



Healthy Parks Healthy People

FISCAL YEAR ENDED DECEMBER 31, 2018

Comprehensive Annual Financial Report



*The newly restored Dotson Family Marsh at Point Pinole
Regional Shoreline in Richmond includes a Bay Trail extension.*

East Bay Regional Park District

Oakland, California

Comprehensive Annual Financial Report

For the year ended December 31, 2018

Prepared by:
Finance Department

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Introductory Section

East Bay Regional Park District
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June 26, 2019

Board of Directors of the
East Bay Regional Park District
Administrative Offices
2950 Peralta Oaks Court
Oakland, California 94605

Members of the Board of Directors and the Citizens of Alameda and Contra Costa Counties:

The Comprehensive Annual Financial Report (CAFR) of the East Bay Regional Park District (District) for the year ended December 31, 2018, is hereby submitted in compliance with the Board Operating Guidelines and provisions of the Government Code of the State of California.

The CAFR has been prepared by the Finance Department in compliance with the principles and standards for financial reporting set forth by the Governmental Accounting Standards Board (GASB). Management assumes full responsibility for the completeness and reliability of the information contained in this report, based upon a comprehensive internal control framework it established for this purpose. Because the cost of internal controls should not surpass their benefits, the objective is to provide reasonable rather than absolute assurance that the financial statements are free of any material misstatements.

The CAFR has been audited by the independent certified public accounting firm of Vavrinek, Trine, Day & Co., LLP. The purpose of the independent audit is to provide reasonable assurance that the financial statements of the East Bay Regional Park District for the year ended December 31, 2018, are free of material misstatement. The independent certified public accounting firm has issued an unmodified (“clean”) opinion on the District’s financial statements for the year ended December 31, 2018.

Management’s Discussion and Analysis (MD&A) immediately follows the independent auditor’s report and provides a narrative introduction, overview, and analysis of the financial statements. This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it.

In addition to the annual audit of this CAFR, the District is also required to undergo an annual single audit of grant expenditures in conformity with the provisions of Title 2 U.S. *Code of Federal Regulations Part 200, Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Information related to the single audit, including the schedule of expenditures of federal awards, schedule of findings and questioned costs, and the auditor’s report on internal control and compliance with applicable laws and regulations, is presented in a separate publication.

Board of Directors

Ayn Wieskamp
President
Ward 5

Ellen Corbett
Vice-President
Ward 4

Dee Rosario
Treasurer
Ward 2

Colin Coffey
Secretary
Ward 7

Whitney Dotson
Ward 1

Dennis Waespi
Ward 3

Beverly Lane
Ward 6

Robert E. Doyle
General Manager

EAST BAY REGIONAL PARK DISTRICT PROFILE

The East Bay Regional Park District was incorporated in 1934 as a California Special District and it operates under Sections 5500-5595 of the Public Resources Code of the State of California. It is the largest regional park agency in the United States. The District actively acquires parkland and open space in Alameda and Contra Costa counties. Seventy-three parks and more than 1,330 miles of trails, which are situated on over 122,000 acres, are managed by the District and serve a population of over 2.8 million residents. As stated in the Mission, the District: "...preserves a rich heritage of natural and cultural resources and provides open space, parks, trails, safe and healthful recreation, and environmental education."

The District is governed by a seven-member Board of Directors. Each member is elected by voters in their respective ward and serves a four-year term. The overall responsibility of the Board is to establish policies which promote and protect the public interest, as it is served by District parks and programs.

The District is a legally separate and fiscally independent entity from other government agencies which may also provide governmental services within the same geographic area. The CAFR includes all funds of the District. There are no separate or legal entities or component units included in the financial statements of the District.

STATE AND REGIONAL ECONOMY

Beacon Economics projects a continuation of the positive trajectory for the California economy in 2019, boosted by gains in the technology sector. However, the growth will be slower than in 2018 due to the constraints of full employment, and housing affordability. The state-wide median home price in California is expected to continue to increase by 3.1% in 2019, a slower pace of increase than in 2018, according to the California Association of Realtors (CAR). The CAR also projects that the decreasing affordability of homes, combine with rising mortgage rates, will drive down the number of home sales. In 2018, the state-wide labor market continued to improve from the prior year, with average job growth in its largest counties exceeding the national average. According to the Bureau of Labor Statistics, in the month of December, overall California had an unemployment rate of 4.2%, just slightly above the national average.

The local East Bay economic trend has continued its upward movement through 2018. According to the Bureau of Labor Statistics, Alameda and Contra Costa counties were ranked 70th and 121st in the nation for percent wage growth in the first quarter of 2018. In the period between August and September of 2018, the number of jobs in the two counties grew by a net of 4,500, with government job growth leading the way, according to the Employment Development Department. The unemployment rate in the two-county metropolitan area was 2.9% in September. Per capita income growth in the two counties also outpaced the state, with median household income in Contra Costa County at \$82,881 and \$79,831 in Alameda County. Home prices in the East Bay continued to appreciate at above average rates, but in August, the number of homes sold year-over-year slowed to its lowest point in seven years. According to the Association of Realtors, the August 2018 median price of all homes sold in Alameda County was \$910,000 which reflects a 13% price increase over one year ago. The median price of all homes sold in Contra Costa County increased by 6.9% in a twelve-month period, to \$620,000. However, the home inventory has been increasing, a sign of a slowing market. Mortgage rates still remain at historically low levels, with increases forecasted for the next year. Beacon Economics forecasts a mildly positive outlook and increased growth for the East Bay real estate market, based on residential housing permit activity, but tempered by limited inventory for housing resale. As wealthier and more highly-skilled individuals

continue to move to the East Bay from San Francisco, commercial real estate prices should also continue to increase. However, there is some conjecture that the passage of the Tax Cuts and Jobs Act will dampen home values in California, particularly at higher price points, due to the limit on mortgage interest deductions.

MAJOR INITIATIVES AND ACHIEVEMENTS

For 85 years and today, the District's priority has been to keep parks, shorelines, lakes and trails safe and well-maintained. During 2018 the District had many achievements, with a few noted below:

- Acquired, optioned or leased nearly 845 acres of open space and parklands, for a total of 122,270 acres managed by the District. Continued to leverage the District's Measure AA and WW bond funds with grants and partnerships with other agencies, which provided for acquisition of the 230-acre Roddy Ranch Golf Club and a long-term lease of a 1.44-acre waterfront parcel in Oakland providing a connection for the San Francisco Bay Trail.
- Completed a half-mile extension of San Francisco Bay Trail from Pinole Shores to Bayfront Park in Pinole, including new public access and a 1,100-foot pedestrian bridge crossing the railroad and the last segment of wetlands in San Pablo Bay.
- Passage of Measure FF by 85.6% of voters, which will provide a continuation of Park District staffing and funding for environmental restoration, park improvements and wildfire prevention in the western part of the District.
- Supported the passage of the State-wide Park and Water Bond initiative (Proposition 68) consisting of \$4.1 billion dollars for State and local park & recreation agencies.
- Received a \$5 million State grant for improvements at Del Valle Regional Park.
- Opened new trail head that significantly increases ridgeline trail access at the north side of Pleasanton Ridge Regional Park.
- Participated in mutual aid to Cal Fire during fire season and continued collaboration with Hills Emergency Forum, a consortium of several land management agencies committed to supporting the reduction of hazardous fuels in the East Bay Hills.
- Continued to bring in new talent as long-time members of management staff retire and depart, including the Fire Chief, Chief of Planning, Chief of Land Acquisition, and Chief of Design and Construction.

BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANS

The District's major financial priority is to continue our approach of fiscal sustainability, which has provided controlled growth and greatly benefited and protected the District's ability to provide public services without staff layoffs or furloughs during economic downturns. As the growth cycle continues the District remains dedicated to: 1) long-term planning and funding of major infrastructure renovation and replacement to ensure uninterrupted public use, 2) fulfilling commitments to voters under Measures AA, CC, FF and WW to leverage key property acquisitions and construct park facilities, 3) funding and opening new park projects in the pipeline, 4) staff facility improvements funded with the 2012 Promissory Note proceeds, and 5) continuation in funding of long-term liabilities, such as pensions, environmental remediation, and safe and healthy forests, to stabilize and minimize future operating costs.

Additionally, some of the financial resource policies contained in the 2013 Master Plan include descriptions of the long-term financial plans:

- The District's financial planning and management decisions will be based on information and professional projections supporting a transparent system of policies and procedures. The delivery of long-term financial sustainability, solvency and resiliency will be the objectives of this process.
- The District will continue the practice of developing annual performance management goals, and budgeting to achieve the outcomes. These budgets will incorporate annual performance targets linked to the District's long-term planning goals. Goals will be transparent; outcomes will be measured, and results will be communicated to stakeholders.
- The District is committed to the responsible stewardship of public funds and will operate in accordance with the best practices in the field of accounting and budgeting and will also maintain a strong system of internal controls to ensure the security of all District assets. The annual external audit of the District's financial records will be used to verify its fulfillment of this commitment.
- The District will continue the acquisition and development program and will issue bonds as permitted under law, and as may prove advantageous or necessary within the intent and authority of the District's programs. The District will seek opportunities to augment, and act to protect, any and all diversified, equitable, long-term funding sources that support the strategic goals described in the Master Plan.

RELEVANT FINANCIAL POLICIES

The Board of Directors has adopted a comprehensive set of financial management policies. Annually the District updates these policies and procedures, as well as developing new guidelines, which guide decision making and provide information to District staff. The Board Operating Guidelines designates three members of the Board to act as the Finance Committee, responsible for monitoring, review and approval of financial policies and certain financial decisions.

Budget Policy: The Board of Directors has formally adopted the District's Budget Policy, requiring that the annual budget be balanced, with financial resources that equal or exceed uses, at the time of adoption. Financial resources include intra-governmental charges, transfers in, use of designated fund balance for designated purposes, and use of one-time resources for one-time appropriations; and uses include capital maintenance / replacement, intra-governmental charges and transfers out.

Internal control policy: The management of the District is responsible for establishing and maintaining adequate internal controls to assure that District operations are effective and efficient, applicable laws and regulations are followed, and financial reports are reliable. The internal controls are designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and that cost-benefit analyses require estimates and judgments by management. District-wide financial internal control standards are established by the Finance Department.

Internal audit charter: The Board of Directors has adopted an Internal Audit Charter affirming the value of internal audits. The internal audit function provides an independent and objective assurance service that is guided by a philosophy of adding value to the operations of the East Bay Regional Park District. The internal audit function assists the Board, management, and staff in the proper discharge of their oversight, management, and operating responsibilities by assessing and monitoring system of internal controls, and reviewing compliance with laws, regulations, contracts and District policy and procedures.

Audit of Financial Statements: The Board Operating Guidelines require an annual audit of the financial statements. The accounting firm of Vavrinek, Trine, Day & Co. LLP, was selected by the District to perform the audit for fiscal year 2018.

Investment policy: The purpose of the Investment Policy is to provide guidance and direction for the prudent investment of District funds, and to foster the creation of a systematic and controlled investment process. The ultimate goal is to maximize the efficiency of the District's cash management system, and to enhance the economic status of the District while protecting its pooled cash. The initial step toward a prudent investment policy is to set out a clear statement of fundamental investment direction. This policy is reviewed annually by the Board of Directors.

Single audit: The District engaged the accounting firm of Vavrinek, Trine, Day & Co., LLP to perform the annual audit of the expenditure of federal awards required under Title 2, U.S. Code of Federal Regulations Part 200, "*Uniform Administrative Requirements, Costs Principles, and Audit Requirements for Federal Awards*" (Uniform Guidance). As part of the Single Audit, tests are made to test compliance with internal controls related to the administration of federal financial assistance programs and to determine that the District had complied with applicable laws and regulations. The Single Audit report will be available separately from this report.

General Fund reserves: The purpose of the General Fund Reserve (Unassigned) Fund Balance Policy is to define a reserve balance as the minimum prudent amount of unassigned fund balance to be retained by the District. The General Fund reserve fund balance includes only the residual amount of unassigned General Fund balance. This is the amount of total fund balance, less the amounts of non-spendable, restricted, committed and assigned fund balances.

AWARDS AND ACKNOWLEDGEMENTS

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Comprehensive Annual Financial Report for the Fiscal Year Ended December 31, 2017. This was the 18th consecutive year that the District was awarded this prestigious national award. The Certificate of Achievement is the highest form of recognition in governmental accounting and financial reporting. To be awarded a Certificate, the District must publish an easily readable and efficiently organized Comprehensive Annual Financial Report, the contents of which conform to program standards and satisfy generally accepted accounting principles and applicable legal requirements. These requirements are above and beyond the minimum levels of required financial reporting used by many public agencies.

A Certificate of Achievement for Excellence in Financial Reporting is valid for one year. We believe that our current report continues to conform to the Certificate of Achievement requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

The successful preparation and timely completion of this Comprehensive Annual Financial Report is a significant endeavor by the Finance Department. It could not have been achieved without contributions from each member of the Finance Department. I would like to express my appreciation to Accounting Manager, Kimberly Balingit, Assistant Finance Officer, Michelle Strawson O'Hara, and Audit Manager, David Sumner. The contribution of the other District staff, who responded to the many questions and requests for detailed information, is also appreciated. The Finance staff also expresses gratitude for the

leadership and support provided by General Manager, Robert Doyle, and Deputy General Manager, Dr. Ana M. Alvarez, and their confidence in the Finance Department's pursuit in this undertaking.

Finally, I would like to thank the members of the Board of Directors, for their leadership, interest and continued support for the initiatives that are offered for improving financial operations and enhancing the quality of services provided by the District to our constituents.

Respectfully submitted,



Debra C. Auken
Assistant General Manager/Chief Financial Officer
Finance and Management Services



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

**East Bay Regional Park District
California**

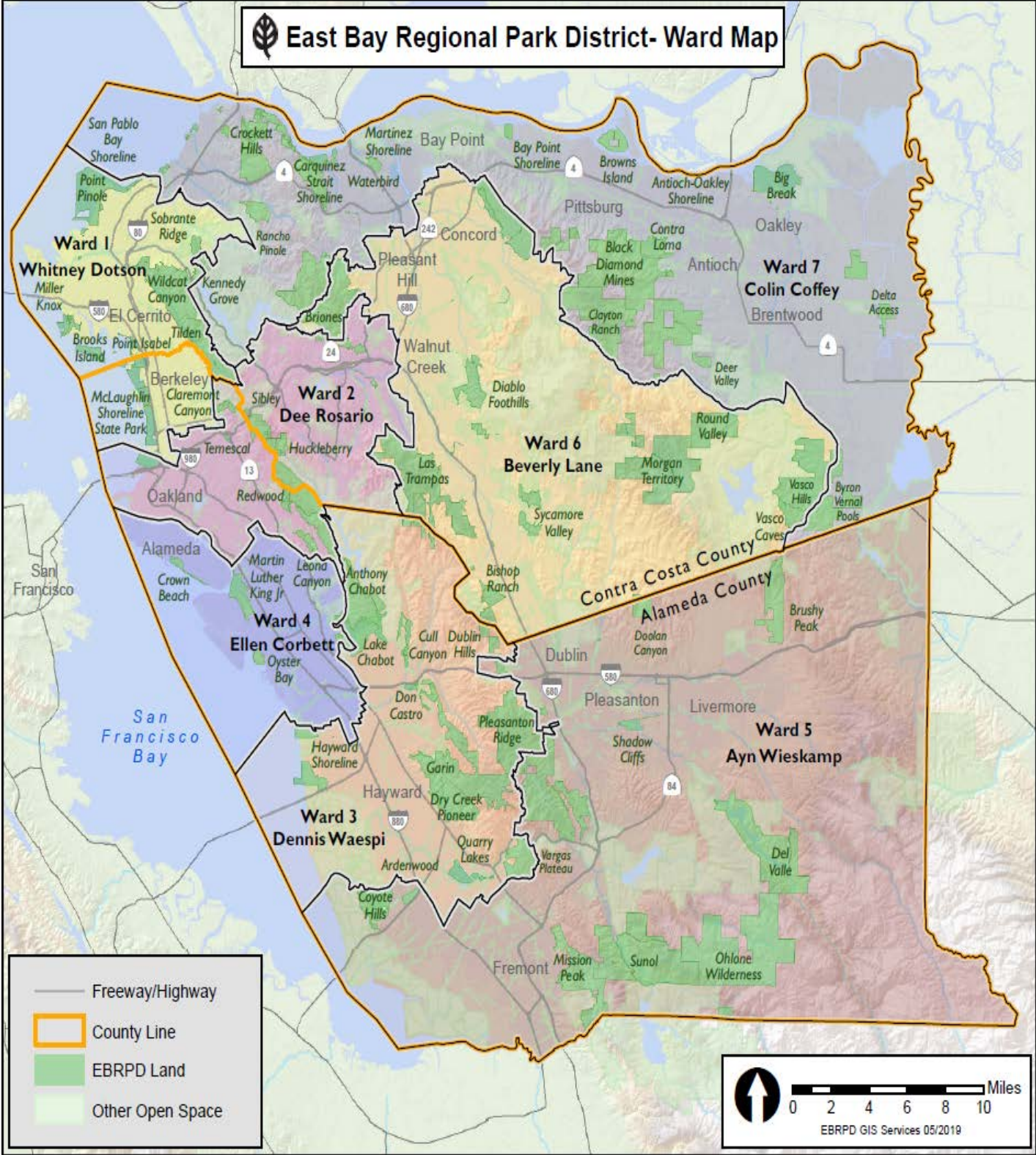
For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2017

Christopher P. Morill

Executive Director/CEO

East Bay Regional Park District- Ward Map



Elected Board of Directors

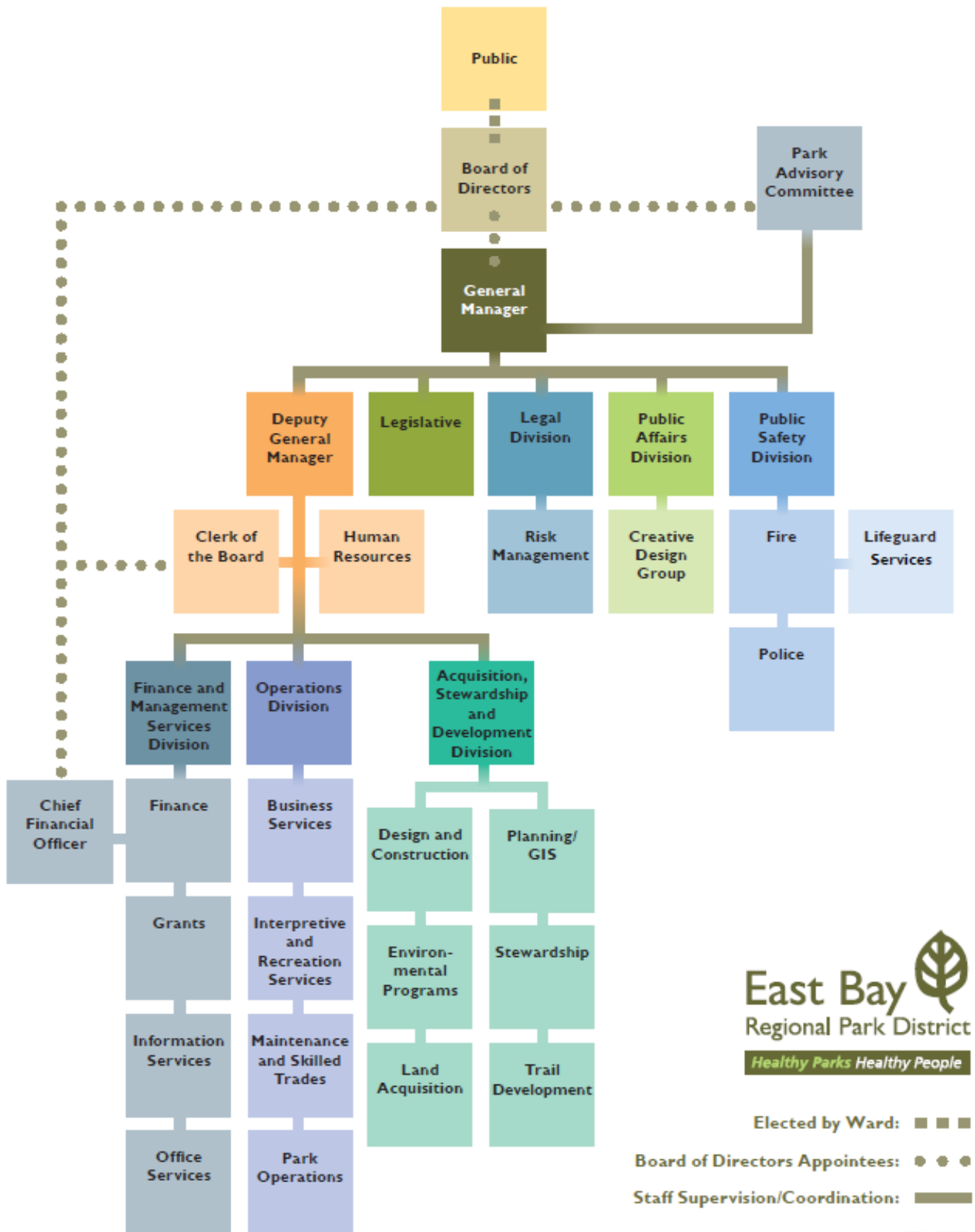
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|----------------|--|
| Whitney Dotson | Ward 1 - includes the communities of Albany, Berkeley, Emeryville, El Cerrito, El Sobrante, Kensington, a majority of Pinole, Richmond and San Pablo |
| Dee Rosario | Ward 2 - includes the communities of Oakland, Piedmont, Canyon, Lafayette, Moraga, Orinda, Orinda Village, Rheem Valley, Rossmoor and a portion of Walnut Creek |
| Dennis Waespi | Ward 3 - includes the communities of Castro Valley, Hayward, Union City and a portion of Fremont |
| Ellen Corbett | Ward 4 - includes the communities of Alameda, a portion of Oakland, San Leandro, San Lorenzo and a small portion of Hayward |
| Ayn Wieskamp | Ward 5 - includes the communities of Brightside, most of Dublin, part of Fremont, Livermore, Newark, Pleasanton, Scott's Corner and Sunol |
| Beverly Lane | Ward 6 - includes the communities of Alamo, Blackhawk, Clayton, Concord, Danville, Diablo, Pleasant Hill, San Ramon, Tassajara, and a portion of Walnut Creek |
| Colin Coffey | Ward 7 - includes the communities of Antioch, Bay Point, Bethel Island, Brentwood, Byron, Crockett, Discovery Bay, Hercules, Knightsen, Martinez, Mountain View, Oakley, Pacheco, a portion of Pinole, Pittsburg, Port Costa, Rodeo and Vine Hill |

See map for Ward boundaries

Administrative Personnel

| | |
|-----------------------|--|
| Robert Doyle | General Manager |
| Dr. Ana M. Alvarez | Deputy General Manager |
| Carol Victor | Assistant General Manager, Legal Division |
| Anthony Ciaburro | Assistant General Manager, Public Safety Division |
| Kristina Kelchner | Assistant General Manager, Acquisition, Stewardship & Development Division |
| Debra Auker | Assistant General Manager/Chief Financial Officer, Finance/Management Service Division |
| Jim O'Connor | Assistant General Manager, Operations Division |
| Carol Johnson | Assistant General Manager, Public Affairs Division |
| Yolande Barial Knight | Clerk of the Board |
| Kip Walsh | Chief Human Resources Officer, Human Resources Department |

EAST BAY REGIONAL PARK DISTRICT ORGANIZATION CHART



Financial Section



VAVRINEK, TRINE, DAY & CO., LLP
Certified Public Accountants

VALUE THE *difference*

INDEPENDENT AUDITORS' REPORT

To the Board of Directors
East Bay Regional Park District
Oakland, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the East Bay Regional Park District (District), as of and for the year ended December 31, 2018, 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.

Auditors' 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 December 31, 2018, and the respective changes in financial position and, where applicable, cash flows for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

As described in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*, effective January 1, 2018. This resulted in a restatement of beginning net position as disclosed in Note 18 to the financial statements. Our opinion is not modified with respect to this matter.

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

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements and schedules, and the statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements and schedules are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 19, 2019, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinik, Trine, Day & Co. LLP

Pleasanton, California
June 19, 2019

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INTRODUCTION

This section of the District's Comprehensive Annual Financial Report presents a narrative overview and analysis of the District's financial activities for the year ended December 31, 2018. District management recommends this information be read in conjunction with the transmittal letter located in the introductory section, and with the District's financial statements which follow this discussion.

FINANCIAL HIGHLIGHTS

As reported on the District's Government-Wide Statement of Net Position, the assets and deferred outflows of the District exceeded its liabilities and deferred inflows at December 31, 2018 by \$784.6 million (net position). Of this amount, \$612.2 million was the net investment in capital assets and \$92.9 million was restricted net position. The District's unrestricted net position totaled \$79.6 million a decrease of \$24.1 million. The District's total government-wide net position increased by \$12.9 million in 2018.

As reported on the District's Governmental Fund Financial Statements, total fund balance was \$309.3 million, an increase of \$3 million, or 1% from the prior year.

The General Fund had an increase in fund balance of \$9.7 million, as reported on the District's Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, which resulted in December 31, 2018 total fund balance of \$126.7 million, an 8.3% increase from the prior year. The General Fund Unassigned Fund balance increased by \$8.4 million from the prior year to \$64.1 million. Revenue was \$10.8 million or 7.3% greater than budget and expenditures were \$9.5 million or 6.8% less than budget. The primary source of revenue exceeding the budget was from increased property tax revenue resulting from redevelopment dissolution and the strengthening local economy. The primary reason for expenditures under budget was unexpended repairs and maintenance supplies and services, unspent capital outlay, and salaries savings due to vacant staff positions.

Debt Service Fund had an increase in fund balance of \$1.1 million or 7.2% and an ending fund balance of \$15.8 million. The increase was primarily attributable to property taxes and assessments revenue in excess of debt service payments.

Project Fund had a decrease in fund balance of \$6.7 million or 4.5% and an ending fund balance of \$143.1 million. The decrease in fund balance was primarily the result of the use of bond proceeds during the year for acquisition and development project costs.

All other non-major governmental funds had a combined fund balance decrease of \$1.1 million or 4.3% and an ending fund balance of \$23.6 million, which was similar to prior year.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements, which are comprised of three components: (1) Government-Wide Financial Statement, (2) Fund Financial Statements, and (3) Notes to the Basic Financial Statements. This report also contains other supplementary information in addition to the Basic Financial Statements.

Government-Wide Financial Statements

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

- The Statement of Net Position presents information on all of the District's assets and deferred outflows of resources and liabilities and deferred inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of changes in the District's financial position.
- The Statement of Activities presents the change in the District's net position during the current year. All changes in net position are reported when the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (e.g. unearned revenue, earned but unused vacation leave, and deferred inflows and outflows of resources).

The District has only governmental-type activities, activities that are principally supported by taxes and intergovernmental revenues. The governmental functions of the District include the following divisions: Executive/Legislative, Finance/Management Services, Legal, Operations, Acquisition/Stewardship/Development, Public Affairs and Public Safety.

The Government-Wide Financial Statements can be found beginning on page 31 of this report.

Fund Financial Statements

The fund financial statements are designed to report information about groupings of related accounts, which 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 demonstrate compliance with finance-related legal requirements. All of the funds of the District can be divided into the following three categories: governmental funds, proprietary funds, and fiduciary 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 available at the end of the year. Such information may be useful in evaluating the Districts near-term financing requirements.

Since 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 in the Governmental Fund Financial Statement 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 financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Change in Fund Balance provide reconciliations (pages 37 and 40-41) to facilitate the comparison between governmental funds and governmental activities.

The District maintains several individual governmental funds organized according to their type (special revenue, permanent, debt service, and capital projects). Information is presented separately in the Governmental Fund Balance Sheet (page 34-35) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance (page 38-39) for the General Fund and the other major funds;

OVERVIEW OF FINANCIAL STATEMENTS, continued

the Debt Service Fund and the Project Fund. Data from the remaining governmental funds is combined into a single, aggregated presentation, entitled non-major governmental funds. Individual fund data for each non-major fund is provided in the Combining Governmental Fund Balance Sheet (beginning on page 114) and the Combining Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance (beginning on page 116).

- Proprietary funds are generally used to account for services for which customers are charged – either outside customers or internal units or departments of the District. These funds utilize the accrual basis of accounting. The District's only proprietary funds are internal service funds.

Internal service funds are used to report activities that provide supplies and services for certain District programs and activities. The District uses internal service funds to account for workers' compensation, general liability, major infrastructure renovation and replacement, major equipment replacement, and employee benefit activities. The internal service funds are combined into a single, aggregated presentation in the Proprietary Fund Financial Statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in the report.

The Proprietary Fund Financial Statements begin on page 44 of this report. The internal service funds combining statements are on pages 128-133.

- Fiduciary funds are used to account for resources held for the benefit of parties outside the District. Since the resources of these funds are not available to support the District's own programs, they are not reflected in the Government-Wide Financial Statements. These funds utilize the accrual basis of accounting. The fiduciary funds are combined into a single, aggregated presentation in the Fiduciary Fund Financial Statements beginning on page 48 of this report. Individual fund data for the fiduciary funds is provided in the form of combining statements in the Notes to the Financial Statements and on page 136-137 in the report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to the full understanding of the data provided in the Government-Wide Financial Statements and the Fund Financial Statements. The notes to the financial statements can be found beginning on page 52 of this report.

Other Required Supplementary Information (RSI)

The RSI includes two types of information. The District's general budgetary information is presented in this section, followed by the General Fund budgetary comparison schedule. This comparison demonstrates General Fund compliance with the legal provision of 2018 appropriations.

Additionally, the RSI section includes the Schedule of Changes in Net Pension Liability and Related Ratios and Schedule of Contributions for the District's pension plans along with the Schedule of Changes in Net Other Post-Employment Benefits (OPEB) Liability and Related Ratios and Schedule of Contributions for the District's OPEB plan, which are required supplementary information.

The RSI begins on page 99 of this report.

Supplementary Information

In addition to the basic financial statements and the accompanying notes, this report presents certain supplementary information. In this section are the combining and individual fund statements of the non-major governmental funds, internal service funds and the fiduciary funds. Budgetary comparison schedules are also provided for all governmental funds in this section. Supplementary information begins on page 113 of this report.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

This section provides analysis of the Government-Wide Financial Statements including long-term and short-term information about the District's overall financial condition. The following table is a comparison between 2018 and 2017 results of the District as a whole.

Summary Statement of Net Position
Total Primary Government
As of December 31, 2018, and 2017 (in thousands)

| | Governmental Activities | | Change From Prior Year |
|---------------------------------------|--------------------------------|-------------|-----------------------------------|
| | 2018 | 2017 | |
| Assets: | | | |
| Current and other assets | \$ 464,813 | \$ 456,051 | \$ 8,761 |
| Capital assets, net | 695,894 | 678,559 | 17,335 |
| Total assets | 1,160,707 | 1,134,610 | 26,096 |
| Deferred outflows of resources | 33,465 | 37,797 | (4,332) |
| Liabilities: | | | |
| Current and other liabilities | 27,108 | 28,059 | (951) |
| Long-term liabilities | 377,083 | 366,766 | 10,317 |
| Total liabilities | 404,191 | 394,825 | 9,366 |
| Deferred inflows of resources | 5,342 | 5,804 | (462) |
| Net Position: | | | |
| Net investment in capital assets | 612,183 | 585,457 | 26,726 |
| Restricted | 92,902 | 82,682 | 10,220 |
| Unrestricted | 79,555 | 103,639 | (24,084) |
| Total net position | \$ 784,640 | \$ 771,777 | \$ 12,862 |

Analysis of Net Position

As noted earlier, net position over time may serve as an indicator of a government's financial position. The net position of the District (the amount by which assets and deferred outflows exceeded liabilities and deferred inflows) at the end of the year was \$784.6 million.

The largest portion of net position (78%) reflects the net investment in capital assets of \$612.2 million. The District uses these assets to provide services to constituents; thus, these assets are not available for future spending. Although the District's net investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, such as property taxes, because the capital assets cannot be used to liquidate these liabilities.

An additional portion of the District's net position (11.9%) represents resources that are subject to external restrictions on how they may be used. The remaining balance (10.1%) of the unrestricted net position may be used to meet the District's ongoing obligations to constituents and creditors.

Restricted net position details types of restriction, including the non-expendable versus the expendable portion of the restricted amounts. The \$10.2 million increase in total restricted net position to \$92.9 million is attributed to the increase in debt service obligations and third-party agreements.

Unrestricted net position decreased by \$24.1 million mainly due to the development and acquisition of parklands which provided an increase in net investment in capital assets.

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS, continued

Comparison of assets and deferred outflows and liabilities and deferred inflows:

- Current and other assets increased \$8.8 million from prior year primarily from the following:
 - Cash and investments increased by \$24.2 million as a result of operating revenue exceeding expenses.
 - Accounts receivables increased \$10.9 million due to higher property tax revenues and related year-end accruals for property taxes earned but not received.
 - Prepaid items and deposits decreased \$3.8 million as a result of releasing the 2017 prepaid item to expense in 2018 for the pension unfunded liability payment.
 - Restricted cash with fiscal agent decreased \$21.8 million, due to utilizing Measure WW bond proceeds for capital improvements and asset acquisitions, as well as the payment of principal and interest on bonds outstanding.
- Capital assets net increase of \$17.3 million was the result of completion of several projects such as the extension of the San Francisco Bay Trail from Pinole Shores to Bayfront Park in Pinole, including a new pedestrian bridge.
- Deferred outflows of resources decreased by \$4.3 million due to the annual year end pension and OPEB adjustments.
- Total long-term liabilities increased by \$10.3 million primarily due to the 2018 implementation of GASB 75 which recorded the \$21.8 million net OPEB liability for retiree medical benefits, less principal payments on bonds outstanding of \$11.3 million.

Summary Statement of Changes in Net Position
Total Primary Government
For the Years Ended December 31, 2018, and 2017 (in thousands)
Governmental Activities

| | 2018 | % of Total | 2017 | % of Total | Change From Prior Year | % |
|---------------------------------------|------------|---------------|------------|---------------|---------------------------|------|
| Revenues: | | | | | | |
| Program Revenues | | | | | | |
| Charges for services | \$ 24,166 | 11% | \$ 22,750 | 13% | \$ 1,416 | 6% |
| Operating grants and contributions | 7,378 | 3% | 3,590 | 2% | 3,788 | 106% |
| Capital grants and contributions | 9,994 | 5% | 10,840 | 6% | (846) | -8% |
| General Revenues | | | | | | |
| General property tax | 145,438 | 69% | 130,718 | 72% | 14,720 | 11% |
| General obligation bond property tax | 19,644 | 9% | 10,573 | 6% | 9,071 | 86% |
| Unrestricted interest | 5,472 | 3% | 1,970 | 1% | 3,502 | 178% |
| Total revenues | 212,092 | 100% | 180,441 | 100% | 31,652 | 18% |
| Expenses: | | | | | | |
| Acquisition/Steward/Dev Division | 21,481 | 12% | 19,362 | 12% | 2,119 | 11% |
| Executive/Legislative Division | 9,183 | 5% | 5,664 | 3% | 3,519 | 62% |
| Finance/Management Services Division | 22,292 | 13% | 22,662 | 14% | (370) | -2% |
| Legal Division | 2,297 | 1% | 2,683 | 2% | (386) | -14% |
| Operations Division | 81,077 | 46% | 75,883 | 47% | 5,194 | 7% |
| Public Affairs Division | 4,974 | 3% | 4,503 | 3% | 471 | 10% |
| Public Safety Division | 29,782 | 17% | 27,709 | 17% | 2,073 | 7% |
| Interest on long-term debt | 5,451 | 3% | 4,408 | 3% | 1,043 | 24% |
| Total expenses | 176,537 | 100% | 162,874 | 100% | 13,664 | 8% |
| Change in Net Position | 35,555 | | 17,567 | | \$ 17,988 | 102% |
| Net position, beginning (as restated) | 749,085 | | 754,210 | | | |
| Net position, end of year | \$ 784,640 | | \$ 771,777 | | | |

Analysis of the Changes in Net Position

The Statement of Activities reflects government-wide revenues and expenses for the fiscal year, separating out general revenues and program revenues. The financial results represent the change in net position.

During 2018 net position increased by \$35.6 million.

- Operating grants and contributions increased \$3.8 million to \$7.4 million due to an increase in grants for restoration and maintenance projects.
- The District's largest revenue source, general property tax, increased 11% or \$14.7 million from the prior year to \$145.4 million as property assessed valuations increased and the local economy continued to improve.
- General obligation bond property tax increased by \$9.1 million to \$19.6 million for the year due to the increase in the debt service costs as a result of the 2017 issuance of Measure WW bonds. This increased the bond assessment levy on the District's general obligation bonds.
- Executive/Legislative expenses increased by \$3.5 million primarily due to the election costs of \$2.6 million as a result of the November 2018 election.
- Operations' expenses increased by \$5.2 million primarily due to negotiated wage increases and additional unfunded liability pension contributions.

FUND FINANCIAL STATEMENT ANALYSIS

The District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

GOVERNMENTAL FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources that are available to provide services. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for discretionary use as they represent the portion of fund balance which has not been limited to use for a particular purpose.

The District's major governmental funds are comprised of the General Fund, Debt Service Fund, and Project Fund. Additionally, governmental funds include non-major funds, which are currently comprised of all the District's special revenue and permanent funds. At December 31, 2018, the District's governmental funds had a combined fund balance of \$309.3 million, an increase of \$3 million from 2017. Total revenues increased by a net amount of \$23 million or 12.9% and total expenditures increased by \$6.2 million or 3.2% compared to prior year. These changes are discussed in more detail below.

General Fund

This fund is the main operating fund of the District and represents the largest of the District's governmental funds. General Fund revenue totaled \$157.8 million which is an increase of \$15.4 million or 10.8% from the prior year. The primary funding source for the General Fund is property tax revenue, which totaled \$141.2 million and represented 89.5% of General Fund total revenue. Charges for services totaled \$10.7 million and interest revenue totaled \$2.7 million in 2018.

General Fund expenditures totaled \$128.9 million, an increase of \$10.2 million or 8.6% from 2017 mainly due to negotiated wage adjustments, increased pension contributions for the unfunded pension liability and investments in major infrastructure renovation and replacement.

At the end of 2018, the fund balance of the General Fund was \$126.7 million, an increase of \$9.7 million from the prior year. The fund balance was comprised of \$.7 million non-spendable (.5%), \$35.7 million restricted (28.2%), \$16.4 million committed (12.9%), \$9.8 million assigned (7.8%), and \$64.1 million unassigned (50.6%). Detail of each category is provided in Note 8 of the notes to the basic financial statements.

General Fund Budgetary Highlights - The Board of Directors adopts a budget each year in December for the coming fiscal year. Throughout the year the Board may approve amendments to the total revenues and expenditures in the General Fund which are reflected in the final budget. Final 2018-year end results reflect that

East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2018

revenue exceeded budget and expenditures were less than final budget, for an overall positive General Fund budget variance.

As noted in the Schedule of Revenue Expenditures, and Changes in Fund Balance – Budget to Actual – General Fund in the Required Supplementary Information section, General Fund actual revenue exceeded final budgeted estimates by \$10.8 million. The majority of the variance was due to the receipt of higher than anticipated property tax revenue (\$8.7 million) and interest earnings (\$1.5 million) over the budgeted amounts.

Actual expenditures were less than final appropriations by \$9.5 million. The major reason for expenditures less than budget was unexpended repairs and maintenance supplies and services (\$4.6 million), salary and benefits savings due to position vacancies (\$3.4 million), and unspent capital outlay (\$1.5 million).

The original budget was amended throughout the year as approved by either the Board of Directors or by the General Manager, in accordance with Board Operating Guidelines. Increases in General Fund revenue budgets were approximately \$8,000. Increases in General Fund operating appropriations totaled \$6.2 million primarily for the Executive/Legislative division election costs and for capital assets. Transfers in were increased by \$1.1 million. Transfers out were amended at mid-year, increasing by \$8 million, to provide additional funding for legal reserves, major infrastructure renovation and replacement and capital projects.

Debt Service Fund

The debt service fund type accounts for all resources accumulated to pay principal and interest due on the District's outstanding 2012 Promissory Notes, Measure AA and Measure WW general obligation debt, series 2008, 2009A, 2013A, 2017A, and 2017B.

Revenues for Measure WW general obligation bonds are derived from a voter-approved property tax rate levied in Alameda and Contra Costa counties, which are restricted for only this purpose. The 2012 Promissory Notes debt service is funded by limited *ad valorem* property taxes levied in Alameda and Contra Costa counties. Debt service fund balance increased by \$1.1 million to an ending fund balance of \$15.8 million. The increase was attributable to an increase in property tax levies.

Project Fund

The capital project fund type accounts for revenues received and expenditures related to acquisition of land for parks, open space, trails and for project costs associated with public access, park facilities and trail development and improvement. Additionally, unspent capital bond proceeds are accounted for in this fund. Project fund fund balance decreased by \$6.7 million to an ending fund balance of \$143.1 million.

In addition to land acquisitions discussed in the Capital Assets section on page 25, several of the projects undertaken in 2018 include the following:

- Completed a half-mile extension of San Francisco Bay Trail from Pinole Shores to Bayfront Park in Pinole.
- Began construction on Albany Beach restoration and public access project at McLaughlin Eastshore State Park, to restore and expand one acre of dunes and wetlands, arrest erosion, improve parking and restrooms, and construct a one-mile extension of the San Francisco Bay Trail west of Golden Gate Fields.
- Replaced the main stairs in the Greathouse Visitor Center in Black Diamond Mines Regional Preserve, providing for a complete internal route connecting two levels of the mine safely.
- Worked closely with Dumbarton Quarry Associates to design, permit, and begin grading at the Dumbarton Quarry Campground on the Bay.
- Renovated the existing day-use area and replaced the boat launch, added restrooms, accessible fish cleaning station, and picnic sites at Contra Loma Regional Park.

Non-major Governmental Funds

Special revenue funds and permanent funds established for legal endowments.

FUND FINANCIAL STATEMENT ANALYSIS, continued

PROPRIETARY FUNDS

The District's proprietary funds include internal service funds, which are used to report any activity that provides goods or services to other funds, departments, on a cost reimbursement basis. Activities accounted for in this category include:

- Workers' Compensation
- Major Infrastructure Renovation and Replacement
- Major Equipment Replacement
- General Liability
- Employee Benefits

Proprietary Funds – Summary Balance Sheet
 As of December 31, 2018, and 2017 (in thousands)

| | 2018 | 2017 | Change From Prior Year |
|---------------------------|------------------|------------------|---------------------------|
| Assets | \$ 52,109 | \$ 52,574 | \$ (465) |
| Liabilities | 12,042 | 11,875 | 167 |
| Total net position | <u>\$ 40,067</u> | <u>\$ 40,700</u> | <u>\$ (633)</u> |

Comparison of 2018 and 2017 balances and activity:

- The asset balance of \$52.1 million decreased \$.5 million due to a decrease in funding for the major equipment replacement reserves.
- The liability balance of \$12 million was consistent with prior year's \$11.9 million balance.
- Net position decreased \$.6 million.
- Operating revenues of \$13.6 million decreased \$.5 million over prior year primarily due to a reduction in major equipment replacement charges for services.
- Operating expenses increased by \$.7 million primarily due to an increase in major infrastructure renovation/replacement general expenses as compared to prior year.

Proprietary Funds – Revenues Classified by Source, Expenses Classified by Type
 For the Years Ended December 31, 2018 and 2017 (in thousands)

| | 2018 | % of Total | 2017 | % of Total | Change From Prior Year | % |
|----------------------------|------------------|---------------|------------------|---------------|---------------------------|------------|
| Revenues: | | | | | | |
| Charges for services | \$ 13,363 | 98% | \$ 13,947 | 98% | \$ (584) | -4% |
| Other revenue | 270 | 2% | 216 | 2% | 54 | 25% |
| Total revenue | <u>\$ 13,633</u> | <u>100%</u> | <u>\$ 14,163</u> | <u>100%</u> | <u>\$ (530)</u> | <u>-4%</u> |
| Expenses: | | | | | | |
| Cost of services | \$ 5,008 | 45% | \$ 4,591 | 44% | \$ 417 | 9% |
| Claims | 3,893 | 35% | 4,223 | 40% | (330) | -8% |
| General and administrative | 2,228 | 20% | 1,639 | 16% | 589 | 36% |
| Total expenses | <u>\$ 11,129</u> | <u>100%</u> | <u>\$ 10,453</u> | <u>100%</u> | <u>\$ 676</u> | <u>6%</u> |

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets for its governmental activities as of December 31, 2018 totaled \$695.9 million (net of accumulated depreciation), an increase of \$17.3 million from the prior year. Detailed information about the components of capital assets is included in Note 5 of the financial statements.

Capital Assets (net of depreciation) – Governmental Activities

As of December 31, 2018, and 2017 (in thousands)

| Description | 2018 | 2017 | Change From Prior Year | % Change |
|--------------------------|------------|------------|---------------------------|-------------|
| Land and trails | \$ 455,050 | \$ 453,480 | \$ 1,570 | 0% |
| Historical structures | 1,799 | 1,799 | - | 0% |
| Construction in progress | 67,722 | 62,632 | 5,090 | 8% |
| Infrastructure | 96,120 | 84,869 | 11,251 | 13% |
| Improvements | 65,051 | 66,110 | (1,059) | -2% |
| Equipment | 10,151 | 9,669 | 482 | 5% |
| Total | \$ 695,893 | \$ 678,559 | \$ 17,334 | 3% |

During 2018, the District acquired, leased or optioned more than 881 acres of parklands and open space, continuing its commitment to protect significant natural and cultural resources, expand recreational opportunities, align park boundaries and provide public access and trail connections throughout the Park District. This includes the 230-acre "Roddy Ranch Golf Club" property located in Antioch and surrounded on all four sides by the 1,885-acre former Roddy Ranch property acquired by the Park District for the future Deer Valley Regional Park in 2014. Additionally, the District acquired the 72-acre Lucas property on the southern side of Deer Valley Regional Park, at the end of Briones Valley Road near Brentwood. The District purchased 160 acres of open space adjacent to Doolan Canyon Regional Preserve, which is surrounded on three sides by private ranchlands, and includes the headwaters of Cottonwood Creek. Also, the Park District accepted a dedication of 96 acres of land and a trail easement adjacent to Las Trampas Wilderness Regional Preserve from Ponderosa Homes, Inc. as mitigation for a new subdivision in Danville.

Long Term Debt

Information about the District's outstanding debt is included in Note 7 of the financial statements. As of December 31, 2018, the District had \$202.4 million in long-term debt outstanding as summarized below. The decrease in long term debt was due to the regularly scheduled principal payments on outstanding debt made during 2018.

Long-Term Debt – Governmental Activities

As of December 31, 2018, and 2017 (in thousands)

| Description | 2018 | 2017 | Change From Prior Year | % Change |
|------------------------------------|------------|------------|---------------------------|-------------|
| General Obligation Bonded Debt | \$ 159,165 | \$ 167,410 | \$ (8,245) | -5% |
| Premium on general obligation debt | 22,583 | 24,784 | (2,201) | -9% |
| Limited Obligation Bonded Debt | 20,390 | 21,220 | (830) | -4% |
| Premium on limited obligation debt | 290 | 305 | (15) | -5% |
| Total | \$ 202,428 | \$ 213,719 | \$ (11,276) | -5% |

CAPITAL AND DEBT ADMINISTRATION, continued

All general obligation (GO) bonds of the District were authorized by Measure AA and Measure WW, approved by the voters in 1988 and 2008 respectively. For Measure AA, the District was authorized and has issued \$225 million in bonds. All Measure AA debt service payments were completed with no outstanding balance by the end of 2018. For Measure WW, the District is authorized to issue \$500 million and has issued \$240 million in bonds with \$181.7 million outstanding at year end. The proceeds of both measures are to be used for the acquisition and capital development of parklands, recreational facilities, open space and to fund the grant program for local agencies' park projects. Debt service will be paid from amounts levied as ad valorem taxes and the voter-approved general obligation levy.

The District's credit rating for its General Obligation Bonds were "**AAA**" by Standard & Poor's and "**Aaa**" by Moody's Investor Services, as updated in 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The economic factors, known facts and conditions that are expected to have a significant effect on the District's financial position or results of operations next year are described below.

The value of property in both counties drives property tax revenues, therefore the changes to assessed valuation of real property determines the range of growth available for the District. Alameda County experienced a 6.9% increase in countywide assessed valuation for Fiscal Year 2018-19. Contra Costa County experienced a 5.9% increase in countywide assessed valuation for Fiscal Year 2018-19.

The District's main operating resource is property tax. The changes to assessed values provided a 9.8% increase to property tax revenue in 2018. The Fiscal Year 2018-19 property tax rolls are forecast to increase by an average of 6.4%.

The second largest operating revenue source is charges for services. These revenues are weather dependent, not economically dependent, and are expected to encounter slight growth as the District continues to open new parks and offer additional services.

The 2019 District-wide operating budget projects a 17% increase in total revenue, while General Fund revenue is projected to increase by 9% primarily due to the increase in budgeted property tax revenue.

The District's largest expenditure category is personnel services for the 847 full-time equivalent positions. Staffing costs consist of wages and benefits. Since 2012 the annual increase in personnel costs has been between 5% and 7%, which is expected to continue as the park district grows, new labor agreements are negotiated, and benefit expenses continue to increase.

Debt service payments are the second largest category of expenditures. General obligation debt payments are based on amortization schedules developed at the time of debt issuance, which are structured to maintain debt service levies below \$10 per \$100,000 of AV whenever possible. The District also has issued promissory notes which are paid with general revenues at a level amount each year.

The 2019 District-wide operating budget includes a 6.5% increase in total expenditures, while the General Fund expenditure increase in the 2019 budget is 7.7%.

Expenditures of Measure WW bond proceeds is the main capital expenditure category. The local grant program (\$125 million) reimbursement began in 2010. Measure WW bond proceeds are also used for acquisition and development of parkland and projects. These projects are often financed in partnership with granting agencies. By the end of 2018, \$93.2 million of the original \$125 million in Measure WW Local Grant funds had been spent.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, continued

Other capital expenditures include maintenance and replacement of current District assets. In September 2012, the District initiated funding of the new Major Infrastructure Renovation and Replacement (MIRR) Fund. Total infrastructure renovation or replacement required over the next 30 years is estimated to be approximately \$360 million. By the end of 2018, \$44.8 million had been transferred from the General Fund to the MIRR fund. An additional transfer of \$2 million was budgeted for 2019.

The District has implemented many tools and undertaken many actions to stabilize operating costs. During 2013, the Board of Directors approved the General Fund Reserve (Unassigned) Fund Balance Policy, specifying the amount of reserves required to be maintained, and the use of excess reserves, if any. This will protect the District during times of economic turmoil, or unpredictable financial events.

During 2017, the District created a supplemental irrevocable Section 115 Pension Trust to pre-fund growing retirement obligations, create a mechanism to smooth pension contribution rates and reduce long-term pension liabilities. This will protect the District when investment markets are volatile effecting pension costs.

The District has been very successful in maintaining a high level of public service, and fulfilling our commitment to employees with no layoff, during the economic recession and slow recovery. The District is financially healthy due to our historic and on-going emphasis on sustainable fiscal policies. However, long-range planning continues throughout the year and the District continues to enact policies and utilize tools to continue to protect our financial resources into the future.

REQUESTS FOR INFORMATION

The comprehensive annual financial report is designed to provide citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the funding and investment it receives. Questions about this report should be directed to the following:

East Bay Regional Park District
Attention: Finance Department
2950 Peralta Oaks Court
Oakland, CA 94605-0381
Phone (510) 544-2400

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GOVERNMENT-WIDE FINANCIAL STATEMENT



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East Bay Regional Park District
Statement of Net Position
December 31, 2018

| | Governmental Activities |
|--|----------------------------|
| ASSETS | |
| Cash and investments | \$ 249,696,471 |
| Receivables | |
| Accounts | 79,633,217 |
| Grants | 8,239,467 |
| Interest | 1,330,019 |
| Property usage | 151,595 |
| Prepaid items and deposits | 1,025,310 |
| Consumable supplies | 588,363 |
| Restricted cash and investments held by fiscal agent | 117,166,301 |
| Notes receivable | 3,032,366 |
| Deposits | 1,741,036 |
| Other assets | 2,209,044 |
| Capital assets not being depreciated | 524,570,623 |
| Capital assets, net of accumulated depreciation | 171,322,946 |
| Total assets | 1,160,706,758 |
| DEFERRED OUTFLOWS OF RESOURCES | |
| Deferred amount on refunding | 2,767,096 |
| Deferred outflows related to OPEB | 3,179,338 |
| Deferred outflows related to pensions | 27,518,747 |
| Total deferred outflow of resources | 33,465,181 |
| LIABILITIES | |
| Accounts payable | 11,640,493 |
| Accrued payroll and related liabilities | 1,885,143 |
| Interest payable | 2,469,149 |
| Unearned revenue | 8,439,517 |
| Deposits | 2,041,082 |
| Other liabilities | 632,391 |
| Long-term liabilities: | |
| Claims due within one year | 2,268,703 |
| Compensated absences due within one year | 698,905 |
| Long-term debt due within one year | 24,600,460 |
| Notes payable | 3,032,366 |
| Pollution remediation obligation | 6,060,000 |
| Net OPEB liability | 21,850,298 |
| Net pension liability EBRPD | 16,176,654 |
| Net pension liability CalPERS | 110,684,450 |
| Claims due in more than one year | 8,209,293 |
| Compensated absences due in more than one year | 5,674,419 |
| Long-term debt due in more than one year | 177,827,195 |
| Total liabilities | 404,190,518 |
| DEFERRED INFLOWS OF RESOURCES | |
| Deferred inflows related to OPEB | 448,405 |
| Deferred inflows related to pensions | 4,893,161 |
| Total deferred inflow of resources | 5,341,566 |
| NET POSITION | |
| Net investment in capital assets | 612,182,902 |
| Restricted for: | |
| Park maintenance and operations | 44,944,092 |
| Pension contribution | 5,661,308 |
| Debt service | 15,838,326 |
| Capital projects | 21,251,436 |
| Mitigation projects: | |
| Expendable | 513,770 |
| Nonexpendable | 4,693,503 |
| Total restricted net position | 92,902,435 |
| Unrestricted | 79,554,519 |
| Total net position | \$ 784,639,856 |

East Bay Regional Park District
Statement of Activities
For the year ended December 31, 2018

| Functions/Programs | Expenses | PROGRAM REVENUES | | | Total Program Revenues | NET (EXPENSES) |
|---------------------------------------|----------------------|----------------------|------------------------------------|----------------------------------|------------------------|-------------------------------------|
| | | Charges for Services | Operating Grants and Contributions | Capital Grants and Contributions | | REVENUE AND CHANGES IN NET POSITION |
| | | | | | | Governmental Activities |
| Primary Government: | | | | | | |
| Governmental Activities: | | | | | | |
| Acquisition/Steward/Dev Division | \$ 21,481,282 | \$ 1,307,382 | \$ 4,066,070 | \$ 9,717,262 | \$ 15,090,714 | \$ (6,390,568) |
| Executive/Legislative Division | 9,183,138 | 46,699 | - | - | 46,699 | (9,136,439) |
| Finance/Mgmt Service Division | 22,291,518 | 96,432 | 1,065,975 | 53,204 | 1,215,611 | (21,075,907) |
| Legal Division | 2,297,386 | - | - | 46,343 | 46,343 | (2,251,043) |
| Operations Division | 81,077,266 | 19,538,580 | 1,811,280 | 177,128 | 21,526,988 | (59,550,278) |
| Public Affairs Division | 4,973,994 | 390,123 | - | - | 390,123 | (4,583,871) |
| Public Safety Division | 29,781,700 | 2,786,280 | 434,968 | - | 3,221,248 | (26,560,452) |
| Interest on long-term debt | 5,451,225 | - | - | - | - | (5,451,225) |
| | <u>\$176,537,509</u> | <u>\$24,165,496</u> | <u>\$ 7,378,293</u> | <u>\$ 9,993,937</u> | <u>\$ 41,537,726</u> | <u>(134,999,783)</u> |
| GENERAL REVENUES: | | | | | | |
| General property taxes | | | | | | 145,438,264 |
| General obligation bond property tax | | | | | | 19,643,569 |
| Unrestricted interest income | | | | | | 5,472,324 |
| Total general revenues | | | | | | <u>170,554,157</u> |
| CHANGE IN NET POSITION | | | | | | 35,554,374 |
| Net position, beginning (as restated) | | | | | | <u>749,085,482</u> |
| Net position, end of year | | | | | | <u>\$ 784,639,856</u> |

See accompanying Notes to Basic Financial Statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund – The General Fund accounts for all financial resources of the general government, except for those accounted for in another fund.

Debt Service Fund – This fund accounts for the accumulation of resources that are restricted, committed or assigned for the payment of principal and interest due on the District's bonded indebtedness, which includes:

- 2012 Promissory Notes
- Measure AA General Obligation bonds:
 - 2008 Refunding bonds
- Measure WW General Obligation bonds:
 - Series 2013A
 - Series 2017A
 - 2017B Refunding bonds

Project Fund – This fund accounts for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds. Included in this group are the unexpended bond proceeds from Measure AA authorized in 1988, Measure WW authorized in 2008, and Promissory Notes issued in 2012.

Non-major Governmental Funds – The special revenue and permanent funds are non-major funds of the District. Details about the type of activities included in this column are in the Supplementary Information Section of this report.

East Bay Regional Park District
 Balance Sheet
 Governmental Funds
 December 31, 2018

| | Major Funds | | |
|--|-----------------------|----------------------|-----------------------|
| | General Fund | Debt Service | |
| | | Fund | Project Fund |
| ASSETS | | | |
| Cash and investments | \$ 124,401,609 | \$ 674,435 | \$ 50,091,283 |
| Restricted cash and investments held by fiscal agent | 5,353,955 | 15,148,847 | 96,663,499 |
| Receivables: | | | |
| Accounts receivable | 7,136,380 | - | 115,215 |
| Grants receivable | 64,643 | - | 8,174,824 |
| Interest receivable | 839,792 | 18,688 | 471,539 |
| Property usage receivable | 151,595 | - | - |
| Taxes and other receivables | 58,907,115 | 8,389,406 | - |
| Consumable supplies | 588,363 | - | - |
| Prepaid items | 65,905 | - | - |
| Notes receivable | - | - | 3,032,366 |
| Other assets | - | - | 3,950,080 |
| Total assets | \$ 197,509,357 | \$ 24,231,376 | \$ 162,498,806 |
| LIABILITIES | | | |
| Accounts payable | \$ 7,301,628 | \$ - | \$ 3,021,302 |
| Accrued payroll and related liabilities | 1,477,650 | - | 97,379 |
| Unearned revenue | 1,010,398 | - | 6,676,010 |
| Deposits | 2,041,082 | - | - |
| Other liabilities | 68,656 | - | 563,735 |
| Total liabilities | 11,899,414 | - | 10,358,426 |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | 58,909,024 | 8,389,405 | 8,995,538 |
| FUND BALANCES | | | |
| Nonspendable | 654,268 | - | - |
| Restricted | 35,702,280 | 15,841,971 | 114,346,328 |
| Committed | 16,390,000 | - | 25,766,148 |
| Assigned | 9,806,225 | - | 3,032,366 |
| Unassigned | 64,148,146 | - | - |
| Total fund balances | 126,700,919 | 15,841,971 | 143,144,842 |
| Total liabilities, deferred inflows and fund balances | \$ 197,509,357 | \$ 24,231,376 | \$ 162,498,806 |

See accompanying Notes to Basic Financial Statements.

| Non-Major Governmental Funds | Total Governmental Funds |
|---------------------------------|-----------------------------|
| \$ 24,293,917 | \$ 199,461,244 |
| - | 117,166,301 |
| 176,777 | 7,428,372 |
| - | 8,239,467 |
| - | 1,330,019 |
| - | 151,595 |
| 3,993,891 | 71,290,412 |
| - | 588,363 |
| - | 65,905 |
| - | 3,032,366 |
| - | 3,950,080 |
| <u>\$ 28,464,585</u> | <u>\$ 412,704,124</u> |
| | |
| \$ 36,269 | \$ 10,359,199 |
| 80,663 | 1,655,692 |
| 753,109 | 8,439,517 |
| - | 2,041,082 |
| - | 632,391 |
| <u>870,041</u> | <u>23,127,881</u> |
| | |
| <u>3,993,891</u> | <u>80,287,858</u> |
| | |
| 4,693,503 | 5,347,771 |
| 15,813,063 | 181,703,642 |
| 1,676,125 | 43,832,273 |
| 1,421,607 | 14,260,198 |
| (3,645) | 64,144,501 |
| <u>23,600,653</u> | <u>309,288,385</u> |
| | |
| <u>\$ 28,464,585</u> | <u>\$ 412,704,124</u> |

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East Bay Regional Park District

Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position – Governmental Activities

December 31, 2018

Total Fund Balances - Governmental Funds

Amounts reported for governmental activities in the Government-wide Statement of Net Position \$ 309,288,385
are different because:

Capital assets used in governmental activities are not current financial resources.

Therefore, they are not reported in the fund financial statements.

| | |
|------------------|--------------------|
| Non-depreciable | \$ 524,570,623 |
| Depreciable, net | <u>171,322,946</u> |

Total capital assets 695,893,569

Interest payable on long-term debt do not require current financial resources; therefore, are not reported as a liability in the fund financial statements. (2,469,149)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual functions. The assets and liabilities of the internal service funds are included in the governmental activities in the Statement of Net Position. 40,066,907

Revenues which are deferred inflows on the fund financial statements because they are not currently available, are reported as revenue in the Statement of Activities. 80,287,858

The deferred accounts below are related to the pension liability and are not due and payable in the current period and therefore are not reported in the fund financial statements:

| | |
|---|-------------|
| Deferred inflows of resources OPEB | (448,405) |
| Deferred inflows of resources CalPERS Pension Plan | (4,893,161) |
| Deferred outflows of resources OPEB | 3,179,338 |
| Deferred outflows of resources EBRPD Pension Plan | 691,044 |
| Deferred outflows of resources CalPERS Pension Plan | 26,827,703 |

Long-term liabilities are not due and payable in the current period. Therefore, they are not reported in the fund financial statements.

| | |
|--|--------------------|
| Compensated absences-due within one year | \$ (687,540) |
| Long-term debt-due within one year | (24,600,460) |
| Notes Payable | (3,032,366) |
| Compensated absences-due in more than one year | (5,632,367) |
| Long-term debt-due in more than one year | (177,827,195) |
| Net pension liability OPEB | (21,850,298) |
| Net pension liability EBRPD | (16,176,654) |
| Net pension liability CalPERS | (110,684,450) |
| Pollution remediation obligation | <u>(6,060,000)</u> |

Total long-term liabilities (366,551,330)

Deferred outflows related to deferred amounts on refunding are not current outflows of resources. Therefore, they are not reported in the fund financial statements. 2,767,096

Net Position of Governmental Activities \$ 784,639,856

East Bay Regional Park District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2018

| | Major Funds | | |
|---|-----------------------|----------------------|-----------------------|
| | General Fund | Debt Service Fund | Project Fund |
| REVENUES | | | |
| Property taxes and assessments | \$ 141,176,269 | \$ 15,037,685 | \$ - |
| Charges for services | 10,694,536 | - | 55,914 |
| Interest | 2,657,860 | 213,685 | 1,793,335 |
| Property usage | 1,811,432 | - | 15,384 |
| Interagency agreements and grants | 346,097 | - | 12,962,588 |
| Endowment | - | - | - |
| Miscellaneous | 1,087,533 | - | 3,684,071 |
| Total revenues | 157,773,727 | 15,251,370 | 18,511,292 |
| EXPENDITURES | | | |
| Current: | | | |
| Acquisition/Stewardship/Development | 10,477,413 | - | 10,671,372 |
| Executive/Legislative Division | 9,076,700 | - | - |
| Finance/Management Services Division | 9,839,431 | 6,576 | 2,965,201 |
| Legal Division | 2,079,522 | - | 10,281 |
| Operations Division | 65,052,760 | - | 5,008,703 |
| Public Affairs Division | 4,847,518 | - | 34,269 |
| Public Safety Division | 26,220,527 | - | 1,958,300 |
| Debt service: | - | | |
| Principal | - | 9,075,000 | - |
| Interest | - | 6,544,934 | - |
| Cost of Issuance | - | - | 16,680 |
| Capital outlay | 1,306,826 | - | 23,598,474 |
| Total expenditures | 128,900,697 | 15,626,510 | 44,263,280 |
| REVENUES OVER (UNDER) EXPENDITURES | 28,873,030 | (375,140) | (25,751,988) |
| OTHER FINANCING SOURCES (USES) | | | |
| Sale of capital assets | 182,128 | - | - |
| Transfers in | 1,360,771 | 1,434,480 | 29,668,351 |
| Transfers out | (20,715,092) | - | (10,604,938) |
| Total other financing sources (uses) | (19,172,193) | 1,434,480 | 19,063,413 |
| NET CHANGE IN FUND BALANCES | 9,700,837 | 1,059,340 | (6,688,575) |
| FUND BALANCES | | | |
| Beginning of year | 117,000,082 | 14,782,631 | 149,833,417 |
| End of year | \$ 126,700,919 | \$ 15,841,971 | \$ 143,144,842 |

See accompanying Notes to Basic Financial Statements.

| Non-Major Governmental Funds | | Total Governmental Funds | |
|---------------------------------|--------------------|-----------------------------|---------------------|
| \$ | 8,270,564 | \$ | 164,484,518 |
| | 57,504 | | 10,807,954 |
| | 534,613 | | 5,199,493 |
| | 1,250,445 | | 3,077,261 |
| | - | | 13,308,685 |
| | 197,378 | | 197,378 |
| | 81,775 | | 4,853,379 |
| | <u>10,392,279</u> | | <u>201,928,668</u> |
| | 88,239 | | 21,237,024 |
| | - | | 9,076,700 |
| | 8,793,413 | | 21,604,621 |
| | - | | 2,089,803 |
| | 5,467,197 | | 75,528,660 |
| | - | | 4,881,787 |
| | 19,665 | | 28,198,492 |
| | - | | 9,075,000 |
| | - | | 6,544,934 |
| | | | 16,680 |
| | 6,583 | | 24,911,883 |
| | <u>14,375,097</u> | | <u>203,165,584</u> |
| | <u>(3,982,818)</u> | | <u>(1,236,916)</u> |
| | - | | 182,128 |
| | 9,115,816 | | 41,579,418 |
| | <u>(6,187,776)</u> | | <u>(37,507,806)</u> |
| | <u>2,928,040</u> | | <u>4,253,740</u> |
| | (1,054,778) | | 3,016,824 |
| | <u>24,655,431</u> | | <u>306,271,561</u> |
| \$ | <u>23,600,653</u> | \$ | <u>309,288,385</u> |

East Bay Regional Park District

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and

Changes in Fund Balance to the Statement of Activities

For the year ended December 31, 2018

Net Change in Fund Balance - Governmental Funds

Amounts reported for governmental activities in the Government-wide Statement of Activities \$ 3,016,824
are different because:

Governmental Funds report capital outlay as expenditures. However, in the Statement of Activities the cost is allocated over the estimated useful lives of the assets and reported as depreciation expense.

| | | |
|----------------------|----|-------------|
| Capital outlay | \$ | 24,911,883 |
| Depreciation expense | | (7,543,776) |

Proceeds from the sale of capital assets results in cash inflows and are recorded as other financing sources in the fund financial statements. However, a gain or loss on disposal of capital assets is reported in the Statement of Activities.

| | | | |
|---|----|----------------|----------|
| Proceeds from sale of capital assets | \$ | (182,128) | |
| Net book value of asset disposals/adjustments | | <u>148,307</u> | |
| Loss on disposal/sale of capital assets | | | (33,821) |

Revenues which are reported as unavailable on the fund financial statements because they are not currently available, are reported as revenue (netted with amounts recognized in prior year) in the Statement of Activities. 9,080,042

Repayment of principal on long-term debt is an expenditure in fund financial statements, as a use of current resources, but the repayment reduces long-term liabilities in the Statement of Net Position. 9,075,000

Accrued interest on long-term debt is reported in the government-wide statement, but it does not require the use of current financial resources. Therefore, the change in the accrual is not reported as an expenditure in the fund financial statements. (879,480)

The amounts below included in the Statement of Activities do not provide or (require) the use of current financial resources and therefore are not reported as revenue or expenditures in Governmental Funds (net change):

| | |
|---------------------------------------|-------------|
| OPEB expense | 2,271,980 |
| Pension expense EBRPD Pension Plans | 1,563,736 |
| Pension expense CalPERS Pension Plans | (6,362,742) |
| Pollution remediation | (340,000) |

See accompanying Notes to Basic Financial Statements

East Bay Regional Park District

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and

Changes in Fund Balance to the Statement of Activities

For the year ended December 31, 2018

Reconciliation (continued)

Bond premiums/discounts are recognized in the year of debt issuance in the fund financial statements. In the statement of activities they are amortized as interest expense, over the life of the debt.

1,989,869

Payment of vacation and sick leave is an expenditure in the fund financial statements, but the payment decreases vacation and sick leave liabilities in the Statement of Net Position.

(562,323)

Internal service funds are used by management to charge the costs of certain activities, such as insurance, to individual functions. The net revenue of the internal service funds is reported with governmental activities in the Statement of Activities.

(632,818)

Change in Net Position of Governmental Activities

\$ 35,554,374

See accompanying Notes to Basic Financial Statements

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PROPRIETARY FUND FINANCIAL STATEMENTS

INTERNAL SERVICE FUNDS - Internal Service Funds are used to account for goods and services provided by the internal service departments to other District departments, on a cost reimbursement basis.



East Bay Regional Park District

Statement of Net Position

Proprietary Fund

December 31, 2018

| | Governmental Activities - Internal Service Funds |
|--|---|
| ASSETS | |
| Current assets: | |
| Cash and investments | \$ 50,235,227 |
| Accounts receivable, net | 914,433 |
| Prepaid items and deposits | 959,405 |
| Total assets | <u>52,109,065</u> |
| LIABILITIES | |
| Current liabilities: | |
| Accounts payable | 1,281,294 |
| Accrued payroll and related liabilities | 229,451 |
| Accrued claims - due within one year | 2,268,703 |
| Compensated absences - due within one year | 11,365 |
| Total current liabilities | <u>3,790,813</u> |
| Non-current liabilities: | |
| Accrued claims - due in more than one year | 8,209,293 |
| Compensated absences - due in more than one year | 42,052 |
| Total non-current liabilities | <u>8,251,345</u> |
| Total liabilities | <u>12,042,158</u> |
| NET POSITION | |
| Unrestricted | 40,066,907 |
| Total net position | <u>\$ 40,066,907</u> |

See accompanying Notes to Basic Financial Statements.

East Bay Regional Park District
Statement of Revenues, Expenses and Changes in Net Position
Proprietary Fund
For the year ended December 31, 2018

| | Governmental Activities - Internal Service Funds |
|---------------------------------|---|
| OPERATING REVENUES | |
| Charges for services | \$ 13,363,210 |
| Other revenue | 269,508 |
| Total operating revenues | <u>13,632,718</u> |
| OPERATING EXPENSES | |
| Cost of services | 5,008,164 |
| Claims | 3,892,992 |
| General and administrative | 2,227,633 |
| Total operating expenses | <u>11,128,789</u> |
| OPERATING INCOME | <u>2,503,929</u> |
| NONOPERATING REVENUES | |
| Interest income | <u>934,865</u> |
| INCOME BEFORE TRANSFERS | 3,438,794 |
| TRANSFERS | |
| Transfers in | 7,759,861 |
| Transfers out | <u>(11,831,473)</u> |
| Net transfers | <u>(4,071,612)</u> |
| CHANGE IN NET POSITION | (632,818) |
| NET POSITION | |
| Beginning of year | 40,699,725 |
| End of year | <u>\$ 40,066,907</u> |

See accompanying Notes to Basic Financial Statements.

East Bay Regional Park District
Statement of Cash Flows
Proprietary Fund
For the year ended December 31, 2018

| | Governmental Activities - Internal Service Funds |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Receipts from customers/other | \$ 12,897,049 |
| Payments to suppliers | (2,483,908) |
| Payments to employees | (4,968,405) |
| Claims paid | (3,468,139) |
| Net cash provided/(used) by operating activities | <u>1,976,597</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers in | 7,759,861 |
| Transfers out | (11,831,473) |
| Net cash provided/(used) by noncapital financing activities | <u>(4,071,612)</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest | 934,865 |
| Net cash provided/(used) by investing activities | <u>934,865</u> |
| Net increase/(decrease) in cash and cash equivalents | (1,160,150) |
| CASH AND CASH EQUIVALENTS | |
| Beginning of year | 51,395,377 |
| End of year | <u>\$ 50,235,227</u> |
| RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES | |
| Operating income | \$ 2,503,929 |
| Adjustments to reconcile operating income to net cash provided (used for) operating activities: | |
| Changes in assets and liabilities: | |
| Accounts receivable | (735,671) |
| Prepaid items and deposits | 40,801 |
| Accounts payable | (389,613) |
| Accrued payroll and related liabilities | 132,297 |
| Accrued claims | 424,854 |
| Net cash provided/(used) by operating activities | <u>\$ 1,976,597</u> |

FIDUCIARY FUNDS FINANCIAL STATEMENTS

PENSION TRUST FUNDS – Pension trust funds are used to account for assets for which the District is a trustee and has a fiduciary responsibility. The financial activities of these funds are excluded from the Government-Wide Financial Statements but are presented in separate Fiduciary Fund Financial Statements.



East Bay Regional Park District
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

| | <u>Pension Trust Funds</u> |
|--------------------------------------|--------------------------------|
| ASSETS | |
| Cash and cash equivalents | \$ 850,012 |
| Investments at fair value: | |
| Mutual funds | <u>39,040,410</u> |
| Total Assets | <u><u>39,890,422</u></u> |
| NET POSITION | |
| Net position restricted for pensions | <u><u>\$ 39,890,422</u></u> |

See accompanying Notes to Basic Financial Statements.

East Bay Regional Park District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended December 31, 2018

| | <u>Pension Trust Funds</u> |
|--|--------------------------------|
| ADDITIONS | |
| Contributions: | |
| Contributions from employer | \$ 3,332,750 |
| Contributions from employee | <u>13,943</u> |
| Total Contributions | <u>3,346,693</u> |
| Investment earnings/(loss): | |
| Net investment loss | <u>(1,297,969)</u> |
| Total Additions | <u>2,048,724</u> |
| | |
| DEDUCTIONS | |
| Retirement and other benefits | 3,972,913 |
| Administration costs | <u>199,584</u> |
| Total Deductions | <u>4,172,497</u> |
| | |
| Net increase (decrease) in Fiduciary Net Position | (2,123,773) |
| | |
| NET POSITION | |
| Beginning of year | <u>42,014,195</u> |
| End of year | <u>\$ 39,890,422</u> |

See accompanying Notes to Basic Financial Statements.

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NOTES TO BASIC FINANCIAL STATEMENTS



1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of the East Bay Regional Park District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental agencies. The Governmental Accounting Standards Board (GASB) is the standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the District's accounting policies are described below.

A. Reporting Entity

The East Bay Regional Park District was incorporated in 1934 as a California Special District. The District operates under Sections 5500-5595 of the Public Resources Code of the State of California for the purpose of acquiring park, recreation and open space land; and the development, operation and maintenance of these lands. The District owns or operates 73 parks covering 122,278 acres within Alameda and Contra Costa counties, including recreation areas, wilderness, shorelines, preserves and land banks areas; over 1250 miles of regional and inter-park trails; 10 visitor centers; and other recreational facilities.

The District is governed by a seven-member board elected by District residents in each of the District's seven wards. The District is legally separate and fiscally independent, which means it can issue debt, set and modify budgets and fees and sue or be sued. The financial statements of the District include only the financial activities of the District.

B. Basis of Accounting and Measurement Focus

Government-Wide Financial Statements

The District's government-wide financial statements include a Statement of Net Position and a Statement of Activities. These statements present a summary of governmental activities. The District has no business-type activities. Fiduciary activities of the District are not included in these statements.

The government-wide financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the District's assets (including non-current and capital assets), deferred outflows, liabilities (including debt and other non-current liabilities) and deferred inflows, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements are met.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Internal service fund activity has been eliminated from the statement of activities. The District does not provide or use interfund services between functions.

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures. Governmental resources are allocated to, and accounted for, in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

East Bay Regional Park District

Notes to the Basic Financial Statements, continued

For the year ended December 31, 2018

Fund Financial Statements

Fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major governmental funds are aggregated. An accompanying schedule is presented to reconcile and explain the differences in fund balance, as presented in these statements, to the net position presented in the government-wide financial statements. The District has presented all major funds that meet the qualifications for major fund reporting. The District reports the following major governmental funds in the accompanying financial statements:

General Fund – the District’s primary operating fund and is used to account for all financial resources of the general government, except those accounted for in another fund.

Debt Service Fund – accounts for resources accumulated that are restricted, committed or assigned to pay principal and interest due on the District’s outstanding bond issues.

Project Fund – accounts for the collection of resources and the related expenditures for acquisition and construction of major capital improvement projects in the District.

The District includes special revenue funds and permanent funds in the non-major governmental fund aggregation.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities and deferred inflows of resources are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. For this purpose, the District considers revenues including property taxes, to be available if they are collected within 60 days of the end of the current fiscal year. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Proprietary Fund Financial Statements

Proprietary fund financial statements include a Statement of Net Position, a Statement of Revenues, Expenses and Change in Net Position, and a Statement of Cash Flows.

The District’s only proprietary funds are internal service funds, which are aggregated in one column in the fund financial statements, and their balances and activities have been combined with the governmental activities in the government-wide financial statements. Proprietary funds are accounted for using the “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or noncurrent) are included on the Statement of Net Position. The Statement of Revenues, Expenses and Change in Net Position presents increases (revenues) and decreases (expenses) in total net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned while expenses are recognized in the period in which a liability is incurred. In these funds, receivables have been recorded as revenue.

The operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

The District’s internal service funds account for Workers’ Compensation, Major Infrastructure Renovation and Replacement, Major Equipment Replacement, General Liability and Employee Benefits.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Fiduciary Net Position and a Statement of Changes in Fiduciary Net Position. The District's fiduciary funds include two pension trust funds, used to account for resources legally held in trust for the provision of pension. The EBRPD Retirement Plans are single-employer plans. The Sworn Safety Plan is closed. The General Employee Plan has 4 active members remaining. The fiduciary funds use the economic resource measurement focus and the accrual basis of accounting. The EBRPD Retirement Plans have a separate investment policy and investments are reported at fair value.

C. Cash, Cash Equivalents and Investments

The District pools cash resources of its various funds to facilitate cash management. Cash in excess of current requirements is generally invested and reported as investments. It is the District's intent to hold investments until maturity. However, the District may, in response to market conditions, sell investments prior to maturity in order to improve the quality, liquidity, or yield of the portfolio. Interest earnings are apportioned among funds quarterly based upon equity in the District's pooled cash and investments.

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments.

Investments are stated at fair value, which is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The District's formal Investment Policy, which is in compliance with California Government Code Sections 16429.1, 53600-53609 and 53630-53686, is updated and approved by the Board annually, and includes a section of permitted investments and risk tolerance and specifies required action to mitigate credit and maturity risk.

D. Restricted Cash and Investments

Certain restricted cash and investments are held by fiscal agents for the redemption of bonded debt, acquisition and construction of capital projects, and investments held for future pension contributions that is invested in an Internal Revenue Code Section 115 Trust.

E. Consumable Supplies

The consumable supplies are valued at average cost and recorded as expenditures when consumed. The General Fund consumable supplies, which consists of office supplies, employee uniforms, field repair and maintenance items and vehicle parts, etc., is offset by a non-spendable fund balance to indicate that this asset is not available for appropriation.

F. Capital Assets

The capital assets, which include land, structures, improvements, equipment and infrastructure assets, are reported in the government-wide financial statements. They are recorded at historical cost, or estimated historical cost, if actual cost is not available. Donated assets, with a value that meets the District's capitalization limits, are valued at their estimated acquisition value on the date of donation. All land, regardless of cost, equipment over \$25,000 – with a useful life of two years or more, and infrastructure, transportation, public access, utilities, structures and improvements over \$100,000 – and a useful life of two years or more, are capitalized. Capital assets in government fund operations are recorded as expenditures in the fund financial statements. Equipment purchased in the Major Equipment Replacement Internal Service Fund is transferred to the General Fund at year-end, as the General Fund is required to maintain it.

East Bay Regional Park District
 Notes to the Basic Financial Statements, continued
 For the year ended December 31, 2018

Historical treasures and structures are capitalized at historical cost or acquisition value at the date of donation. Historical treasures and structures, such as the carousel at Tilden Park, are protected, cared for and preserved. Generally accepted accounting principles do not require depreciation for these items which are considered inexhaustible.

Depreciation is provided using the straight-line method over the following estimated useful lives:

| Capital Asset Classes | Useful Lives Years | Capitalization Threshold |
|-----------------------------|-----------------------|-----------------------------|
| Equipment | 5 - 25 | \$25,000 |
| Transportation | 10 - 70 | \$100,000 |
| Public access | 20 - 70 | \$100,000 |
| Utilities | 10 - 50 | \$100,000 |
| Structures and improvements | 50 | \$100,000 |

The District's infrastructure consists of transportation, public access, and utilities. The accumulated depreciation, defined as the total depreciation from the date the asset was placed in service to the current date, was computed on a straight-line basis, using industry accepted life expectancies for each infrastructure subsystem.

G. Interest Payable

In the government-wide financial statements, interest payable on long-term debt is recognized as the liability is incurred. There is no debt in proprietary fund types.

H. Unearned Revenue/Deferred Inflows of Resources – Unavailable Revenues

In the government-wide and government fund financial statements, unearned revenue is recognized for transactions for which revenue has not yet been earned. Typically, transactions recorded as unearned revenues are grant advances and prepaid charges for services.

In the governmental fund financial statements, deferred inflows of resources are recorded for unavailable revenue, (i.e. when transactions have not yet met the revenue recognition criteria based on the modified accrual basis of accounting). The District records deferred inflows of resources for revenue not available to meet current financial obligations (not received within 60 days of year-end, the availability period). Typical transactions recorded as deferred inflows of resources are related to property taxes, special assessment and grant related receivables, for which expenditures have been incurred, but not reimbursed within the availability period.

I. Long-Term Debt

Government-wide financial statements – Long-term debt and other long-term obligations are reported as liabilities. Bond premiums/discounts and deferred amounts on refunding are deferred and amortized over the life of the bonds using the straight line method. In the case of deferred amounts on refunding, the amortization period is the lesser of the life of the old bonds or the new bonds. Bonds payable is reported net of the unamortized premium/discount. The deferred amount on refunding is reported as deferred inflows/outflows of resources on the Government Wide Statement of Net Position. Issuance costs are expensed as incurred with the exception of pre-paid bond insurance.

Fund financial statements – In the fund financial statements, bond premiums and discounts are recognized during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

J. 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 and the District's General Employees and Safety Employees Plans (EBRPD Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS and by the District, respectively. 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.

K. Other Postemployment Benefits Other Than Pensions (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 Retiree Benefits Plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by the Plan. For this purpose, the Plan recognizes benefits payments when due and payable in accordance with the benefit terms.

Generally accepted accounting principles require that the reported results must pertain to liability and asset information within certain defined time frames. For this report the following time frames are used:

| | |
|--------------------|-------------------------------|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Measurement Period | July 1, 2017 to June 30, 2018 |

L. Compensated Absences

Compensated absences are comprised of the portions of vacation, sick leave and compensated time off, which are accrued as earned. The liability for compensated absences is determined annually. The total amount of the compensated absences liability is recorded in the government-wide financial statement and compensated absences expense is charged to the various departments.

The members of Local 2428, at retirement after 10 years of service, have the option of being paid for one half of unused, accrued sick leave – up to a maximum of 17 days, or applying the amount towards service credits. Employees who voluntarily terminate after 10 years of service are paid one third of unused, accrued sick leave up to a maximum of 15 days.

The members of the Police Association who terminate, for non-disciplinary reasons, after 20 years of continuous service are paid accrued sick leave calculated based upon the following formula: 1% of the product of-- the number of whole years of continuous employment – times the daily rate of pay at the time of separation— times the number of accrued and unused sick leave hours.

The members of management, after an aggregate of 10 years of service, at voluntary termination or retirement can be paid one third of the accrued but unused sick leave – up to a maximum of 45 days. At retirement the balance is added to service credits.

Employees of the District may not carry-over more accrued vacation hours than the equivalent of the preceding year's earned vacation credits plus 12 additional days, unless approved by General Manager. Excess accrual is paid out.

M. Revenues

Property Tax – Alameda County and Contra Costa County assess, bill, collect, and distribute property taxes to the District. The District reports property tax revenue net of county collection fees.

Contra Costa County's distribution method is under the "Teeter Plan", which requires the County to remit to the District 100% of the secured amount levied. The County then retains all delinquent payments, including interest

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For the year ended December 31, 2018

and penalties. Alameda County, on the other hand, remits the District's share of secured and unsecured taxes to the District as they are collected, including interest and penalties.

The lien date of secured property taxes is January 1, and the taxes are levied on July 1. They are due in two installments, on November 1 and February 1, and become delinquent after December 10 and April 10, respectively. The lien date of the unsecured property tax is also January 1. It is an ad valorem tax that becomes delinquent after August 31.

The District recognizes revenue based upon the counties' lien and levy dates, which are July 1. Amounts not received by December 31 are recorded as a receivable. Amounts not received within the 60 day availability period following year-end are recorded as deferred inflows of resources, unavailable revenue, on the governmental fund financial statements.

Program Revenues – Program revenues are associated with the various functions of the District. They are derived from the activity, or are granted in relationship to, a particular activity or program of the District. They include charges for services, such as park admission fees, operating grants and contributions, such as amounts provided by private donors for trail maintenance, and capital grants and contributions, such as amounts received from other governmental agencies for the purchase of property.

N. Net Position Government-Wide Financial Statements

In the government-wide financial statements, net position is measured on the full accrual basis of accounting and classified in the following categories:

Net investment in capital assets – This amount consists of capital assets net of accumulated depreciation and reduced by outstanding debt that is attributed to the acquisition, construction, or improvement of these assets.

Restricted net position – This amount is restricted by laws through constitutional provisions or enabling legislation, external creditors, grantors, contributors, or laws or regulations of governments. Restricted net position related to permanent endowments is further delineated as expendable and nonexpendable.

Unrestricted net position – This amount is all net position that do not meet the definition of "net investment in capital assets" or "restricted net position" as defined above.

O. Use of Restricted/Unrestricted Net Position

When an expense is incurred for purposes for which both restricted and unrestricted net position are available, the District's policy is to apply restricted net position first.

P. Use of Estimates

The preparation of the basic financial statements, in conformity with GAAP, requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and deferred inflows and outflows and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates and assumptions.

Q. Permanent Funds

The District reports permanent funds for resources received that are restricted to the extent that only earnings, and not principal, may be used for purposes that support the government's programs. On the fund financial statement, the principal amounts of the endowments are reported as non-spendable fund balance and are not available for expenditure. Restricted fund balance is comprised of investment earnings on the endowment principal and is available for expenditure. On the government-wide financial statements endowment principal and interest are reported as restricted net position, nonexpendable and expendable respectively.

East Bay Regional Park District

Notes to the Basic Financial Statements, continued

For the year ended December 31, 2018

R. Implementation of New GASB Pronouncements

The Government Accounting Standards Board (GASB) releases new accounting and financial reporting standards which may have a significant impact on the District's financial reporting process. The District implemented the following standards in 2018:

GASB Statement No. 75 - In June 2015, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. Statement 75 establishes new accounting and financial reporting requirements for governments whose employees are provided with OPEB (other postemployment benefits) as well as for certain non-employer governments that have a legal obligation to provide financial support for OPEB provided to the employees of other entities. This Statement is effective for reporting periods beginning after June 15, 2017. The District implemented this Statement effective January 1, 2018.

GASB Statement No. 85 – In March 2017, GASB issued Statement No. 85, *Omnibus 2017*. The objective of this Statement is to improve consistency in accounting and financial reporting by addressing practice issues that have been identified during implementation and application of certain GASB Statements. This Statement is effective for reporting periods beginning after June 15, 2017. The District implemented this Statement effective January 1, 2018.

GASB Statement No. 86 – In May 2017, GASB issued Statement No. 86, *Certain Debt Extinguishment Issues*. The objective of this Statement is to improve consistency in accounting and financial reporting for in-substance defeasance of debt by providing guidance for transactions in which cash and other monetary assets acquired with only existing resources – resources other than the proceeds of refunding debt – are placed in an irrevocable trust for the sole purpose of extinguishing debt. This Statement also improves accounting and financial reporting for prepaid insurance on debt that is extinguished and notes to financial statements for debt that is defeased in substance. This Statement is effective for reporting periods beginning after June 15, 2017. The District has determined that the requirements of this Statement had no material impact to the financial statements.

The District is currently analyzing its accounting and financial reporting practices to determine the potential impact on the financial statements of the following GASB Statements:

GASB Statement No. 83 – In November 2016, GASB issued Statement No. 83, *Certain Asset Retirement Obligations*. The objective of this Statement is to provide financial statement users with information about asset retirement obligations that were not addressed in GASB Standards by establishing uniform accounting and financial reporting requirements for these obligations. This Statement is effective for reporting periods beginning after June 15, 2018. The District has not determined the effect on the financial statements.

GASB Statement No. 84 – In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement is effective for reporting periods beginning after December 15, 2018. The District has not determined the effect on the financial statements.

GASB Statement No. 87 – In June 2017, GASB issued Statement No. 87, *Leases*. The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases; enhancing the comparability of financial statements between governments; and also enhancing the relevance, reliability (representational faithfulness), and consistency of information about the leasing activities of governments. This Statement is effective for reporting periods beginning after December 15, 2019. The District has not determined the effect on the financial statements.

GASB Statement No. 88 – In April 2018, GASB issued Statement No. 88, *Certain Disclosures Related to Debt, Including Direct Borrowings and Direct Placements*. The objective of this Statement is to improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities government should include when disclosing information related to debt. This Statement is effective for reporting periods beginning after June 15, 2018. The District has not determined the effect on the financial statements.

East Bay Regional Park District

Notes to the Basic Financial Statements, continued

For the year ended December 31, 2018

GASB Statement No. 89 – In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. The objectives of this Statement are to enhance the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and to simplify accounting for interest cost incurred before the end of a construction period. This Statement is effective for reporting periods beginning after December 15, 2019. The District has not determined the effect of this Statement.

GASB Statement No. 90 – In June 2018, GASB issued Statement No. 90, *Majority Equity Interests – An Amendment of GASB Statements No. 14 and No. 61*. The objectives of this Statement are to improve the consistency and comparability of a reporting a government’s majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. This Statement is effective for reporting periods beginning after December 15, 2018. The District has not determined the effect of this Statement.

S. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The District has three items, deferred amount on refunding of debt and deferred outflows related to pensions and OPEB.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position and fund balance that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The District has two items recognized in the statement of net position, deferred inflows related to pensions and OPEB.

2. CASH AND INVESTMENTS

The District maintains a cash and investment pool, which includes cash balances and authorized investments for all funds, except funds required to be held by fiscal agents under the provisions of bond indentures and the District’s pension plans. The District’s dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves (i.e. working capital) to finance operations during the remainder of the year.

Investment income is allocated quarterly among funds on basis of average month-end cash and investment balances in these funds. Investment income is credited directly to the related fund for the cash and investments held by fiscal agents.

A. Cash Deposits

The carrying amount of the District’s cash and deposits were \$4,863,951 at December 31, 2018. Bank balances before reconciling items were \$6,157,112 at December 31, 2018, the total amount of which is insured and/or collateralized with securities held by the pledging financial institutions in the District’s name as discussed below.

The California Government Code requires California banks and savings and loan associations to secure the District’s cash deposits by pledging securities as collateral. This Code states that collateral pledged in this manner shall have the effect of perfecting a security interest in such collateral superior to those of a general creditor. Thus, collateral for cash deposits is considered to be held in the District’s name.

The fair value of pledged securities must equal at least 110% of the cash deposit. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District’s total cash deposits. This collateral is held by the institution but is considered to be held in the District’s name and places the District ahead of general creditors of the institution. The District has waived collateral requirements for the portion of deposits covered by the Federal Deposit Insurance Corporation.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

B. Investments

Under the provisions of the District's Investment policy, and in accordance with California Government Code, the following investments are authorized:

- United States Treasury Bills, Bonds, and Notes
- Obligations issued by Agencies of the United States Government
- Bankers' Acceptances
- Prime Commercial Paper
- Certificates of Deposit (Negotiable and Non-negotiable)
- Repurchase Agreements
- California Local Agency Investment Fund
- California Asset Management Program
- Medium Term Notes
- Money Market Mutual Funds
- Registered Municipal Bonds, Notes and Warrants of the 50 states and their local agencies.
- Supra-National Bonds and Notes
- Asset Backed Securities

Bond proceeds are invested in compliance with the individual fiscal agent agreements associated with each issue.

The District's investments are carried at fair value as required by generally accepted accounting principles of the United States. The District adjusts the carrying value of its investments to reflect their fair value at each fiscal year-end, and it includes the effects of these adjustments in investment income for that fiscal year.

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The District's investments with LAIF at December 31, 2018, include a portion of the pool funds invested in structured notes and asset-backed securities. These investments include the following:

Structured notes – are debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-backed securities – (usually comprised of mortgage-backed securities), entitle their purchasers to receive a share of the cash flows from a pool of assets, such as principal and interest repayments from a pool of mortgages (such as collateralized mortgage obligations or credit card receivables).

As of December 31, 2018, the District had \$3,193,868 (fair value) invested in LAIF, which had invested 2.67% of the pool investment funds in structured notes and asset-backed securities.

C. Summary of Cash and Investments

The following is a summary of cash and investments at December 31, 2018.

| | Governmental Activities | Fiduciary Funds | Total |
|---|----------------------------|----------------------|-----------------------|
| Cash and investments | \$ 249,696,471 | \$ - | \$ 249,696,471 |
| Restricted cash/investment held by fiscal agent | 117,166,301 | 39,890,422 | 157,056,723 |
| Total cash and investments | <u>\$ 366,862,772</u> | <u>\$ 39,890,422</u> | <u>\$ 406,753,194</u> |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
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Fair value of the District's governmental activities cash and investment, grouped by maturity date, at December 31, 2018, follows:

| Cash and Investment Type | Fair Value | 1 Year or Less | 1-2 Years | 2-3 Years | 3-4 Years | 4-5 Years |
|---|-----------------------|-----------------------|----------------------|----------------------|---------------------|-------------------|
| Money Market/Mutual Funds | \$ 317,945 | \$ 317,945 | \$ - | \$ - | \$ - | \$ - |
| LAI Investment Pool | 3,193,868 | 3,193,868 | - | - | - | - |
| CAMP Investment Pool | 113,301,704 | 113,301,704 | - | - | - | - |
| Government securities: | | | | | | |
| U.S. agency collateralized debt obligation | 1,924,735 | 25,963 | - | 636,128 | 654,052 | 608,592 |
| U.S. agency securities | 12,934,490 | 4,330,888 | 5,398,620 | 3,204,982 | - | - |
| U.S. treasury notes | 45,093,583 | 7,178,213 | 24,323,386 | 13,591,984 | - | - |
| Municipal bonds | 1,624,781 | 375,881 | - | 1,248,900 | - | - |
| Supra-National bond | 6,185,528 | - | 2,288,516 | 3,897,012 | - | - |
| Corporate notes | 28,436,865 | 3,586,686 | 12,006,184 | 11,770,496 | 1,073,499 | - |
| Commercial paper | 15,006,238 | 2,609,845 | 10,921,243 | 1,475,150 | - | - |
| Asset Backed collateralized debt obligation | 16,812,783 | - | 3,860,742 | 7,039,967 | 5,912,074 | - |
| Total Investments | 244,832,520 | 134,920,993 | 58,798,691 | 42,864,619 | 7,639,625 | 608,592 |
| Cash deposits | 4,863,951 | 4,863,951 | - | - | - | - |
| Total cash and investments | <u>\$ 249,696,471</u> | <u>\$ 139,784,944</u> | <u>\$ 58,798,691</u> | <u>\$ 42,864,619</u> | <u>\$ 7,639,625</u> | <u>\$ 608,592</u> |

Fair value of the District's governmental activities restricted cash and investment held by fiscal agents, grouped by maturity date, at December 31, 2018, follows:

| Cash and Investment Type | Fair Value | 1 Year or Less | 1-2 Years | 2-3 Years |
|---|-----------------------|----------------------|----------------------|----------------------|
| Money Market/Mutual Funds | \$ 20,587,645 | \$ 20,587,645 | \$ - | \$ - |
| CAMP Investment Pool | 17,120,306 | 17,120,306 | - | - |
| Government securities: | | | | |
| U.S. agency securities | 3,194,083 | 3,194,083 | - | - |
| U.S. treasury notes | 43,907,028 | 19,934,317 | 11,167,582 | 12,805,129 |
| Municipal bonds | 17,723,897 | 17,723,897 | - | - |
| Corporate | 9,460,921 | - | 3,149,288 | 6,311,633 |
| Equity Mutual Funds | 1,646,688 | 1,646,688 | - | - |
| Fixed Mutual Funds | 3,525,733 | 3,525,733 | - | - |
| Total Cash and Investments held by fiscal agent | <u>\$ 117,166,301</u> | <u>\$ 83,732,669</u> | <u>\$ 14,316,870</u> | <u>\$ 19,116,762</u> |

Fair value of the District's pension trust fund cash and investments, grouped by maturity date, at December 31, 2018, follows:

| Cash and Investment Type | Fair Value | 1 Year or Less |
|---|----------------------|----------------------|
| Cash equivalent | \$ 850,012 | \$ 850,012 |
| Domestic equity mutual funds | 16,139,112 | 16,139,112 |
| International equity mutual funds | 4,045,717 | 4,045,717 |
| Intermediate bonds mutual funds | 7,844,098 | 7,844,098 |
| Core fixed income mutual funds | 11,011,483 | 11,011,483 |
| Total Pension Fund cash and investments | <u>\$ 39,890,422</u> | <u>\$ 39,890,422</u> |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

D. Risks

Investment risk tolerance is specifically addressed in the District's formal investment policy (which is in compliance with government code and updated annually) and reviewed and approved via resolution of the Board of Directors. The policy specifies that:

- Market risk, defined as market value fluctuations due to overall changes in market price and rate, shall be mitigated by maintaining appropriate diversification of assets.
- Interest rate risk, defined as market value fluctuations due to changes in interest rates, interest rate spreads, or the shape of the yield curve, shall be mitigated by maintaining an appropriate duration strategy and diversification of maturities. Maximum duration is 5 years.
- Custodial credit risk, defined as the risk of loss due to the failure of the custodian, shall be mitigated by prudent custodian selection procedures and requirements, as described in the investment policy.
- Credit risk, defined as the risk of loss due to failure of the issuer of a security, shall be mitigated by investing in high grade securities and diversification.

At December 31, 2018, the District's investments were diversified into the following categories:

| Sector | % of Portfolio | Maximum % per Investment Policy |
|------------------------------------|----------------|---------------------------------|
| LAIF/CAMP | 46.7% | No limit |
| Money Market | 0.1% | 20% |
| Cash and Deposits | 1.9% | No limit |
| Negotiable Certificates of Deposit | 6.0% | 30% |
| US Treasuries | 18.1% | No limit |
| Federal Agencies/Instrumentalities | 6.0% | 75% |
| State/Local Agencies | 0.7% | 30% |
| Medium Term Corporate Notes | 11.4% | 30% |
| Supranationals | 2.5% | 25% |
| Commercial Paper | 0.0% | 25% |
| Asset Backed Securities | 6.7% | 20% |

Interest Rate Risk – At December 31, 2018, the District's investment had the following maturities:

| Maturity | % of Portfolio |
|-------------------------|----------------|
| Up to one year | 56.3% |
| One year to two years | 21.7% |
| Two years to five years | 22.0% |

Custodial Credit Risk – This risk is that, in the event of the failure of the counter party, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. All securities are held by third-party custodian, US Bank, which is a registered member of the Federal Reserve Bank.

The securities held by US Bank are in street name, and a customer number assigned to the District identifies ownership.

Investment in Internal Revenue Code Section 115 Trust Fund – The District reviewed the District's obligation to fund the pension obligations and determined that it served the District's interest to prefund those benefits. In September 2017 the Board of Directors approved and adopted the funding for a Pension Rate Stabilization Program IRC Section 115 Trust. The Pension Stabilization Trust is a tax-qualified irrevocable trust, organized under Internal

East Bay Regional Park District
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Revenue Code (IRC) Section 115, established to prefund pension obligations. The Plan Discretionary Trustee is U.S. Bank and U.S. Bank has delegated investment management responsibilities to HighMark Capital Management, and Public Agencies Retirement Services (PARS) is the Trust Administrator. The District elected the "Moderately Conservative HighMark Plus" investment approach with a blended investment objective strategy. The primary objective is to provide current income with capital appreciation as secondary objective. The Plan's target rate of return is 5.5 percent. The asset target allocations for this objective are 5 percent cash source, 30% equity and 65% fixed income. The District funded the trust account with \$3.5 million in December 2017 and reported as restricted assets and fund balance. The value of the Plan as of December 31, 2018 was \$5.4 million of which all was placed in cash money market and money market mutual fund accounts.

Concentration Risk – The District's Investment Policy states that the District cannot purchase more than 5% of the outstanding commercial paper, banker's acceptances or certificate of deposits of any single issuer. At December 31, 2018 the District did not hold investments in any single issuer in excess of 5% of the total portfolio.

Credit Risk – The District's investment Policy and California Government Code states that credit risk shall be mitigated by investing in high grade securities and diversification. The investment policy states that commercial paper must be of the highest ranking or the highest letter and number rating of a Nationally Recognized Statistical Rating Organization (NSRO) and medium-term corporate notes must have a rating of at least "A" or the equivalent a NSRO. At December 31, 2018, the District had the following investments credit risk rating:

| Investment Type | AAA/AAAm | AA+/AA/AA- | A+/A/A-/A-1+/A-1 | BBB+ | Not Rated | Totals |
|-----------------------------------|-----------------------|-----------------------|----------------------|---------------------|----------------------|-----------------------|
| U.S. Treasury Bonds/Notes | \$ - | \$ 89,000,611 | \$ - | \$ - | \$ - | \$ 89,000,611 |
| Local Agency Investment Fund | - | - | - | - | 3,193,868 | 3,193,868 |
| Federal Agency Bonds/Notes | - | 18,053,308 | - | - | - | 18,053,308 |
| Municipal Bonds/Notes | 5,807,265 | 9,147,727 | 1,190,097 | - | 3,203,589 | 19,348,678 |
| Supra-National Agency Bonds/Notes | 6,185,528 | - | - | - | - | 6,185,528 |
| Asset-Backed Securities | 12,358,906 | - | - | - | 4,453,877 | 16,812,783 |
| Corporate Notes | 1,770,638 | 12,210,786 | 19,525,840 | 4,390,521 | - | 37,897,786 |
| Mutual Funds | - | - | - | - | 44,212,831 | 44,212,831 |
| Negotiable CDs | - | 3,684,976 | 11,321,262 | - | - | 15,006,238 |
| CAMP Pool | 130,422,010 | - | - | - | - | 130,422,010 |
| Money Market Funds | 7,209,705 | - | - | - | 13,695,885 | 20,905,590 |
| Total Investments | <u>\$ 163,754,053</u> | <u>\$ 132,097,408</u> | <u>\$ 32,037,199</u> | <u>\$ 4,390,521</u> | <u>\$ 68,760,050</u> | <u>\$ 401,039,231</u> |
| Cash in banks and on hand | | | | | | 4,863,951 |
| Trust Fund cash in banks | | | | | | 850,012 |
| Total Cash and Investments | | | | | | <u>\$ 406,753,194</u> |

E. Fair Value Measurements

The District and the District's Retirement Trust categorize their fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1 measurements) and the lowest priority to unobservable inputs (Level 3 measurements). The three levels of the fair value hierarchy are described as follows:

Level 1 — Inputs are unadjusted quoted prices for identical assets or liabilities in active markets that the District has the ability to access at the measurement date.

Level 2 — Inputs other than quoted prices within Level 1 that are observable, either directly or indirectly such as quoted prices for similar assets or liabilities in active markets or inactive markets, or inputs other than quoted prices that are observable for the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement. Unobservable inputs reflect the District's own assumptions about the inputs market participants would use in pricing the asset or liability (including assumptions about risk). Unobservable inputs are developed based on the best information available in the circumstances and may include the District's own data.

The asset's level within the hierarchy is based on the lowest level of input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The determination of what constitutes observable requires judgment by the District's management. District management considers observable data to be that market data, which is readily available, regularly distributed or updated, reliable, and verifiable, not proprietary, and provided by multiple independent sources that are actively involved in the relevant market. The categorization of an investment within the hierarchy is based upon the relative observability of the inputs to its fair value measurement and does not necessarily correspond to District management's perceived risk of that investment.

The Money Market Mutual funds held by the District are at \$1 net asset value (NAV) per share. The total fair value of these at December 31, 2018 was \$317,945 with \$0 unfunded commitments. The redemption frequently is daily and redemption notice period of intra-daily. This type of investment primarily invests in short-term U.S. Treasury and government agency securities (including repurchase agreements collateralized by U.S. Treasury and government agency securities).

Deposits and withdrawals in governmental investment pools, such as LAIF and CAMP Investment Pools are made on the basis of \$1 and not fair value. Accordingly, the District's proportionate share in these types of investments is an uncategorized input not defined as a Level 1, Level 2, or Level 3 input.

When available, quoted prices are used to determine fair value. When quoted prices in active markets are available, investments are classified within Level 1 of the fair value hierarchy. For investments classified within Level 2 of the fair value hierarchy, the District's custodians generally use a multi-dimensional relational model. Inputs to their pricing models are based on observable market inputs in active markets. The inputs to the pricing models are typically benchmark yields, reported trades, broker-dealer quotes, issuer spreads and benchmark securities, among others. The District does not have any investments that are measured using Level 3 inputs.

There have been no changes in the methods and assumptions used at December 31, 2018. The methods described may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. District management believes its valuation methods are appropriate and consistent with other market participants. The use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

The District has the following recurring fair value measurements as of December 31, 2018:

| <u>Investment Type</u> | <u>Balance at December 31, 2018</u> | <u>Fair Value Measurements on a Recurring Basis Using</u> | |
|--|---|---|--|
| | | <u>Quoted Prices in Active Markets for Identical Assets (Level 1)</u> | <u>Significant Other Observable Inputs (Level 2)</u> |
| Collateralized debt obligations | \$ 18,737,518 | \$ - | \$ 18,737,518 |
| Supra-National agency/note | 6,185,528 | - | 6,185,528 |
| Municipal bonds/notes | 1,624,781 | - | 1,624,781 |
| Commercial paper | 15,006,238 | - | 15,006,238 |
| Corporate notes | 28,436,865 | - | 28,436,865 |
| U.S. agency securities | 12,934,490 | - | 12,934,490 |
| U.S. treasury notes | 45,093,583 | - | 45,093,583 |
| Total Investments by Fair Value Level | <u>128,019,003</u> | <u>\$ -</u> | <u>\$ 128,019,003</u> |
| <u>Investments Measured at Net Asset Value</u> | | | |
| Mutual funds | <u>317,945</u> | | |
| Total Investments Measure at Net Asset Value | <u>317,945</u> | | |
| <u>Investments Uncategorized</u> | | | |
| California Asset Management Program (CAMP) | 113,301,704 | | |
| Local Agency Investment Fund (LAIF) | <u>3,193,868</u> | | |
| Total Investments Uncategorized | <u>116,495,572</u> | | |
| Total District Pooled Investments | <u>244,832,520</u> | | |
| <u>Investments with Fiscal Agents:</u> | | | |
| Money Markets/Mutual funds | 25,760,066 | 1,646,688 | 24,113,378 |
| Corporate notes | 9,460,921 | - | 9,460,921 |
| U.S. agency securities | 3,194,083 | - | 3,194,083 |
| U.S. treasury notes | 43,907,028 | - | 43,907,028 |
| Municipal bonds | <u>17,723,897</u> | - | <u>17,723,897</u> |
| Total Investments with fiscal agents by Fair Value Level | <u>100,045,995</u> | <u>\$ 1,646,688</u> | <u>\$ 98,399,307</u> |
| <u>Investments Uncategorized</u> | | | |
| California Asset Management Program (CAMP) | <u>17,120,306</u> | | |
| Total Investments Uncategorized | <u>17,120,306</u> | | |
| Total Investments with Fiscal Agents | <u>117,166,301</u> | | |
| <u>Pension Trust Fund Investments:</u> | | | |
| Mutual funds | 39,040,410 | 39,040,410 | |
| Total Pension Trust Investments by Fair Value Level | <u>39,040,410</u> | <u>\$ 39,040,410</u> | |
| Total Investments | <u>\$ 401,039,231</u> | | |

F. Risks Associated with Pension Trust Fund Investments

The assets of the EBRPD Retirement Plans are not assets of the District. However, the District does have fiduciary responsibility for the Retirement Plans trust assets and has established the Statement of Investment Policy for the East Bay Regional Park District Retirement Plans, revised January 2018. The investment policy provides asset allocation targets and rebalancing and cash allocation policies. The policy establishes asset allocation targets, which are currently 40% for domestic equity, 10% for international equity, 28% for core bonds, 20% for intermediate bonds and 2% for cash. The trust is substantially in compliance with the asset allocation targets at December 31, 2018 with 40.5% domestic equity, 10.1% international equity, 27.6% core bonds, 19.7% intermediate bonds and 2.1% cash. Pension plan asset allocation detail is provided in Note 11A.

3. NOTES RECEIVABLE

In 2012, the District loaned \$700,000 to the Armand Borel Trust (dated June 20, 1994 as amended and restated in 2008). The loan amount is secured by a recorded deed of trust for the real property owned by the Trust. The District is the beneficiary of the personal and real property from the Borel Estate, which is held in the Trust. The Trust lacked sufficient funds to undertake necessary actions, which would have resulted in foreclosure on real property and loss to the District. Therefore, the District loaned \$700,000, for a term of 3 years (which was extended to August 2021), at 10% simple interest. Principal and accrued interest are due at maturity, or at property sale, whichever occurs first. Accrued interest at December 31, 2018 totaled \$443,333.

In 2013, the District loaned \$99,959 and in 2014 \$32,000, to the trustees to continue the administration of the Trust without defaulting on current obligations. This loan is unsecured, 10% simple interest per annum, due July 2018 has been extended to 2021 or when property is sold, if earlier. Accrued interest at December 31, 2018 totaled \$70,228.

Additionally, in 2013 the District purchased the Hefferman/Heinz \$1.4 million Promissory Note and related fees and interest totaling \$100,407 dated March 11, 2009, which was a liability of the Trust, from the lender. This note is secured by deed of trust on the real property and assignment of leases and rents. The original interest rate of 11.35% increased to 17.35% at the time of default and is calculated at 30/360 simple interest per annum. Accrued interest and late payment penalty at December 31, 2018 totaled \$1,380,482.

In 2014, the District loaned an additional \$700,000, to the trustees. The loan is secured by deed of trust, 10% simple interest per annum, due by August 18, 2018 has been extended to 2021. Accrued interest at December 31, 2018 totaled \$315,000.

| Notes Receivable | |
|----------------------------|--------------|
| 2012 loan | \$ 700,000 |
| 2013 loan #1 | 99,959 |
| 2013 loan #2 | 1,500,407 |
| 2014 loan #1 | 20,000 |
| 2014 loan #2 | 12,000 |
| 2014 loan #3 | 700,000 |
| Total at December 31, 2018 | \$ 3,032,366 |

4. INTERFUND TRANSACTIONS

A. Transfers In and Out

Transfers between funds during the year ended December 31, 2018 were as follows:

| Transfers Out | Transfers In | | | | | |
|------------------------------|--------------------|-------------------|--------------|--------------------|------------------------|---------------|
| | Governmental Funds | | | | Proprietary Funds | |
| | Major Funds | | | Non-major | | |
| | General Fund | Debt Service Fund | Project Fund | Governmental Funds | Internal Service Funds | Total |
| General Fund | \$ - | \$ 1,434,480 | \$12,295,176 | \$ - | \$ 6,985,436 | \$ 20,715,092 |
| Project Fund | 714,697 | - | - | 9,115,816 | 774,425 | 10,604,938 |
| Non-major Governmental Funds | 6,000 | - | 6,181,776 | - | - | 6,187,776 |
| Internal Service Funds | 640,074 | - | 11,191,399 | - | - | 11,831,473 |
| Total | \$ 1,360,771 | \$ 1,434,480 | \$29,668,351 | \$ 9,115,816 | \$ 7,759,861 | \$ 49,339,279 |

Transfers into the General Fund was the return of unspent project funds, feral pig management, repairs, and debris removal from fallen trees.

Transfers into the Debt Service Fund from the General Fund was to fund limited obligation debt service payments and administrative fees.

Transfers into the Project Fund from the General Fund, Non-Major Governmental Funds and Internal Service Funds were to fund capital projects like the construction of a new service yard for Coyote Hills and Dumbarton Quarry Campground.

Transfers into the non-major governmental funds from the Project Fund was the transfer of bond proceeds to fund the Measure WW local grant program, which is accounted for in a special revenue fund.

Transfers into the Internal Service Funds from the General Fund to fund the Major Infrastructure Renovation and Replacement Fund for future infrastructure needs. Transfers into the Internal Service Funds from the Project Fund was the return of unspent project funds.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

5. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

The changes in the District's capital assets for governmental activities during the year ended December 31, 2018 follows:

| | Balance January 1, 2018 | Additions/ Adjustments | Retirements/ Adjustments | Transfers | Balance December 31, 2018 |
|---|----------------------------|---------------------------|-----------------------------|---------------------|---------------------------------|
| Non-depreciable capital assets: | | | | | |
| Land and trails | \$ 453,480,396 | \$ - | \$ - | \$ 1,569,186 | \$ 455,049,582 |
| Historical structures | 1,798,839 | - | - | - | 1,798,839 |
| Construction in progress | 62,631,950 | 23,630,335 | - | (18,540,083) | 67,722,202 |
| Total non-depreciable | 517,911,185 | 23,630,335 | - | (16,970,897) | 524,570,623 |
| Depreciable capital assets: | | | | | |
| Infrastructure | 168,885,727 | - | (106,706) | 14,532,710 | 183,311,731 |
| Land improvements | 40,174,620 | - | - | 748,395 | 40,923,015 |
| Structures and improvements | 57,146,146 | - | (59,455) | 836,765 | 57,923,456 |
| Leasehold improvements | 73,325,219 | - | (32,313) | - | 73,292,906 |
| Equipment | 29,579,716 | 1,281,548 | (1,248,994) | 853,027 | 30,465,297 |
| Total depreciable | 369,111,428 | 1,281,548 | (1,447,468) | 16,970,897 | 385,916,405 |
| Less accumulated depreciation: | | | | | |
| Infrastructure | (84,016,621) | (3,282,276) | 106,706 | - | (87,192,191) |
| Land improvements | (38,827,169) | (172,609) | - | - | (38,999,778) |
| Structures and improvements | (17,825,994) | (1,105,446) | 58,202 | - | (18,873,238) |
| Leasehold improvements | (47,882,992) | (1,342,377) | 11,633 | - | (49,213,736) |
| Equipment | (19,910,554) | (1,641,068) | 1,237,106 | - | (20,314,516) |
| Total depreciation | (208,463,330) | (7,543,776) | 1,413,647 | - | (214,593,459) |
| Total depreciable assets, net | 160,648,098 | (6,262,228) | (33,821) | 16,970,897 | 171,322,946 |
| Total governmental activities capital asset, net | \$ 678,559,283 | \$17,368,107 | \$ (33,821) | \$ - | \$ 695,893,569 |

Depreciation expense is charged to functions based on their usage of the related assets. The amounts allocated to each function are as follows:

| Governmental Activities | Depreciation Expense |
|--------------------------------------|----------------------|
| Finance/Management Services | \$ 373,149 |
| Executive/Legislative | 5,408 |
| Legal | 2,537 |
| Operations | 6,358,171 |
| Acquisition/Stewardship/Developer | 57,593 |
| Public Affairs | 29,621 |
| Public Safety | 717,297 |
| Total Governmental Activities | \$ 7,543,776 |

East Bay Regional Park District
 Notes to the Basic Financial Statements, continued
 For the year ended December 31, 2018

B. Capital Asset Contributions

Some capital assets may be acquired using Federal and State grant funds, or they may be contributed by developers or other governments. Assets acquired using grant funds are recorded in the fund financial statements as an expenditure and reported as a capital asset in the government-wide financial statements. Assets received as contributions are recorded only in the proprietary and government-wide statements.

C. Construction in Progress

Land is periodically acquired as part of construction in progress and related acquisition costs and improvements are capitalized as they are required to make the property usable for its intended purpose. As projects are completed, capitalized costs are transferred from Construction in Progress to Land and other non-depreciable and depreciable capital assets.

6. DEFERRED INFLOWS OF RESOURCES AND UNEARNED REVENUE

A. Government-Wide Financial Statement

Unearned revenues in the governmental funds and the government-wide financial statement include deposits for events and grant advancements prior to work performed as per grant agreement. At December 31, 2018, unearned revenues in the governmental funds and government-wide financial statements were as follows:

| Governmental Activities | 2018 Unearned Revenue |
|-------------------------|-----------------------|
| Deposits for events | \$ 993,715 |
| Grants | 7,430,529 |
| Other | 15,273 |
| Total | \$ 8,439,517 |

B. Fund Financial Statements

In addition to the unearned revenues listed above, at December 31, 2018 the following unavailable revenues were recorded as deferred inflows of resources in the fund financial statements because the revenue was not available (not received within 60 days of year-end) to finance expenditures of the current period. Property taxes for the fiscal year 2018-2019 are levied on July 1, 2018. The District recognizes the full levy amount. Any amounts not received within 60 days of year-end are recorded as both a receivable and a deferred inflow of resources in the governmental funds.

| Governmental Funds | Unavailable Revenues |
|------------------------------|----------------------|
| Property tax receivables | \$ 70,726,936 |
| Grants receivables | 6,792,735 |
| Accounts receivable invoices | 433,145 |
| Liens | 126,000 |
| Interest on notes receivable | 2,209,042 |
| Total | \$ 80,287,858 |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

7. LONG TERM LIABILITIES

A. Long Term Obligations and Transactions

The District's obligations and transactions for the year ended December 31, 2018 are summarized below and discussed in detail thereafter.

| | Balance January 1, 2018 | Additions | Retirements | Balance December 31, 2018 | Due Within One Year | Due in More Than One Year |
|---|----------------------------|---------------------|------------------------|---------------------------------|------------------------|------------------------------|
| Measure AA General Obligation Bonds | | | | | | |
| 2008 Refunding | \$ 2,090,000 | \$ - | \$ (2,090,000) | \$ - | \$ - | \$ - |
| Unamortized premium | 470,424 | - | (470,424) | - | - | - |
| Total Measure AA | 2,560,424 | - | (2,560,424) | - | - | - |
| Measure WW General Obligation Bonds | | | | | | |
| Series 2009A | 13,580,000 | - | (4,290,000) | 9,290,000 | 4,430,000 | 4,860,000 |
| Unamortized premium | 4,419,226 | - | (376,104) | 4,043,122 | 376,104 | 3,667,018 |
| Series 2013A | 27,190,000 | - | (1,195,000) | 25,995,000 | 1,245,000 | 24,750,000 |
| Unamortized premium | 3,625,828 | - | (232,673) | 3,393,155 | 232,673 | 3,160,482 |
| Series 2017A | 80,000,000 | - | - | 80,000,000 | 16,335,000 | 63,665,000 |
| Unamortized premium | 7,238,247 | - | (363,427) | 6,874,820 | 363,427 | 6,511,393 |
| Series 2017B | 44,550,000 | - | (670,000) | 43,880,000 | - | 43,880,000 |
| Unamortized premium | 9,029,845 | - | (757,749) | 8,272,096 | 757,749 | 7,514,347 |
| Total Measure WW | 189,633,146 | - | (7,884,953) | 181,748,193 | 23,739,953 | 158,008,240 |
| Limited Obligation Bond | | | | | | |
| 2012 Promissory Notes | 21,220,000 | - | (830,000) | 20,390,000 | 845,000 | 19,545,000 |
| Unamortized premium | 304,969 | - | (15,507) | 289,462 | 15,507 | 273,955 |
| Total limited obligation | 21,524,969 | - | (845,507) | 20,679,462 | 860,507 | 19,818,955 |
| Total bonds payable | 213,718,539 | - | (11,290,884) | 202,427,655 | 24,600,460 | 177,827,195 |
| Claims | 10,053,143 | 3,892,992 | (3,468,139) | 10,477,996 | 2,268,703 | 8,209,293 |
| Compensated absences | 5,806,154 | 974,845 | (407,675) | 6,373,324 | 698,905 | 5,674,419 |
| Pollution remediation obligation | 5,720,000 | 340,000 | - | 6,060,000 | - | 6,060,000 |
| Notes payable | 3,032,366 | - | - | 3,032,366 | - | 3,032,366 |
| Total Governmental Activities Long-Term Debt | \$ 238,330,202 | \$ 5,207,837 | \$ (15,166,698) | \$ 228,371,341 | \$ 27,568,068 | \$ 200,803,273 |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

B. Debt Service Requirements

Future principal and interest payments on all long-term debt were as follows at December 31, 2018:

| Limited Obligation Bonds | | |
|---------------------------------|----------------------|---------------------|
| Year Ending | Principal | Interest |
| 2019 | \$ 845,000 | \$ 573,130 |
| 2020 | 865,000 | 556,030 |
| 2021 | 880,000 | 538,580 |
| 2022 | 900,000 | 520,780 |
| 2023 | 920,000 | 502,580 |
| 2024-2028 | 4,945,000 | 2,159,888 |
| 2029-2033 | 5,730,000 | 1,375,160 |
| 2034-2037 | 5,305,000 | 377,738 |
| Total | 20,390,000 | 6,603,886 |
| Debt premium | 289,462 | - |
| Total limited obligation | <u>\$ 20,679,462</u> | <u>\$ 6,603,886</u> |

| Measure WW | | |
|---------------------------------|-----------------------|----------------------|
| General Obligation Bonds | | |
| Year Ending | Principal | Interest |
| 2019 | \$ 22,010,000 | \$ 7,116,650 |
| 2020 | 21,785,000 | 6,094,750 |
| 2021 | 7,345,000 | 5,024,100 |
| 2022 | 7,695,000 | 4,674,850 |
| 2023 | 8,070,000 | 4,309,550 |
| 2024-2028 | 46,755,000 | 15,119,800 |
| 2029-2033 | 31,720,000 | 5,105,069 |
| 2034-2037 | 13,785,000 | 1,049,100 |
| Total | 159,165,000 | 48,493,869 |
| Debt premium | 22,583,193 | - |
| Total GO Bonds | <u>\$ 181,748,193</u> | <u>\$ 48,493,869</u> |

| Grand Total | | |
|--------------------|-----------------------|----------------------|
| Year Ending | Principal | Interest |
| 2019 | \$ 22,855,000 | \$ 7,689,780 |
| 2020 | 22,650,000 | 6,650,780 |
| 2021 | 8,225,000 | 5,562,680 |
| 2022 | 8,595,000 | 5,195,630 |
| 2023 | 8,990,000 | 4,812,130 |
| 2024-2028 | 51,700,000 | 17,279,688 |
| 2029-2033 | 37,450,000 | 6,480,229 |
| 2034-2037 | 19,090,000 | 1,426,838 |
| Total | 179,555,000 | 55,097,755 |
| Debt premium | 22,872,655 | - |
| Grand Total | <u>\$ 202,427,655</u> | <u>\$ 55,097,755</u> |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

C. Description of the Long-Term Debt Issues

2012 Promissory Notes – On August 24, 2012 the District issued \$24,955,000 of 2012 Promissory Notes, with interest rates between 1.75% and 3.5%, to finance field and administrative facility replacement and renovation. The outstanding balance as of December 31, 2018 was \$20,390,000.

The 2012 Promissory Notes are limited obligations of the District, payable solely from limited ad valorem property taxes levied upon certain taxable property within the District or from other funds legally available.

The Notes are subject to optional and mandatory early redemption provisions.

The Notes were issued at a \$387,673 premium, which is being amortized over the 25-year life of the Notes, resulting in annual amortization of \$15,507.

Measure AA 2008 General Obligation Refunding Bonds – The District issued General Obligation (GO) Refunding Bonds in the amount of \$75,600,000, with interest rates ranging from 3.49% to 5.25%, on July 3, 2008. The bond proceeds were placed in an irrevocable trust for the payment of principal and interest on the 1998 General Obligation Refunding Bonds and to all outstanding bonds of \$80,035,000 on September 1, 2009. The outstanding principal of \$2,090,000 was paid in full prior to December 31, 2018.

Measure WW 2009 General Obligation Bonds – The District issued General Obligation (GO) Bonds Series 2009A in the amount of \$80,000,000, with interest rates ranging from 2.25% to 5.0%, on October 14, 2009. The purpose of the 2009 bonds was to finance acquisition of land, and for developing and improving recreational space of the District. The outstanding balance as of December 31, 2018 was \$9,290,000.

The District is empowered and is externally obligated to levy ad valorem taxes, without limitation as to rate or amount, upon certain property subject to taxation within the District, for the payment of interest and principal of the GO Series 2009 Bonds.

The Bonds are subject to optional early redemption provisions.

The Bonds were issued at a premium of \$7,522,085, which is being amortized over the 20-year life of the Bonds, resulting in annual amortization of \$376,104.

Measure WW 2013 General Obligation Bonds – The District issued General Obligation (GO) Bonds Series 2013 in the amount of \$80,000,000, with interest rates ranging from 1.0% to 5.0%, on July 31, 2013. The purpose of the 2013 bonds was to finance acquisition of land, and for developing and improving recreational space of the District. The outstanding debt balance at December 31, 2018 was \$25,995,000.

The District is empowered and is externally obligated to levy ad valorem taxes, without limitation as to rate or amount, upon certain property subject to taxation within the District, for the payment of interest and principal of the GO Series 2013 Bonds.

The Bonds are subject to optional early redemption provisions.

The Bonds were issued at a premium of \$4,653,469, which is being amortized over the 20-year life of the Bonds, resulting in annual amortization of \$232,673.

Measure WW 2017A General Obligation Bonds – The District issued General Obligation (GO) Bonds Series 2017A-1 and 2017A-2 in the amount of \$80,000,000, with interest rates ranging from 2.875% to 5%, on December 6, 2017. The purpose of the 2017 bonds was to finance acquisition of land, and for developing and improving recreational space of the District. The outstanding debt balance at December 31, 2018 was \$80,000,000. The bonds are subject to optional early redemption provisions.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

The bonds were issued at a premium of \$7,268,533, which is being amortized over the 20-year life of the Bonds, resulting in an annual amortization of \$363,427.

Measure WW 2017B General Obligation Refunding Bonds –The District issued General Obligation Refunding Bonds 2017 B-1 and B-2 in the amount of \$44,550,000 on December 6, 2017, with interest rates ranging from 4.0% to 5.0%. The bond proceeds were placed in an irrevocable trust for payment of principal and interest on a portion of the 2009 General Obligation Bonds. The outstanding principal of the refunding bonds as of December 31, 2018 was \$43,880,000.

The District is empowered and externally obligated to levy ad valorem taxes, without limitation as to rate or amount, upon certain property subject to taxation within the District, for the payment of interest and principal of the 2017 GO Refunding Bonds.

The Bonds are subject to optional early redemption provisions.

The Bonds were issued at a premium of \$9,092,991, which will be amortized over the 12-year life of the Bonds, resulting in an annual amortization of \$757,749.

Defeased Debt – In 2009 the District issued 2009 General Obligation Refunding Bonds which were used to defease a portion of the outstanding principal of the 2006 Refunding, and 2008 Refunding Bonds in the amount of \$18,075,000. The proceeds of the new debt were used to purchase U.S. government securities, which were placed in a separate, irrevocable trust fund. The investments, and fixed earnings from the investments, are expected to be sufficient to fully service the defeased debt, until the debt is called or matures. For financial reporting purposes, the debt is considered defeased. Consequently, the related trustee assets and liabilities are not included in the District’s financial statements. Defeased debt outstanding on the issuance is \$8,555,000 at December 31, 2018.

In 2017 the District issued 2017 advance refunding bonds, the proceeds of which were used to defease a portion of the outstanding principal of the 2009 General Obligation Bonds in the amount of \$50,410,000. The proceeds of the new debt were used to purchase U.S. government securities, which were placed in a separate, irrevocable trust fund. The investment, and fixed earnings from the investments, are expected to be sufficient to fully service the defeased debt, until the debt is called or matures. For financial reporting purposes, the debt is considered defeased. Consequently, the related trustee assets and liabilities are not included in the District’s financial statements. Defeased debt outstanding on this issuance was \$50,410,000 at December 31, 2018.

D. Compensated Absences

The District records a liability to recognize the financial effect of unused vacation and other compensated leaves. The total of vacation and other compensated leaves was \$6,373,324 at December 31, 2018. The District uses the General Fund to liquidate compensated absences recorded in the governmental activities.

E. Accrued Claims

The District records current and long term liabilities to recognize incurred but not reported claims in proprietary funds for self-insured general liability, workers’ compensation and dental benefits as follows:

| | January 1, 2018 | Claims incurred | Claims paid | December 31, 2018 | Due within One Year | Due in More than One Year |
|-----------------------|----------------------|---------------------|-----------------------|----------------------|------------------------|------------------------------|
| Workers' compensation | \$ 8,646,000 | \$ 2,314,232 | \$ (1,947,232) | \$ 9,013,000 | \$ 1,742,577 | \$ 7,270,423 |
| General liability | 1,346,000 | 311,850 | (257,850) | 1,400,000 | 461,130 | 938,870 |
| Dental benefits | 61,143 | 1,266,910 | (1,263,057) | 64,996 | 64,996 | - |
| | <u>\$ 10,053,143</u> | <u>\$ 3,892,992</u> | <u>\$ (3,468,139)</u> | <u>\$ 10,477,996</u> | <u>\$ 2,268,703</u> | <u>\$ 8,209,293</u> |

F. Notes Payable

The District recorded a liability of \$3,032,366 related to the Borel property described in Note 3 (Notes Receivable) to recognize the prospective property sale proceeds which will be utilized to offset the related notes receivable of the same amount.

8. FUND EQUITY

A. Classification of Governmental Fund Balances

Fund balance classifications report a hierarchy based upon the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

- Nonspendable – amounts that cannot be spent because they are (1) not in spendable form, such as prepaid, inventories and long-term receivables, or (2) legally or contractually required to remain intact.
- Restricted – amounts that are restricted by external parties such as imposed by grantors, via contracts, by laws, or per regulation or by constitutional provision or enabling legislation.
- Committed – amounts that can be used only for the specific purposes determined by a formal action of the government’s highest level of decision-making authority.
- Assigned – amounts which are intended to be used for a specific purpose, but do not meet the criteria of restricted or committed, including the remaining fund balance in all governmental funds, except the General Fund.
- Unassigned – negative fund balance amounts, or the residual amounts in the General Fund that have no restrictions placed upon them.

The District applies GASB Statement No. 54 when considering the order of spending of unrestricted amounts when an expenditure is incurred for which amounts in any of the unrestricted fund balance classification could be used. Therefore, the District uses committed resources first, then assigned resources, and unassigned resources last, as they are needed. The District considers restricted, committed, assigned and unassigned amounts to have been spent when an expenditure is incurred for purposes allowable.

Governmental fund balances are committed only through formal action of the governing body via Board of Directors resolution. Modification or rescission of fund balance commitments also require resolution of the Board.

In the General Fund, the Board has delegated the authority to make assignments of fund balance to management (i.e. Assistant General Manager Finance and Management Services/CFO, and General Manager). Fund balances in other funds are assigned according to the purpose of the fund.

During 2013 the Board of Directors approved resolution number 2013-10-233, the General Fund Reserve (Unassigned) Fund Balance Policy. That policy defines the intent and uses of the unassigned fund balance and establishes the appropriate target amount to be held (minimum general fund reserve fund balance in unassigned fund balance). The minimum reserve fund balance amount is currently set at 32% of annual revenue. The CFO has the responsibility to review this percentage, and make recommendations to the Board, if change is warranted considering all factors involved in determining appropriate amount of minimum General Fund Reserve.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

The following is detail of the categories of governmental funds' fund balances at December 31, 2018.

| | General Fund | Debt Service Fund | Project Fund | Non-Major Funds | Total Governmental Funds |
|---|-----------------------|----------------------|-----------------------|----------------------|--------------------------|
| Nonspendable | | | | | |
| Endowment corpus | \$ - | \$ - | | \$ 4,693,503 | \$ 4,693,503 |
| Consumable supplies | 588,363 | - | - | - | 588,363 |
| Prepaid items and deposits | 65,905 | - | - | - | 65,905 |
| Total Nonspendable | 654,268 | - | - | 4,693,503 | 5,347,771 |
| Restricted | | | | | |
| Debt Service/bond proceeds | - | 15,841,971 | 93,566,431 | - | 109,408,402 |
| Future pension contributions | 5,661,308 | - | - | - | 5,661,308 |
| Deposits | - | - | 1,736,037 | - | 1,736,037 |
| Park maintenance and operations | 2,748,782 | - | - | 546,641 | 3,295,423 |
| Capital projects | - | - | 19,043,860 | - | 19,043,860 |
| Endowment earnings | - | - | - | 513,770 | 513,770 |
| Operating agreements | 27,292,190 | - | - | 11,853,322 | 39,145,512 |
| Trail operations | - | - | - | 2,899,330 | 2,899,330 |
| Total Restricted | 35,702,280 | 15,841,971 | 114,346,328 | 15,813,063 | 181,703,642 |
| Committed | | | | | |
| Fire fuel reduction grant match | - | - | 380,245 | - | 380,245 |
| Land acquisition/development | - | - | 6,813,691 | - | 6,813,691 |
| Mitigation | - | - | - | 1,193,131 | 1,193,131 |
| Coyote Hills-Dumbarton Quarry | - | - | - | 482,994 | 482,994 |
| Capital projects | - | - | 18,572,212 | - | 18,572,212 |
| Revenue take-away contingency | 14,390,000 | - | - | - | 14,390,000 |
| Workers' compensation contingency | 2,000,000 | - | - | - | 2,000,000 |
| Total Committed | 16,390,000 | - | 25,766,148 | 1,676,125 | 43,832,273 |
| Assigned | | | | | |
| Budgeted first quarter expenditures | 9,206,225 | - | - | - | 9,206,225 |
| Long-term notes receivable | - | - | 3,032,366 | - | 3,032,366 |
| Gifts for park maintenance and improvement: | - | - | - | 1,199,877 | 1,199,877 |
| Legal contingency | 600,000 | - | - | - | 600,000 |
| Martin Luther King Jr. Internship | - | - | - | 147,514 | 147,514 |
| Mitigation | - | - | - | 74,216 | 74,216 |
| Total Assigned | 9,806,225 | - | 3,032,366 | 1,421,607 | 14,260,198 |
| Unassigned | 64,148,146 | - | - | (3,645) | 64,144,501 |
| Total Fund Balances | \$ 126,700,919 | \$ 15,841,971 | \$ 143,144,842 | \$ 23,600,653 | \$ 309,288,385 |

9. DEFERRED COMPENSATION

Employees may participate in a deferred compensation program (457 plan) at their option. Additionally, management employees may participate in a 401(a) plan. These plans are maintained by a third party, and the related financial information is not included in these financial statements. The District did not contribute to this plan in 2018.

10. OTHER POST-EMPLOYMENT BENEFITS

Plan Description: In addition to the pension benefits described in Note 11, the District provides post-retirement healthcare benefits to its retirees in accordance with labor agreements and District policy. The District contributes to the California Employers' Retiree Benefit Trust (CERBT), an agent multiple employer plan, administered by CalPERS and managed by an appointed board not under the control of the District. The trust is not considered a component unit by the District and has been excluded from these financial statements. CalPERS issues a publicly available Comprehensive Annual Financial Report that includes financial statements and required supplementary information which may be obtained from CalPERS at P.O. Box 942709, Sacramento, California 94229.

Benefits Provided:

A summary of the benefits provided are described below:

- 2428 Union Employees pre-Medicare:
 - The District pays \$100 or \$200 per month towards medical premiums for any employee who works for the District until at least age 55 and retires with at least 10 or 20 or more years of service, respectively. The benefit discontinues at age 65 when Medicare coverage commences.

- 2428 Union Employees post-Medicare hired after 1/1/2012:
 - Eligible for CalPERS Health with District providing the Public Employees' Medical & Hospital Care Act (PEMHCA) contribution. The minimum employer contribution is updated annually as prescribed by California Government Code section 22892 of the PEMHCA based on the medical care component of the Consumer Price Index.

- 2428 Union Employees post-Medicare hired before 1/1/2012:
 - Each retired employee and spouse (upon spouse reaching age 65), is offered one of the following options at District expense:
 - Enrollment in the AARP Medicare Supplement and Rx Plan, or
 - Reimbursement in an amount equal to the amount required to fund the AARP option.

- Police Association Employees:
 - The District contributes to future retiree medical at a cost equal to the PEMHCA minimum amount, which was \$133 per month per retiree in 2018.

- Management/Confidential Employees pre-Medicare hired or promoted on or after 1/1/2003:
 - If the retiree has at least 10 or 20 years of service as a regular employee, the District will pay \$250 or \$300 a month, respectively, toward medical.

- Management/Confidential Employees pre-Medicare hired or promoted before 1/1/2003:
 - Family medical benefits will be provided at the medical plan rates for employees who retire from the District until age 65, when Medicare commences.

- Management/Confidential Employees post-Medicare hired after 1/1/2012:

Eligible for choice of either:

 - If employee is enrolled in CalPERS Health with District, the District will provide the PEMHCA contribution. The minimum employer contribution is updated annually as prescribed by California.
 - Government Code section 22892 of the PEMHCA based on the medical care component of the Consumer Price Index.

- Management/Confidential Employees post-Medicare hired or promoted before 1/1/2003:
 - The cost of Medicare, Part B, will be provided thereafter for employee and spouse (upon spouse turning 65)
 - Each retired employee and spouse (upon spouse reaching age 65), is offered one of the following options at District expense:
 - Enrollment in the AARP Medicare Supplement and Rx plan, or
 - Reimbursement in an amount equal to the amount required to fund the AARP option.

East Bay Regional Park District

Notes to the Basic Financial Statements, continued

For the year ended December 31, 2018

- Management employees at the level of Assistant General Manager or General Manager with 20 years of District Service, upon reaching age 65, will be offered the opportunity to continue enrollment in the CalPERS Medicare Supplement, or the AARP Plan at the District expense for retiree and spouse, integrated with Medicare. Those managers with 15 years of District service, are offered the opportunity to continue enrollment in CalPERS Supplemental or the AARP Supplemental Plan at the District expense, for the retiree only. The retiree would have to reimburse the District for the premium cost for the spouse.
- Management/Confidential Employees post-Medicare hired on or after 01/01/2003, but before 01/01/2012:
 - Shall receive the greater of either the pre-Medicare monthly reimbursement based on District Service or enrollment in an AARP Extended Medicare Supplemental Plan or Reimbursement of the premium rate required to fund the AARP option.
- Management employees at the level of Assistant General Manager (AGM) or General Manager (GM) level hired or promoted on or after 01/01/2003 but before 01/01/2012:
 - Pre-Medicare:
 - A retiree with at least 10 or 20 total years of service as a regular employee, are eligible to receive \$300 or \$350 per month, respectively.
 - Post-Medicare:
 - Upon turning 65, each retiree hired prior to 01/01/12, will be eligible for the greater of either:
 - Retiree reimbursement based on years of service (Pre-Medicare reimbursement), or
 - Enrollment for retiree and spouse (if applicable), in an AARP Extended Medicare Supplemental plan; or
 - Reimbursement of the premium paid by the retiree for medical coverage equal to the amount required to fund the AARP option
- Board Members
 - Board members who retire from the Board with 12 or more years of service (three terms) are eligible for the same benefits as pre-2003 Management and Confidential employees, at District expense. Board members who retire with less than 12 years of service are eligible for these benefits at their own expense.

Employees Covered: At June 30, 2018, the following employees were covered by the benefit terms:

| | |
|--|--------------|
| Inactive employees or beneficiaries currently receiving benefit payments | 459 |
| Inactive employees entitled to but not yet receiving benefit payments | 10 |
| Active employees | 667 |
| Total | <u>1,136</u> |

Contributions: The District Board is granted the authority to establish and amend contribution requirements of the District. The District establishes separate rates for each of the employee groups based on actuarially determined rates from annual actuarial valuation reports. The District pays all costs of the plan, except for the participation of retirees who pay District group medical and dental premiums. For the fiscal year 2018, the District contributed a total of \$5,044,044 as trust contributions to the plan.

East Bay Regional Park District
 Notes to the Basic Financial Statements, continued
 For the year ended December 31, 2018

Net OPEB Liability: The District's net OPEB liability was measured as of June 30, 2018 and the total OPEB liability was determined by an actuarial valuation as of June 30, 2017. The total OPEB liability in the June 30, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| | |
|----------------------------|---|
| Valuation date | June 30, 2017 |
| Measurement date | June 30, 2018 |
| Actuarial cost method | Entry age normal cost method |
| Actuarial assumptions: | |
| Discount Rate | 6.75% |
| Inflation Rate | 2.50% |
| Salary Increases | 2.75% |
| Mortality Improvement | Based on assumptions for Public Agency Miscellaneous, Police and Fire members published in the December 2017 CalPERS Experience Study |
| Healthcare cost trend rate | Non-medicare - 6.4% for 2019, decreasing to 4.00% in 2076 Medicare - 5.1% for 2019, decreasing to 4.00% in 2076 |

The long-term expected rate of return on OPEB plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected return, net of OPEB plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation for each major asset class are summarized in the following table:

| <u>Asset Class</u> | <u>Target Allocation</u> |
|------------------------|--------------------------|
| Global Equity | 57.0% |
| Global Debt Securities | 27.0% |
| Inflation Assets | 5.0% |
| REITs | 8.0% |
| <u>Commodities</u> | <u>3.0%</u> |
| Total: | 100.0% |

Discount Rate: The discount rate used to measure the total OPEB liability was 6.75%. The projection of cash flows used to determine the discount rate assumed that the District's contributions will be made at rates equal to the actuarially determined contribution rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to be available to make all projected OPEB payments for current active and inactive employees and beneficiaries. Therefore, the long-term expected rate of return on OPEB plan investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

Changes in Net OPEB Liability: The changes in the net OPEB liability for the District's Plan are as follows:

| | Increase / (Decrease) | | |
|------------------------------|-------------------------|---------------------------|-----------------------|
| | Total OPEB Liability | Fiduciary Net Position | Net OPEB Liability |
| Balance at December 31, 2017 | \$ 72,066,657 | \$ 47,959,773 | \$ 24,106,884 |
| Changes During the Period: | | | |
| Service cost | 1,940,274 | - | 1,940,274 |
| Interest cost | 4,908,454 | - | 4,908,454 |
| Employer contributions | - | 5,259,999 | (5,259,999) |
| Net investment income | - | 3,935,458 | (3,935,458) |
| Administrative expenses | - | (26,693) | 26,693 |
| Benefit payments | (2,578,195) | (2,578,195) | - |
| Other deductions | - | (63,450) | 63,450 |
| Net changes | 4,270,533 | 6,527,119 | (2,256,586) |
| Balance at December 31, 2018 | \$ 76,337,190 | \$ 54,486,892 | \$ 21,850,298 |

OPEB Plan Fiduciary Net Position – Detailed information about each pension plans' fiduciary net position is available in separately issued CalPERS financial reports.

Sensitivity of the net OPEB liability to Changes in the Discount Rate – The following presents the net OPEB liability of the District if it were calculated using a discount rate that is one percentage point lower (5.75%) or one percentage point higher (7.75%) than the current discount rate:

| | Current Discount | | |
|--------------------|----------------------|---------------|----------------------|
| | 1% Decrease 5.75% | Rate 6.75% | 1% Increase 7.75% |
| Net OPEB Liability | \$ 32,343,431 | \$ 21,850,298 | \$ 13,192,117 |

Sensitivity of the net OPEB liability to Changes in the Health Care Cost Trend Rate – The following presents the net OPEB liability of the District if it were calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current health care cost trend rates:

| | 1% Decrease | Current Rate | 1% Increase |
|--------------------|---------------|---------------|---------------|
| Net OPEB Liability | \$ 12,033,244 | \$ 21,850,298 | \$ 33,988,684 |

Recognition of Deferred Outflows and Deferred Inflows of Resources – For the fiscal year ended December 31, 2018, the District recognized OPEB expense of \$3,451,818. As of fiscal year ended December 31, 2018, the District reported deferred inflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | (Deferred Inflows of Resources) |
|---|-----------------------------------|------------------------------------|
| District contributions subsequent to measurement date | \$ 3,179,338 | \$ - |
| Net difference between projected and actual investment earnings | - | (448,405) |
| Total | \$ 3,179,338 | \$ (448,405) |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

At December 31, 2018, the District reported deferred outflows of resources in the amount of \$3,179,338 for contributions subsequent to the measurement date. This amount will be recognized as an OPEB expense in fiscal year 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year ended June 30 | |
|--------------------|---------------------|
| 2019 | \$ (112,101) |
| 2020 | (112,101) |
| 2021 | (112,101) |
| 2022 | (112,102) |
| Total | <u>\$ (448,405)</u> |

11. PENSION PLANS

The District has four defined benefit retirement plans: the East Bay Regional Park District General Employees Plan, the East Bay Regional Park District Sworn Safety Plan, the California Public Employees’ Retirement System (CalPERS) Miscellaneous Plan, and the CalPERS Safety Plan. The plans provide retirement and disability benefits, annual cost of living adjustments and death benefits to plan members and their beneficiaries. The liability for pension-related debt has been liquidated primarily by the General Fund.

| | Net Pension Liability | Deferred Outflows of Resources | Deferred Inflows of Resources |
|----------------------------|--------------------------|--------------------------------------|----------------------------------|
| CalPERS Miscellaneous Plan | \$ 90,418,621 | \$ 21,602,600 | \$ 3,323,925 |
| CalPERS Safety Plan | 20,265,829 | 5,225,103 | 1,569,236 |
| EBRPD General Plan | 14,205,687 | 627,889 | - |
| EBRPD Sworn Safety Plan | 1,970,967 | 63,155 | - |
| | <u>\$ 126,861,104</u> | <u>\$ 27,518,747</u> | <u>\$ 4,893,161</u> |

A. East Bay Regional Park District Retirement Plans

Plan Description. The District contributes to the East Bay Regional Park District (EBRPD) Plans, single employer defined benefit pension plans, to provide retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. The EBRPD Plans are administered by Transamerica Retirement Services. Benefit provisions are established by Resolution of the Board of Directors. Board oversight over the Plans is provided by the District’s Board of Directors. The EBRPD plans have been closed since January 1, 2001, and January 1, 2000, for the General Employees Plan and the Sworn Safety Plan, respectively. All new and eligible employees hired after these dates are enrolled in CalPERS Public Employees Retirement System (a multiemployer defined benefit pension system) described in footnote 11 B.

Membership in the EBRPD Plans comprised the following at January 1, 2018:

| | General Plan | Sworn Safety Plan |
|---|--------------|----------------------|
| Active plan members | 4 | - |
| Retirees and beneficiaries currently receiving benefits | 176 | 30 |
| Vested terminated employees | 4 | 1 |
| Total | <u>184</u> | <u>31</u> |

East Bay Regional Park District

Notes to the Basic Financial Statements, continued

For the year ended December 31, 2018

Benefits Provided. The EBRPD Plan provides retirement and disability benefits (sworn only), annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment, age and the average of the final 3 years compensation. General Employee Plan members with five years of continuous service are eligible to retire at age 58 with a 2.3% benefit formula or take early retirement at age 48 with statutorily reduced benefits. Sworn Safety Plan members with five years of continuous service are eligible to retire at age 50 with a 2% benefit formula (capped at 75% of average salary), with an actuarial increase for commencement after age 50. Sworn members are eligible for non-duty disability benefits after 5 years of service at a reduced benefit rate. Miscellaneous and sworn employees' pre-retirement death benefit may be a single sum cash payment, or in the form of a life annuity. Post-retirement, surviving spouse death benefit is based on the participants' elected annuity provisions, and may extend for the life of the designated beneficiary, depending on the election made. Cost of living adjustments are a maximum of 2% at age 70 for the General Employee Plan and a maximum of 2% effective two years after retirement for Sworn Safety Plan members.

Investments. In accordance with the Investment Policy for the EBRPD Plan, as approved by the Board of Directors in October 2016, investments are reported at fair market value. The investment goal is to prudently invest Plan assets to obtain the highest possible returns to best fund the payments due retired employees while assuming a reasonable risk posture and protecting against loss of purchasing power. At the same time, the fund shall maintain an adequate percentage of the portfolio directly and/or indirectly in liquid short-term securities to meet requirements for cash flow.

The EBRPD Plans include asset allocation targets as noted below:

| | <u>Target</u> | <u>Actual</u> | <u>Fair Value</u> |
|-----------------|----------------------|----------------------|--------------------------|
| Domestic Equity | 40.00% | 40.46% | \$ 16,139,112 |
| Fixed Income | 48.00% | 47.27% | 18,855,581 |
| International | 10.00% | 10.14% | 4,045,717 |
| Cash | 2.00% | 2.13% | 850,012 |
| Total | <u>100.00%</u> | <u>100.00%</u> | <u>\$ 39,890,422</u> |

Rate of Return

The annual money-weighted rate of return for the year ended December 31, 2018, net of plan investment expenses, was (3.4%).

Contributions. The Board Operating Guidelines grant the authority to establish and amend the contribution requirements of the District and active employees to the District's Board of Directors. The District establishes rates based on an actuarially determined rate recommended by an independent actuary. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by Plan members 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 plan members. Management employees' contribution rate is 8.15%, and non-management employees' contribution rate is 8.55% for the General Employees Plan. At the end of 2018, employees were contributing 6% of employee portion, with the District paying the balance. The total employee portion was \$8,077, with the District paying \$3,387 of that amount.

Net Pension Liability. The net pension liability was measured as of December 31, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2017. The changes in the net pension liability at December 31, 2018 were as follows:

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

| | General Employees Retirement Plan | | |
|---|-----------------------------------|--------------------------------|----------------------------------|
| | Single Employer Defined | | |
| | Benefit Pension Plan | | |
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at December 31, 2017 | \$ 50,948,169 | \$ 38,287,462 | \$ 12,660,707 |
| Changes in the year: | | | |
| Service cost | 58,000 | - | 58,000 |
| Interest on the total pension liability | 2,163,348 | - | 2,163,348 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | 955,882 | - | 955,882 |
| Contribution - employer | - | 2,981,000 | (2,981,000) |
| Contribution - employee | - | 13,943 | (13,943) |
| Net Investment income | - | (1,302,659) | 1,302,659 |
| Administrative expenses | - | (60,034) | 60,034 |
| Benefit payments, including refunds of employee contributions | (3,678,381) | (3,678,381) | - |
| Net changes | (501,151) | (2,046,131) | 1,544,980 |
| Balance at December 31, 2018 | <u>\$ 50,447,018</u> | <u>\$ 36,241,331</u> | <u>\$ 14,205,687</u> |

| | Sworn Safety | | |
|---|----------------------------|--------------------------------|----------------------------------|
| | Single Employer Defined | | |
| | Benefit Pension Plan | | |
| | Increase (Decrease) | | |
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at December 31, 2017 | \$ 5,746,170 | \$ 3,726,733 | \$ 2,019,437 |
| Changes in the year: | | | |
| Interest on the total pension liability | 246,351 | - | 246,351 |
| Differences between actual and expected experience | - | - | - |
| Changes in assumptions | (77,933) | - | (77,933) |
| Contribution - employer | - | 351,750 | (351,750) |
| Contribution - employee | - | - | - |
| Net Investment income | - | (128,919) | 128,919 |
| Administrative expenses | - | (5,943) | 5,943 |
| Benefit payments, including refunds of employee contributions | (294,532) | (294,532) | - |
| Net changes | (126,114) | (77,644) | (48,470) |
| Balance at December 31, 2018 | <u>\$ 5,620,056</u> | <u>\$ 3,649,089</u> | <u>\$ 1,970,967</u> |
| Totals of both plans | <u>\$ 56,067,074</u> | <u>\$ 39,890,420</u> | <u>\$ 16,176,654</u> |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension –

For the year ended December 31, 2018, the District’s recognized pension expense for the General and Safety plans of \$1,740,090 and \$26,924, respectively. At December 31, 2018 the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the General and Safety Plans:

| | <u>Single Employer Plan</u> | <u>Single Employer Plan</u> | <u>Total</u> |
|--|-----------------------------|-----------------------------|---------------------------|
| | <u>Deferred</u> | <u>Deferred</u> | <u>Deferred</u> |
| | <u>Outflows/(Inflows)</u> | <u>Outflows/(Inflows)</u> | <u>Outflows/(Inflows)</u> |
| | <u>of Resources</u> | <u>of Resources</u> | <u>of Resources</u> |
| Net difference between projected and actual earnings on pension plan investments | \$ 627,889 | \$ 63,155 | \$ 691,044 |
| | <u>\$ 627,889</u> | <u>\$ 63,155</u> | <u>\$ 691,044</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expenses as follows:

| <u>Ended Dec. 31:</u> | <u>General</u> | <u>Sworn Safety</u> | <u>Total</u> |
|-----------------------|-------------------|---------------------|-------------------|
| | <u>Plan</u> | <u>Plan</u> | |
| 2019 | \$ 198,222 | \$ 19,889 | \$ 218,111 |
| 2020 | (135,778) | (13,911) | (149,689) |
| 2021 | (31,778) | (1,911) | (33,689) |
| 2022 | 597,223 | 59,088 | 656,311 |
| | <u>\$ 627,889</u> | <u>\$ 63,155</u> | <u>\$ 691,044</u> |

Actuarial Assumptions.

| | <u>EBRPD General and Sworn Safety Plans</u> |
|---------------------------|---|
| Valuation Date | January 1, 2017 |
| Measurement Date | December 31, 2018 |
| Actuarial Cost Method | Entry Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 4.16% |
| Payroll Growth | 2.50% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Investment Rate of Return | 4.16% |
| Mortality | Based on assumptions for Public Agency Safety members published in the December 2017 CalPERS experience study |

The Discount Rate was set equal to the long-term expected rate of return. The long-term expected rate of return was used since current assets, future District contributions, and future member contributions are projected to be sufficient to cover all future benefit payments and expenses. The “crossover test” was performed in accordance with the requirements specified in GASB Statement 67, including a projection that the Plan’s funding policy will remain unchanged.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

The Discount Rate (long-term expected rate of return) was lowered from 4.40% to 4.16% and was derived based on the inflation assumption of 2.5% and the following asset allocation:

- 50% equities, 48% fixed income, and 2% cash through 2021
- 40% equities, 55% fixed income and 5% cash for 2022 to 2024, and
- 15% equities, 80% fixed income and 5% cash after 2025.

The short-term (10-year horizon) geometric real rates of return were assumed to be 3.8% for domestic equity, 4.5% for international equity, and 1.1% for fixed income. The long-term (20+ year horizon) geometric real rates of return were assumed to be 5.0% for domestic equity, 5.2% for international equity, and 2.0% for fixed income.

Sensitivity of the Net Pension Liability to Changes in the Discount Rate – The following presents the net pension liability of the Plans, calculated using the discount rate above, as well as what the employer’s net pension liability would be if it were calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| | General Employees Retirement Plan | Sworn Safety Retirement Plan | Total |
|-----------------------|--------------------------------------|---------------------------------|---------------|
| 1% Decrease | 3.16% | 3.16% | |
| Net Pension Liability | \$ 19,051,696 | \$ 2,646,557 | \$ 21,698,253 |
| Current Discount Rate | 4.16% | 4.16% | |
| Net Pension Liability | \$ 14,205,687 | \$ 1,970,967 | \$ 16,176,654 |
| 1% Increase | 5.16% | 5.16% | |
| Net Pension Liability | \$ 10,041,204 | \$ 1,403,451 | \$ 11,444,655 |

The EBRPD Retirement Plans do not issue separate, audited financial statements.

B. CalPERS – Miscellaneous and Safety Employees’ Pension Plans

The District contributes to the California Public Employee Retirement System (CalPERS). The miscellaneous employees of the District are part of an agent multiple-employer defined benefit pension plan. The safety employees are part of a cost-sharing multiple-employer defined benefit plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and District 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.

Miscellaneous Plan

Plan Description. The Miscellaneous Plan is an agent multiple-employer defined benefit pension plan which act as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan is established by State statute and District resolution.

Benefits Provided. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment, age and the average of the final 3 years compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied by the Public Employees’ Retirement Law. The plans’ provisions and benefits in effect at December 31, 2018, are summarized as follows:

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
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**Miscellaneous Plan
Agent-Multiple**

| | AFSCME, non-POA, Mangmt/Conf | | POA non-sworn | |
|---|------------------------------|-------------------|-------------------|-------------------|
| | Classic Member | PEPRA Member | Classic Member | PEPRA Member |
| Hire date | Prior to 1/1/2013 | On/After 1/1/2013 | Prior to 1/1/2013 | On/After 1/1/2013 |
| Benefit formula ⁽¹⁾ | 2.5% @55 | 2.0% @62 | 2.5% @55 | 2.0% @62 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 | 52 | 50 | 52 |
| Monthly benefits, as a % of annual salary | 2% to 2.7% | 2% to 2.7% | 2% to 2.7% | 2% to 2.7% |
| Required employee contribution rate | 8.000% | 6.250% | 8.000% | 6.250% |
| Required employer contribution rate | 26.651% | 26.651% | 26.651% | 26.651% |

(1) Newly hired Misc Employees will be enrolled in the 2% at 60 or 2% at 62 formula, dependent on the individual's eligibility, as per AB340.

Employees Covered. At December 31, 2018, the following employees were covered by the benefit terms of the Miscellaneous Plan.

| | |
|--|-------|
| Inactive employees or beneficiaries currently receiving benefits | 313 |
| Inactive employees entitled to but not yet receiving benefits | 242 |
| Active employees | 599 |
| Total | 1,154 |

Contributions. Sections 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for both Plans 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 rates of employees. For the year ended December 31, 2018, the District made the annual required employer contributions to the Miscellaneous Plan of \$11,723,588.

Net Pension Liability. The District's net pension liability for the Miscellaneous Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan was measured as of June 30, 2018, using an annual actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard update procedures.

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous Plan:

| | |
|---------------------------|--|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Payroll Growth | 2.75% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Mortality | Derived using CalPERS' membership for data for all funds |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
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The mortality table used for Miscellaneous Plan was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained in CalPERS' website under Forms and Publications.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension. At December 31, 2018, the District recognized pension expense of \$13,438,692 for the Miscellaneous Plan.

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Miscellaneous Plan:

| | Miscellaneous Plan | |
|--|--------------------------------------|-------------------------------------|
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date | \$ 9,724,104 | \$ - |
| Differences between actual and expected experience | 1,514,724 | (256,542) |
| Changes in assumptions | 10,256,464 | (3,067,383) |
| Net difference between projected and actual earnings on pension plan investments | 107,308 | - |
| | \$21,602,600 | \$ (3,323,925) |

The \$9,724,104 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 year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Measurement Periods Ended June 30: | Miscellaneous Plan |
|---------------------------------------|-----------------------|
| 2019 | \$ 5,098,767 |
| 2020 | 3,637,580 |
| 2021 | 677,329 |
| 2022 | (818,634) |
| 2023 | (40,471) |
| | \$ 8,554,571 |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
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Discount Rate. The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each 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 of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contribution on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) 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 each 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.

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2016.

| Asset Class | Target 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 Assets | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| | <u>100.0%</u> | | |

(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 Net Pension Liability to changes in the Discount rate. The following presents the net pension liability of the District for the Miscellaneous Plan, calculated using the discount rate as well as what the District's 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:

| | Agent-Multiple Miscellaneous Plan |
|--|---|
| 1% Decrease Net Pension Liability | 6.15% \$ 133,923,589 |
| Current Discount Rate Net Pension Liability | 7.15% \$ 90,418,621 |
| 1% Increase Net Pension Liability | 8.15% \$ 54,309,550 |

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

Changes in the Net Pension Liability - The changes in the Net Pension Liability measured as of June 30, 2018 for the Miscellaneous Plan is as follows:

| | Increase (Decrease) | | |
|---|----------------------------|--------------------------------|----------------------------------|
| | Total Pension Liability | Plan Fiduciary Net Position | Net Pension Liability/(Asset) |
| Balance at December 31, 2017 | \$ 311,451,983 | \$ 217,690,716 | \$ 93,761,267 |
| Changes in the year: | | | |
| Service cost | 7,569,240 | - | 7,569,240 |
| Interest on the total pension liability | 21,992,731 | - | 21,992,731 |
| Change in assumptions | (2,481,264) | - | (2,481,264) |
| Differences between actual and expected experience | 1,429,018 | - | 1,429,018 |
| Net plan to plan resource movement | - | (546) | 546 |
| Contribution - employer | - | 10,688,382 | (10,688,382) |
| Contribution - employee | - | 3,579,751 | (3,579,751) |
| Net Investment income | - | 18,568,195 | (18,568,195) |
| Administrative expenses | - | (339,222) | 339,222 |
| Other Misc Income (Expense) | - | (644,189) | 644,189 |
| Benefit payments, including refunds of employee contributions | (13,187,413) | (13,187,413) | - |
| Net changes | 15,322,312 | 18,664,958 | (3,342,646) |
| Balance at December 31, 2018 | \$ 326,774,295 | \$ 236,355,674 | \$ 90,418,621 |

Pension Plan Fiduciary Net Position – Detailed information about the pension plans' fiduciary net position is available in the separately issued CalPERS financial reports.

Safety Plan

A. General Information

Plan Description. The District's Safety Plan is a cost-sharing multiple-employer defined benefit pension plan administered by CalPERS since the plans have less than 100 active members, commonly referred to as risk pool. The District has four retirement benefit cost pools or tiers. Classic tier for all safety employees including Police and Fire hired prior to March 31, 2012. Police Tier II and Fire Tier II for employees hired prior to January 1, 2013. Police and Fire PEPPRA is for employees hired on or after January 1, 2013.

Benefits Provided. CalPERS provides retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees, and their beneficiaries. Benefits are based on years of credited service, equal to one year of full-time employment, age and the average of the final 3 years compensation. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: The Basic Death Benefit, the 1959 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied by the Public Employees' Retirement Law. The plans' provisions and benefits in effect at December 31, 2018, are summarized as follows:

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

**Safety Plan
Cost Sharing**

| | Fire-Sworn | | Police-sworn | |
|---|--------------------|--|--------------------|--|
| | Classic Member | Tier 2 Member | Classic Member | Tier 2 Member |
| Hire date | Prior to 3/31/2012 | On/After 3/31/2012 and before 1/1/2013 | Prior to 3/31/2012 | On/After 3/31/2012 and before 1/1/2013 |
| Benefit formula ⁽¹⁾ | 3.0%@50 | 3.0%@55 | 3.0%@50 | 3.0%@55 |
| Benefit vesting schedule | 5 years service | 5 years service | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life | monthly for life | monthly for life |
| Retirement age | 50 | 50 | 50 | 50 |
| Monthly benefits, as a % of annual salary | 2% to 2.7% | 2% to 2.7% | 2% to 2.7% | 2% to 2.7% |
| Required employee contribution rate | 9.000% | 9.000% | 12.000% | 12.000% |
| Required employer contribution rate | 36.332% | 19.212% | 36.332% | 18.865% |

**Safety Plan
Cost Sharing**

| | Fire-Sworn | Police-sworn |
|---|-------------------|-------------------|
| | PEPRA Member | PEPRA Member |
| Hire date | On/After 1/1/2013 | On/After 1/1/2013 |
| Benefit formula | 2.7%@57 | 2.7%@57 |
| Benefit vesting schedule | 5 years service | 5 years service |
| Benefit payments | monthly for life | monthly for life |
| Retirement age | 50 | 50 |
| Monthly benefits, as a % of annual salary | 2% to 2.7% | 2% to 2.7% |
| Required employee contribution rate | 12.000% | 12.000% |
| Required employer contribution rate | 12.141% | 12.292% |

(1) newly hired Safety Employee will be enrolled in the 3% at 55 or 2.7% at 57 formula, dependent on the individuals eligibility, as per AB340.

Contributions. Sections 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers are determined on an annual basis by the actuary and shall be effective on July 1 following notice of change in the rate. Funding contributions for both Plans 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 rates of employees. For the year ended December 31, 2018, the contributions made by the District to the Safety Plan were equal to the amount of the annual required employer contributions of \$2,531,456.

B. Pension Liabilities, Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension

At December 31, 2018, the District's reported net pension liability of \$20,265,829 for its proportionate share of the PERF C pension liability.

The District's net pension liability for the Plan is measured as the proportionate share of the collective net pension liability. The net pension liability of the Plan is measured as of June 30, 2018 and the total pension liability for the

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2017 rolled forward to June 30, 2018 using standard actuarial update procedures. The District's proportion of the collective net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined.

At June 30, 2018 measurement date, the District's proportionate share of the net pension liability was 0.21031 percent, which was an increase of 0.00870 percent from its proportion of 0.20161 percent measured as of June 30, 2017.

At the year ended December 31, 2018, the District recognized pension expense of \$2,060,139.

Actuarial Assumptions – The total pension liabilities in the June 30, 2017 actuarial valuations were determined using the following actuarial assumptions for the Safety Plan:

| | |
|---------------------------|--|
| Valuation Date | June 30, 2017 |
| Measurement Date | June 30, 2018 |
| Actuarial Cost Method | Entry Age Normal Cost Method |
| Actuarial Assumptions: | |
| Discount Rate | 7.15% |
| Inflation | 2.50% |
| Payroll Growth | 2.75% |
| Projected Salary Increase | Varies by Entry Age and Service |
| Mortality | Derived using CalPERS' membership for data for all funds |

The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries Scale 90% of Scale MP 2016. For more details on this table, please refer to the CalPERS 2017 experience study report available on CalPERS website.

All other actuarial assumptions used in the June 30, 2017 valuation were based on the results of an actuarial experience study for the period from 1997 to 2015, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained in CalPERS' website under Forms and Publications.

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources for the Safety Plan:

| | <u>Cost-Sharing</u> | |
|--|--------------------------------------|-------------------------------------|
| | <u>Safety Plan</u> | |
| | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Pension contributions subsequent to measurement date | \$ 1,809,938 | \$ - |
| Differences between expected and actual experience | 468,647 | (1,778) |
| Changes of assumptions | 2,140,050 | (288,731) |
| Changes in proportion | 658,797 | (28,826) |
| Net difference between projected and actual earnings on pension plan investments | 147,671 | - |
| Differences between District contribution and proportionate share of contributions | | (1,249,901) |
| | <u>\$ 5,225,103</u> | <u>\$ (1,569,236)</u> |

East Bay Regional Park District
 Notes to the Basic Financial Statements, continued
 For the year ended December 31, 2018

The \$1,809,938 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 year ended December 31, 2019.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Measurement Periods | |
|----------------------------|---------------------|
| <u>Ended June 30:</u> | |
| 2019 | \$ 1,625,721 |
| 2020 | 1,023,502 |
| 2021 | (652,219) |
| 2022 | <u>(151,075)</u> |
| | <u>\$ 1,845,929</u> |

Discount Rate. The discount rate used to measure the total pension liability was 7.15 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each 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 of the plans, the tests revealed the assets would not run out. Therefore, the current 7.15 percent discount rate is appropriate, and the use of the municipal bond rate calculation is not deemed necessary. The long-term expected discount rate of 7.15 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.

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, staff took into account both short-term and long-term market return expectations as well as the expected pension fund (Public Employees' Retirement Fund) cash flows. Such cash flows were developed assuming that both members and employers will make their required contribution on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) 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 each 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.

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Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

The following table reflects long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. The target allocation shown was adopted by the Board effective on July 1, 2016.

| Asset Class | Target 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 Assets | 13.0% | 3.75% | 4.93% |
| Liquidity | 1.0% | 0.00% | -0.92% |
| | <u>100.0%</u> | | |

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

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

Proportionate Share of the Sensitivity of the District's Proportionate Share of the Net Pension Liability to Changes in the Discount Rate. The following presents the District's net pension liability, calculated using the discount rate of 7.15%, 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:

| | Cost Sharing Safety Plan |
|-----------------------|--------------------------------|
| 1% Decrease | 6.15% |
| Net Pension Liability | \$ 31,567,147 |
| Current Discount Rate | 7.15% |
| Net Pension Liability | \$ 20,265,829 |
| 1% Increase | 8.15% |
| Net Pension Liability | \$ 11,006,423 |

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

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
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12. FIDUCIARY FUNDS – PENSION TRUST

The District is a trustee and has fiduciary responsibility for the following pension trust funds:

Statement of Fiduciary Net Position

| | EBRPD Retirement Plan- Safety | EBRPD Retirement Plan- General Employees | Total Pension Trust Funds |
|--------------------------------------|-------------------------------------|---|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 76,586 | \$ 773,426 | \$ 850,012 |
| Investments at fair value: | | | |
| Mutual funds | 3,517,541 | 35,522,869 | 39,040,410 |
| Total Assets | 3,594,127 | 36,296,295 | 39,890,422 |
| NET POSITION | | | |
| Net position restricted for pensions | \$ 3,594,127 | \$ 36,296,295 | \$ 39,890,422 |

Statement of Changes in Fiduciary Net Position

| | EBRPD Retirement Plan- Safety | EBRPD Retirement Plan- General Employees | Total Pension Trust Funds |
|--|-------------------------------------|---|------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Contributions from employer | \$ 351,750 | \$ 2,981,000 | \$ 3,332,750 |
| Contributions from employee | - | 13,943 | 13,943 |
| Total Contributions | 351,750 | 2,994,943 | 3,346,693 |
| Investment earnings/(loss): | | | |
| Net investment loss | (116,887) | (1,181,082) | (1,297,969) |
| Total Additions | 234,863 | 1,813,861 | 2,048,724 |
| DEDUCTIONS | | | |
| Retirement and other benefits | 294,532 | 3,678,381 | 3,972,913 |
| Administration costs | 17,973 | 181,611 | 199,584 |
| Total Deductions | 312,505 | 3,859,992 | 4,172,497 |
| Net increase (decrease) in Fiduciary Net Position | (77,642) | (2,046,131) | (2,123,773) |
| NET POSITION | | | |
| Beginning of year | 3,726,733 | 38,287,462 | 42,014,195 |
| End of year | \$ 3,649,091 | \$ 36,241,331 | \$ 39,890,422 |

13. RISK MANAGEMENT

General Liability – For general insurance coverage, including property, liability, cyber and watercraft, the District is a member of the CSAC-Excess Insurance Authority (EIA). The District’s self-insurance limit is \$500,000 for liability and \$25,000 for property. EIA covers the amount in excess of the self-insurance limit to \$25 million/year for liability and \$400 million/year for property. Additionally, the District purchases insurance coverage for aviation, errors and omission, and boiler and machinery.

The actuarially determined liability at December 31, 2018 for general liability was \$1,400,000, which includes an estimate for incurred, but not reported claims. Several claims were settled during 2018 and claims paid equated \$257,850.

Workers’ Compensation – For workers’ compensation coverage, the District retains \$350,000 for each claim, with the excess coverage provided through EIA. Total cost of 2018 workers’ compensation insurance was \$528,044

The actuarially determined liability at December 31, 2018 for workers’ compensation liability was \$9,013,000, which includes an estimate for incurred, but not reported claims. Claims paid during 2018 equaled \$1,947,232.

The actuarially determined liability for General Liability and Workers’ Compensation assumes a long-term average annual return on investments of 3%.

Dental – The estimated liability for self-insured dental plan was \$64,996. Claims paid during 2018 equaled \$1,054,173.

**Changes to the internal service funds claims liability amounts
 for the year ended December 31, 2018 and 2017 are as follows:**

| Year Ending December | Accrued Claims Beginning of Year | Claims Incurred and Changes in estimates | Claims Paid | Accrued Claims End of Year |
|-------------------------|-------------------------------------|---|----------------|-------------------------------|
| 2017 | \$ 9,316,425 | \$ 4,222,793 | \$ (3,486,075) | \$ 10,053,143 |
| 2018 | \$ 10,053,143 | \$ 3,892,992 | \$ (3,468,139) | \$ 10,477,996 |

14. OPERATING LEASES

The District has a number of licenses and operating agreements with cities, counties, and other local agencies. Under these agreements, the District is given use of property owned by these entities in exchange for operating and maintaining the property as a regional park or open space. Generally, these agreements require no payment or a nominal payment by the District to these entities, and the contract terms vary from short-term to perpetuity. These leases are immaterial.

Under operating leases, the District leases land and facilities to tenants and concessionaires, who have agreed to provide the following minimum annual payments:

| Year Ending December 31, | Amount |
|-----------------------------|----------------------|
| 2019 | \$ 3,211,307 |
| 2020 | 2,917,909 |
| 2121 | 2,658,831 |
| 2022 | 2,280,499 |
| 2023 | 2,020,654 |
| Thereafter | 9,064,137 |
| Total | <u>\$ 22,153,337</u> |

15. POLLUTION REMEDIATION OBLIGATIONS

The District follows the guidance of GASB Statement No. 49, *Accounting and Financial Reporting for Pollution Remediation Obligations*, establishing accounting and financial reporting standards for pollution (including contamination) remediation obligations, which are obligations to address the current or potential detrimental effects of existing pollution by participating in pollution remediation activities such as site assessments and cleanups. These amounts are reported as other liabilities on the government-wide financial statements. The District has three pollution remediation sites.

There is a former underground fuel storage tank at Redwood Park that contaminated subsurface soil and groundwater. The site has undergone investigation and remediation since 1993, but is not under an executive clean-up order by any outside agency. During 2018, the District worked with an environmental remediation consultant to revise the site conceptual model and to review all data that has been collected for the site. The results of this investigation were submitted to Alameda County Environmental Health (ACEH). ACEH is reviewing this site summary report and will determine if any additional monitoring or remediation actions are needed. The 2018 costs related to regulatory reporting and a comprehensive review of all data for the site were \$56,241.

In March 2016, the District's Board of Directors approved closure of the Anthony Chabot Marksmanship Range ("Range") which was vacated in October 2016. After more than 50 years of operations, the District decided not to renew the lease with the Chabot Gun Club due to the extensive lead contamination at the site. Site clean-up and remediation costs for the recommended treatment are estimated between \$2.9 million and \$6.6 million based on a preliminary independent cost estimate assessment by consultants prepared in 2015. The estimate was prepared for purposes of allowing the Board of Directors to consider potential costs in determining whether to renew the Gun Club lease. It was not based on specific site conditions. The District issued a Request for Proposal in March 2019 for consultants to implement a site characterization study to determine the full extent of pollution on the site. The District expects to award a contract for additional site investigation during May 2019. For 2016, the District used the expected cash-flow technique to measure the liability based on the remediation outlays expected to be incurred to settle that liability. The estimated cost to remediate the Range is \$5,720,000. The liability is reported in the government-wide financial statements as of December 31, 2018.

Point Isabel Regional Shoreline is part of McLaughlin East Shore State Park and operates as an open-space dog park. The State of California is the primary owner. Point Isabel was a former landfill and substantial quantities of lead containing battery cases were deposited on site. Prior to the State's acquisition of the property, the site was remediated and capped. Recently lead was detected in the soil during environmental investigations. It has been determined that certain areas of the site were inadequately capped and additional remedial work is required. Under the terms of the Operating Agreement with the State of California, the State is responsible for costs associated with pre-existing environmental conditions. The Park District will be working with the State to implement the remediation work and to recover costs incurred by the Park District. The most likely remediation scenario is estimated to cost \$3 million less expected reimbursements from the State of \$2.7 million, for a reportable remediation liability of \$340,000. The 2018 costs for site investigation, development of a stormwater prevention plan and implementation of remedial measures were \$204,126.

16. RELATED PARTIES

A. Joint Ventures

The District is a party to the following jointly governed organizations, in which there is no ongoing financial interest or ongoing financial responsibility.

Chabot Space and Science Center

The District is member of the 1989 joint powers agreement (JPA), under section 6500 et seq. of the California Government Code, with the City of Oakland, and the Oakland Unified School District, the purpose of which was the creation of Chabot Space and Science Center ("the Center"). The JPA is governed by a 22 member Board, 3 of whom are representatives from the District. The District is designated as lead agency pursuant to Government Code Section 6509. Per the JPA agreement, the District is required to license to the Center the use of telescopes.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

The District is also required to lease a parcel of land to the Center for a parking garage. The District has no other ongoing financial interest or responsibilities. Additionally, to the full extent permitted by law, the District is protected and indemnified against any claims or liabilities arising out of participation in the JPA.

East Bay Regional Communication System Authority

The District is one of 43 participating agencies of the East Bay Regional Communication System Authority, created in 2007, which is a 36-site, 2 county, P-25 compliant communication system designed to provide fully interoperable communications to all public agencies within Alameda and Contra Costa Counties. The activities of the JPA are funded through State and Federal grants. The District has no obligations for the debts or liabilities of the JPA.

East Contra Costa County Habitat Conservancy Program (ECCC HCP)

The District has purchased many properties in partnership with the ECCC HCP. Located on some of these properties are lease revenue generating facilities such as wind turbines, communication towers and residences. Pursuant to the terms of the purchase agreements with the grantor partner, all revenues earned from these leases will be used for management of the purchased properties and adjacent properties in the Byron Hills/Vasco area and at Black Diamond Mines Regional Preserve.

Additionally, the District maintains operating agreements with other entities. East Bay Municipal Utility District is invoiced for services provided by EBRPD personnel on EBMUD property. The District also operates three state owned parks, Crown Memorial State Beach, Del Valle Regional Park and McLaughlin Eastshore State Park.

B. Regional Parks Foundation

The Foundation is a private 501(c)(3) non-profit organization, created in 1969, which supports the East Bay Regional Park District. The Foundation's mission is to raise funds to provide broader public access, resource enhancement and preservation, and support for education and recreational programs. The Foundation is not considered a component unit of the District under GASB 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*, because the economic resources of the Foundation are insignificant to the District and the Foundation has a Board of Directors which is completely separate from and not appointed by the District. Thus, its financial information is not included in the District's financial statement. Separate audited financial statements are available on their website www.regionalparksfoundation.org/.

17. COMMITMENTS AND CONTINGENCIES

The District participates in several Federal and State grant programs. These programs have been audited by the District's independent auditor in accordance with the provisions of the federal Single Audit Act amendments of 1996 and applicable State requirements. No cost disallowance was proposed as a result of these audits; however, these programs are still subject to further examination by the grantors and the amount, if any, of expenditures which may be disallowed by the granting agencies cannot be determined at this time. The District expects such amounts, if any, to be immaterial.

The District is a defendant in a number of lawsuits which have arisen in the normal course of business. In the opinion of the District's management and District's counsel, these actions when finally adjudicated will not have a material adverse effect on the financial position of the District.

18. CHANGE IN ACCOUNTING PRINCIPLE

Effective January 1, 2018, the District implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions (OPEB)*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for OPEB. The adjustment was made to reflect the prior period costs related to the implementation of the net OPEB liability.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2018

The restatement of beginning net position of the governmental activities is summarized as follows:

| Government Activities: | 2017 Previously Presented | Restatement | 2017 Restated |
|--------------------------------|------------------------------|----------------|---------------|
| OPEB asset | \$ 1,300,310 | \$ (1,300,310) | \$ - |
| Net OPEB liability | - | (24,106,884) | (24,106,884) |
| Deferred outflows of resources | - | 2,715,539 | 2,715,539 |
| Net position - beginning | 771,777,137 | (22,691,655) | 749,085,482 |

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REQUIRED SUPPLEMENTARY INFORMATION



1. BUDGETARY INFORMATION

A. Budgeting Procedures

The District Board of Directors adopts an annual operating budget, effective January 1 of each year, for governmental (except public safety special revenue funds) and proprietary funds. Project funds are budgeted on a project length basis and therefore are not comparable on an annual basis. The Board of Directors may amend the budget by resolution during the year. The General Manager, or his designee, is authorized to transfer budgeted amounts up to \$50,000; however, any revisions which alter the total expenditures of the fund must be approved by the District Board. All unencumbered appropriations lapse at the end of the fiscal year. The appropriations reflected in the Final Budget in section B on the next page have been adopted by the Board of Directors.

Annual budgets are prepared on a basis consistent with generally accepted accounting principles. The District maintains budgetary controls to ensure compliance with legal provisions embodied in the appropriated budget approved by the Board of Directors. The lowest level of budgetary control (the level at which expenditures cannot legally exceed the appropriated amounts) for the operating budget is at the division level.

Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditures of monies are recorded in order to reserve that portion of the applicable appropriation. Encumbrance accounting is employed as an extension of the formal budgetary process. In general, encumbrances outstanding at year-end lapse and must be re-appropriated as part of the following year budget.

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

B. Schedule of Revenue, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund

| | Original Budget | Final Budget | Actual Amounts | Variance Positive (Negative) |
|--|---------------------|------------------------|-----------------------|------------------------------------|
| REVENUES | | | | |
| Property taxes and assessments | \$ 132,500,000 | \$ 132,500,000 | \$ 141,176,269 | \$ 8,676,269 |
| Charges for services | 10,325,350 | 10,325,350 | 10,694,536 | 369,186 |
| Interest | 1,150,000 | 1,150,000 | 2,657,860 | 1,507,860 |
| Property usage | 1,784,700 | 1,784,700 | 1,811,432 | 26,732 |
| Interagency agreements and grants | 482,720 | 332,720 | 346,097 | 13,377 |
| Miscellaneous | 754,800 | 912,869 | 1,087,533 | 174,664 |
| Total revenues | <u>146,997,570</u> | <u>147,005,639</u> | <u>157,773,727</u> | <u>10,768,088</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Acquisition/Stewardship/Development Division | 10,880,579 | 11,139,563 | 10,477,413 | 662,150 |
| Executive/Legislative Division | 7,223,160 | 9,660,773 | 9,076,700 | 584,073 |
| Finance/Management Services Division | 9,964,590 | 10,056,668 | 9,839,431 | 217,237 |
| Legal Division | 2,257,610 | 2,809,377 | 2,079,522 | 729,855 |
| Operations Division | 66,809,530 | 67,707,278 | 65,052,760 | 2,654,518 |
| Public Affairs Division | 5,102,020 | 5,367,039 | 4,847,518 | 519,521 |
| Public Safety Division | 28,647,930 | 29,054,652 | 26,220,527 | 2,834,125 |
| Capital outlay | 1,283,660 | 2,573,607 | 1,306,826 | 1,266,781 |
| Total expenditures | <u>132,169,079</u> | <u>138,368,957</u> | <u>128,900,697</u> | <u>9,468,260</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>14,828,491</u> | <u>8,636,682</u> | <u>28,873,030</u> | <u>20,236,348</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Sale of capital assets | 117,000 | 117,000 | 182,128 | 65,128 |
| Transfers in | 6,000 | 1,105,906 | 1,360,771 | 254,865 |
| Transfers out | (12,733,490) | (20,715,092) | (20,715,092) | - |
| Total other financing sources (uses) | <u>(12,610,490)</u> | <u>(19,492,186)</u> | <u>(19,172,193)</u> | <u>319,993</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 2,218,001</u> | <u>\$ (10,855,504)</u> | 9,700,837 | <u>\$ 20,556,341</u> |
| Beginning of year | | | 117,000,082 | |
| End of year | | | <u>\$ 126,700,919</u> | |

See note to required supplementary information.

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

2. SCHEDULE OF CHANGES IN THE NET PENSION LIABILITY, RELATED RATIOS AND CONTRIBUTIONS

CalPERS - Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Changes in the Net Pension Liability and Related Ratios
Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|--|-----------------------|-----------------------|-----------------------|-----------------------|
| | June 30, 2018 | June 30, 2017 | June 30, 2016 | June 30, 2015 |
| Measurement Date | | | | |
| Discount Rate | 7.15% | 7.15% | 7.65% | 7.65% |
| Total Pension Liability | | | | |
| Service cost | \$ 7,569,240 | \$ 7,144,175 | \$ 6,304,972 | \$ 6,106,964 |
| Interest on total pension liability | 21,992,732 | 20,941,579 | 19,948,033 | 18,805,627 |
| Difference between expected and actual experience | 1,429,018 | (433,466) | 180,162 | 1,240,777 |
| Changes in assumptions | (2,481,264) | 17,329,886 | - | (4,607,569) |
| Benefit payments, including refunds of employee contributions | (13,187,413) | (11,901,807) | (10,975,030) | (9,541,653) |
| Net change in total pension liability | <u>15,322,313</u> | <u>33,080,367</u> | <u>15,458,137</u> | <u>12,004,146</u> |
| Total Pension Liability - beginning | <u>311,451,983</u> | <u>278,371,616</u> | <u>262,913,479</u> | <u>250,909,333</u> |
| Total Pension Liability - ending (a) | <u>\$ 326,774,296</u> | <u>\$ 311,451,983</u> | <u>\$ 278,371,616</u> | <u>\$ 262,913,479</u> |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 10,688,382 | \$ 9,992,798 | \$ 8,925,854 | \$ 8,267,531 |
| Contributions - employee | 3,579,751 | 3,363,970 | 3,226,009 | 3,149,004 |
| Net investment income | 18,568,195 | 21,916,260 | 1,081,586 | 4,302,435 |
| Benefit payments | (13,187,413) | (11,901,807) | (10,975,030) | (9,541,653) |
| Net Plan to Plan Resource Movement | (546) | (23,629) | - | (526) |
| Administrative expense | (339,222) | (287,359) | (117,312) | (216,838) |
| Other Misc Income/(Expense) | (644,189) | - | - | - |
| Net change in plan fiduciary net position | <u>18,664,958</u> | <u>23,060,233</u> | <u>2,141,107</u> | <u>5,959,953</u> |
| Plan fiduciary net position - beginning | <u>217,690,716</u> | <u>194,630,483</u> | <u>192,489,376</u> | <u>186,529,423</u> |
| Plan fiduciary net position - ending (b) | <u>\$ 236,355,674</u> | <u>\$ 217,690,716</u> | <u>\$ 194,630,483</u> | <u>\$ 192,489,376</u> |
| Net pension liability - ending (a) - (b) | <u>\$ 90,418,622</u> | <u>\$ 93,761,267</u> | <u>\$ 83,741,133</u> | <u>\$ 70,424,103</u> |
| Plan fiduciary net position as a percentage of the total pension liability | 72.33% | 69.90% | 69.92% | 73.21% |
| Covered payroll | \$ 46,937,138 | \$ 42,216,628 | \$ 39,724,149 | \$ 37,728,675 |
| Net pension liability as a percentage of covered payroll | 192.64% | 222.10% | 210.81% | 186.66% |

* Fiscal year 2015 w as the 1st year of implementation.

East Bay Regional Park District
Required Supplementary Information, continued
For the year ended December 31, 2018

CalPERS - Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Pension Plan
Schedule of Contributions
Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|---------------|
| Actuarially Determined Contribution | \$ 11,723,588 | \$ 13,697,357 | \$ 9,481,670 | \$ 8,963,339 |
| Contribution in relation to the Actuarially Determined Contribution | (11,723,588) | (13,697,357) | (9,481,670) | (8,963,339) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | |
| Covered payroll | \$ 47,900,065 | \$ 44,485,353 | \$ 41,055,841 | \$ 38,674,956 |
| | | | | |
| Contributions as a percentage of covered payroll | 24.48% | 30.79% | 23.09% | 23.18% |
| | | | | |
| Notes to Schedule | | | | |
| Valuation date | 6/30/2017 | 6/30/2016 | 6/30/2015 | 6/30/2014 |

Methods and assumptions used to determine contribution rates:

| | |
|----------------------------------|---|
| Actuarial cost method | Entry age normal |
| Amortization method | Level percentage of payroll, closed |
| Remaining amortization period | 15 years |
| Asset valuation method | 5-year smoothed market |
| Inflation | 2.50% |
| Salary increases | Varies by entry age and service |
| Investment rate of return | 7.50%, net of pension plan investment expenses, including inflation |
| Mortality | Derived using CalPERS' Membership Data for all Funds |
| Post Retirement Benefit Increase | Contract COLA up to 2.0% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.50% thereafter |

* Fiscal year 2015 was the 1st year of implementation.

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

East Bay Regional Park District
General Employees' Retirement Plan
Single Employer Defined Benefit Pension Plan
Schedule of Changes in the Net Pension Liability and Related Ratios
Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|--|----------------------|----------------------|----------------------|----------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2016 | December 31, 2015 |
| Measurement Date | December 31, 2018 | December 31, 2017 | December 31, 2016 | December 31, 2015 |
| Discount Rate | 4.16% | 4.40% | 5.40% | 5.40% |
| Total Pension Liability | | | | |
| Service cost | \$ 58,000 | \$ 77,000 | \$ 94,000 | \$ 101,000 |
| Interest on total pension liability | 2,163,348 | 2,494,334 | 2,611,000 | 2,412,000 |
| Difference between expected and actual experience | - | (277,000) | - | 851,000 |
| Changes in assumptions | 955,882 | 2,949,000 | - | 2,427,000 |
| Benefit payments, including refunds of employee contributions | (3,678,381) | (3,602,651) | (3,352,590) | (3,363,924) |
| Net change in total pension liability | (501,151) | 1,640,683 | (647,590) | 2,427,076 |
| Total Pension Liability - beginning | 50,948,169 | 49,307,486 | 49,955,076 | 47,528,000 |
| Total Pension Liability - ending (a) | \$ 50,447,018 | \$ 50,948,169 | \$ 49,307,486 | \$ 49,955,076 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 2,981,000 | \$ 1,120,841 | \$ 2,245,000 | \$ 2,003,000 |
| Contributions - employee | 13,943 | 7,132 | 24,865 | 31,066 |
| Net investment income | (1,302,659) | 4,825,163 | 2,257,737 | 164,514 |
| Benefit payments | (3,678,381) | (3,602,651) | (3,352,590) | (3,363,924) |
| Administrative expense | (60,034) | (61,034) | (41,083) | (95,685) |
| Net change in plan fiduciary net position | (2,046,131) | 2,289,451 | 1,133,929 | (1,261,029) |
| Plan fiduciary net position - beginning | 38,287,462 | 35,998,011 | 34,864,082 | 36,125,111 |
| Plan fiduciary net position - ending (b) | \$ 36,241,331 | \$ 38,287,462 | \$ 35,998,011 | \$ 34,864,082 |
| | | | | |
| Net pension liability - ending (a) - (b) | \$ 14,205,687 | \$ 12,660,707 | \$ 13,309,475 | \$ 15,090,994 |
| | | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 71.84% | 75.15% | 73.01% | 69.79% |
| | | | | |
| Covered payroll | \$ 134,622 | \$ 132,537 | \$ 300,600 | \$ 383,000 |
| | | | | |
| Net pension liability as a percentage of covered payroll | 10552.28% | 9552.58% | 4427.64% | 3940.21% |

* Fiscal year 2015 was the 1st year of implementation.

Changes in assumptions

- General inflation was lowered from 3% to 2.5%
- Mortality projection was updated to a newer available projection scale.
- Discount rate was reduced to 4.16%

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

East Bay Regional Park District
General Employees' Retirement Plan
Single Employer Defined Benefit Pension Plan
Schedule of Contributions
Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|---|--------------|--------------|--------------|--------------|
| Actuarially Determined Contribution | \$ 2,981,000 | \$ 1,120,841 | \$ 2,245,000 | \$ 2,003,000 |
| Contribution in relation to the Actuarially Determined Contribution | (2,981,000) | (1,120,841) | (2,245,000) | (2,003,000) |
| Contribution Deficiency (Excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| | | | | |
| Covered payroll | \$ 134,622 | \$ 132,537 | \$ 300,600 | \$ 383,000 |
| | | | | |
| Contributions as a percentage of covered payroll | 2214.35% | 845.68% | 746.84% | 522.98% |

Methods and Assumptions for Actuarially Determined Contribution:

| | | | | |
|-------------------------------|--|-----------------|-----------------|-----------------|
| Valuation Date | January 1, 2018 | January 1, 2017 | January 1, 2016 | January 1, 2015 |
| Actuarial cost method | Entry age normal | | | |
| Amortization method | Level dollar amount, 15-year closed periods | | | |
| Remaining amortization period | Average of 9 years for 2017 | | | |
| Asset valuation method | Market value of assets | | | |
| Discount rates | 4.16% per annum | 4.40% per annum | 5.40% per annum | 5.40% per annum |
| Salary increases | 3.5% per annum | 3.5% per annum | 4.0% per annum | 4.0% per annum |
| Mortality | Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS experience study | | | |

* Fiscal year 2015 was the 1st year of implementation.

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

Single Employer Defined Benefit Pension Plan
Schedule of Changes in the Net Pension Liability and Related Ratios
Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|--|---------------------|---------------------|---------------------|---------------------|
| | December 31, 2018 | December 31, 2017 | December 31, 2016 | December 31, 2015 |
| Measurement Date | | | | |
| Discount Rate | 4.16% | 4.40% | 5.40% | 5.40% |
| Total Pension Liability | | | | |
| Interest on total pension liability | \$ 246,351 | \$ 331,666 | \$ 262,000 | \$ 248,000 |
| Difference between expected and actual experience | - | 333,000 | - | (55,000) |
| Changes in assumptions | (77,933) | 464,000 | - | 192,000 |
| Benefit payments, including refunds of employee contributions | (294,532) | (281,167) | (340,421) | (246,908) |
| Net change in total pension liability | (126,114) | 847,499 | (78,421) | 138,092 |
| Total Pension Liability - beginning | 5,746,170 | 4,898,671 | 4,977,092 | 4,839,000 |
| Total Pension Liability - ending (a) | \$ 5,620,056 | \$ 5,746,170 | \$ 4,898,671 | \$ 4,977,092 |
| Plan fiduciary net position | | | | |
| Contributions - employer | \$ 351,750 | \$ 118,500 | 237,000 | 222,000 |
| Net investment income | (128,919) | 555,395 | 222,000 | 39,818 |
| Benefit payments | (294,532) | (281,167) | (340,421) | (246,908) |
| Administrative expense | (5,943) | (5,941) | (15,000) | (8,859) |
| Net change in plan fiduciary net position | (77,644) | 386,787 | 103,579 | 6,051 |
| Plan fiduciary net position - beginning | 3,726,733 | 3,339,946 | 3,236,367 | 3,230,316 |
| Plan fiduciary net position - ending (b) | \$ 3,649,089 | \$ 3,726,733 | \$ 3,339,946 | \$ 3,236,367 |
| | | | | |
| Net pension liability - ending (a) - (b) | \$ 1,970,967 | \$ 2,019,437 | \$ 1,558,725 | \$ 1,740,725 |
| | | | | |
| Plan fiduciary net position as a percentage of the total pension liability | 64.93% | 64.86% | 68.18% | 65.03% |
| | | | | |
| Covered payroll ** | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| Net pension liability as a percentage of covered payroll** | n/a | n/a | n/a | n/a |

* Fiscal year 2015 was the 1st year of implementation.

** Plan is closed with no active employees

Changes in assumptions

- General inflation was lowered from 3% to 2.5%
- Mortality projection was updated to a newer available projection scale.
- Discount rate was reduced to 4.16%

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

East Bay Regional Park District
Sworn Safety Plan
Single Employer Defined Benefit Pension Plan
Schedule of Contributions
Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|---|------------|------------|------------|------------|
| Actuarially Determined Contribution | \$ 351,750 | \$ 118,500 | \$ 237,000 | \$ 222,000 |
| Contribution in relation to the Actuarially Determined Contribution | (351,750) | (118,500) | (237,000) | (222,000) |
| Contribution Deficiency (Excess) | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| Covered payroll ** | \$ - | \$ - | \$ - | \$ - |
| | | | | |
| Contributions as a percentage of covered payroll | n/a | n/a | n/a | n/a |

Methods and Assumptions for Actuarially Determined Contribution:

| | | | | |
|-------------------------------|--|-----------------|-----------------|-----------------|
| Valuation Date | January 1, 2017 | January 1, 2017 | January 1, 2015 | January 1, 2015 |
| Actuarial cost method | Entry age normal | | | |
| Amortization method | Level dollar amount, 15-year closed periods | | | |
| Remaining amortization period | Average of 9 years for 2017 | | | |
| Asset valuation method | Investment gains and losses spread over 5-year rolling period | | | |
| Discount rates | 4.16% per annum | 4.40% per annum | 5.40% per annum | 5.40% per annum |
| Mortality | Based on assumptions for Public Agency Miscellaneous members published in the December 2017 CalPERS experience study | | | |

* Fiscal year 2015 was the 1st year of implementation.

** Plan is closed with no active employees

East Bay Regional Park District
General and Sworn Safety Plans
Schedule of Investment Returns
Defined Benefit Pension Plan
Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|--|-------|-------|-------|------|
| Annual Money-Weighted Rate of Return Net of Investment Expense | -3.4% | 19.8% | 13.8% | 4.9% |

* Fiscal year 2015 was the 1st year of implementation.

East Bay Regional Park District
Required Supplementary Information, continued
For the year ended December 31, 2018

CalPERS - Safety Plan
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - CalPERS
As of December 31, 2018

Schedule of Proportionate Share of the Net Pension Liability

Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|---|---------------|---------------|---------------|---------------|
| District's proportionate of the net pension liability (asset) | 0.21031% | 0.20161% | 0.19884% | 0.19322% |
| District's proportionate share of the net pension liability (asset) | \$ 20,265,829 | \$ 19,994,259 | \$ 17,205,636 | \$ 13,262,357 |
| District's covered payroll | \$ 8,044,023 | \$ 8,112,793 | \$ 7,444,418 | \$ 7,073,362 |
| District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll | 251.94% | 246.45% | 231.12% | 187.50% |
| Plan fiduciary net position as a percentage of the total pension liability | 75.26% | 73.31% | 74.06% | 78.40% |
| Discount Rate | 7.15% | 7.15% | 7.65% | 7.65% |

* Fiscal year 2015 was the 1st year of implementation.

Changes of Assumption:

The discount rate changed from 7.65 percent used for the June 30, 2016 measurement date to 7.15 percent used for the June 30, 2017 measurement date.

CalPERS - Safety Plan
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Contributions

Last 10 Years *

| | 2018 | 2017 | 2016 | 2015 |
|--|--------------|--------------|--------------|--------------|
| Actuarially determined contribution | \$ 2,531,456 | \$ 2,252,293 | \$ 2,047,623 | \$ 1,576,447 |
| Contributions in relation to the actuarially determined contribution | (2,531,456) | (2,252,293) | (2,047,623) | (1,576,447) |
| Contributions deficiency (excess) | \$ - | \$ - | \$ - | \$ - |
| Covered payroll | \$ 8,409,914 | \$ 8,107,839 | 7,849,781 | 7,163,575 |
| Contributions as a percentage of covered payroll | 30.10% | 27.78% | 26.09% | 22.01% |

* Fiscal year 2015 was the 1st year of implementation.

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

3. SCHEDULE OF CHANGES IN NET OPEB LIABILITY, RELATED RATIOS AND CONTRIBUTIONS

| Last Ten Years* | |
|--|-----------------------------|
| | <u>2018 *</u> |
| Total OPEB liability | |
| Service cost | \$ 1,940,274 |
| Interest cost | 4,908,454 |
| Benefit payments, including implicit subsidy costs | <u>(2,578,195)</u> |
| Net change in total OPEB liability | 4,270,533 |
| Total OPEB Liability - beginning | <u>72,066,657</u> |
| Total OPEB Liability - ending | <u><u>\$ 76,337,190</u></u> |
| Plan fiduciary net position | |
| Net investment income | \$ 3,935,458 |
| Employer contributions | 5,259,999 |
| Administrative expenses | (26,693) |
| Benefit payments | (2,578,195) |
| Other deductions | <u>(63,450)</u> |
| Net change in fiduciary net position | 6,527,119 |
| Plan fiduciary net position - beginning | <u>47,959,773</u> |
| Plan fiduciary net position - ending | <u><u>\$ 54,486,892</u></u> |
| Net OPEB liability - ending | <u><u>\$ 21,850,298</u></u> |
| Plan fiduciary net position as a percentage of the total OPEB liability | 71.38% |
| Covered payroll | \$ 58,384,664 |
| District's Net OPEB liability as a percentage of covered payroll | 37.42% |

* Fiscal year 2018 was the first year of implementation. Additional years will be displayed when available.

East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2018

**Schedule of OPEB Contributions
 Last Ten Years***

| | 2018 |
|---|-------------------|
| Actuarially determined contribution | \$ 5,044,044 |
| Contributions in relation to the actuarially determined contribution | (5,044,044) |
| Contribution deficiency (excess) | \$ - |
| Covered payroll | \$ 59,286,122 |
| Contributions as a percentage of covered payroll | 8.51% |

* - Fiscal year 2018 was the first year of implementation.

SUPPLEMENTARY INFORMATION



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NON-MAJOR GOVERNMENTAL FUNDS

Landscape and Lighting District – The Two-County Regional Trails Landscape and Lighting Assessment District and the East Contra Costa County Landscape and Lighting Assessment District are presented in this column. The special assessments levied on property within these districts are additional sources of funding, which supplement General Fund resources, supporting operation, maintenance and servicing of parks and trails within these districts.

Zones of Benefit – Accounting for the Five Canyons, Dublin Hills, Walpert Ridge, San Ramon Hills, Stone Valley and Gateway Valley/Sibley Volcanic Zones of Benefit comprise the information in this column. Zones of benefit assessments are sources of funding used to support the operations, maintenance and service of specific trails, open space areas, and facility improvements, or provide landscaping, irrigation, fencing, gates, and signs, in specific locations, which benefit the assessed parcels within the benefit districts.

Measure CC (Public Safety and Environmental Maintenance Zone 1) – Measure CC excise tax was approved by property owners in Alameda, Albany, Berkeley, Emeryville, Oakland, Piedmont, Richmond, San Pablo, El Cerrito, as well as some unincorporated areas in Alameda and Contra Costa counties. The funds are used for additional public safety wildfire protection, public access and environmental maintenance of the parks and trails within these areas.

Mitigation – This fund accounts for the amounts the District receives from mitigation agreements associated with land acquisitions and developments. Expenditure of these funds is restricted by the terms of the agreements.

Other Special Revenue Funds – Included in this column are

- Martin Luther King, Jr. Intern Program, in which revenue is expended on internship awards for individual and community projects related to the ideals of Martin Luther King, Jr.
- The Gift Fund accounts for gifts made to the District by private parties. The use of gift funds is restricted by the terms of the underlying agreements or conditions related to the gift.
- McLaughlin Eastshore State Park accounts for funds received from the State for the operations and maintenance of the jointly owned property.
- The Public Safety Funds account for asset seizures and asset forfeitures is for drug enforcement actions, related to criminal activity in which the District police department was involved in arrests and/or investigations. The former are held until the criminal case is adjudicated. The latter are distributed to the District for restricted Public Safety use.
- East Contra Costa County Habitat Conservancy Plan is a joint exercise powers of authority within East Contra Costa County for the habitat conservation plan. The plan provides the framework to protect natural resources.
- Coyote Hills/Dumbarton Quarry Fund accounts for tipping fee revenue, the unloading of “clean” dirt at a landfill. These funds are committed to upgrading facilities and infrastructure at Coyote Hills Regional Park.

Measure WW Local Grant Fund – This fund accounts for the amounts granted to local agencies from proceeds funded through the \$125 million portion of Measure WW. Funds are granted to local agencies for reimbursement for park projects not belonging to the District.

Permanent Fund – This fund accounts for permanent endowments from third parties related to mitigation obligations. Initial funds are non-expendable.

East Bay Regional Park District
Combining Balance Sheet
Non-Major Governmental Funds
December 31, 2018

| | Special Revenue Funds | | |
|--|-----------------------|-------------------|---------------------|
| | Landscape | | |
| | Lighting District | Zones of Benefit | Measure CC |
| ASSETS | | | |
| Cash and investments | \$ 2,805,329 | \$ 476,076 | \$ 116,380 |
| Receivables: | | | |
| Accounts receivable | - | - | - |
| Taxes and other receivables | 2,290,525 | 98,624 | 1,604,742 |
| Total assets | \$ 5,095,854 | \$ 574,700 | \$ 1,721,122 |
| LIABILITIES | | | |
| Accounts payable | \$ 19,450 | \$ 9,999 | \$ - |
| Accrued payroll and related liabilities | 68,702 | 58 | - |
| Unearned revenue | - | - | - |
| Total liabilities | 88,152 | 10,057 | - |
| DEFERRED INFLOWS OF RESOURCES | | | |
| Unavailable revenue | 2,290,525 | 98,624 | 1,604,742 |
| FUND BALANCES | | | |
| Nonspendable | - | - | - |
| Restricted | 2,717,177 | 466,019 | 116,380 |
| Committed | - | - | - |
| Assigned | - | - | - |
| Unassigned | - | - | - |
| Total fund balances | 2,717,177 | 466,019 | 116,380 |
| Total liabilities, deferred inflows and fund balances | \$ 5,095,854 | \$ 574,700 | \$ 1,721,122 |

| |
|-----------------------|
| Special Revenue Funds |
|-----------------------|

| Mitigation | Other Special Revenue | Measure WW Local Grant | Permanent Fund | Total Non-Major Governmental Funds |
|---------------------|-----------------------|------------------------|---------------------|------------------------------------|
| \$ 4,893,555 | \$ 10,789,206 | \$ 6,098 | \$ 5,207,273 | \$ 24,293,917 |
| - | 176,777 | - | - | 176,777 |
| - | - | - | - | 3,993,891 |
| <u>\$ 4,893,555</u> | <u>\$ 10,965,983</u> | <u>\$ 6,098</u> | <u>\$ 5,207,273</u> | <u>\$ 28,464,585</u> |
| | | | | |
| \$ - | \$ 6,426 | \$ 394 | \$ - | \$ 36,269 |
| - | 7,366 | 4,537 | - | 80,663 |
| 743,109 | 10,000 | - | - | 753,109 |
| <u>743,109</u> | <u>23,792</u> | <u>4,931</u> | <u>-</u> | <u>870,041</u> |
| | | | | |
| - | - | - | - | 3,993,891 |
| | | | | |
| - | | | 4,693,503 | 4,693,503 |
| 2,883,099 | 9,111,806 | 4,812 | 513,770 | 15,813,063 |
| 1,193,131 | 482,994 | - | - | 1,676,125 |
| 74,216 | 1,347,391 | - | - | 1,421,607 |
| - | - | (3,645) | - | (3,645) |
| <u>4,150,446</u> | <u>10,942,191</u> | <u>1,167</u> | <u>5,207,273</u> | <u>23,600,653</u> |
| | | | | |
| <u>\$ 4,893,555</u> | <u>\$ 10,965,983</u> | <u>\$ 6,098</u> | <u>\$ 5,207,273</u> | <u>\$ 28,464,585</u> |

East Bay Regional Park District

Combining Statement of Revenues, Expenditures and Changes in Fund Balances

Non-Major Governmental Funds

For the year ended December 31, 2018

| | Special Revenue Funds | | |
|---|-----------------------|-------------------|--------------------|
| | Landscape | | |
| | Lighting District | Zones of Benefit | Measure CC |
| REVENUES | | | |
| Property taxes and assessments | \$ 4,815,983 | \$ 206,063 | \$ 3,248,518 |
| Charges for services | 3,504 | - | - |
| Interest | 53,737 | 11,136 | - |
| Property usage | - | - | - |
| Endowment | - | - | - |
| Miscellaneous | - | - | - |
| Total revenues | <u>4,873,224</u> | <u>217,199</u> | <u>3,248,518</u> |
| EXPENDITURES | | | |
| Current: | | | |
| Acquisition/Stewardship/Development | 59,273 | - | - |
| Finance/Management Services Division | 33,000 | 1,000 | 100,000 |
| Operations Division | 4,909,424 | 91,971 | - |
| Public Safety Division | - | - | - |
| Capital outlay | 583 | - | - |
| Total expenditures | <u>5,002,280</u> | <u>92,971</u> | <u>100,000</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(129,056)</u> | <u>124,228</u> | <u>3,148,518</u> |
| OTHER FINANCING SOURCES (USES) | | | |
| Transfers in | 25,600 | - | 436,114 |
| Transfers out | (435,000) | (530,432) | (3,675,544) |
| Total other financing sources (uses) | <u>(409,400)</u> | <u>(530,432)</u> | <u>(3,239,430)</u> |
| NET CHANGE IN FUND BALANCES | (538,456) | (406,204) | (90,912) |
| FUND BALANCES | | | |
| Beginning of year | 3,255,633 | 872,223 | 207,292 |
| End of year | <u>\$ 2,717,177</u> | <u>\$ 466,019</u> | <u>\$ 116,380</u> |

| |
|-----------------------|
| Special Revenue Funds |
|-----------------------|

| Mitigation | Other Special Revenue | Measure WW Local Grant | Permanent Funds | Total Non-Major Governmental Funds |
|--------------|-----------------------|------------------------|-----------------|------------------------------------|
| \$ - | \$ - | \$ - | \$ - | \$ 8,270,564 |
| - | 54,000 | - | - | 57,504 |
| 96,146 | 257,059 | - | 116,535 | 534,613 |
| - | 1,250,445 | - | - | 1,250,445 |
| - | - | - | 197,378 | 197,378 |
| - | 81,775 | - | - | 81,775 |
| 96,146 | 1,643,279 | - | 313,913 | 10,392,279 |
| 8,952 | 20,014 | - | - | 88,239 |
| - | - | 8,659,413 | - | 8,793,413 |
| - | 465,802 | - | - | 5,467,197 |
| - | 19,665 | - | - | 19,665 |
| - | 6,000 | - | - | 6,583 |
| 8,952 | 511,481 | 8,659,413 | - | 14,375,097 |
| 87,194 | 1,131,798 | (8,659,413) | 313,913 | (3,982,818) |
| - | - | 8,654,102 | - | 9,115,816 |
| - | (1,540,800) | - | (6,000) | (6,187,776) |
| - | (1,540,800) | 8,654,102 | (6,000) | 2,928,040 |
| 87,194 | (409,002) | (5,311) | 307,913 | (1,054,778) |
| 4,063,252 | 11,351,193 | 6,478 | 4,899,360 | 24,655,431 |
| \$ 4,150,446 | \$ 10,942,191 | \$ 1,167 | \$ 5,207,273 | \$ 23,600,653 |

East Bay Regional Park District

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

Debt Service Fund

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|-----------------------|-----------------------|----------------------|--|
| REVENUES | | | | |
| Property taxes and assessments | \$ 8,155,100 | \$ 8,155,100 | \$ 15,037,685 | \$ 6,882,585 |
| Interest | 10,000 | 10,000 | 213,685 | 203,685 |
| Total revenues | <u>8,165,100</u> | <u>8,165,100</u> | <u>15,251,370</u> | <u>7,086,270</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance/Management Services Division | 15,600 | 15,600 | 6,576 | 9,024 |
| Debt service: | | | | |
| Principal | 9,075,000 | 9,075,000 | 9,075,000 | - |
| Interest expense | 6,544,960 | 6,544,960 | 6,544,934 | 26 |
| Total expenditures | <u>15,635,560</u> | <u>15,635,560</u> | <u>15,626,510</u> | <u>9,050</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(7,470,460)</u> | <u>(7,470,460)</u> | <u>(375,140)</u> | <u>7,095,320</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | 1,434,480 | 1,434,480 | 1,434,480 | - |
| Total other financing sources (uses) | <u>1,434,480</u> | <u>1,434,480</u> | <u>1,434,480</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (6,035,980)</u> | <u>\$ (6,035,980)</u> | 1,059,340 | <u>\$ 7,095,320</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>14,782,631</u> | |
| End of year | | | <u>\$ 15,841,971</u> | |

East Bay Regional Park District

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

Landscape and Lighting District Special Revenue Fund

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|---------------------|-----------------------|---------------------|--|
| REVENUES | | | | |
| Property taxes and assessments | \$ 4,766,400 | \$ 4,766,400 | \$ 4,815,983 | \$ 49,583 |
| Charges for services | - | - | 3,504 | 3,504 |
| Interest | 23,000 | 23,000 | 53,737 | 30,737 |
| Total revenues | <u>4,789,400</u> | <u>4,789,400</u> | <u>4,873,224</u> | <u>83,824</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Acquisition/Stewardship/Develop Division | 80,000 | 80,000 | 59,273 | 20,727 |
| Finance/Management Services Division | 44,000 | 44,000 | 33,000 | 11,000 |
| Operations Division | 5,149,470 | 5,150,858 | 4,909,424 | 241,434 |
| Capital Outlay | 200,000 | 225,781 | 583 | 225,198 |
| Total expenditures | <u>5,473,470</u> | <u>5,500,639</u> | <u>5,002,280</u> | <u>498,359</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(684,070)</u> | <u>(711,239)</u> | <u>(129,056)</u> | <u>582,183</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 25,600 | 25,600 | - |
| Transfer out | (260,000) | (435,000) | (435,000) | - |
| Total other financing sources (uses) | <u>(260,000)</u> | <u>(409,400)</u> | <u>(409,400)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (944,070)</u> | <u>\$ (1,120,639)</u> | <u>(538,456)</u> | <u>\$ 582,183</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>3,255,633</u> | |
| End of year | | | <u>\$ 2,717,177</u> | |

East Bay Regional Park District

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

Zones of Benefit Special Revenue Fund

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|--------------------|---------------------|-------------------|--|
| REVENUES | | | | |
| Property taxes and assessments | \$ 177,350 | \$ 177,350 | \$ 206,063 | \$ 28,713 |
| Interest | 6,800 | 6,800 | 11,136 | 4,336 |
| Total revenues | <u>184,150</u> | <u>184,150</u> | <u>217,199</u> | <u>33,049</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance/Management Services Division | 1,000 | 1,000 | 1,000 | - |
| Operations Division | 74,280 | 127,223 | 91,971 | 35,252 |
| Capital outlay | - | 200,395 | - | 200,395 |
| Total expenditures | <u>75,280</u> | <u>328,618</u> | <u>92,971</u> | <u>235,647</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>108,870</u> | <u>(144,468)</u> | <u>124,228</u> | <u>268,696</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (530,432) | (530,432) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(530,432)</u> | <u>(530,432)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 108,870</u> | <u>\$ (674,900)</u> | <u>(406,204)</u> | <u>\$ 268,696</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | 872,223 | |
| End of year | | | <u>\$ 466,019</u> | |

East Bay Regional Park District

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

Measure CC Special Revenue Fund

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|--------------------|---------------------|--------------------|--|
| REVENUES | | | | |
| Property taxes and assessments | \$ 3,200,000 | \$ 3,200,000 | \$ 3,248,518 | \$ 48,518 |
| Total revenues | <u>3,200,000</u> | <u>3,200,000</u> | <u>3,248,518</u> | <u>48,518</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance/Management Services Division | 100,000 | 100,000 | 100,000 | - |
| Total expenditures | <u>100,000</u> | <u>100,000</u> | <u>100,000</u> | <u>-</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>3,100,000</u> | <u>3,100,000</u> | <u>3,148,518</u> | <u>48,518</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | - | 436,115 | 436,114 | (1) |
| Transfers out | (2,663,450) | (3,675,544) | (3,675,544) | - |
| Total other financing sources (uses) | <u>(2,663,450)</u> | <u>(3,239,429)</u> | <u>(3,239,430)</u> | <u>(1)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 436,550</u> | <u>\$ (139,429)</u> | (90,912) | <u>\$ 48,517</u> |
| FUND BALANCE (DEFICIT) | | | | |
| Beginning of year | | | <u>207,292</u> | |
| End of year | | | <u>\$ 116,380</u> | |

East Bay Regional Park District

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

Mitigation Special Revenue Fund

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|--------------------|--------------------|--------------------|--|
| REVENUES | | | | |
| Interest | \$ 45,000 | \$ 45,000 | \$ 96,146 | \$ 51,146 |
| Miscellaneous | 10,390 | 10,390 | - | (10,390) |
| Total revenues | <u>55,390</u> | <u>55,390</u> | <u>96,146</u> | <u>40,756</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Acquisition/Stewardship/Develop Division | 89,240 | 94,466 | 8,952 | 85,514 |
| Operations Division | 10,390 | 10,390 | - | 10,390 |
| Total expenditures | <u>99,630</u> | <u>104,856</u> | <u>8,952</u> | <u>95,904</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(44,240)</u> | <u>(49,466)</u> | <u>87,194</u> | <u>(136,660)</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (44,240)</u> | <u>\$ (49,466)</u> | <u>87,194</u> | <u>\$ 136,660</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>4,063,252</u> | |
| End of year | | | <u>\$4,150,446</u> | |

East Bay Regional Park District

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

Other Special Revenue Funds

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|--------------------|---------------------|---------------------|--|
| REVENUES | | | | |
| Charges for services | \$ 50,000 | \$ 50,000 | \$ 54,000 | \$ 4,000 |
| Interest | 44,600 | 44,600 | 257,059 | 212,459 |
| Property usage | 1,369,800 | 1,369,800 | 1,250,445 | (119,355) |
| Miscellaneous | 10,000 | 10,000 | 81,775 | 71,775 |
| Total revenues | <u>1,474,400</u> | <u>1,474,400</u> | <u>1,643,279</u> | <u>168,879</u> |
| EXPENDITURES | | | | |
| Current: | | | | |
| Acquisition/Stewardship/Develop Division | 38,420 | 38,420 | 20,014 | 18,406 |
| Operations Division | 477,310 | 493,833 | 465,802 | 28,031 |
| Public Safety Division | - | 25,515 | 19,665 | 5,850 |
| Capital Outlay | - | 95,345 | 6,000 | 89,345 |
| Total expenditures | <u>515,730</u> | <u>653,113</u> | <u>511,481</u> | <u>141,632</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>958,670</u> | <u>821,287</u> | <u>1,131,798</u> | <u>310,511</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | - | (1,540,800) | (1,540,800) | - |
| Total other financing sources (uses) | <u>-</u> | <u>(1,540,800)</u> | <u>(1,540,800)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 958,670</u> | <u>\$ (719,513)</u> | (409,002) | <u>\$ 310,511</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | 11,351,193 | |
| End of year | | | <u>\$10,942,191</u> | |

East Bay Regional Park District

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

Measure WW Local Grant Special Revenue Fund

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|---------------------|---------------------|--------------------|--|
| EXPENDITURES | | | | |
| Current: | | | | |
| Finance/Management Services Division | \$ 25,356,720 | \$25,356,720 | \$ 8,659,413 | \$ (16,697,307) |
| Total expenditures | <u>25,356,720</u> | <u>25,356,720</u> | <u>8,659,413</u> | <u>(16,697,307)</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>(25,356,720)</u> | <u>(25,356,720)</u> | <u>(8,659,413)</u> | <u>16,697,307</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers in | <u>25,000,000</u> | <u>25,000,000</u> | <u>8,654,102</u> | <u>16,345,898</u> |
| Total other financing sources (uses) | <u>25,000,000</u> | <u>25,000,000</u> | <u>8,654,102</u> | <u>16,345,898</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ (356,720)</u> | <u>\$ (356,720)</u> | (5,311) | <u>\$ 351,409</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | <u>6,478</u> | |
| End of year | | | <u>\$ 1,167</u> | |

East Bay Regional Park District

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

Permanent Fund

For the year ended December 31, 2018

| | Original Budget | Final Budget | Actual Amounts | Variance from Final Budget Positive (Negative) |
|---|--------------------|------------------|--------------------|--|
| REVENUES | | | | |
| Interest | \$ 39,300 | \$ 39,300 | \$ 116,535 | \$ 77,235 |
| Endowment | - | - | 197,378 | 197,378 |
| Total revenues | <u>39,300</u> | <u>39,300</u> | <u>313,913</u> | <u>274,613</u> |
| REVENUES OVER (UNDER) EXPENDITURES | <u>39,300</u> | <u>39,300</u> | <u>313,913</u> | <u>274,613</u> |
| OTHER FINANCING SOURCES (USES) | | | | |
| Transfers out | (6,000) | (6,000) | (6,000) | - |
| Total other financing sources (uses) | <u>(6,000)</u> | <u>(6,000)</u> | <u>(6,000)</u> | <u>-</u> |
| NET CHANGE IN FUND BALANCE | <u>\$ 33,300</u> | <u>\$ 33,300</u> | 307,913 | <u>\$ 274,613</u> |
| FUND BALANCE | | | | |
| Beginning of year | | | 4,899,360 | |
| End of year | | | <u>\$5,207,273</u> | |

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INTERNAL SERVICE FUNDS



Internal Service Funds are used to finance and account for special activities and services performed by a designated department for other departments in the District on a cost reimbursement basis.

Workers' Compensation – This fund accounts for workers' compensation insurance, claims, administrative costs, and back fill of positions relating to injuries, and is supported by payroll charges.

Major Infrastructure Renovation and Replacement – This fund accounts for the accumulation of resources required to maintain and replace the District's major infrastructure components such as paving, pipes and pumps, water systems, utilities, bridges, etc. The funding comes via interfund transfers from the General Fund.

Major Equipment Replacement – This fund accounts for the planning and expenditure of funds for high cost equipment replacement, and is funded through intra-District charges paid by departments with equipment on the replacement list.

General Liability – This fund accounts for general insurance premiums, claims, adjustor fees and attorney fees and is supported by intra-District charges paid by all departments.

Employee Benefits – This fund is supported by payroll charges and intra-District charges and is responsible for District-wide vacation payouts, EBRPD Retirement Plan contributions, self-insured dental and unemployment claims and benefit administration fees.

East Bay Regional Park District
Combining Statement of Net Position
Internal Service Funds
For the year ended December 31, 2018

| | Workers' Compensation | Major Infrastructure Renovation/Replace | Major Equipment Replacement |
|--|--------------------------|--|--------------------------------|
| ASSETS | | | |
| Current assets: | | | |
| Cash and investments | \$ 19,160,722 | \$ 10,788,028 | \$ 9,769,021 |
| Accounts receivable | 2,738 | - | - |
| Prepaid items and deposits | 502,753 | - | - |
| Total assets | <u>19,666,213</u> | <u>10,788,028</u> | <u>9,769,021</u> |
| LIABILITIES | | | |
| Current liabilities: | | | |
| Accounts payable | 187,020 | 31,931 | - |
| Accrued payroll and related liabilities | 27,438 | 7,646 | - |
| Accrued claims - due within one year | 1,742,577 | - | - |
| Compensated absences - due within one year | 5,579 | 5,786 | - |
| Total current liabilities | <u>1,962,614</u> | <u>45,363</u> | <u>-</u> |
| Non-current liabilities: | | | |
| Accrued claims - due in more than one year | 7,270,423 | - | - |
| Compensated absences - due in more than one year | 17,392 | 1,689 | - |
| Total non-current liabilities | <u>7,287,815</u> | <u>1,689</u> | <u>-</u> |
| Total liabilities | <u>9,250,429</u> | <u>47,052</u> | <u>-</u> |
| NET POSITION | | | |
| Unrestricted | 10,415,784 | 10,740,976 | 9,769,021 |
| Total net position | <u>\$ 10,415,784</u> | <u>\$ 10,740,976</u> | <u>\$ 9,769,021</u> |

| General Liability | Employee Benefits | Total |
|----------------------|----------------------|----------------------|
| \$ 7,364,169 | \$ 3,153,287 | \$ 50,235,227 |
| 791,099 | 120,596 | 914,433 |
| 375,352 | 81,300 | 959,405 |
| <u>8,530,620</u> | <u>3,355,183</u> | <u>52,109,065</u> |
| 199,683 | 862,660 | 1,281,294 |
| 4,786 | 189,581 | 229,451 |
| 461,130 | 64,996 | 2,268,703 |
| - | - | 11,365 |
| <u>665,599</u> | <u>1,117,237</u> | <u>3,790,813</u> |
| 938,870 | - | 8,209,293 |
| 22,971 | - | 42,052 |
| <u>961,841</u> | <u>-</u> | <u>8,251,345</u> |
| <u>1,627,440</u> | <u>1,117,237</u> | <u>12,042,158</u> |
| 6,903,180 | 2,237,946 | 40,066,907 |
| <u>\$ 6,903,180</u> | <u>\$ 2,237,946</u> | <u>\$ 40,066,907</u> |

East Bay Regional Park District
Combining Statement of Revenue, Expenses and Changes in Net Position
Internal Service Funds
For the year ended December 31, 2018

| | Workers' Compensation | Major Infrastructure Renovation/Replace | Major Equipment Replacement |
|---------------------------------------|--------------------------|--|--------------------------------|
| OPERATING REVENUES | | | |
| Charges for services | \$ 4,285,556 | \$ - | \$ 851,300 |
| Other revenue | 192,766 | - | - |
| Total operating revenues | <u>4,478,322</u> | <u>-</u> | <u>851,300</u> |
| OPERATING EXPENSES | | | |
| Cost of services | 528,045 | - | - |
| Claims | 2,314,232 | - | - |
| General and Administrative | 778,890 | 895,532 | - |
| Total operating expenses | <u>3,621,167</u> | <u>895,532</u> | <u>-</u> |
| OPERATING INCOME | <u>857,155</u> | <u>(895,532)</u> | <u>851,300</u> |
| NONOPERATING REVENUES | | | |
| Interest income | 431,458 | 262,206 | - |
| INCOME (LOSS) BEFORE TRANSFERS | <u>1,288,613</u> | <u>(633,326)</u> | <u>851,300</u> |
| TRANSFERS | | | |
| Transfers in | - | 7,701,415 | - |
| Transfers out | - | (5,433,822) | (5,899,865) |
| Total transfers | <u>-</u> | <u>2,267,593</u> | <u>(5,899,865)</u> |
| CHANGE IN NET POSITION | <u>1,288,613</u> | <u>1,634,267</u> | <u>(5,048,565)</u> |
| NET POSITION | | | |
| Beginning of year | 9,127,171 | 9,106,709 | 14,817,586 |
| End of year | <u>\$ 10,415,784</u> | <u>\$ 10,740,976</u> | <u>\$ 9,769,021</u> |

| General Liability | Employee Benefits | Total |
|----------------------|----------------------|----------------------|
| \$ 3,198,244 | \$ 5,028,110 | \$ 13,363,210 |
| 76,742 | - | 269,508 |
| <u>3,274,986</u> | <u>5,028,110</u> | <u>13,632,718</u> |
| 1,002,448 | 3,477,671 | 5,008,164 |
| 311,850 | 1,266,910 | 3,892,992 |
| 419,007 | 134,204 | 2,227,633 |
| <u>1,733,305</u> | <u>4,878,785</u> | <u>11,128,789</u> |
| 1,541,681 | 149,325 | 2,503,929 |
| 169,038 | 72,163 | 934,865 |
| 1,710,719 | 221,488 | 3,438,794 |
| 58,446 | - | 7,759,861 |
| (497,786) | - | (11,831,473) |
| <u>(439,340)</u> | <u>-</u> | <u>(4,071,612)</u> |
| 1,271,379 | 221,488 | (632,818) |
| 5,631,801 | 2,016,458 | 40,699,725 |
| <u>\$ 6,903,180</u> | <u>\$ 2,237,946</u> | <u>\$ 40,066,907</u> |

East Bay Regional Park District
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2018

| | Workers' Compensation | Major Infrastructure Renovation/Replace | Major Equipment Replacement |
|---|--------------------------|--|--------------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | | |
| Receipts from customers/other | \$ 4,528,157 | \$ - | \$ 851,300 |
| Payments to suppliers | (750,082) | - | |
| Payments to employees | (439,560) | (839,543) | - |
| Claims paid | (1,947,232) | - | - |
| Net cash provided/(used) by operating activities | 1,391,283 | (839,543) | 851,300 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | |
| Transfers in | - | 7,701,415 | - |
| Transfers out | - | (5,433,822) | (5,899,865) |
| Net cash provided (used) for noncapital financing activity | - | 2,267,593 | (5,899,865) |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | |
| Interest | 431,458 | 262,206 | - |
| Net cash provided (used) by investing activities | 431,458 | 262,206 | - |
| Net increase (decrease) in cash and cash equivalents | 1,822,741 | 1,690,256 | (5,048,565) |
| CASH AND CASH EQUIVALENTS | | | |
| Beginning of year | 17,337,981 | 9,097,772 | 14,817,586 |
| End of year | \$ 19,160,722 | \$ 10,788,028 | \$ 9,769,021 |
| RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES | | | |
| Operating income (loss) | \$ 857,155 | \$ (895,532) | \$ 851,300 |
| Adjustments to reconcile operating income (loss) to cash flow from operating activities: | | | |
| Changes in assets and liabilities: | | | |
| Accounts receivable | 49,834 | - | - |
| Prepaid items and deposits | 56,046 | 22,375 | - |
| Accounts payable | 45,381 | 31,931 | - |
| Accrued payroll and related liabilities | 15,866 | 1,683 | - |
| Accrued claims | 367,001 | - | - |
| Net cash provided/(used) by operating activities | \$ 1,391,283 | \$ (839,543) | \$ 851,300 |

| General Liability | Employee Benefits | Total |
|----------------------|----------------------|----------------------|
| \$ 2,530,230 | \$ 4,987,362 | \$ 12,897,049 |
| (1,058,599) | (675,227) | (2,483,908) |
| (324,063) | (3,365,239) | (4,968,405) |
| (257,850) | (1,263,057) | (3,468,139) |
| <u>889,718</u> | <u>(316,161)</u> | <u>1,976,597</u> |
| 58,446 | - | 7,759,861 |
| (497,786) | - | (11,831,473) |
| <u>(439,340)</u> | <u>-</u> | <u>(4,071,612)</u> |
| 169,038 | 72,163 | 934,865 |
| <u>169,038</u> | <u>72,163</u> | <u>934,865</u> |
| 619,416 | (243,998) | (1,160,150) |
| <u>6,744,753</u> | <u>3,397,285</u> | <u>51,395,377</u> |
| <u>\$ 7,364,169</u> | <u>\$ 3,153,287</u> | <u>\$ 50,235,227</u> |

\$ 1,541,681 \$ 149,325 \$ 2,503,929

| | | |
|-------------------|---------------------|---------------------|
| (744,756) | (40,749) | (735,671) |
| (37,620) | - | 40,801 |
| 74,099 | (541,024) | (389,613) |
| 2,314 | 112,434 | 132,297 |
| 54,000 | 3,853 | 424,854 |
| <u>\$ 889,718</u> | <u>\$ (316,161)</u> | <u>\$ 1,976,597</u> |

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FIDUCIARY FUNDS FINANCIAL STATEMENTS

PENSION TRUST FUNDS – Pension trust funds are used to account for assets for which the District is a trustee and has a fiduciary responsibility. The financial activities of these funds are excluded from the Government-Wide Financial Statements but are presented in separate Fiduciary Fund Financial Statements.



East Bay Regional Park District
Statement of Fiduciary Net Position
Fiduciary Funds
December 31, 2018

| | EBRPD Retirement Plan- Safety | EBRPD Retirement Plan- General Employees | Total Pension Trust Funds |
|--------------------------------------|-------------------------------------|---|------------------------------|
| ASSETS | | | |
| Cash and cash equivalents | \$ 76,586 | \$ 773,426 | \$ 850,012 |
| Investments at fair value: | | | |
| Mutual funds | 3,517,541 | 35,522,869 | 39,040,410 |
| Total Assets | <u>3,594,127</u> | <u>36,296,295</u> | <u>39,890,422</u> |
| NET POSITION | | | |
| Net position restricted for pensions | <u>\$ 3,594,127</u> | <u>\$ 36,296,295</u> | <u>\$ 39,890,422</u> |

East Bay Regional Park District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the year ended December 31, 2018

| | EBRPD Retirement Plan- Safety | EBRPD Retirement Plan- General Employees | Total Pension Trust Funds |
|--|-------------------------------------|---|------------------------------|
| ADDITIONS | | | |
| Contributions: | | | |
| Contributions from employer | \$ 351,750 | \$ 2,981,000 | \$ 3,332,750 |
| Contributions from employee | - | 13,943 | 13,943 |
| Total Contributions | <u>351,750</u> | <u>2,994,943</u> | <u>3,346,693</u> |
| Investment earnings/(loss): | | | |
| Net investment loss | (116,887) | (1,181,082) | (1,297,969) |
| Total Additions | <u>234,863</u> | <u>1,813,861</u> | <u>2,048,724</u> |
| DEDUCTIONS | | | |
| Retirement and other benefits | 294,532 | 3,678,381 | 3,972,913 |
| Administration costs | 17,973 | 181,611 | 199,584 |
| Total Deductions | <u>312,505</u> | <u>3,859,992</u> | <u>4,172,497</u> |
| Net increase (decrease) in Fiduciary Net Position | (77,642) | (2,046,131) | (2,123,773) |
| NET POSITION | | | |
| Beginning of year | 3,726,733 | 38,287,462 | 42,014,195 |
| End of year | <u>\$ 3,649,091</u> | <u>\$ 36,241,331</u> | <u>\$ 39,890,422</u> |

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**Statistical
Section**

STATISTICAL SECTION



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East Bay Regional Park District
Statistical Section – Net Position
Last Ten Fiscal Years
For the year ended December 31, 2018

This part of the East Bay Regional Park District Comprehensive Annual Financial Report provides information that improves understandability of financial statements, note disclosures, and required supplementary information. The District has only governmental activities, and thus the governmental activity amounts equal the primary government amounts.

Contents

Financial Trends

These schedules depict financial trend information.

Revenue Capacity

These schedules provide information about the District's most significant local revenue source.

Debt Capacity

These schedules display the District's current level of debt, and help the reader assess the District's ability to issue additional future debt.

Demographic and Economic Information

These schedules show indicators that help in understanding the environment within which the District's financial activities take place.

Operating Information

These schedules present services and infrastructure data, relating financial information to the services the District provides and the activities it performs.

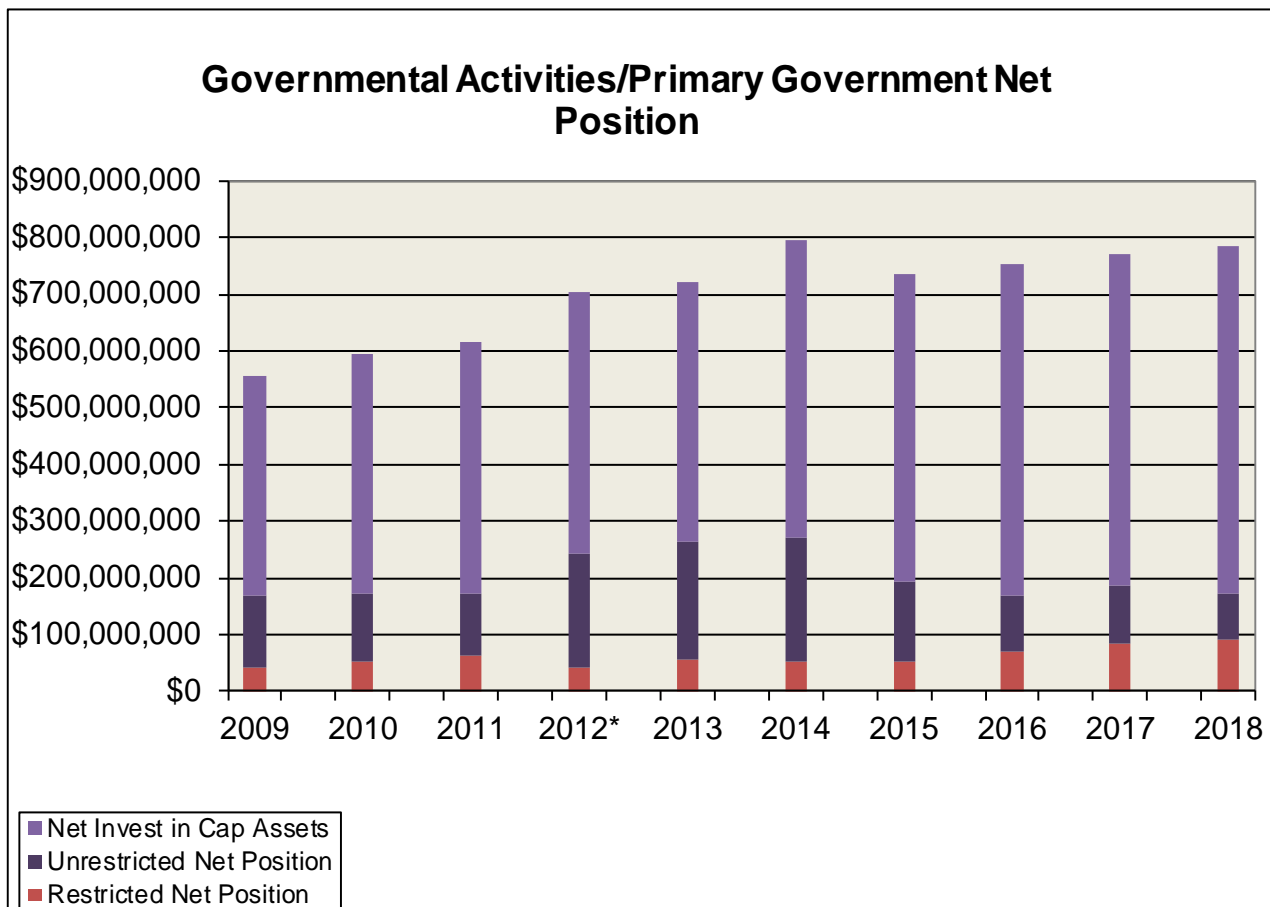
Sources: Unless otherwise noted, the information in these schedules is derived from the Comprehensive Annual Financial Reports for the relevant years.

East Bay Regional Park District
Net Position
Last Ten Fiscal Years

| | Year ended December 31, | | | |
|---|-------------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012* |
| Governmental Activities/Primary Government | | | | |
| Net investment in capital assets | \$ 384,801,194 | \$ 420,410,465 | \$ 445,133,895 | \$ 461,617,626 |
| Restricted for: | | | | |
| Capital projects | 8,948,410 | 18,522,764 | 34,662,211 | - |
| Debt service | 26,338,455 | 20,925,374 | 14,472,963 | 12,730,090 |
| Capital projects | 7,203,058 | 14,109,436 | 15,142,325 | 5,447,693 |
| Park maintenance and operations | | | | 16,010,839 |
| Pension Contribution | | | | 3,221,351 |
| Mitigation projects: | | | | |
| Expendable | | | | 246,900 |
| Nonexpendable | | | | 3,707,308 |
| Total restricted net position | <u>42,489,923</u> | <u>53,557,574</u> | <u>64,277,499</u> | <u>41,364,181</u> |
| Unrestricted | <u>127,527,580</u> | <u>119,897,765</u> | <u>107,027,746</u> | <u>201,119,691</u> |
| Total governmental activities/ primary government net position | <u>\$ 554,818,697</u> | <u>\$ 593,865,804</u> | <u>\$ 616,439,140</u> | <u>\$ 704,101,498</u> |

* as restated

| Year ended December 31, | | | | | |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 456,160,622 | \$ 523,526,294 | \$ 542,662,924 | \$ 584,276,354 | \$ 585,456,642 | \$ 612,182,902 |
| - | - | - | - | - | - |
| 21,922,993 | 20,219,074 | 18,615,595 | 8,653,163 | 14,777,234 | 21,251,436 |
| 10,668,872 | 6,778,145 | 11,824,946 | 18,564,253 | 16,468,231 | 15,838,326 |
| 17,831,009 | 19,575,735 | 15,517,623 | 40,297,426 | 43,027,972 | 44,944,092 |
| 3,128,758 | 3,018,871 | 2,467,099 | | 3,509,023 | 5,661,308 |
| 255,235 | 253,287 | 296,496 | 335,296 | 403,235 | 513,770 |
| <u>3,707,308</u> | <u>3,707,307</u> | <u>4,047,574</u> | <u>4,047,574</u> | <u>4,496,125</u> | <u>4,693,503</u> |
| <u>57,514,175</u> | <u>53,552,419</u> | <u>52,769,333</u> | <u>71,897,712</u> | <u>82,681,820</u> | <u>92,902,435</u> |
| <u>207,707,342</u> | <u>218,827,655</u> | <u>139,370,956</u> | <u>98,036,481</u> | <u>103,638,675</u> | <u>79,554,519</u> |
| <u>\$ 721,382,139</u> | <u>\$ 795,906,368</u> | <u>\$ 734,803,213</u> | <u>\$ 754,210,547</u> | <u>\$ 771,777,137</u> | <u>\$ 784,639,856</u> |



East Bay Regional Park District
Changes in Net Position
Last Ten Fiscal Years

| | Year ended December 31, | | | |
|--|-------------------------|----------------------|----------------------|----------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Governmental Activities | | | | |
| Expenses | | | | |
| Executive and Legislative Division | \$ 2,457,139 | \$ 1,988,340 | \$ 2,108,946 | \$ 1,770,570 |
| Finance and Management Services Div. | 13,186,667 | 20,036,518 | 24,209,016 | 22,146,423 |
| Human Resources Division | 1,851,719 | 2,006,161 | 2,210,203 | 1,901,476 |
| Land Division | 2,291,803 | 3,697,404 | 2,555,259 | 3,090,734 |
| Legal Division | 1,572,650 | 1,362,031 | 1,205,704 | 1,089,042 |
| Operations Division | 59,669,927 | 59,848,798 | 63,925,956 | 61,499,098 |
| Acquisition/Stewardship/Development Div. | 6,457,765 | 10,549,048 | 11,282,151 | 9,911,185 |
| Public Affairs Division | 2,961,039 | 2,983,987 | 2,968,268 | 3,101,111 |
| Public Safety Division | 21,156,662 | 21,280,310 | 22,852,382 | 22,701,888 |
| Interest on long-term debt | 5,744,689 | 6,220,090 | 5,312,829 | 5,059,952 |
| Total governmental activities/ primary government expenses | 117,350,060 | 129,972,687 | 138,630,714 | 132,271,479 |
| Program Revenues | | | | |
| Charges for services | | | | |
| Executive and Legislative Division | 700 | 150 | - | - |
| Finance and Management Services Div. | 1,109,368 | 409,628 | 68,465 | 69,306 |
| Human Resources Division | 2,446 | - | - | 42 |
| Land Division | 964,449 | 392,073 | 1,251,567 | 312,792 |
| Legal Division | 387,650 | 419,809 | 7,985 | 312 |
| Operations Division | 15,979,011 | 16,381,249 | 19,992,488 | 16,680,067 |
| Acquisition/Stewardship/Development Div. | (1,584,705) | 527,773 | 1,567,296 | 689,273 |
| Public Affairs Division | 2,206 | 1,979 | 9,408 | 103 |
| Public Safety Division | 2,362,737 | 1,430,186 | 1,436,299 | 1,498,593 |
| Operating contributions and grants | 514,242 | 1,229,280 | 1,777,357 | 6,928,772 |
| Capital contributions and grants | 17,838,236 | 27,365,637 | 19,189,471 | 11,324,225 |
| Total governmental activities/ primary government revenues | 37,576,340 | 48,157,764 | 45,300,336 | 37,503,485 |
| Total governmental activities/ primary government net revenue/(expense) | (79,773,720) | (81,814,923) | (93,330,378) | (94,767,994) |
| General Revenues | | | | |
| General property taxes | 95,015,571 | 91,042,456 | 90,797,991 | 95,554,076 |
| General obligation bond property tax | 30,084,466 | 28,038,818 | 22,884,370 | 20,532,194 |
| Unrestricted interest | 2,357,591 | 829,029 | 848,442 | 740,999 |
| Debt/bond related interest | - | 951,730 | 611,397 | 258,204 |
| Miscellaneous | - | - | - | - |
| Endowment contribution | - | - | - | 845,602 |
| Extraordinary item | - | - | 761,514 | - |
| Total general/primary government revenues | 127,457,628 | 120,862,033 | 115,903,714 | 117,931,075 |
| Change in net position | \$ 47,683,908 | \$ 39,047,110 | \$ 22,573,336 | \$ 23,163,081 |

Source: East Bay Regional Park District.

* Land Division and Planning/stewardship/Development Division were merged due to reorganization.

^ Starting 2017 Human Resources is a Department within Executive and Legislative Division.

| Year ended December 31, | | | | | |
|-------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 1,882,975 | \$ 2,437,806 | \$ 1,884,055 | \$ 3,761,476 | \$ 5,664,599 | \$ 9,183,138 |
| 19,727,707 | 19,903,720 | 15,339,406 | 21,038,743 | 22,661,711 | 22,291,518 |
| 2,048,512 | 1,937,936 | 2,090,618 | 2,290,686 | ^ | ^ |
| 2,942,337 | 2,920,657 | 3,756,611 | * | * | * |
| 1,293,138 | 2,408,678 | 1,727,362 | 7,441,256 | 2,683,290 | 2,297,386 |
| 66,914,912 | 65,889,460 | 69,764,023 | 71,434,687 | 75,882,817 | 81,077,266 |
| 12,913,207 | 8,631,849 | 12,806,022 | 23,473,090 | 19,362,241 | 21,481,282 |
| 3,191,414 | 4,000,739 | 3,698,496 | 4,203,454 | 4,502,963 | 4,973,994 |
| 22,678,752 | 22,835,000 | 24,485,085 | 26,115,088 | 27,709,068 | 29,781,700 |
| 5,500,428 | 5,645,812 | 4,849,184 | 4,504,040 | 4,407,961 | 5,451,225 |
| <u>139,093,382</u> | <u>136,611,657</u> | <u>140,400,862</u> | <u>164,262,520</u> | <u>162,874,650</u> | <u>176,537,509</u> |
| - | - | 1,080 | 2,077 | 33,750 | 46,699 |
| 90,680 | 147,036 | 357,757 | 93,408 | 81,058 | 96,432 |
| 141 | - | 219 | 40 | ^ | ^ |
| 292,754 | 103,601 | 157,698 | * | * | * |
| 65 | 166,799 | 6,879 | 170 | 1,449 | - |
| 18,801,985 | 19,054,412 | 18,697,737 | 19,672,985 | 18,917,396 | 19,538,580 |
| 771,752 | 607,063 | 956,327 | 1,398,143 | 1,312,572 | 1,307,382 |
| 9,738 | 175,330 | 363,573 | 332,740 | 399,561 | 390,123 |
| 1,564,449 | 1,523,722 | 1,923,139 | 1,790,150 | 2,004,000 | 2,786,280 |
| 3,768,504 | 2,530,783 | 3,298,311 | 5,172,561 | 3,590,348 | 7,378,293 |
| 5,360,084 | 52,965,205 | 7,466,395 | 14,904,397 | 10,839,702 | 9,993,937 |
| <u>30,660,152</u> | <u>77,273,951</u> | <u>33,229,115</u> | <u>43,366,671</u> | <u>37,179,836</u> | <u>41,537,726</u> |
| <u>(108,433,230)</u> | <u>(59,337,706)</u> | <u>(107,171,747)</u> | <u>(120,895,849)</u> | <u>(125,694,814)</u> | <u>(134,999,783)</u> |
| 100,152,404 | 102,391,952 | 115,895,033 | 123,570,579 | 130,718,168 | 145,438,264 |
| 25,268,744 | 30,463,237 | 29,490,016 | 15,278,879 | 10,573,520 | 19,643,569 |
| 191,152 | 693,810 | 629,057 | 1,205,365 | 1,969,714 | 5,472,324 |
| 101,571 | 312,936 | 119,507 | 248,360 | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| - | - | - | - | - | - |
| <u>125,713,871</u> | <u>133,861,935</u> | <u>146,133,613</u> | <u>140,303,183</u> | <u>143,261,402</u> | <u>170,554,157</u> |
| <u>\$ 17,280,641</u> | <u>\$ 74,524,229</u> | <u>\$ 38,961,866</u> | <u>\$ 19,407,334</u> | <u>\$ 17,566,588</u> | <u>\$ 35,554,374</u> |

East Bay Regional Park District
Fund Balance of Governmental Funds
Last Ten Fiscal Years

| | Year ended December 31, | | | |
|---------------------------------------|-------------------------|----------------------|----------------------|----------------------|
| | <u>2009</u> | <u>2010</u> | <u>2011*</u> | <u>2012</u> |
| General Fund | | | | |
| Reserved | \$10,325,522 | \$8,912,139 | | |
| Unreserved, designated in | 22,197,891 | 48,915,671 | | |
| Unreserved, reported in | 49,466,329 | 30,772,533 | | |
| Non-spendable | | | \$ 7,100,622 | \$ 6,071,345 |
| Restricted | | | 825,797 | 758,115 |
| Committed | | | 37,438,615 | 50,747,150 |
| Assigned | | | - | - |
| Unassigned | | | 45,556,883 | 35,795,631 |
| Total General Fund | <u>81,989,742</u> | <u>88,600,343</u> | <u>90,921,917</u> | <u>93,372,241</u> |
| Other Governmental Funds | | | | |
| Reserved | 41,872,957 | 36,561,520 | | |
| Unreserved, designated in: | | | | |
| Special revenue funds | - | - | | |
| Project funds | 6,266,942 | 6,246,125 | | |
| Debt service funds | - | - | | |
| Unreserved reported in: | | | | |
| Special revenue funds | 17,815,242 | 15,892,728 | | |
| Project funds | 118,060,011 | 94,684,577 | | |
| Permanent funds | - | 233,583 | | |
| Non-spendable | | | 4,568,866 | 7,034,880 |
| Restricted | | | 94,109,584 | 93,224,456 |
| Committed | | | 17,375,615 | 19,969,351 |
| Assigned | | | 7,844,564 | 1,776,903 |
| Unassigned | | | (389,322) | - |
| Total other governmental funds | <u>184,015,152</u> | <u>153,618,533</u> | <u>123,509,307</u> | <u>122,005,590</u> |
| Total governmental funds | <u>\$266,004,894</u> | <u>\$242,218,876</u> | <u>\$214,431,224</u> | <u>\$215,377,831</u> |

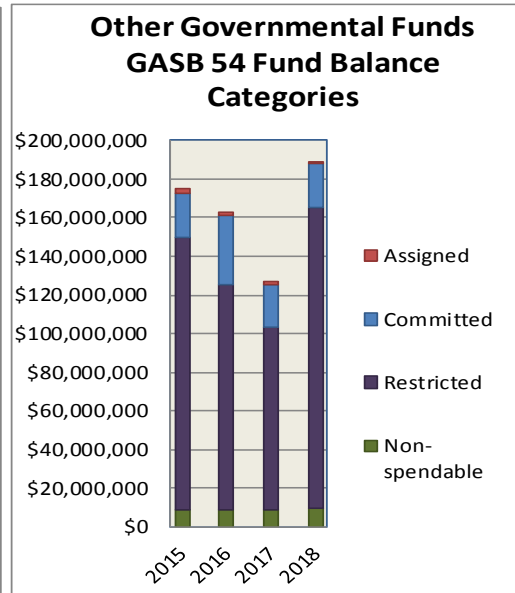
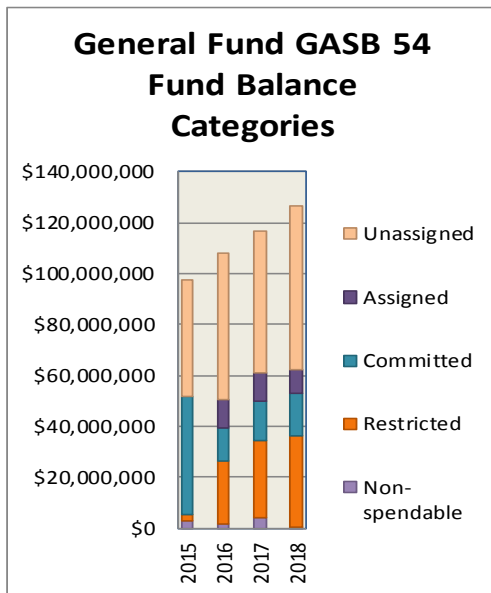
Source: East Bay Regional Park District.

Amounts are reported on modified accrual basis of accounting

* Change in fund balance classification is due to implementation of GASB 54 for year ended December 31, 2011

Year ended December 31,

| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
|----------------------|----------------------|----------------------|----------------------|----------------------|--------------------|
| \$ 4,958,575 | \$ 3,806,266 | \$ 3,025,111 | \$ 1,925,818 | \$ 3,860,408 | \$ 654,268 |
| 965,961 | 1,210,401 | 2,036,959 | 24,642,998 | 30,859,885 | 35,702,280 |
| 53,170,381 | 44,026,613 | 46,705,998 | 12,882,331 | 15,250,000 | 16,390,000 |
| - | - | - | 10,895,641 | 11,239,044 | 9,806,225 |
| 44,514,739 | 48,820,556 | 45,559,905 | 57,903,333 | 55,790,745 | 64,148,146 |
| <u>103,609,656</u> | <u>97,863,836</u> | <u>97,327,973</u> | <u>108,250,121</u> | <u>117,000,082</u> | <u>126,700,919</u> |
| 8,639,893 | 8,863,340 | 9,028,867 | 8,948,867 | 9,716,503 | 4,693,503 |
| 165,042,494 | 140,850,599 | 116,111,268 | 94,124,076 | 155,878,994 | 146,001,362 |
| 14,091,628 | 23,289,360 | 36,061,275 | 22,500,483 | 22,273,407 | 27,442,273 |
| 1,688,673 | 1,685,613 | 1,675,586 | 1,400,534 | 1,407,972 | 4,453,973 |
| - | - | - | - | (5,397) | (3,645) |
| <u>189,462,688</u> | <u>174,688,912</u> | <u>162,876,996</u> | <u>126,973,960</u> | <u>189,271,479</u> | <u>182,587,466</u> |
| <u>\$293,072,344</u> | <u>\$272,552,748</u> | <u>\$260,204,969</u> | <u>\$235,224,081</u> | <u>\$306,271,561</u> | <u>309,288,385</u> |



East Bay Regional Park District
Changes in Fund Balances of Governmental Funds
Last Ten Fiscal Years

| | Year ended December 31, | | | |
|--|-------------------------|-----------------------|-----------------------|-----------------------|
| | 2009 | 2010 | 2011 | 2012 |
| REVENUES: | | | | |
| Property taxes and assessments | \$ 133,010,666 | \$ 127,002,718 | \$ 121,601,603 | \$ 123,424,647 |
| Charges for services | 10,159,681 | 9,333,354 | 9,447,957 | 8,997,687 |
| Interest | 2,821,942 | 1,748,425 | 1,443,937 | 918,098 |
| Property usage | 1,774,871 | 1,989,547 | 2,534,478 | 2,540,010 |
| Interagency agreements and grants | 15,120,375 | 21,377,974 | 23,952,739 | 10,199,235 |
| Endowment | | | | |
| Miscellaneous | 3,612,643 | 3,947,406 | 2,048,629 | 5,986,994 |
| Total revenues | 166,500,178 | 165,399,425 | 161,029,343 | 152,066,671 |
| EXPENDITURES: | | | | |
| Current: | | | | |
| Executive and Legislative Division | 2,183,147 | 2,056,177 | 1,961,287 | 1,788,715 |
| Finance and Management Services Division | 13,443,720 | 19,557,292 | 23,560,132 | 21,883,736 |
| Human Resources Division | 1,884,094 | 1,965,973 | 2,086,091 | 1,997,220 |
| Legal Division | 1,457,191 | 1,372,125 | 1,139,741 | 1,252,615 |
| Operations Division | 54,983,632 | 53,254,338 | 55,052,990 | 57,211,887 |
| Acquisition/Stewardship/Development Division | 9,165,177 | 11,289,960 | 13,291,749 | 13,191,052 |
| Public Affairs Division | 3,155,034 | 2,934,996 | 2,852,968 | 3,117,985 |
| Public Safety Division | 20,783,140 | 21,067,016 | 21,454,554 | 23,819,392 |
| Debt Service: | | | | |
| Principal | 26,674,809 | 28,425,626 | 25,157,417 | 19,015,218 |
| Interest | 6,271,625 | 7,011,571 | 6,262,649 | 5,239,988 |
| Cost of issuance | 737,549 | - | - | 511,003 |
| Capital Outlay | 20,905,972 | 40,655,395 | 34,248,963 | 26,379,454 |
| Total expenditures | 161,645,090 | 189,590,470 | 187,068,541 | 175,408,265 |
| REVENUES OVER (UNDER) EXPENDITURES | 4,855,088 | (24,191,045) | (26,039,198) | (23,341,594) |
| OTHER FINANCING SOURCES (USES): | | | | |
| Proceeds from sales of property | 150,486 | 113,942 | 90,280 | 100,034 |
| Proceeds from issuance of debt (including premium) | 87,692,502 | - | - | 25,382,673 |
| Debt issuance | | | | |
| Premium on bonds issued | | | | |
| Refunding bond issuance | | | | |
| Premium on refunding bonds issued | | | | |
| Payment to refunded bond escrow agent | | | | |
| Transfers in | 17,558,121 | 36,741,204 | 37,748,327 | 26,785,553 |
| Transfers out | (18,474,073) | (36,450,121) | (39,587,062) | (27,451,256) |
| Total Other Financing Sources (Uses) | 86,927,036 | 405,025 | (1,748,455) | 24,817,004 |
| Net Change in Fund Balances | 91,782,124 | (23,786,020) | (27,787,653) | 1,475,410 |
| FUND BALANCES: | | | | |
| Beginning of year | 174,222,772 | 266,004,896 | 242,218,876 | 213,902,421 |
| End of year | <u>\$ 266,004,896</u> | <u>\$ 242,218,876</u> | <u>\$ 214,431,224</u> | <u>\$ 215,377,831</u> |
| Debt service as a percentage of noncap exp | 23.4% | 23.8% | 20.6% | 16.3% |

Source: East Bay Regional Park District.

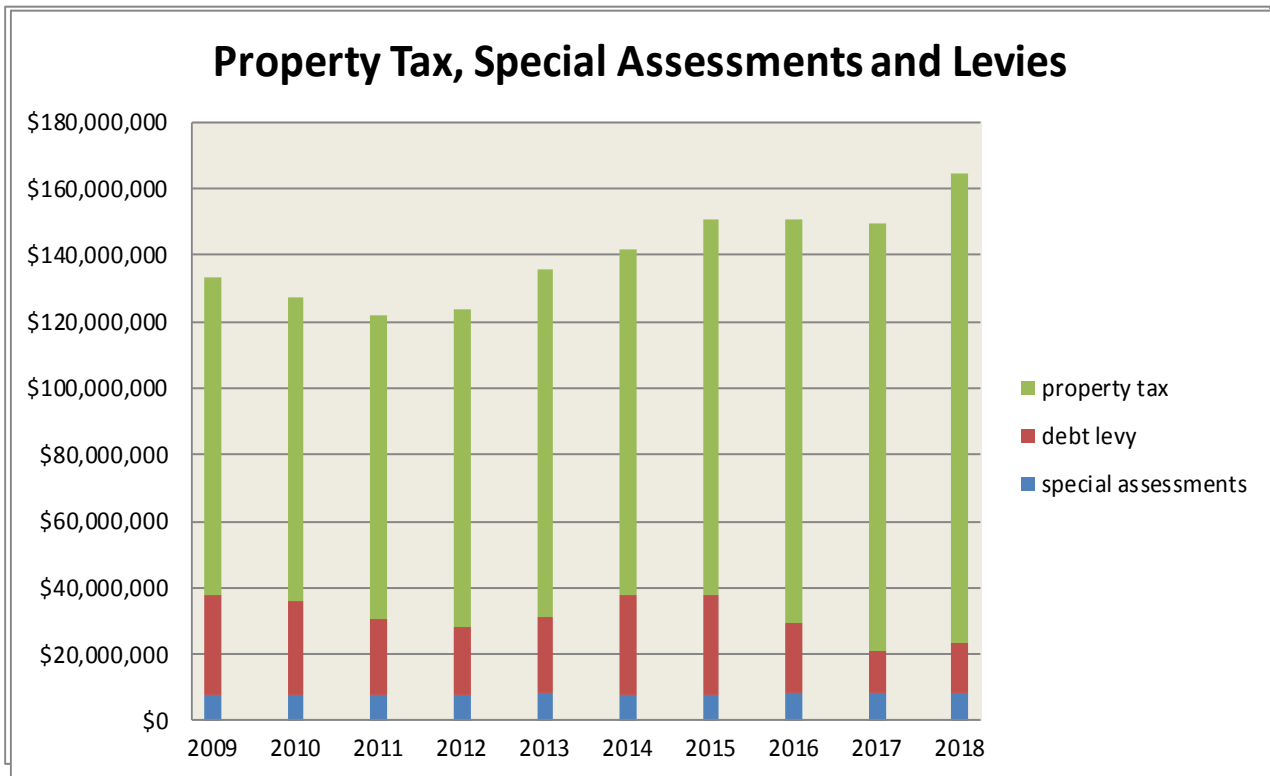
Amounts are reported on modified accrual basis of accounting

* Starting 2017 Human Resources is a Department within Executive and Legislative Division.

| Year ended December 31, | | | | | |
|-------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 135,512,025 | \$ 141,890,256 | \$ 150,567,629 | \$ 150,778,990 | \$ 149,352,438 | \$ 164,484,518 |
| 9,221,344 | 9,927,231 | 9,957,280 | 10,341,350 | 9,665,944 | 10,807,954 |
| 256,947 | 982,042 | 794,088 | 1,405,238 | 1,852,022 | 5,199,493 |
| 3,626,431 | 3,249,512 | 3,358,872 | 3,864,583 | 3,274,949 | 3,077,261 |
| 5,182,475 | 24,177,919 | 7,495,303 | 17,552,820 | 11,395,104 | 13,308,685 |
| | | | | 436,836 | 197,378 |
| 2,425,565 | 2,506,240 | 3,835,625 | 3,349,772 | 2,957,891 | 4,853,379 |
| <u>156,224,787</u> | <u>182,733,200</u> | <u>176,008,797</u> | <u>187,292,753</u> | <u>178,935,184</u> | <u>201,928,668</u> |
| 1,884,804 | 2,445,897 | 1,947,752 | 3,753,283 | 5,770,267 | 9,076,700 |
| 19,462,043 | 19,732,730 | 15,315,010 | 20,700,390 | 22,496,025 | 21,604,621 |
| 2,051,530 | 2,050,926 | 2,152,558 | 2,306,763 | * | * |
| 1,399,294 | 2,587,943 | 1,938,617 | 1,869,180 | 2,854,586 | 2,089,803 |
| 59,506,889 | 63,179,659 | 63,942,688 | 68,171,161 | 70,384,468 | 75,528,660 |
| 15,872,577 | 11,837,091 | 15,931,740 | 23,471,623 | 19,665,811 | 21,237,024 |
| 3,189,601 | 4,053,465 | 3,810,756 | 4,194,673 | 4,558,587 | 4,881,787 |
| 22,706,869 | 23,781,715 | 25,338,467 | 26,362,109 | 27,831,923 | 28,198,492 |
| 14,415,000 | 25,400,000 | 26,830,000 | 26,340,000 | 9,915,000 | 9,075,000 |
| 5,488,528 | 7,468,832 | 6,434,317 | 5,901,742 | 5,054,256 | 6,544,934 |
| 435,182 | - | - | - | 544,481 | 16,680 |
| 17,084,992 | 37,985,313 | 23,145,832 | 32,265,840 | 27,885,201 | 24,911,883 |
| <u>163,497,309</u> | <u>200,523,571</u> | <u>186,787,737</u> | <u>215,336,764</u> | <u>196,960,605</u> | <u>203,165,584</u> |
| <u>(7,272,522)</u> | <u>(17,790,371)</u> | <u>(10,778,940)</u> | <u>(28,044,011)</u> | <u>(18,025,421)</u> | <u>(1,236,916)</u> |
| 67,142 | 140,212 | 108,155 | 201,052 | 222,878 | 182,128 |
| 84,653,469 | - | - | - | - | - |
| | | | | 80,000,000 | |
| | | | | 7,268,533 | |
| | | | | 44,550,000 | |
| | | | | 9,092,991 | |
| | | | | (53,449,613) | |
| 26,528,398 | 29,024,850 | 36,004,778 | 31,929,622 | 116,678,601 | 41,579,418 |
| <u>(26,281,974)</u> | <u>(31,894,288)</u> | <u>(37,681,771)</u> | <u>(29,067,551)</u> | <u>(115,290,489)</u> | <u>(37,507,806)</u> |
| 84,967,035 | (2,729,226) | (1,568,838) | 3,063,123 | 89,072,901 | 4,253,740 |
| <u>77,694,513</u> | <u>(20,519,597)</u> | <u>(12,347,778)</u> | <u>(24,980,888)</u> | <u>71,047,480</u> | <u>3,016,824</u> |
| 215,377,831 | 293,072,344 | 272,552,747 | 260,204,969 | 235,224,081 | 306,271,561 |
| <u>\$ 293,072,344</u> | <u>\$ 272,552,747</u> | <u>\$ 260,204,969</u> | <u>\$ 235,224,081</u> | <u>\$ 306,271,561</u> | <u>\$ 309,288,385</u> |
| <u>13.6%</u> | <u>20.2%</u> | <u>20.3%</u> | <u>17.6%</u> | <u>8.9%</u> | <u>8.8%</u> |

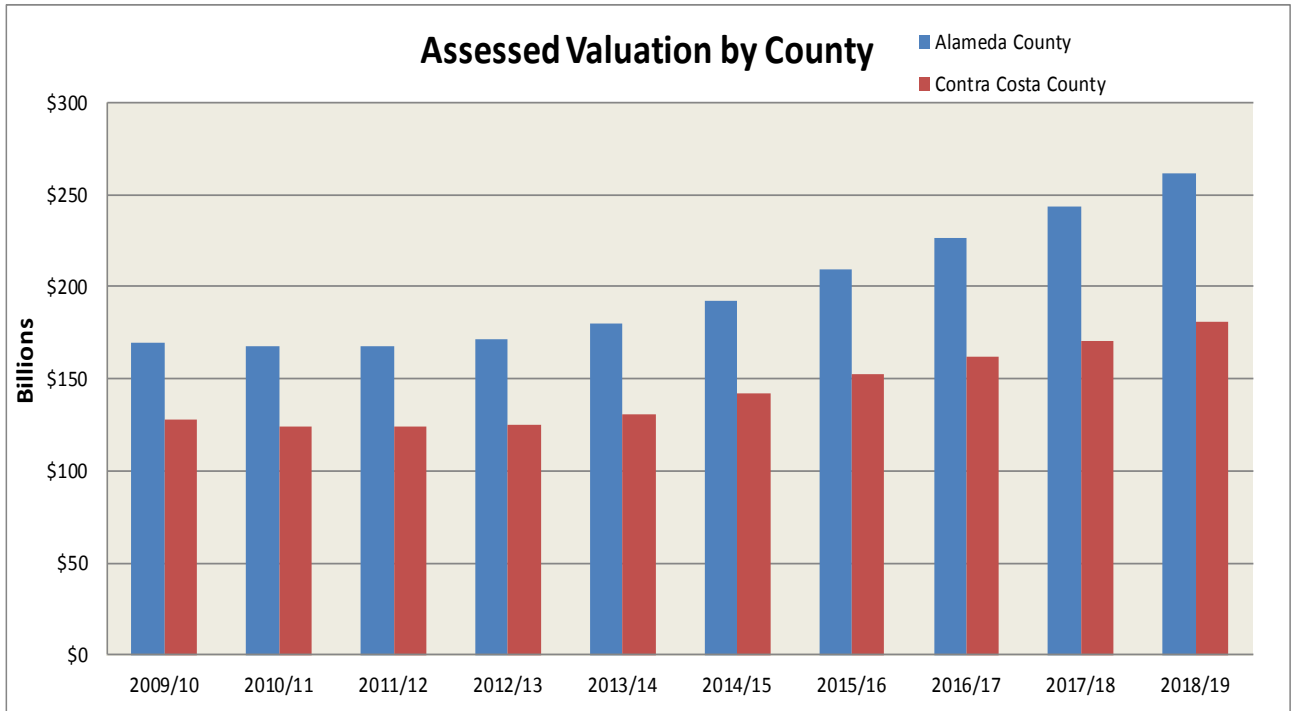
East Bay Regional Park District
Governmental Activities Tax Revenue By Source
Last Ten Fiscal Years

| Fiscal Year^ | Special Assessments | Debt Levy | Property Tax | Total |
|--------------|---------------------|---------------|----------------|----------------|
| 2009 | \$ 7,910,629 | \$ 30,084,466 | \$ 95,015,571 | \$ 133,010,666 |
| 2010 | \$ 7,921,444 | \$ 28,038,818 | \$ 91,042,456 | \$ 127,002,718 |
| 2011 | \$ 7,919,242 | \$ 22,884,370 | \$ 90,797,991 | \$ 121,601,603 |
| 2012 | \$ 7,938,377 | \$ 20,532,194 | \$ 94,954,076 | \$ 123,424,647 |
| 2013 | \$ 8,361,696 | \$ 22,810,063 | \$ 104,340,266 | \$ 135,512,025 |
| 2014 | \$ 8,044,887 | \$ 29,733,409 | \$ 104,111,960 | \$ 141,890,256 |
| 2015 | \$ 7,911,284 | \$ 29,679,187 | \$ 112,977,158 | \$ 150,567,629 |
| 2016 | \$ 8,161,199 | \$ 21,294,480 | \$ 121,323,311 | \$ 150,778,990 |
| 2017 | \$ 8,224,922 | \$ 12,519,255 | \$ 128,608,260 | \$ 149,352,437 |
| 2018 | \$ 8,270,564 | \$ 15,037,685 | \$ 141,176,269 | \$ 164,484,518 |



Source: East Bay Regional Park District.
 Amounts are reported on modified accrual basis of accounting.
 ^January 1 through December 31.

East Bay Regional Park District
 Assessed and Estimate Actual
 Value of Taxable Property
 Last Ten Fiscal Years



| ALAMEDA COUNTY* | | | | | | | Total Direct Tax Rate |
|-----------------|--------------------|----------------|-------------------|---------------------|---------------------|--------------------|-----------------------|
| Fiscal Year ^ | Secured | State Board | Unsecured | exemptions | RDA | Net AV | |
| 2009/10 | \$ 189,849,097,805 | \$ 99,345,128 | \$ 11,836,801,735 | \$ (7,246,517,224) | \$ (25,166,111,280) | \$ 169,372,616,164 | 1.00% |
| 2010/11 | \$ 187,081,447,978 | \$ 98,026,751 | \$ 11,844,626,884 | \$ (7,548,254,040) | \$ (24,009,730,794) | \$ 167,466,116,779 | 1.00% |
| 2011/12 | \$ 187,997,896,633 | \$ 71,719,328 | \$ 11,694,376,870 | \$ (8,313,718,502) | \$ (23,826,303,683) | \$ 167,623,970,646 | 1.00% |
| 2012/13 | \$ 191,880,982,817 | \$ 261,836,789 | \$ 12,079,675,165 | \$ (8,291,837,483) | \$ (24,379,274,221) | \$ 171,551,383,067 | 1.00% |
| 2013/14 | \$ 202,688,263,371 | \$ 969,629,855 | \$ 11,924,738,200 | \$ (9,301,977,769) | \$ (26,133,048,332) | \$ 180,147,605,325 | 1.00% |
| 2014/15 | \$ 216,378,638,654 | \$ 770,033,506 | \$ 12,178,111,470 | \$ (10,585,179,015) | \$ (26,133,048,332) | \$ 192,608,556,283 | 1.00% |
| 2015/16 | \$ 231,659,030,611 | \$ 758,810,176 | \$ 13,055,748,130 | \$ (9,658,976,623) | \$ (26,133,048,332) | \$ 209,681,563,962 | 1.00% |
| 2016/17 | \$ 248,539,837,848 | \$ 726,989,170 | \$ 13,378,566,548 | \$ (10,287,382,793) | \$ (26,133,048,332) | \$ 226,224,962,441 | 1.00% |
| 2017/18 | \$ 265,921,037,839 | \$ 597,814,349 | \$ 13,616,534,693 | \$ (10,837,145,857) | \$ (26,133,048,332) | \$ 243,165,192,692 | 1.00% |
| 2018/19 | \$ 284,972,732,371 | \$ 560,652,352 | \$ 14,426,901,105 | \$ (11,888,973,359) | \$ (26,133,048,332) | \$ 261,938,264,137 | 1.00% |

| CONTRA COSTA COUNTY | | | | | | | Total Direct Tax Rate |
|---------------------|--------------------|------------------|------------------|--------------------|---------------------|--------------------|-----------------------|
| Fiscal Year ^ | Secured | State Board | Unsecured | exemptions | RDA | Net AV | |
| 2009/10 | \$ 144,284,195,822 | \$ 557,056,345 | \$ 5,464,759,133 | \$ (5,641,220,998) | \$ (16,656,249,408) | \$ 128,008,540,894 | 1.00% |
| 2010/11 | \$ 139,956,796,753 | \$ 560,296,728 | \$ 5,244,966,789 | \$ (6,006,815,504) | \$ (15,949,148,990) | \$ 123,806,095,776 | 1.00% |
| 2011/12 | \$ 139,305,613,294 | \$ 539,960,865 | \$ 5,456,388,640 | \$ (6,229,924,601) | \$ (15,513,648,769) | \$ 123,558,389,429 | 1.00% |
| 2012/13 | \$ 140,466,348,337 | \$ 590,750,775 | \$ 5,661,125,229 | \$ (6,347,417,049) | \$ (15,002,930,921) | \$ 125,367,876,371 | 1.00% |
| 2013/14 | \$ 145,563,220,834 | \$ 986,316,033 | \$ 5,603,673,226 | \$ (6,467,048,585) | \$ (15,483,970,708) | \$ 130,202,190,800 | 1.00% |
| 2014/15 | \$ 158,965,560,297 | \$ 1,093,614,055 | \$ 5,656,380,590 | \$ (6,596,496,894) | \$ (17,003,805,285) | \$ 142,115,252,763 | 1.00% |
| 2015/16 | \$ 171,447,287,237 | \$ 989,438,611 | \$ 5,406,461,946 | \$ (6,802,624,516) | \$ (18,458,311,937) | \$ 152,582,251,341 | 1.00% |
| 2016/17 | \$ 182,123,803,561 | \$ 969,779,069 | \$ 5,314,436,037 | \$ (7,057,953,495) | \$ (19,772,975,827) | \$ 161,577,089,345 | 1.00% |
| 2017/18 | \$ 192,814,670,381 | \$ 732,963,837 | \$ 5,415,247,618 | \$ (7,326,687,677) | \$ (21,417,998,898) | \$ 170,218,195,261 | 1.00% |
| 2018/19 | \$ 204,949,787,789 | \$ 660,996,279 | \$ 5,716,160,527 | \$ (7,548,090,138) | \$ (23,216,842,644) | \$ 180,562,011,813 | 1.00% |

^July 1 to June 30.

*including Murray Township

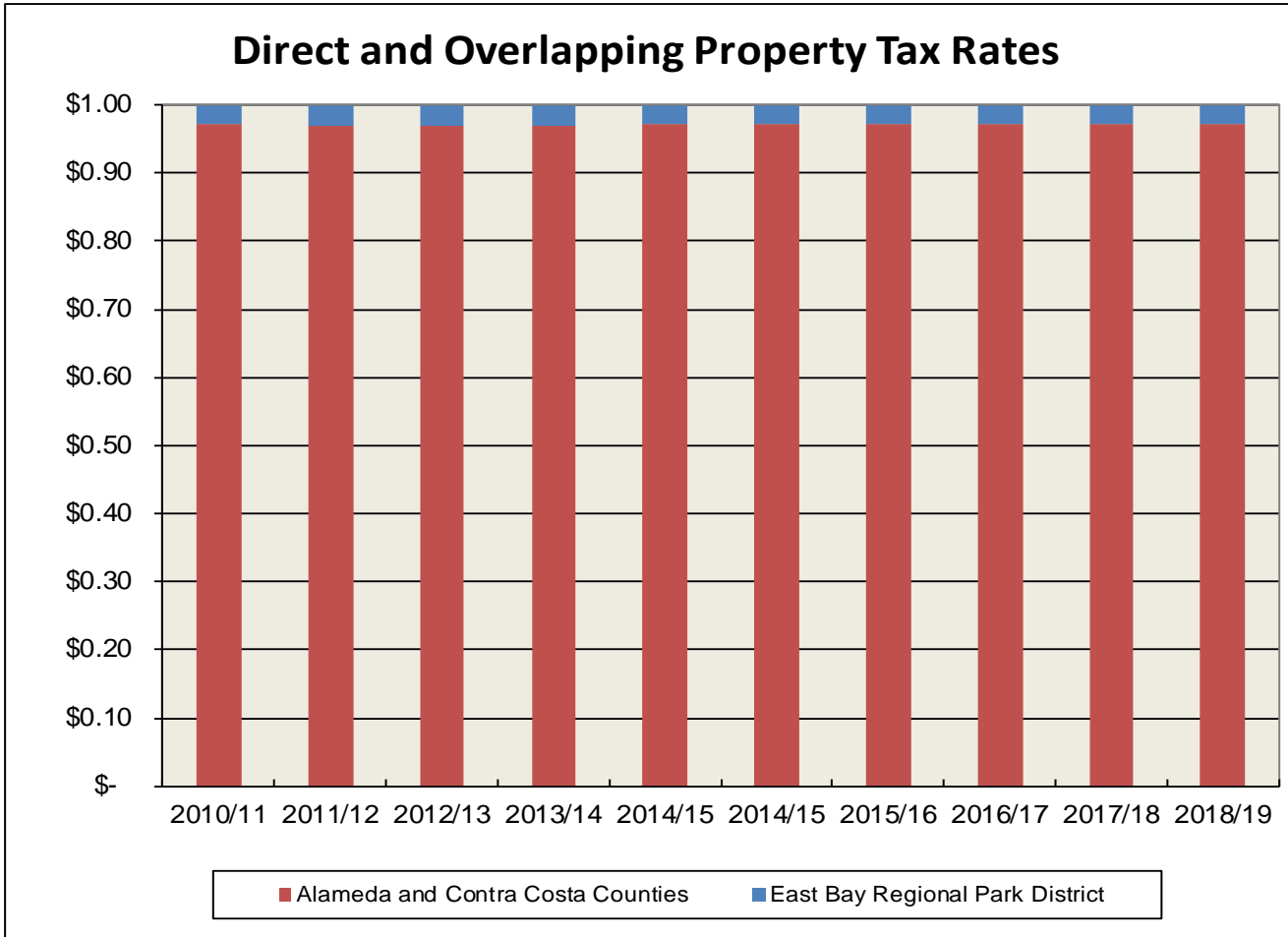
estimate of actual value of taxable property is unknown

**Total direct tax rate is set by the State Constitution at 1% and a portion of it is allocated by an annual calculation to all the taxing entities within a tax rate area. The East Bay Regional Park District encompasses two counties and numerous tax rate areas.

Source: Alameda and Contra Costa Counties Auditor-Controller

Alameda County did not provide RDA number for 2017/18. Amount reported is an estimate, identical to 2013/14.

East Bay Regional Park District
Property Tax Rates
All Direct and Overlapping Governments
Last Ten Fiscal Years



| Fiscal Year^ | ALAMEDA COUNTY | | | CONTRA COSTA COUNTY | | |
|--------------|-------------------------------|---------------|-------------------------|-------------------------------|---------------|-------------------------|
| | Other Overlapping Governments | Park District | Total Basic County Wide | Other Overlapping Governments | Park District | Total Basic County Wide |
| 2010/11 | 0.97034 | 0.02966 | 1.00000 | 0.97088 | 0.02912 | 1.00000 |
| 2011/12 | 0.97038 | 0.02962 | 1.00000 | 0.97071 | 0.02929 | 1.00000 |
| 2012/13 | 0.97036 | 0.02964 | 1.00000 | 0.97071 | 0.02929 | 1.00000 |
| 2013/14 | 0.97031 | 0.02969 | 1.00000 | 0.97075 | 0.02925 | 1.00000 |
| 2014/15 | 0.97031 | 0.02969 | 1.00000 | 0.97099 | 0.02901 | 1.00000 |
| 2014/15 | 0.97031 | 0.02969 | 1.00000 | 0.97099 | 0.02901 | 1.00000 |
| 2015/16 | 0.97029 | 0.02971 | 1.00000 | 0.97099 | 0.02901 | 1.00000 |
| 2016/17 | 0.97027 | 0.02973 | 1.00000 | 0.97114 | 0.02886 | 1.00000 |
| 2017/18 | 0.97028 | 0.02972 | 1.00000 | 0.97122 | 0.02878 | 1.00000 |
| 2018/19 | 0.97026 | 0.02974 | 1.00000 | 0.97127 | 0.02873 | 1.00000 |

Note: The above ratios are expressed as dollars assessed per \$100 of assessed valuation.

^July 1 through June 30.

Source: Alameda County Auditor-Controller and Contra Costa County Auditor-Controller.

East Bay Regional Park District
Principal Property Taxpayers (amounts in thousands)
2018 and Nine Years Ago

| Alameda County Assessed Value (AV) | | | | | | |
|--|---------------------|------|-----------------------------|---------------------|------|-----------------------------|
| Taxpayers | June 30, 2018 | | | June 30, 2009 | | |
| | Secured AV | Rank | Percent of Total Secured AV | Secured AV | Rank | Percent of Total Secured AV |
| Tesla Motors Inc. | \$ 2,424,307 | 1 | 0.93% | na | na | na |
| Pacific Gas & Electric Co. | 2,388,621 | 2 | 0.91% | \$ 1,259,820 | 1 | 0.65% |
| Kaiser Foundation Hospitals | 528,383 | 3 | 0.20% | 388,378 | 4 | 0.20% |
| Kaiser Foundation Health Plan Inc. | 398,668 | 4 | 0.15% | 343,403 | 6 | 0.18% |
| Russell City Energy Company, LLC | 387,800 | 5 | 0.15% | na | na | na |
| BMR Gateway Boulevard LLC | 383,876 | 6 | 0.15% | na | na | na |
| AT&T | 361,957 | 7 | 0.14% | 447,813 | 3 | 0.23% |
| Bayer Healthcare LLC | 353,961 | 8 | 0.14% | 272,907 | 8 | 0.14% |
| BRE Properties | 341,918 | 9 | 0.13% | na | na | na |
| 5616 Bay Street Investors LLC | 319,450 | 10 | 0.12% | na | na | na |
| New United Motor Manufacturing, Inc. | na | na | na | 1,087,910 | 2 | 0.56% |
| Deutsche Bank National Trust | na | na | na | 375,817 | 5 | 0.19% |
| Catellus Development Corporation | na | na | na | 325,597 | 7 | 0.17% |
| Northern California Industrial Portfolio Inc | na | na | na | 267,347 | 9 | 0.14% |
| SCI Limited Partnership 1 | na | na | na | 262,577 | 10 | 0.14% |
| | <u>\$ 7,888,941</u> | | <u>3.02%</u> | <u>\$ 5,031,569</u> | | <u>2.60%</u> |

| Contra Costa County Assessed Value (AV) | | | | | | |
|---|--------------------------------|------|-----------------------------|--------------------------------|------|-----------------------------|
| Taxpayers | June 30, 2018 | | | June 30, 2009 | | |
| | Taxable Secured and Unitary AV | Rank | Percent of Total Secured AV | Taxable Secured and Unitary AV | Rank | Percent of Total Secured AV |
| Chevron USA | \$ 3,405,224 | 1 | 1.79% | \$ 4,062,139 | 1 | 2.67% |
| Equilon Enterprises, LLC | 1,597,288 | 2 | 0.84% | 2,035,939 | 2 | 1.34% |
| Tesoro Refining & Marketing | 1,145,265 | 3 | 0.60% | 1,347,011 | 3 | 0.89% |
| Phillips 66 Company | 1,008,681 | 4 | 0.53% | na | na | na |
| SDC7 | 838,352 | 5 | 0.44% | na | na | na |
| First Walnut Creek Mutual | 697,960 | 6 | 0.37% | na | na | na |
| BRE Properties, Inc. | 597,825 | 7 | 0.31% | na | na | na |
| Sierra Pacific Properties Inc. | 543,445 | 8 | 0.29% | na | na | na |
| NRG Delta LLC | 542,275 | 9 | 0.29% | na | na | na |
| Shadelands Park LLC | 394,262 | 10 | 0.21% | na | na | na |
| Pacific Gas & Electric Co. | na | na | na | 1,202,116 | 4 | 0.79% |
| Tosco Corporation | na | na | na | 1,062,776 | 5 | 0.70% |
| Seeno Construction Co. | na | na | na | 808,792 | 6 | 0.53% |
| Sunset Land Company | na | na | na | 746,985 | 7 | 0.49% |
| Mirant Dfelta/Delta Energy Ctr. | na | na | na | 549,140 | 8 | 0.36% |
| AT&T/Pacific Bell | na | na | na | 543,666 | 9 | 0.36% |
| Shappell Industries, Inc. | na | na | na | 502,415 | 10 | 0.33% |
| | <u>\$ 10,770,577</u> | | <u>5.67%</u> | <u>\$ 12,860,979</u> | | <u>8.46%</u> |

Source: Alameda and Contra Costa Counties.

East Bay Regional Park District
 Alameda and Contra Costa Counties
 Secured and Unsecured Property Tax Levy and Collections
 Last Ten Fiscal Years

| Alameda County | | | | |
|-----------------------|--|--|------------|---------------------------------|
| Fiscal Year | Taxes Levied for the Fiscal Year ^{>} | Collected within the Fiscal Year of the Levy | | Collections in Subsequent Years |
| | | Amount# | Percentage | |
| 2008/09 | \$ 49,292,572 | \$ 45,951,671 | 93% | ** |
| 2009/10 | \$ 48,019,943 | \$ 44,842,022 | 93% | ** |
| 2010/11 | \$ 48,095,327 | \$ 44,719,904 | 93% | ** |
| 2011/12 | \$ 48,397,032 | \$ 44,909,489 | 93% | ** |
| 2012/13 | \$ 49,564,200 | \$ 49,219,536 | 99% | ** |
| 2013/14 | \$ 52,478,718 | \$ 50,896,912 | 97% | ** |
| 2014/15 | \$ 55,814,750 | \$ 54,462,878 | 98% | ** |
| 2015/16 | \$ 61,398,790 | \$ 59,926,792 | 98% | ** |
| 2016/17 | \$ 82,620,834 | \$ 64,909,538 | 79% | ** |
| 2017/18 | \$ 88,378,828 | \$ 69,438,440 | 79% | ** |

** information about amount of delinquent taxes by original levy year, collected in subsequent years, is unavailable.
 < both levy and remittance information are supplied by Alameda County.

| Contra Costa County | | | | |
|----------------------------|--|--|---------------------|--|
| Fiscal Year | Taxes Levied for the Fiscal Year ^{>} | Collected within the Fiscal Year of the Levy | | |
| | | Amount# | Percentage of Levy< | |
| 2008/09 | \$ 39,456,225 | \$ 39,456,225 | 100% | |
| 2009/10 | \$ 34,154,626 # | \$ 34,154,626 | 100% | |
| 2010/11 | \$ 36,094,609 | \$ 36,094,609 | 100% | |
| 2011/12 | \$ 36,693,087 | \$ 36,693,087 | 100% | |
| 2012/13 | \$ 36,477,393 | \$ 36,477,393 | 100% | |
| 2013/14 | \$ 38,275,332 | \$ 38,275,332 | 100% | |
| 2014/15 | \$ 41,459,629 | \$ 41,459,629 | 100% | |
| 2015/16 | \$ 44,271,544 | \$ 44,271,544 | 100% | |
| 2016/17 | \$ 46,809,959 | \$ 46,809,959 | 100% | |
| 2017/18 | \$ 49,194,086 | \$ 49,194,086 | 100% | |

>per final statement of fiscal year
 <Contra Costa County follow s California's alternate method of apportionment (the Teeter Plan), under w hich 100% of amounts levied are paid to the District in the year of levy, regardless of w hen they are collected.

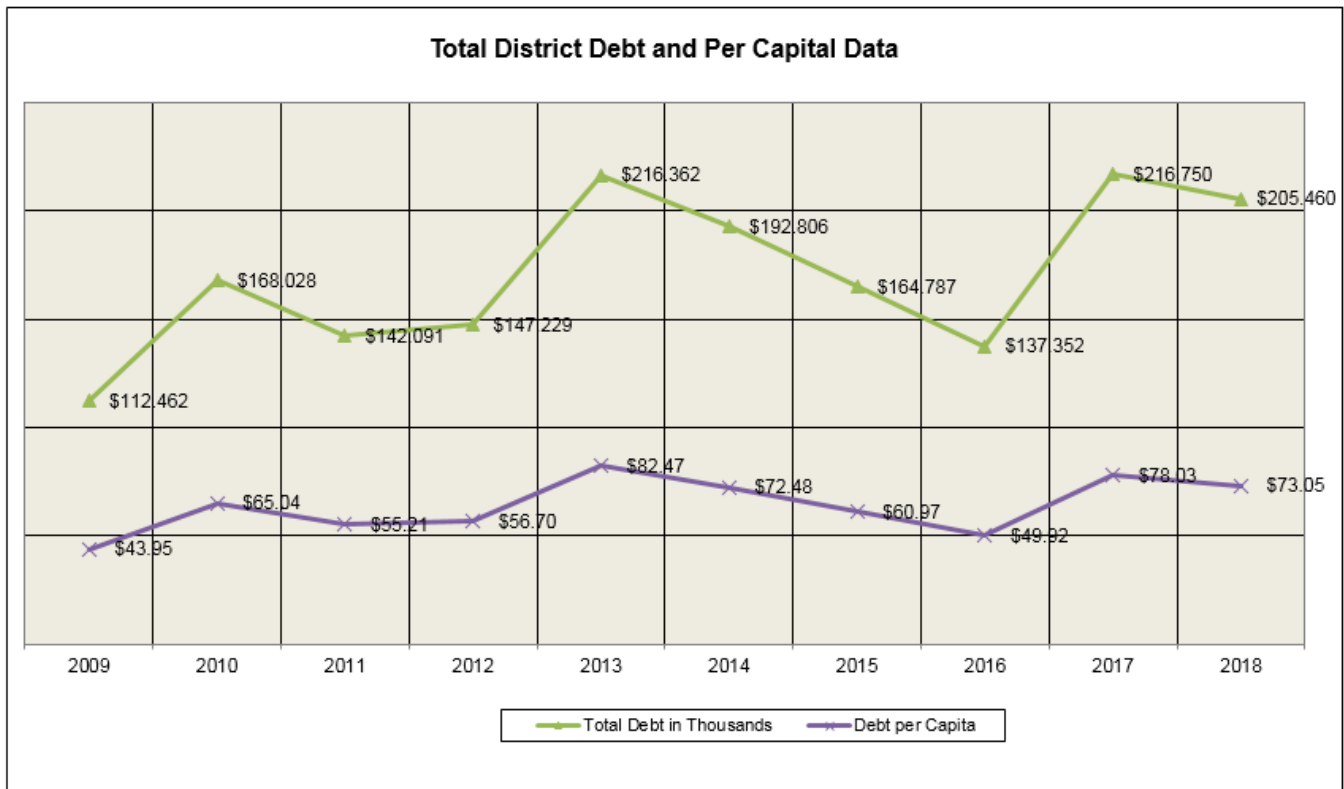
ERAF takeaw ay

^July 1 through June 30

Source: Alameda and Contra Costa Counties remittance advices and annual revenue letter
 all amounts revised to tie to documents received from primary sources

East Bay Regional Park District
Ratios of Outstanding Debt by Type
Last Ten Fiscal Years

| Fiscal Year | Governmental Activities | | | | | Total | Population | Per Capita | Percentage of Personal Income |
|-------------|--------------------------|--------------------------|---------------|----------------|----------------|-----------|------------|------------|-------------------------------|
| | General Obligation Bonds | Limited Obligation Bonds | Notes Payable | Capital Leases | | | | | |
| 2009 | \$ 105,798,814 | \$ 4,450,000 | \$ - | \$ 2,213,261 | \$ 112,462,075 | 2,559,124 | \$ 43.95 | 0.086% | |
| 2010 | \$ 163,115,169 | \$ 3,410,000 | \$ - | \$ 1,502,635 | \$ 168,027,804 | 2,583,326 | \$ 65.04 | 0.127% | |
| 2011 | \$ 138,991,085 | \$ 2,335,000 | \$ - | \$ 765,218 | \$ 142,091,303 | 2,573,820 | \$ 55.21 | 0.104% | |
| 2012 | \$ 120,636,249 | \$ 26,592,504 | \$ - | \$ - | \$ 147,228,753 | 2,596,778 | \$ 56.70 | 0.097% | |
| 2013 | \$ 191,609,581 | \$ 24,751,997 | \$ - | \$ - | \$ 216,361,578 | 2,623,383 | \$ 82.47 | 0.140% | |
| 2014 | \$ 165,801,731 | \$ 23,971,490 | \$ 3,032,366 | \$ - | \$ 192,805,587 | 2,660,262 | \$ 72.48 | 0.119% | |
| 2015 | \$ 138,583,884 | \$ 23,170,983 | \$ 3,032,366 | \$ - | \$ 164,787,233 | 2,702,759 | \$ 60.97 | - | |
| 2016 | \$ 111,964,682 | \$ 22,355,476 | \$ 3,032,366 | \$ - | \$ 137,352,524 | 2,751,294 | \$ 49.92 | - | |
| 2017 | ~ \$ 192,193,570 | \$ 21,524,969 | \$ 3,032,366 | \$ - | \$ 216,750,905 | 2,777,728 | \$ 78.03 | - | |
| 2018 | \$ 181,748,193 | \$ 20,679,462 | \$ 3,032,366 | \$ - | \$ 205,460,021 | 2,812,553 | \$ 73.05 | - | |



Source: East Bay Regional Park District, and Alameda and Contra Costa Counties.

* Data is unavailable for 2015, 2016, 2017 and 2018.

^total AV amount provided. AV subject to debt levy for GO bonds (presented on next page) is less than total AV subject to general property tax. Limited obligation, notes payable and capital leases are paid from general property tax.

Estimated actual value of taxable property information is not available.

East Bay Regional Park District
Ratios of General Bonded Debt Outstanding
Last Ten Fiscal Years

| Fiscal Year | General Obligation | | Total | Taxable | | Population | Per Capita |
|-------------|--------------------|-----------------------------------|----------------|--------------------|--------------------------------|------------|------------|
| | Bonds | Debt Service Monies Available^ | | Assessed Value* | Percentage of Taxable AV | | |
| 2009 | \$ 105,798,814 | \$ 27,161,473 | \$ 78,637,341 | \$ 286,696,000,505 | 0.027% | 2,559,124 | \$ 30.73 |
| 2010 | \$ 163,115,169 | \$ 21,777,729 | \$ 141,337,440 | \$ 280,911,792,747 | 0.050% | 2,583,326 | \$ 54.71 |
| 2011 | \$ 138,991,085 | \$ 15,014,111 | \$ 123,976,974 | \$ 280,778,884,338 | 0.044% | 2,573,820 | \$ 48.17 |
| 2012 | \$ 120,636,249 | \$ 9,125,966 | \$ 111,510,283 | \$ 285,864,674,411 | 0.039% | 2,596,778 | \$ 42.94 |
| 2013 | \$ 191,609,581 | \$ 13,462,178 | \$ 178,147,403 | \$ 298,885,142,960 | 0.060% | 2,623,383 | \$ 67.91 |
| 2014 | \$ 165,801,731 | \$ 19,556,254 | \$ 146,245,477 | \$ 325,094,849,531 | 0.045% | 2,660,262 | \$ 54.97 |
| 2015 | \$ 138,583,884 | \$ 17,406,779 | \$ 121,177,105 | \$ 351,433,143,463 | 0.034% | 2,702,759 | \$ 44.83 |
| 2016 | \$ 111,964,682 | \$ 7,938,117 | \$ 104,026,565 | \$ 376,864,008,555 | 0.028% | 2,751,294 | \$ 37.81 |
| 2017 | ~ \$ 192,193,570 | \$ 15,268,392 | \$ 176,925,178 | \$ 450,284,059,567 | 0.039% | 2,777,728 | \$ 63.69 |
| 2018 | \$ 181,748,193 | \$ 15,148,847 | \$ 166,599,346 | \$ 429,080,093,972 | 0.039% | 2,812,553 | \$ 59.23 |

~ Revised

^for principal repayment

*amount subject to debt levy

Source: East Bay Regional Park District, and Alameda and Contra Costa Counties.

East Bay Regional Park District
Computation of Direct and Overlapping
December 31, 2018

| JURISDICTION * | District's Applicable % | Net Debt Outstanding |
|---|----------------------------|---------------------------------|
| Overlapping Tax and Assessment Debt: | | |
| Alameda County | 100.000% | \$ 240,000,000 |
| Bay Area Rapid Transit District | 65.847% | 533,136,820 |
| Chabot Community College District | 100.000% | 661,410,000 |
| Contra Costa Community College District | 100.000% | 397,065,000 |
| Peralta Community College District | 100.000% | 365,985,000 |
| Other Community College Districts | 0.459-100.000% | 378,859,400 |
| Berkeley Unified School District | 100.000% | 307,105,000 |
| Dublin Unified School District | 100.000% | 448,284,766 |
| Fremont Unified School District | 100.000% | 465,755,000 |
| Mount Diablo Unified School District | 100.000% | 431,802,000 |
| Oakland Unified School District | 100.000% | 873,735,000 |
| San Ramon Valley Unified School District | 100.000% | 454,765,000 |
| West Contra Costa Unified School District | 100.000% | 1,127,861,606 |
| Other Unified School Districts | 2.091-100.000% | 2,311,106,482 |
| Union High and School Districts | 100.000% | 510,840,023 |
| Cities General Obligation and Parcel Tax Obligations | 100.000% | 559,896,070 |
| Washington Township Healthcare District | 100.000% | 331,290,000 |
| West Contra Costa Healthcare Parcel Tax Obligations | 100.000% | 53,436,000 |
| Hayward Area and Pleasant Hill Recreation and Park District | 100.000% | 140,240,000 |
| Community Facilities Districts | 100.000% | 306,939,559 |
| 1915 Act Bonds | 100.000% | 284,806,037 |
| Total overlapping tax and assessment debt | | <u>11,184,318,763</u> |
| Overlapping General Fund Debt | | |
| Alameda County General Fund Obligations | 100.000% | \$ 882,382,500 |
| Alameda County Pension Obligations | 100.000% | 291,777,297 |
| Contra Costa County General Fund Obligations | 100.000% | 155,880,000 |
| Alameda-Contra Costa Transit District Certificates of Participation | 100.000% | 11,465,000 |
| Unified School District Certificates and Participation | 8.042-100% | 232,137,510 |
| Other School District General Fund and Pension Obligations | 100.000% | 151,869,855 |
| City of Oakland General Fund and Pension Obligations | 100.000% | 377,760,705 |
| Other City General Fund and Pension Fund Obligations | 100.000% | 753,425,146 |
| Fire Protection Districts General Fund Obligations and Pension Obligation Bonds | 100.000% | 85,308,417 |
| Special District General Fund Obligations | 100.000% | 1,735,000 |
| Total gross overlapping General Fund obligation debt | | <u>2,943,741,430</u> |
| Overlapping Tax Increment Debt (Successor Agencies) | | <u>1,424,753,172</u> |
| Gross Combined Overlapping Debt | | <u>15,552,813,365</u> |
| Direct Debt: | | |
| East Bay Regional Park District (total direct bonded debt) | 100.000% | <u>205,460,021</u> |
| Gross Combined Direct and Overlapping Debt ^ | | <u>\$ 15,758,273,386</u> |
| Less: Contra Costa County obligations supported from revenue funds | | \$ (114,394,428) |
| Mount Diablo Unified School District supported obligations | | (20,000,000) |
| Cities of Richmond, Concord and Livermore supported obligation | | <u>(51,011,854)</u> |
| Net Combined Overlapping Debt | | <u>15,367,407,083</u> |
| Direct Debt: | | |
| East Bay Regional Park District (total direct bonded debt) | 100.000% | <u>\$ 205,460,021</u> |
| Net Combined Direct and Overlapping Debt | | <u>\$ 15,572,867,104</u> |

* Each jurisdiction's assessed valuation (AV) within the District's boundaries divided by each jurisdiction's total AV. Qualified Zone Academy Bonds are included based on principal due at maturity.

^ Excludes TRAN, RAN, enterprise revenue, mortgage revenue and non-bonded capital leases obligations. QZA Academy Bonds are included.

Source: California Municipal Statistics, Inc.

East Bay Regional Park District
Legal Debt Margin for General Obligation Bonds
Last Ten Fiscal Years

| Computation of Legal Debt Margin for General Obligation Bonds | Fiscal Year^ | | | |
|--|--------------------|--------------------|--------------------|--------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Assessed Valuation: | | | | |
| Assessed value subject to debt levy* | \$ 283,518,339,759 | \$ 277,771,111,665 | \$ 277,678,058,227 | \$ 282,817,745,337 |
| Add: HOPTR | 3,177,660,746 | 3,140,681,082 | 3,100,826,111 | 3,046,929,074 |
| Total assessed valuation | 286,696,000,505 | 280,911,792,747 | 280,778,884,338 | 285,864,674,411 |
| Debt Applicable to Limitation: | | | | |
| Total general obligation debt | 105,798,814 | 163,115,169 | 138,991,085 | 120,636,249 |
| Less: amount available for repayment> | 27,161,473 | 21,777,729 | 15,014,111 | 9,125,966 |
| Total debt applicable to limitation | 78,637,341 | 141,337,440 | 123,976,974 | 111,510,283 |
| Legal Debt Margin: | | | | |
| Bonded debt limit (15% AV) | 43,004,400,076 | 42,136,768,912 | 42,116,832,651 | 42,879,701,162 |
| Debt applicable to limitation | 78,637,341 | 141,337,440 | 123,976,974 | 111,510,283 |
| Legal debt margin | \$ 42,925,762,735 | \$ 41,995,431,472 | \$ 41,992,855,677 | \$ 42,768,190,879 |

*excludes Murray Township

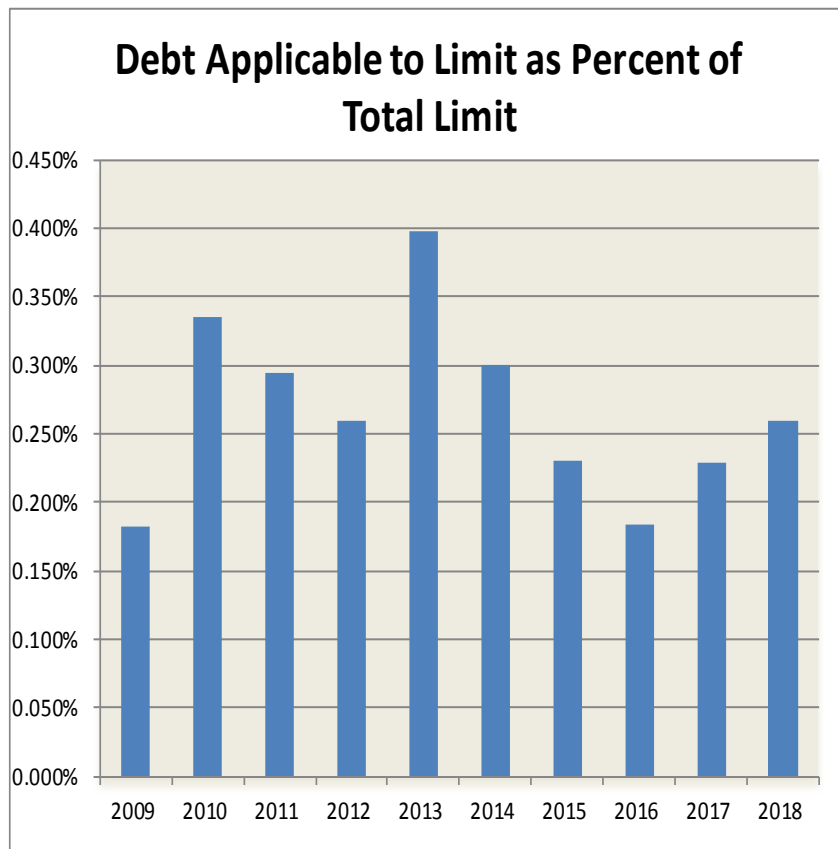
^AV fiscal year July 1 through June 31, debt fiscal year January 1 through December 31

>per balance sheet restricted cash and investments in debt service fund

certain amounts were revised

Source: East Bay Regional Park District.

| Fiscal Year^ | | | | | |
|--------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| \$ 295,889,931,336 | \$ 322,142,631,947 | \$ 348,500,492,466 | \$ 373,951,234,871 | \$ 447,386,083,412 | \$ 426,206,368,096 |
| 2,995,211,624 | 2,952,217,584 | 2,932,650,997 | 2,912,773,684 | 2,897,976,155 | 2,873,725,876 |
| 298,885,142,960 | 325,094,849,531 | 351,433,143,463 | 376,864,008,555 | 450,284,059,567 | 429,080,093,972 |
| 191,609,581 | 165,801,731 | 138,583,884 | 111,964,682 | 169,679,264 | 181,758,193 |
| 13,462,178 | 19,556,254 | 17,406,779 | 7,938,117 | 15,268,392 | 15,148,847 |
| 178,147,403 | 146,245,477 | 121,177,105 | 104,026,565 | 154,410,872 | 166,609,346 |
| 44,832,771,444 | 48,764,227,430 | 52,714,971,519 | 56,529,601,283 | 67,542,608,935 | 64,362,014,096 |
| 178,147,403 | 146,245,477 | 121,177,105 | 104,026,565 | 154,410,872 | 166,609,346 |
| \$ 44,654,624,041 | \$ 48,617,981,953 | \$ 52,593,794,414 | \$ 56,425,574,718 | \$ 67,388,198,063 | \$ 64,195,404,750 |



East Bay Regional Park District
 Demographic and Economic Statistics
 Last Ten Fiscal Years

Alameda County

| Fiscal Year^ | Population | Personal Income in thousands | Per Capita * | |
|-----------------|------------|---------------------------------|--------------------|----------------------|
| | | | Personal Income | Unemployment Rate |
| 2009 | 1,497,799 | \$ 69,974,222 | \$ 46,695 | 11.1% |
| 2010 | 1,510,271 | \$ 72,757,457 | \$ 48,087 | 11.3% |
| 2011 | 1,517,756 | \$ 75,908,145 | \$ 49,617 | 10.8% |
| 2012 | 1,530,176 | \$ 85,017,099 | \$ 54,683 | 9.5% |
| 2013 | 1,548,681 | \$ 85,173,987 | \$ 53,798 | 7.4% |
| 2014 | 1,573,254 | \$ 90,631,392 | \$ 56,261 | 5.8% |
| 2015 | 1,599,888 | na | na | 4.6% |
| 2016 | 1,627,865 | na | na | 4.7% |
| 2017 | 1,638,215 | 101,370,460 | 61,879 | 4.0% |
| 2018 | 1,663,190 | 118,554,685 | 71,282 | 3.3% |

Contra Costa County

| Fiscal Year^ | Population | Personal Income in thousands | Per Capita* | |
|-----------------|-------------|---------------------------------|--------------------|----------------------|
| | | | Personal Income | Unemployment Rate |
| 2009 | 1,061,325 | \$ 55,781,843 | \$ 56,703 | 10.8% |
| 2010 | 1,073,055 | \$ 57,700,398 | \$ 55,455 | 11.3% |
| 2011 | 1,056,064 | \$ 60,778,678 | \$ 50,053 | 11.0% |
| 2012 | 1,066,602 | \$ 66,544,007 | \$ 61,638 | 9.4% |
| 2013 | 1,076,429 | \$ 69,375,880 | \$ 63,403 | 7.3% |
| 2014 | 1,089,219 | \$ 70,849,779 | \$ 63,752 * | 6.0% |
| 2015 | 1,111,143 | \$ 74,756,916 | \$ 68,123 * | 4.9% |
| 2016 | 1,126,824 | \$ 8,041,324 | \$ 70,840 | 4.9% |
| 2017 | 1,139,313 * | na | na | 4.1% |
| 2018 | 1,149,363 | na | na | 3.5% |

Source: Alameda and Contra Costa Counties.

^July 1 through June 30.

na = not available as of December 31, 2018.

*Certain numbers / amounts have been revised.

Per Capita Personal Income was divided by Census Bureau midyear population estimates, which differs from the population column of this page (data from April 2013 released by BEA)

East Bay Regional Park District
Principal Employers
Current and Nine Years Ago

| Employers | Alameda County | | | | | |
|--------------------------------------|--------------------------|------|------------------------------------|--------------------------|------|------------------------------------|
| | 2018 | | | 2009 | | |
| | Estimated # Employees | Rank | % of Total County Employment | Estimated # Employees | Rank | % of Total County Employment |
| Kaiser Permanente Medical Group Inc. | 34,398 | 1 | 4.21% | | 20+ | 0.00% |
| Sutter Health | 10,184 | 2 | 1.25 | | 20+ | |
| Tesla | 10,000 | 3 | 1.22 | | 20+ | |
| County of Alameda | 9,545 | 4 | 1.17 | 9,029 | 2 | 1.30 |
| Safeway Inc. | 9,373 | 5 | 1.15 | | 20+ | |
| John Muir Health | 6,484 | 6 | 0.79 | | 20+ | |
| Chevron Corporation | 5,252 | 7 | 0.64 | | 20+ | |
| PG & E Corporation | 5,100 | 8 | 0.62 | | 20+ | |
| Wells Fargo Bank | 5,089 | 9 | 0.62 | | 20+ | |
| United Parcel Service | 4,500 | 10 | 0.55 | | 20+ | |
| Total | 99,925 | | 12.21% | 9,029 | | 1.30% |

The number of employees, except for Alameda County, include Alameda and Contra Costa County employees.

Total employment within Alameda County is unavailable.

** Percentage is calculated based on Alameda County's total employment of 817,500 for June 2018, and 686,300 for 2009.

| Employers | Contra Costa County * * | | | | | |
|-------------------------------------|--------------------------|--------|------------------------------------|--------------------------|------|------------------------------------|
| | 2018 | | | 2009 | | |
| | Estimated # Employees | Rank | % of Total County Employment | Estimated # Employees | Rank | % of Total County Employment |
| Chevron Corporation | 10,000 + | 1 | | 4,700 | 1 | 0.99% |
| Bay Alarm Co. | 1,000-4,999 | Tier 2 | | | | |
| St. Mary's College | 1,000-4,999 | Tier 2 | | | | |
| Bio-Rad Laboratories | 1,000-4,999 | Tier 2 | | 1,700 | 4 | 0.36 |
| Job Connections | 1,000-4,999 | Tier 2 | | | | |
| John Muir Medical Center | 1,000-4,999 | Tier 2 | | 1,900 | 3 | 0.40 |
| Kaiser Permanente | 1,000-4,999 | Tier 2 | | | | |
| La Raza Market | 1,000-4,999 | Tier 2 | | | | |
| Martinez Medical Offices | 1,000-4,999 | Tier 2 | | | | |
| USS Posco Industries | 1,000-4,999 | Tier 2 | | 975 | 8 | 0.20 |
| Kaiser Foundation Hospital | | | | 2,300 | 2 | 0.49 |
| John Muir/Mt. Diablo Medical Center | | | | 1,500 | 5 | 0.32 |
| 24-Hour Fitness | | | | 1,300 | 6 | 0.27 |
| Doctors Medical Center | | | | 1,000 | 7 | 0.21 |
| Contra Costa Newspapers, Inc. | | | | 900 | 9 | 0.19 |
| Bank of the West | | | | 800 | 10 | 0.17 |
| All Others | 511,900 | | | 456,725 | | 96.40 |
| Total | 548,900 | | 0.00% | 473,800 | | 100.00% |

* * Government employers are excluded.

Source: Alameda and Contra Costa Counties.

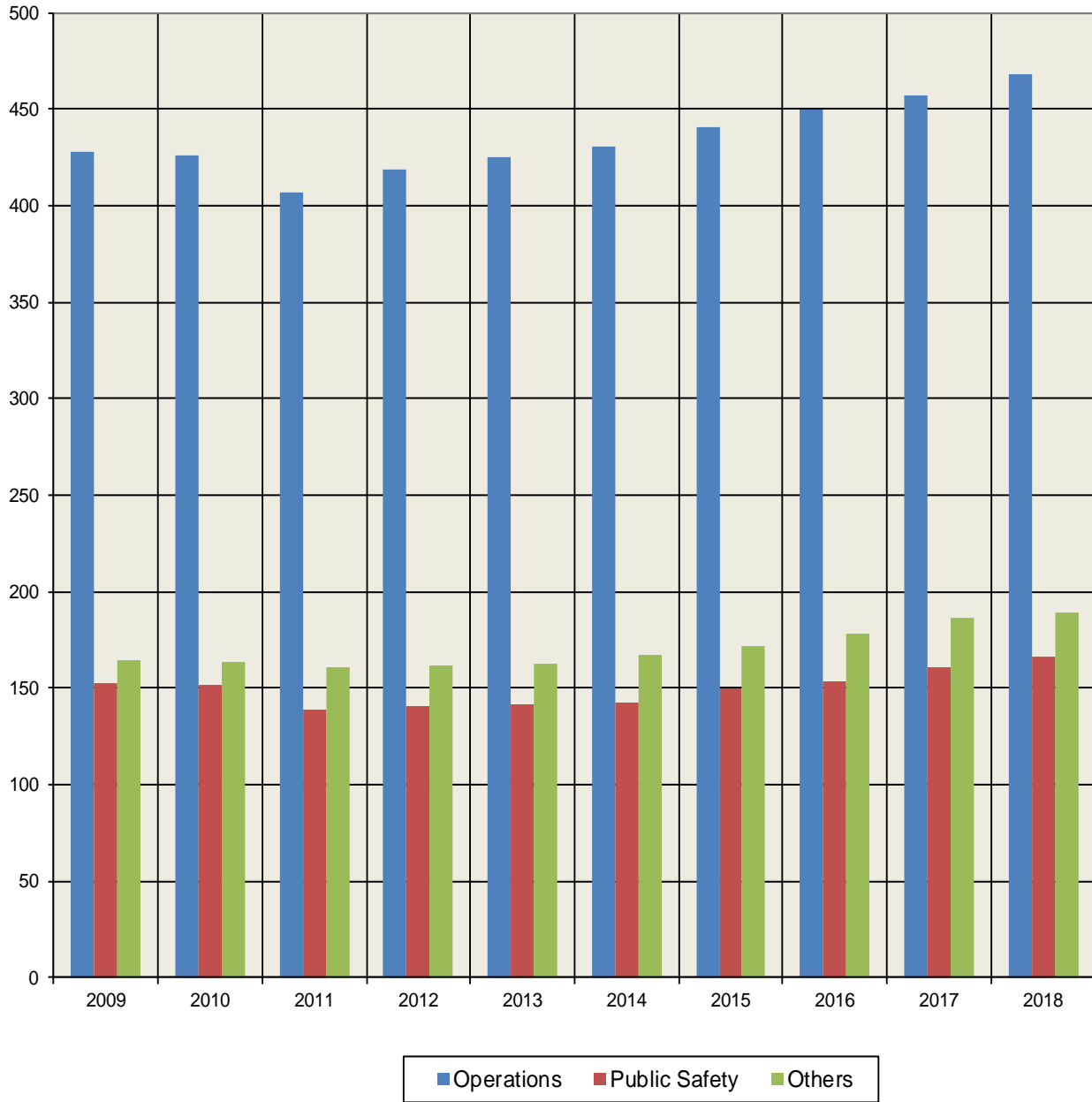
East Bay Regional Park District
Full-time Equivalent Employees by Function
Last Ten Fiscal Years

| Function | Year ended December 31, | | | | | | | | | |
|--|-------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Legislative & Executive | | | | | | | | | | |
| General Manager | 8.00 | 8.00 | 8.00 | 7.00 | 7.00 | 7.42 | 9.00 | 10.00 | 10.00 | 10.00 |
| Clerk of the Board | * | * | * | * | * | * | * | * | 2.00 | 2.00 |
| Human Resources | 13.80 | 13.80 | 13.80 | 13.80 | 14.40 | 15.27 | 15.27 | 17.00 | 18.00 | 18.00 |
| Subtotal | 21.80 | 21.80 | 21.80 | 20.80 | 21.40 | 22.69 | 24.27 | 27.00 | 30.00 | 30.00 |
| Acquisition, Stewardship & Development Division | | | | | | | | | | |
| Administration | 2.50 | 2.50 | 2.50 | 3.50 | 3.50 | 2.50 | 2.50 | 4.58 | 4.53 | 4.53 |
| GIS & Enviro. Review | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.00 | 4.25 | 13.53 | 14.53 | 17.53 |
| Advance Planning | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 0.00 |
| Land Acquisition | 6.00 | 6.00 | 6.00 | 5.00 | 5.00 | 6.00 | 6.00 | 6.00 | 6.00 | 6.00 |
| Trails Development | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 | 3.00 |
| Transitional Admin. | 0.00 | 0.00 | 0.00 | 2.53 | 2.53 | 2.53 | 2.53 | 0.00 | 0.00 | 0.00 |
| Design & Construction | 31.53 | 31.53 | 29.53 | 26.83 | 26.83 | 26.83 | 26.83 | 26.00 | 28.00 | 28.00 |
| Planning & Stew. | 24.62 | 24.12 | 24.12 | 24.31 | 24.12 | 24.12 | 25.00 | 18.32 | 18.50 | 20.25 |
| Subtotal | 74.65 | 74.15 | 72.15 | 72.17 | 71.98 | 71.98 | 73.11 | 74.43 | 77.57 | 79.32 |
| Legal Division | 9.45 | 9.45 | 9.45 | 9.45 | 9.45 | 9.45 | 9.45 | 10.45 | 10.45 | 10.45 |
| Finance/Mgt Svcs Div | 42.00 | 42.00 | 42.00 | 42.50 | 42.50 | 43.50 | 44.00 | 45.00 | 45.50 | 47.00 |
| Operations Division: | | | | | | | | | | |
| Administration | 8.00 | 7.00 | 7.00 | 6.00 | 6.00 | 6.00 | 6.00 | 4.00 | 4.00 | 4.00 |
| Park Operations Dept. | 263.10 | 259.09 | 245.66 | 253.44 | 255.32 | 258.69 | 265.04 | 269.39 | 271.99 | 277.74 |
| Interp. & Rec. Serv. | 85.41 | 88.41 | 84.91 | 74.50 | 78.17 | 77.38 | 78.97 | 81.02 | 83.67 | 88.50 |
| Business Serv. Dept. | * | * | * | 15.15 | 15.15 | 15.15 | 15.65 | 18.65 | 19.40 | 20.00 |
| MAST | 71.23 | 71.37 | 68.90 | 70.90 | 70.15 | 73.37 | 74.97 | 77.00 | 78.14 | 78.24 |
| Subtotal | 427.74 | 425.87 | 406.47 | 419.99 | 424.79 | 430.59 | 440.63 | 450.06 | 457.21 | 468.49 |
| Public Affairs Division | 16.20 | 16.20 | 15.20 | 17.20 | 17.20 | 20.00 | 20.50 | 21.00 | 23.00 | 22.50 |
| Public Safety Division | | | | | | | | | | |
| Admin. & Support Serv. | 27.75 | 29.75 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 28.00 | 32.29 | 33.29 |
| Lifeguard Services | 39.43 | 39.43 | 36.43 | 36.43 | 36.43 | 36.99 | 37.35 | 37.35 | 39.45 | 41.45 |
| Fire Department | 15.75 | 15.25 | 14.75 | 16.00 | 15.75 | 16.09 | 18.50 | 18.91 | 18.91 | 18.86 |
| Police Dept. | 69.61 | 67.08 | 60.01 | 60.01 | 61.01 | 61.66 | 66.34 | 69.44 | 70.44 | 72.43 |
| Subtotal | 152.54 | 151.51 | 139.19 | 140.44 | 141.19 | 142.74 | 150.19 | 153.70 | 161.09 | 166.03 |
| unfunded positions | | -35.00 | | | | | | | | |
| Total | 744.38 | 740.98 | 706.26 | 722.55 | 728.51 | 740.95 | 762.16 | 781.65 | 804.82 | 823.79 |

Source: East Bay Regional Park District.

*Included in Finance/Management Services Division

Full-time Equivalent Employees by Function



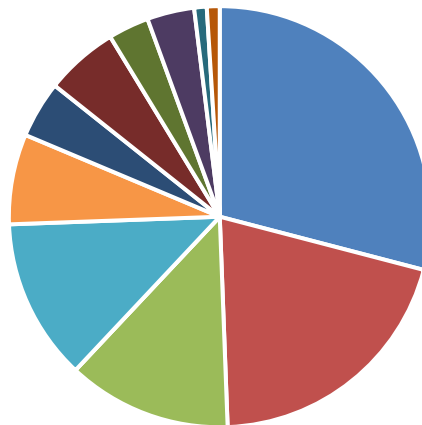
East Bay Regional Park District
 Operating Indicators by Function / Program
 Operations Division Charges for Services Revenue General Fund
 Last Ten Fiscal Years

| | Year ended December 31, | | | |
|--------------------------------|-------------------------|---------------------|---------------------|---------------------|
| | 2009 | 2010 | 2011 | 2012 |
| Parking | \$ 1,900,765 | \$ 1,907,090 | \$ 1,902,360 | \$ 2,066,727 |
| Facility rentals | 1,031,210 | 1,065,859 | 1,098,798 | 1,331,002 |
| Concessionaires | 1,016,011 | 1,046,490 | 991,722 | 1,000,410 |
| Middle Harbor | 883,981 | 658,250 | - | - |
| Camping | 598,462 | 585,205 | 719,993 | 700,764 |
| Swimming | 520,515 | 483,781 | 448,224 | 574,835 |
| Fishing | 414,275 | 452,807 | 435,319 | 357,300 |
| Other charges | 469,047 | 395,735 | 395,933 | 461,772 |
| Naturalist/recreation programs | 368,653 | 361,546 | 372,661 | 227,212 |
| Entry fees and passes | 289,145 | 310,319 | 362,760 | 310,607 |
| Sales | 123,483 | 115,284 | 117,109 | 121,301 |
| Boat related | 87,946 | 69,991 | 81,177 | 74,210 |
| Total | \$ 7,703,493 | \$ 7,452,357 | \$ 6,926,056 | \$ 7,226,140 |

Amounts are reported on modified accrual basis of accounting
 Source: East Bay Regional Park District.

| Year ended December 31, | | | | | | |
|-------------------------|---------------------|---------------------|---------------------|---------------------|---------------------|--|
| 2013 | 2014 | 2015 | 2016 | 2017 | 2018 | |
| \$ 2,210,793 | \$ 2,187,845 | \$ 2,305,481 | \$ 2,456,290 | \$ 2,430,095 | \$ 2,394,588 | |
| 1,455,122 | 1,499,985 | 1,639,443 | 1,699,277 | 1,707,718 | 1,675,316 | |
| 1,023,530 | 953,654 | 1,003,017 | 992,417 | 808,414 | 1,037,407 | |
| - | - | - | - | - | - | |
| 779,222 | 840,916 | 935,079 | 967,965 | 867,379 | 1,023,693 | |
| 584,864 | 603,122 | 624,884 | 620,107 | 623,670 | 570,493 | |
| 385,000 | 340,957 | 347,033 | 372,871 | 347,048 | 358,869 | |
| 435,590 | 465,956 | 494,449 | 495,209 | 470,715 | 461,811 | |
| 244,398 | 248,182 | 246,098 | 237,384 | 246,291 | 257,683 | |
| 355,294 | 359,046 | 356,135 | 320,609 | 296,815 | 298,029 | |
| 116,960 | 104,833 | 129,147 | 117,014 | 94,986 | 79,065 | |
| 75,313 | 70,743 | 71,837 | 66,272 | 77,998 | 81,151 | |
| <u>\$ 7,666,085</u> | <u>\$ 7,675,238</u> | <u>\$ 8,152,603</u> | <u>\$ 8,345,415</u> | <u>\$ 7,971,129</u> | <u>\$ 8,238,105</u> | |

2018 Operation Division Charges for Services Revenue



- Parking
- Facility rentals
- Concessionaires
- Middle Harbor
- Camping
- Swimming
- Fishing
- Other charges
- Naturalist/recreation programs
- Entry fees and passes
- Sales
- Boat related

East Bay Regional Park District

Operating Indicators by Function

Divisional Activities

Last Ten Years

| | Year ended December 31, | | | | | | | | | |
|--|-------------------------|---------------|-----------------|---------------|---------------|---------------|--------------|---------------|---------------|--------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Executive/Legislative Division: | | | | | | | | | | |
| Board of Directors | | | | | | | | | | |
| Resolutions adopted | 338 | 330 | 314 | 322 | 303 | 322 | 374 | 339 | 370 | 317 |
| Board/special/workshops meetings | 29 | 30 | 26 | 27 | 31 | 33 | 24 | 22 | 27 | 27 |
| Openings/dedications/groundbreaking | 5 | 4 | 4 | 5 | 5 | 5 | 6 | 6 | 3 | 5 |
| Human Resources Department | | | | | | | | | | |
| Regular status recruitments | 27 | 17 | 30 | 43 | 38 | 41 | 54 | 75 | 51 | 57 |
| Interns hired | 21 | 19 | 20 | 18 | 35 | 36 | 34 | 35 | 39 | 33 |
| Finance/Management Services Division: | | | | | | | | | | |
| Grants obtained | 17 | 26 | 27 | 35 | 27 | 32 | 23 | 27 | 28 | 35 |
| Measure WW local grant applications approved | 40 | 53 | 32 ^ | 18 | 26 | 27 | 26 | 26 | 9 | 9 |
| Measure WW local agencies reimbursed | \$ 340,505 | \$ 10,255,616 | \$ 13,704,341 ^ | \$ 13,097,891 | \$ 11,289,448 | \$ 10,929,029 | \$ 5,739,244 | \$ 11,614,538 | \$ 11,781,204 | \$ 8,594,052 |
| Computers replaced | 140 | 198 | 197 | 85 | 143 | 108 | 282 | 172 | 243 | 180 |
| Central Stores orders filled | 12,108 | 12,256 | 11,916 | 12,458 | 13,545 | 13,159 | 3,457 | 2,781 | 2,928 | 3,984 |
| Tons paper/cardboard/cans/bottles recycled | 5.33 | 5.40 * | 71.55 | 63.18 | 70.20 < | 64.68 < | 250.00 < | 250.00 < | 250.00 < | 260.00 |
| ^ Measure WW passed in 2008 so 2009 was first year of Measure WW local grant program. | | | | | | | | | | |
| * End of 2007 upgraded copy devices to: 1) auto duplex and 2) send PDF documents, which resulted in a significant decrease in paper waste. | | | | | | | | | | |
| < Starting 2011 a different waste disposal system was used to divert a mix of recycling items from landfills. | | | | | | | | | | |
| Land Division: | | | | | | | | | | |
| Acres purchased/easements/leases | 3,230 | 5,266 | 4,307 | 2,194 | 807 | 3,357 | 808 | 340 | 640 | 842 |
| Trail acquisition/easements/licenses/leases | 6 | 8 | 3 | 8 | 5 | 5 | 8 | 6 | 1 | 1 |
| Grant funded land acquisitions | \$ 9,004,495 | \$ 15,819,621 | \$ 17,303,079 | \$ 9,643,510 | \$ 1,300,000 | 17,185,650 | 7,341,668 | 2,224,350 | 4,319,900 | 2,571,250 |
| Operations Division: | | | | | | | | | | |
| Park and recreation activities: | | | | | | | | | | |
| Visitors/user: | | | | | | | | | | |
| Parklands and recreation area | 3,943,380 | 3,339,025 | 3,327,422 | 3,675,335 | 3,232,542 | 5,393,120 | 5,802,712 | 5,961,590 | 4,502,868 | 4,630,244 |
| Lakes and shorelines | 6,474,566 | 6,435,464 | 6,817,549 | 7,109,953 | 7,694,879 | 7,526,786 | 7,786,894 | 10,991,741 | 8,289,735 | 8,985,612 |
| Regional trails | 2,008,789 | 1,321,166 | 1,942,728 | 2,232,074 | 2,299,167 | 2,795,775 | 2,924,733 | 2,255,753 | 2,369,253 | 2,276,089 |
| Reservations: | | | | | | | | | | |
| Visitor center/aquatics/rec programs | 8,559 | 9,901 | 10,124 | 10,051 | 8,611 | 10,074 | 10,282 | 9,928 | 10,462 | 10,683 |
| Picnics | 1,319 | 3,272 | 3,412 | 3,521 | 3,681 | 4,058 | 4,235 | 4,506 | 4,683 | 4,313 |
| Camping | 11,759 | 12,093 | 13,450 | 13,248 | 14,225 | 13,082 | 15,072 | 15,219 | 14,152 | 15,175 |
| Special events and facility rentals | 926 | 1,040 | 1,258 | 1,368 | 1,176 | 1,212 | 1,430 | 1,875 | 1,563 | 1,666 |
| Maintenance activities: | | | | | | | | | | |
| Work orders | 799 | 974 | 926 | 906 | 930 | 961 | 844 | 1,066 | 1,216 | 886 |
| Gallons of fuel dispensed | 207,039 | 212,759 | 295,711 | 281,114 | 303,939 | 246,129 | 192,346 | 172,703 | 204,324 | 284,323 |
| Community involvement activities: | | | | | | | | | | |
| Volunteers | 11,433 | 12,962 | 8,048 | 13,945 | 12,654 | 17,996 | 18,702 | 21,166 | 24,070 * | 11,669 |
| Volunteer hours | 121,635 | 124,636 | 115,754 | 141,670 | 99,161 | 126,027 | 151,084 | 150,782 | 168,700 * | 91,770 |
| Planning/Stewardship and Development Division: | | | | | | | | | | |
| Pounds of fish planted | 171,858 | 174,797 | 161,917 | 152,759 | 151,635 | 161,200 | 188,905 | 160,977 | 127,992 | 152,127 |
| Grazing acres | 66,932 | 68,187 | 72,107 | 71,699 | 72,705 | 76,500 | 80,000 | 80,330 | 80,824 | 81,000 |
| Resource protection surveys conducted | N/A | 1,322 | 1,353 | 1,622 | 1,702 | 1,519 | 1,284 | 1,370 | 1,390 | 1,430 |
| Grant funded development projects | \$ 288,671 | \$ 3,633,819 | \$ 6,174,518 | \$ 2,272,527 | \$ 2,439,064 | \$ 4,154,451 | \$ 1,394,200 | \$ 6,362,901 | \$ 7,165,744 | \$ 6,015,056 |
| Public Affairs Division: | | | | | | | | | | |
| Participants in Trails Challenge | 7,875 | 9,475 | 9,902 | 8,954 | 7,005 | 6,584 | 8,200 | 10,000 | 10,000 | |
| Unique visitors to District's website | 1,018,102 * | 1,078,583 | 1,204,223 | 1,266,929 | 1,403,134 | 1,559,855 | 1,632,258 | 1,622,703 | 1,505,573 | 1,314,707 |
| *2007 rolled out new website and started keeping statistics of website visitors | | | | | | | | | | |
| Public Safety Division: | | | | | | | | | | |
| Police/medical/fire service calls | 8,051 | 7,520 | 8,231 | 8,946 | 8,611 | 8,125 | 8,959 | 8,128 | 4,207 | 10,912 |
| Police field contacts | 2,961 | 3,264 | 2,586 | 3,194 | 3,205 | 3,650 | 3,533 | 3,962 | 1,551 ^ | 9,173 |
| Citations issued | | | | | | | | | | |
| Moving and other violations | 3,311 | 2,857 | 1,988 | 1,556 | 1,878 | 2,046 | 1,579 | 1,932 | 2,063 | 2,115 |
| Parking | 2,357 | 2,114 | 2,747 | 3,035 | 2,463 | 2,029 | 2,273 | 1,990 | 3,725 | 2,314 |
| Helicopter flight hours | 845 | 633 | 846 | 870 | 895 | 885 | 934 | 763 | 846 | 724 |
| Acres haz fuel reduction/maintenance | 947 | 879 | 968 | 600 | 1,030 | 936 | 875 | 891 | 865 | 950 |
| Low income participants in jr lifeguard | 72 | 70 | 64 | 32 | 156 | 112 | 27 | 141 | 155 | 136 |
| Swim lesson participants | 1,678 | 1,697 | 1,868 | 1,592 | 1,637 | 1,616 | 1,589 | 1,797 | 1,756 | 1,623 |
| Marijuana plants destroyed | 4,300 | 1,845 | 5,300 | 65 | 3,490 | 33 | 32 | - | - | - |

Source: East Bay Regional Park District.

N/A Not available.

* Decline was due to overstatement of numbers in the past which became evident after a software upgrade in 2018.

^ A new Records Management System was fully operational in 2018. Officers were given more authority and latitude to enter their own contacts into the system, and each action was annotated with an incident number.

East Bay Regional Park District
Capital Assets Statistics by Function
Last Ten Years

| | Year ended December 31, | | | | | | | | | |
|---|-------------------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| | 2009 | 2010 | 2011 | 2012 | 2013 | 2014 | 2015 | 2016 | 2017 | 2018 |
| Land Division: | | | | | | | | | | |
| Acreage: | | | | | | | | | | |
| Park and trail located in Alameda County | 53,473 | 54,315 | 55,398 | 56,780 | 56,838 | 57,484 | 58,562 | 58,596 | 58,610 | 58,650 |
| Park and trail located in Contra Costa County (| 48,724 | 53,172 | 55,670 | 56,700 | 57,449 | 60,160 | 61,329 | 62,336 | 62,788 | 63,628 |
| Total Acreage | <u>102,197</u> | <u>107,487</u> | <u>111,067</u> | <u>113,480</u> | <u>114,287</u> | <u>117,644</u> | <u>119,891</u> | <u>120,932</u> | <u>121,398</u> | <u>122,278</u> |
| Operations Division: | | | | | | | | | | |
| Facilities: | | | | | | | | | | |
| Number of parks | 65 | 65 | 65 | 65 | 65 | 65 | 65 | 72 | 73 | 73 |
| Number of visitor centers | 9 | 9 | 9 | 10 | 10 | 10 | 9 | 12 | 12 | 12 |
| Number of fishing docks/piers | 32 | 32 | 43 | 30 | 30 | 30 | 30 | 30 | 30 | 30 |
| Number of swimming pools/chlorinated lagoons | 7 | 7 | 6 | 6 | 6 | 6 | 6 | 6 | 6 | 6 |
| Number of golf courses | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Equipment: | | | | | | | | | | |
| Number of dump trucks | 24 | 22 | 26 | 21 | 25 | 26 | 29 | 24 | 25 | 25 |
| Number of dozers | 5 | 5 | 5 | 3 | 5 | 5 | 5 | 4 | 2 | 2 |
| Number of motorgraders/pavers/compaction rol | 4 | 4 | 5 | 3 | 5 | 5 | 6 | 3 | 4 | 4 |
| Number of sanitation pumpers | 5 | 5 | 6 | 5 | 5 | 5 | 5 | 8 | 5 | 6 |
| Number of mowers (all types) | 76 | 76 | 67 | 65 | 66 | 66 | 83 | 68 | 71 | 68 |
| Number of tractors (all types) | 43 | 43 | 42 | 44 | 45 | 49 | 54 | 46 | 45 | 48 |
| Number of water trucks/tenders | 2 | 2 | 2 | 2 | 5 | 4 | 5 | 6 | 5 | 6 |
| Planning/Stewardship and Development Division: | | | | | | | | | | |
| Number of stocked lake and ponds | 9 | 9 | 9 | 9 | 9 | 8 | 8 | 8 | 8 | 8 |
| Public Safety | | | | | | | | | | |
| Number of helicopters | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Number of fire engines | 13 | 13 | 12 | 12 | 12 | 7 | 12 | 11 | 11 | 12 |
| Number of police vehicles | 78 | 78 | 77 | 78 | 79 | 80 | 80 | 69 | 65 | 72 |
| Number of water tenders | 1 | 1 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |

* information for these years not available

Although the District implemented GASB 34 in 2003, data presented is beginning in 2006 due to lack of prior years' records.

Source: East Bay Regional Park District.



FISCAL YEAR ENDED
DECEMBER 31, 2018

Comprehensive Annual Financial Report

Headquartered in Oakland, California

Operating a Regional Park System within
Alameda and Contra Costa Counties