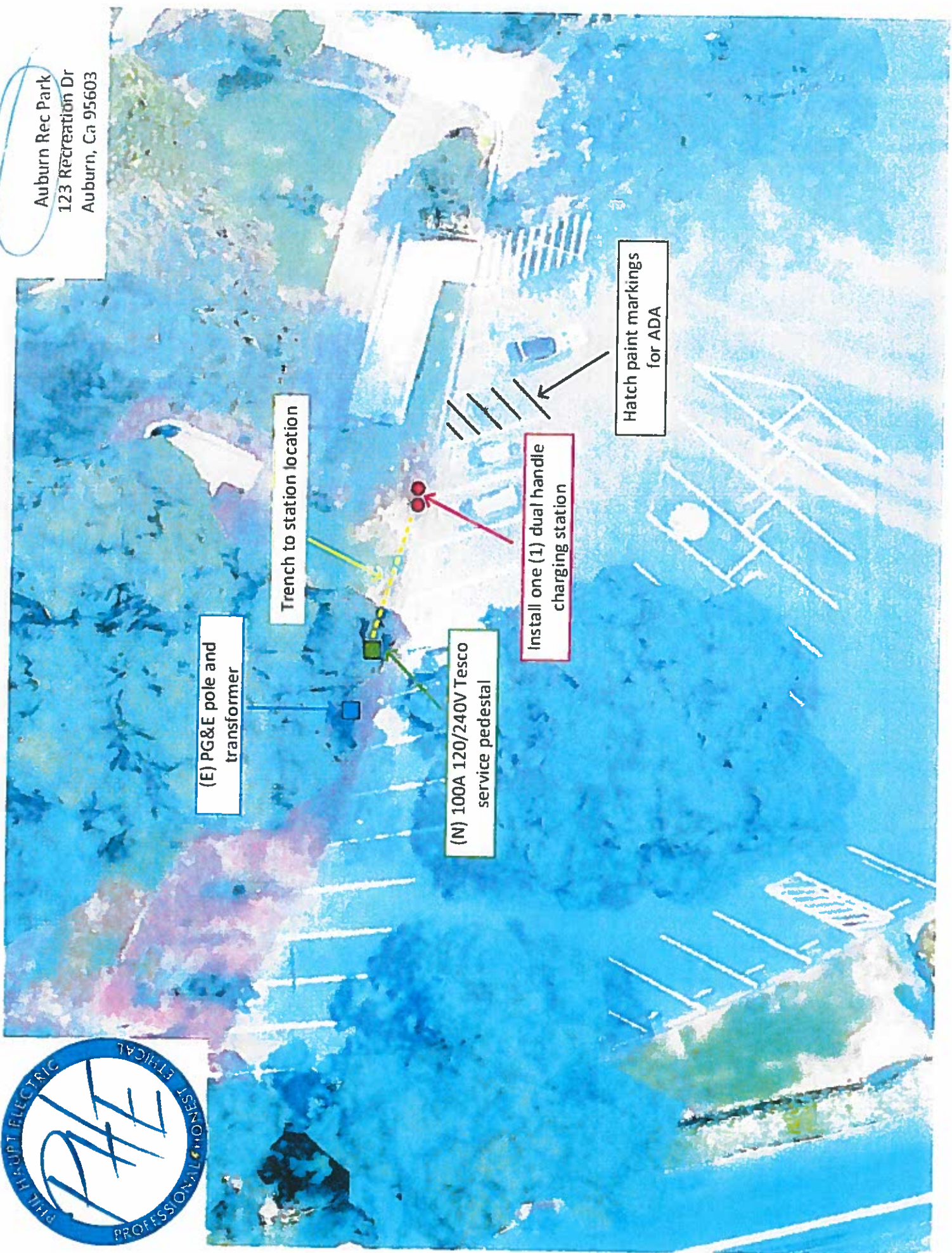
(E) PG&E pole and transformer

Trench to station location

(N) 100A 120/240V Tesco service pedestal

Install one (1) dual handle charging station

Hatch paint markings for ADA





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June 29, 2021

Kahl Muscott
City of Auburn-Parks

RE: Installation of one (1) dual handle charging station at Meadow Vista Park 1101 Meadow Vista Rd. Meadow Vista, Ca 95722

Dear Kahl,

What an exciting project! Thank you for the opportunity to provide you with a proposal. Phil Haupt Electric shall supply the following to share in the success of this project: All labor, materials, equipment, and services for a complete installation of the following:

Inclusions:

- Trenching and backfill
- Install two (2) steel bollards
- Install one (1) dual handle charging station
- One (1) concrete equipment pad
- Two (2) "EV charging only" signs
- Two (2) "EV charging only" paint markings
- Independent locating subsurface structure (additional to 811, call before you dig)

Exclusions:

- Circuitry other than outlined
- EVSE and pedestals provided by others and installed by PHE
- Unrelated electrical work
- Unforeseen soil conditions
- Outlets other than outlined
- Any data or networking fees
- Engineered drawings
- Permit and inspection fees

TOTAL PROPOSAL PRICE

\$ 22,875.00

Thank you once again, and I look forward to working with you on this project.

Sincerely,

Phil Haupt

Phil Haupt Electric

Meadow Vista Park
1101 Meadow Vista Rd,
Meadow Vista, Ca 95722

(E) 100A park panel

Locate buried
junction box

Trench to (E) receptacle,
intercept conduit

Install one (1) Dual handle
charging station





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June 29, 2021

Kahl Muscott
City of Auburn-Parks

RE: Installation of one (1) dual handle charging station at Regional Park 3770 Richardson Dr. Auburn, Ca 95602

Dear Kahl,

What an exciting project! Thank you for the opportunity to provide you with a proposal. Phil Haupt Electric shall supply the following to share in the success of this project: All labor, materials, equipment, and services for a complete installation of the following:

Inclusions:

- Trenching and backfill
- Concrete cutting and repair
- Install two (2) steel bollards
- Install one (1) dual handle charging station
- One (1) concrete foundation
- Spare conduits for two (2) additional charging stations
- Two (2) "EV charging only" signs
- Two (2) "EV charging only" paint markings

Exclusions:

- Circuitry other than outlined
- EVSE and pedestals provided by others and installed by PHE
- Unrelated electrical work
- Unforeseen soil conditions
- Painting of any conduits
- Any PG&E infrastructure upgrade fees
- Any data or networking fees
- Engineered drawings
- Permit and inspection fees
- Concrete curb cut

TOTAL PROPOSAL PRICE

\$ 24,200.00

Thank you once again, and I look forward to working with you on this project.

Sincerely,

Phil Haupt

Phil Haupt Electric



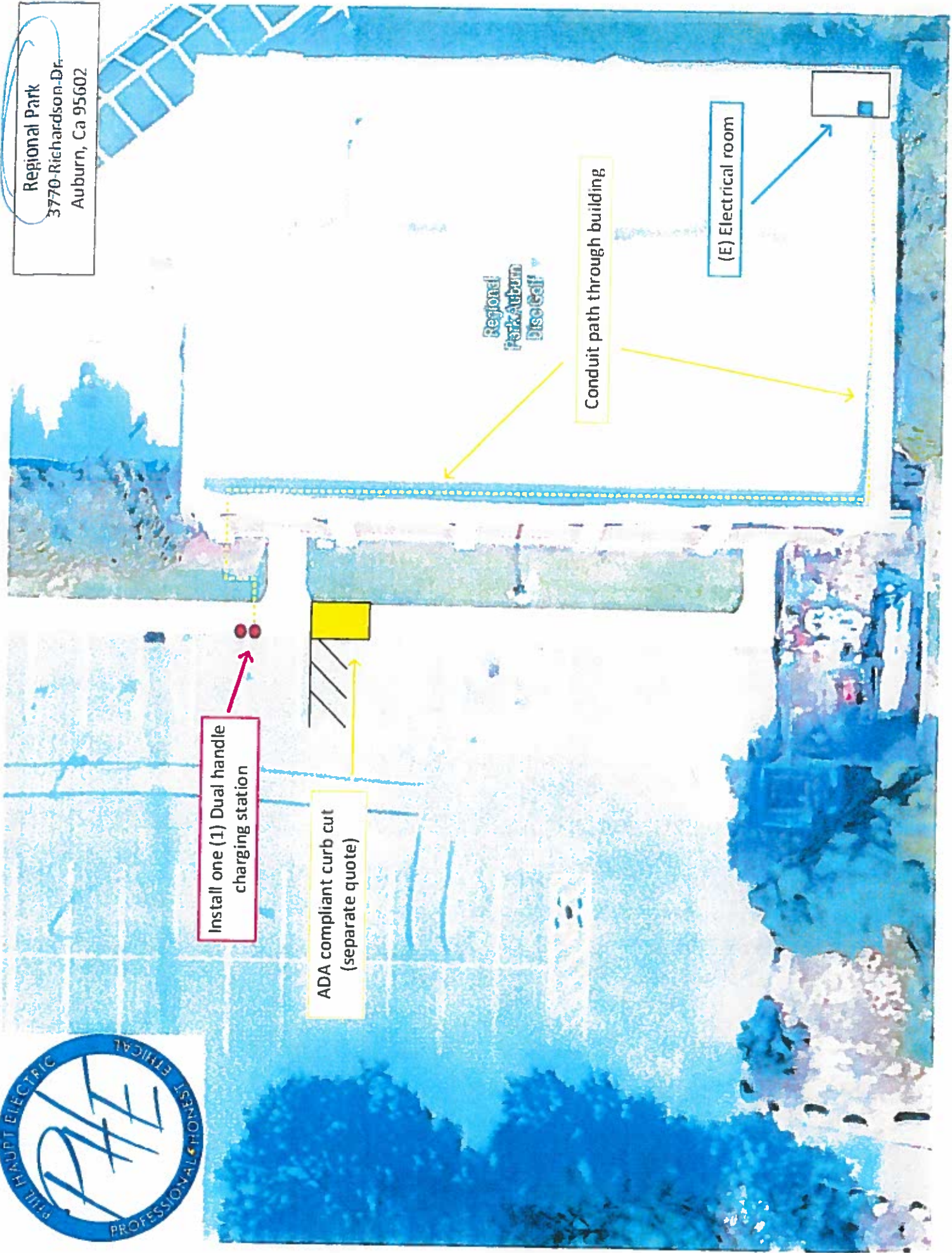
Regional Park
3770-Richardson-Dr.
Auburn, Ca 95602

Install one (1) Dual handle
charging station

ADA compliant curb cut
(separate quote)

Conduit path through building

(E) Electrical room





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June 29, 2021

Kahl Muscott
City of Auburn-Parks

RE: 20' ADA curb cut at Regional Park 3770 Richardson Dr. Auburn, Ca 95602

Dear Kahl,

What an exciting project! Thank you for the opportunity to provide you with a proposal. Phil Haupt Electric shall supply the following to share in the success of this project: All labor, materials, equipment, and services for a complete installation of the following:

Inclusions:

- Cut, remove and dispose of approx 1.4 yards of concrete
- Install approx 20' of sloped sidewalk and one 3x3 yellow truncated dome mat

Exclusions:

- Any work outside of scope

TOTAL PROPOSAL PRICE

\$ 15,000.00

Thank you once again, and I look forward to working with you on this project.

Sincerely,

Phil Haupt

Phil Haupt Electric