

COMPREHENSIVE ANNUAL FINANCIAL REPORT

FISCAL YEAR ENDED DECEMBER 31, 2016

Headquartered in
Oakland, California

Operating a Regional
Park System within
Alameda and
Contra Costa Counties



POINT PINOLE REGIONAL SHORELINE • RICHMOND

East Bay Regional Park District

Oakland, California

Comprehensive Annual Financial Report

For the year ended December 31, 2016

Prepared by:
Finance Department

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 Comprehensive Annual Financial Report
 For the year ended December 31, 2016
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June 12, 2017

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 County:

The Comprehensive Annual Financial Report (CAFR) of the East Bay Regional Park District (District) for the year ended December 31, 2016, 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, 2016, 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, 2016.

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 the internal control and compliance with applicable laws and regulations, is presented in a separate publication.

Board of Directors

Beverly Lane President Ward 6	Dennis Waespi Vice-President Ward 3	Ayn Wieskamp Treasurer Ward 5	Ellen Corbett Secretary Ward 4	Whitney Dotson Ward 1	Dee Rosario Ward 2	Colin Coffey Ward 7	Robert E. Doyle General Manager
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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 U.S. The District actively acquires parkland and open space in Alameda and Contra Costa counties. Sixty-five parks and more than 1,250 miles of trails, which are situated on over 120,000 acres, are managed by the District and serve a population of over 2.7 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.

THE NATIONAL, STATE AND REGIONAL ECONOMY

The slow U.S. economic expansion that has been underway for the past seven years is expected to continue into 2017. Despite the uncertainty created by the outcome of the presidential election, most economists agree that the fundamentals underlying the U.S. economy are fairly healthy, if not robust, and that headwinds from global financial crises are behind us. While unemployment rates nationwide are largely unchanged from the prior year, the length of the average workweek and wage growth is steadily increasing. This trend is expected to continue in 2017. According to Beacon Economics, building construction and continued investment in homes were bright spots in the U.S. economy in 2016, and this is likely to continue in 2017. Sales of new and existing homes remained at high levels due to continued low interest rates, limited inventories, and gains in employment. This trend is expected to continue in 2017 as millennials reach prime home buying years and a larger number of new households are formed. Consumer confidence, as reported by the Conference Board, retreated in October after several back-to-back increases. Overall, at 98.6 percent, the index reflects consumers' current assessment that the outlook for the economy remains generally positive. Consumer confidence is an economic indicator which measures the degree of optimism that consumers feel about the state of the economy as well as their personal financial situation.

California's economic activity continued to out-perform the nation during 2016, with the highest growth rate of all 50 states. According to *CoreLogic*, the number of California foreclosures and mortgage delinquencies continued to decline from 2015. The state-wide median home price in California and number of single family homes sold were roughly unchanged from the prior year. The state-wide labor market has also continued to improve from the prior year. As of December 2016, California had added back 2.4 million jobs since the recession – far more than the 1.3 million it lost during the downturn. California's unemployment rate in December 2016 was 5.2% - above the national average of 4.7%, but 0.6% better than a year ago. Beacon Economics projects a continuation of the positive trajectory of the California economy in 2017, boosted by continued gains in the technology sector, though that growth will be slower than in 2016, due to the constraints of full employment.

The local East Bay economic trend has continued its upward movement throughout 2016. The total number of jobs in Alameda and Contra Costa County was up 1.4%, between December 2015 and December 2016, with 18,700 jobs added. December unemployment rates in Alameda and Contra Costa counties were 3.8% and 4% respectively, down by .5% for each county from one year ago. Home prices in the East Bay continued to appreciate at above average rates over the past year. The December 2016 median price of all homes sold in Alameda County was \$685,000 which reflects a 5.4% increase over December 2015. The median price of all homes sold in Contra Costa County increased by 5.1% in a twelve month period to \$505,000 in December 2016. Interest rates have remained at historically low levels with minimal increases forecasted for the next year, which keeps homes more affordable as consumer incomes continue to rise. Beacon Economics forecasts a positive outlook and increased growth for the East Bay economy as the real estate market continues to improve and more people choose to take advantage of the relatively lower home prices compared to the San Francisco and San Jose regions. As wealthier and more highly-skilled individuals move to the East Bay, commercial real estate prices should also continue to increase, as those new residents increasingly opt to eat and spend locally.

MAJOR INITIATIVES AND ACHIEVEMENTS

During 2016 the District's achievements were many, with a few noted below:

- Acquired, optioned or leased nearly 1,200 acres of open space and parklands, and continued to leverage the District's Measure AA and WW bond funds with grants and partnerships with other agencies.
- Received national recognition for water efficiency efforts at the White House Water Summit and continued throughout the year to implement drought recovery and water efficiency plans.
- Completion of several projects funded by Measure CC, including upgrades to public access, restrooms and picnic area at Huckleberry Regional Preserve, upgrades at Miller-Knox Regional Shoreline, including new paths and restroom renovations, retrofit of the Doolittle Drive boat launch facilities at Martin Luther King Jr. Regional Shoreline, and completion of the exhibits and lighting at the Environmental Education Center in the Tilden Nature Area.
- Completed Albany Beach habitat restoration and public access improvements at McLaughlin Eastshore State Park.
- Opened a new temporary loop trail at the McCosker property in Sibley Volcanic Regional Preserve.
- Implemented the last phase of the executive level restructuring plan for the District by hiring the new Deputy General Manager.

BUDGET INITIATIVES AND LONG-TERM FINANCIAL PLANS

The District's major financial priority is to continue our fiscally conservative approach, which has provided closely 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 new growth cycle begins 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 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, 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 unmodified audit opinion 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 designate three members of the Board to act as the Finance Committee, responsible for monitoring, review and approval of financial policies and certain financial decisions.

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 2016.

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, 2015. This was the 16th consecutive year that the District was awarded this prestigious national award. The Certificate of Achievement is the highest form of recognition in the area of governmental accounting and financial reporting. In order 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
Finance and Management Services/CFO



Government Finance Officers Association

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

Presented to

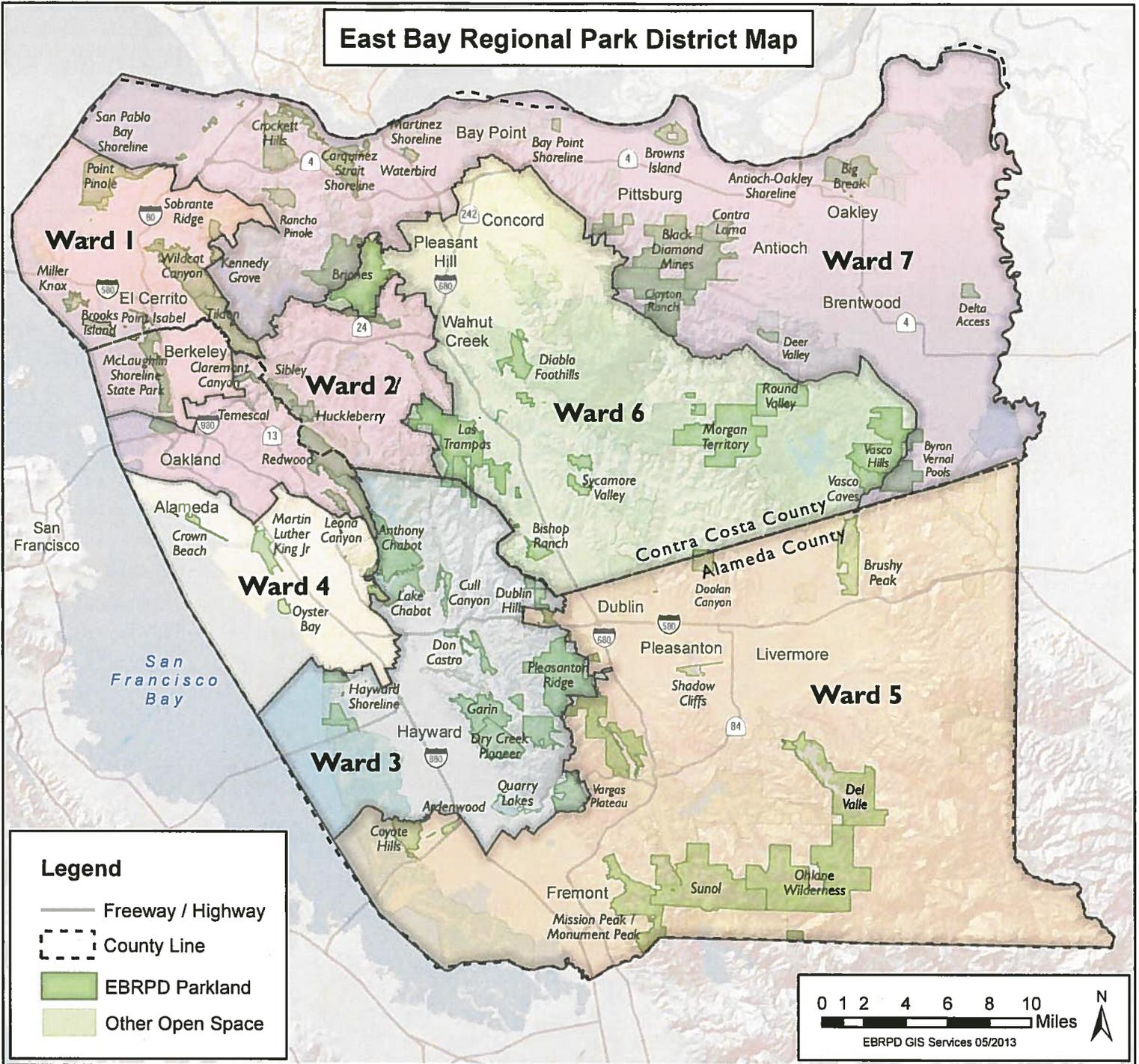
**East Bay Regional Park District
California**

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended

December 31, 2015

Executive Director/CEO

East Bay Regional Park District Map



**East Bay Regional Park District
Officials
December 31, 2016**

Elected Board of Directors

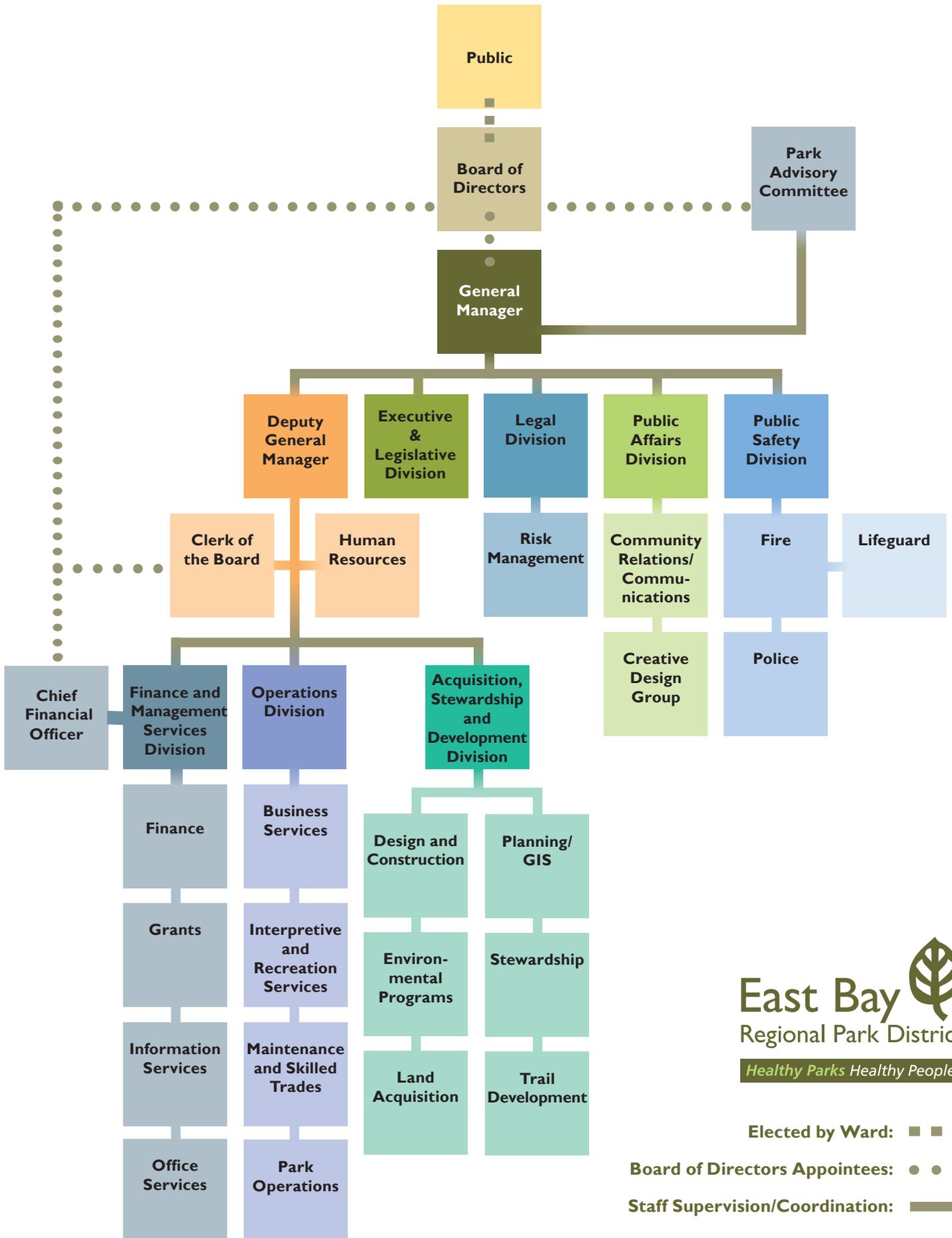
Whitney Dotson	Ward 1 - includes the communities of Albany, Berkeley, Emeryville, El Cerrito, El Sobrante, Kensington, a majority of Pinole, Richmond and San Pablo
John Sutter	Ward 2 - includes the communities of Oakland, Piedmont, Canyon, Lafayette, Moraga, Orinda, Rossmoor and a portion of Walnut Creek
Dennis Waespi	Ward 3 - includes the communities of Castro Valley, Hayward, Union City and portions of Cherryland, Fremont and Dublin
Doug Siden	Ward 4 - includes the communities of Alameda, a portion of Oakland, San Leandro, San Lorenzo, a portion of Cherryland 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
Diane Burgis	Ward 7 - includes the communities of Antioch, Bay Point, Benicia, Bethel Island, Brentwood, Byron, Clyde, Crockett, Discovery Bay, Hercules, Knightsen, Martinez, Mountain View, Oakley, Pacheco, a portion of Pinole, Pittsburg, Port Costa and Rodeo

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
Tim Anderson	Assistant General Manager, Public Safety Division
Bob Nisbet	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
Vacant	Human Resources Manager, Human Resources Department

EAST BAY REGIONAL PARK DISTRICT ORGANIZATION CHART



- Elected by Ward: ■ ■ ■
- Board of Directors Appointees: ● ● ●
- Staff Supervision/Coordination: ———



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 (the District), as of and for the year ended December 31, 2016, 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 District'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 District'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 financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of December 31, 2016, 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 discussed in Note 1 to the financial statements, the District adopted Governmental Accounting Standards Board (GASB) Statement No. 72 *Fair Value Measurement and Application* and GASB Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*, effective January 1, 2016. Our opinions are not modified with respect to these matters.

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, other postemployment benefit plan schedules of funding progress, the schedules of the net pension liability and related ratios, the schedule of proportionate share of the net pension liability, and the schedules of pension contributions, 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 non-major 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 12, 2017, 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 to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Vavrinek, Trine, Day & Co., LLP.

Pleasanton, California
June 12, 2017

East Bay Regional Park District Management's Discussion and Analysis For the year ended December 31, 2016

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, 2016. 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, 2016 by \$754.2 million (net position). Of this amount, \$584.3 million was the net investment in capital assets and \$71.9 million was restricted net position. The District's unrestricted net position totaled \$98 million. The District's total government-wide net position increased by \$19.4 million in 2016.

As reported on the District's Governmental Fund Financial Statements, total fund balance was \$235.2 million, a decrease of \$25 million, 9.6% from the prior year. The majority of this decrease was due to spending down the restricted bond funds for capital projects and District-wide improvements.

The General Fund had an increase in fund balance of \$10.9 million, as reported on the District's Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances, which resulted in December 31, 2016 total fund balance of \$108.3 million, an 11.2% increase from the prior year. Revenue was \$8.7 million or 6.8% over budget and expenditures were \$8.1 million or 6.6% under budget. The primary source of revenue over budget was increased property tax revenue resulting from the strengthening local economy. The primary reason for expenditures under budget was vacant positions.

Debt Service Fund had a decrease of \$9.5 million or 52.4% and an ending fund balance of \$8.6 million. The decrease was attributable to a reduction in the bond assessment levy from .0067% to .0032% on the District's general obligation bonds.

Project Fund had a decrease of \$27.9 million or 22.7% and an ending fund balance of \$95.1 million. The decrease in fund balance was the result of drawing down bond proceeds during the year for acquisition and development project costs.

All other non-major governmental funds had a combined fund balance increase of \$1.4 million or 6.6% and an ending fund balance of \$23.3 million. The fund balance increase was primarily due the reduction in commitment of Measure CC funds.

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

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 District has no business-type activities, activities that are intended to recover all or a significant portion of their costs through user fees and charges. 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 District's 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 38 and 42) to facilitate the comparison between governmental funds and governmental activities.

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

OVERVIEW OF FINANCIAL STATEMENTS, continued

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 36) and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance (page 40) for the General Fund and the other major funds, 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 112) and the Combining Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balance (beginning on page 114).

- 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 45 of this report. The internal service funds combining statements are on pages 126-131.

- 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 Fund Financial Statements begin on page 48 of this 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 53 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 2016 appropriations.

Additionally, the RSI section includes information concerning the District's changes in net pension liability and related rates and schedule of contributions and funding progress for other post-employment benefits to its employees.

The RSI begins on page 98 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 and the internal service funds. Budgetary comparison schedules are also provided for all governmental funds in this section.

Supplementary information begins on page 109 of this report.

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS

Statement of Net Position

As noted earlier, net position is 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 \$754.2 million.

The largest portion of net position (77.5%) reflects the net investment in capital assets of \$584.3 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 (9.5%) represents resources that are subject to external restrictions. The remaining balance (13.0%) of the unrestricted net position may be used to meet the District's ongoing obligations to constituents and creditors, subject to restrictions of various funding sources, as applicable.

Restricted net position details types of restriction, including the non-expendable versus the expendable portion of the restricted amounts. The decrease in total restricted net position is attributed to an increase in third party agreements, offset by a decrease in debt service and mitigation endowments. Restricted net position totaled \$71.9 million and was comprised of the following restrictions:

Third party agreements* (operations and projects)	\$ 58.9 million
Debt service (bond reserves)	8.6 million
State statute (mitigation endowments)	4.4 million
Total restricted net position	\$ 71.9 million

*expendable and nonexpendable

Unrestricted net position decreased by \$41.3 million mainly due to the increase in investment in capital assets.

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

- Cash and investments increased by \$20.2 million as a result of operating revenue over expenses.
- Restricted cash with fiscal agent decreased \$35.9 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 \$25.8 million was the result of increased land acquisitions and growth in construction in progress.
- Deferred outflows of resources increased by \$13.7 million due to the annual pension adjustments.
- Current and other liabilities increased by \$8.3 million due to significant construction in progress accounts payable.
- Total long-term liabilities decreased by \$5.7 million primarily due to principal payments on bonds outstanding of \$27.4 million offset by an increase in the net pension liability of \$15.3 million and the pollution remediation liability of \$5.7 million.

The following table is a comparison between 2016 and 2015 governmental-wide statement of net position.

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS, continued

**Summary Statement of Net Position
Total Primary Government
As of December 31, 2016, and 2015 (in thousands)**

Governmental Activities			
	2016	2015	Change From Prior Year
Assets:			
Current and other assets	\$ 376,758	\$ 396,368	\$ (19,611)
Capital assets, net of depreciation	657,831	632,061	25,770
Total assets	1,034,589	1,028,429	6,159
Deferred outflows of resources	21,773	19,038	2,735
Liabilities:			
Current and other liabilities	23,623	15,313	8,310
Long-term liabilities	273,577	279,229	(5,652)
Total liabilities	297,200	294,542	2,658
Deferred inflows of resources	4,951	18,122	(13,171)
Net Position:			
Net investment in capital assets	584,276	542,663	41,613
Restricted	71,898	52,769	19,129
Unrestricted	98,036	139,371	(41,335)
Total net position	\$ 754,211	\$ 734,803	\$ 19,408

Statement of Activities

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 2016 net position increased by \$19.4 million.

- Charges for services increased slightly to \$23.3 million, a 4% increase from the prior year, due to increased visitor activity.
- Capital grants and contributions increased by \$7.4 million to \$14.9 million due to an increase in grants for land acquisition costs from prior year.
- The District's largest revenue source, general property tax, increased 7% from the prior year to \$123.6 million as the local economy continued to improve.
- General obligation bond property tax decreased by \$14.2 million to \$15.3 million for the year due to a reduction in the bond assessment levy on the District's general obligation bonds.
- Total expenses increased \$23.9 million or 17% compared to 2015.
- Executive/Legislative expenses increased by \$1.9 million due to election costs funded in 2016.
- Finance/Management Services expenses increased by \$5.7 million or 37% due to one-time payments to Measure WW local grantees.
- Acquisition/Stewardship/Development expenses increased by \$6.9 million, or 42%. One major purchase was the Ronald Nunn Family Ltd. property in East Contra Costa County.
- Legal expenses increased by \$5.7 million due to pollution remediation obligation recorded in 2016.

**East Bay Regional Park District
Management's Discussion and Analysis
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GOVERNMENT-WIDE FINANCIAL STATEMENT ANALYSIS, continued

**Summary Statement of Changes in Net Position
Total Primary Government
For the Years Ended December 31, 2016, and 2015 (in thousands)**

Governmental Activities							
	2016	% of Total	2015	% of Total	Change From Prior Year	% Change	
Revenues:							
Program Revenues							
Charges for services	\$ 23,290	13%	\$ 22,464	13%	\$ 826	4%	
Operating grants and contributions	5,173	3%	3,298	2%	1,875	57%	
Capital grants and contributions	14,904	8%	7,466	4%	7,438	100%	
General Revenues							
General property tax	123,571	67%	115,895	65%	7,676	7%	
General obligation bond property tax	15,279	8%	29,490	16%	(14,211)	-48%	
Unrestricted interest	1,454	1%	629	0%	825	131%	
Debt/bond related interest	-	0%	120	0%	(120)	-100%	
Total revenues	<u>183,670</u>	<u>100%</u>	<u>179,363</u>	<u>100%</u>	<u>4,308</u>	<u>2%</u>	
Expenses:							
Acquisition/Steward/Dev Division	23,473	14%	16,563	1%	6,910	42%	
Executive/Legislative Division	3,761	13%	1,884	11%	1,877	100%	
Finance/Management Services Division	21,039	1%	15,339	1%	5,700	37%	
Human Resources	2,291	5%	2,091	1%	200	10%	
Legal Division	7,441	43%	1,727	50%	5,714	331%	
Operations Division	71,435	3%	69,764	3%	1,671	2%	
Public Affairs Division	4,203	3%	3,698	3%	505	14%	
Public Safety Division	26,115	16%	24,485	17%	1,630	7%	
Interest on long-term debt	4,504	3%	4,849	3%	(345)	-7%	
Total expenses	<u>164,263</u>	<u>100%</u>	<u>140,401</u>	<u>100%</u>	<u>23,863</u>	<u>17%</u>	
Change in Net Position	<u>19,407</u>		<u>38,962</u>		<u>\$ (19,555)</u>	<u>-50%</u>	
Beginning net position,	734,803		695,841				
Net position, end of year	<u>\$ 754,211</u>		<u>\$ 734,803</u>				

**East Bay Regional Park District
Management's Discussion and Analysis
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FUND FINANCIAL STATEMENT ANALYSIS

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

GOVERNMENT FUNDS

The focus of the District's governmental funds is to provide information on near-term inflows, outflows and balances of resources that are available to provide services. In particular, unassigned fund balance may serve as a useful measure of a government's net spendable resources.

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 comprised of all special revenue and permanent funds. At December 31, 2016 the District governmental funds had a combined fund balance of \$235.2 million, a decrease of \$25 million from 2015.

Assets and liabilities and deferred inflows analysis:

- Decrease in total assets of \$22.8 million was attributed mainly to a decrease in restricted cash and investments from bond proceeds held by fiscal agent.
- Total liabilities increased by \$7.1 million reflecting an increase in accounts payable and unearned revenue due to significant projects nearing completion.
- Deferred inflows of resources decreased by \$5 million to \$70.5 million related to grant receivable not expected to be collected within the period of availability.
- Total fund balance decreased by \$25 million. The decrease was due to the expenditure of grant funds and bond proceeds for capital acquisitions and park developments. Unassigned fund balance increased \$12.3 million. The District's General Fund Reserve (Unassigned) Fund Balance Policy directs staff to target the unassigned fund balance at a minimum of 32% of general fund revenues (to be modified by Board resolution at the discretion of the Chief Financial Officer) and dictates the permitted uses of amounts below that threshold.

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

FUND FINANCIAL STATEMENT ANALYSIS, continued

Governmental Funds – Summary Balance Sheet
As of December 31, 2016, and 2015 (in thousands)

	2016	2015	Change From Prior Year
Assets	\$ 327,465	\$ 350,291	\$ (22,826)
Liabilities	\$ 21,754	\$ 14,644	\$ 7,110
Deferred inflows of resources	70,487	75,442	(4,955)
Fund balance:			
Non-spendable	10,875	12,054	(1,179)
Restricted	118,767	118,148	619
Committed	35,383	82,767	(47,384)
Assigned	12,296	1,676	10,620
Unassigned	57,903	45,560	12,343
Total fund balance	235,224	260,205	(24,980)
Total liabilities/deferred inflows/fund balance	\$ 327,465	\$ 350,291	\$ (22,826)

Revenue and expenditure analysis:

- Total revenues increased by a net amount of \$11.3 million or 6%. Property tax/assessment revenue was consistent with prior year at \$150.8 million. Interest/property usage revenue increased by \$1.1 million and revenue from interagency agreements and grants increased by \$10 million reflecting several major one-time grants which were received during the year.
- Total expenditures increased by \$28.5 million or 15%. The most significant increases were in Acquisition//Stewardship/Development, Finance/Management Services, and Operations divisions. Capital outlay expenditures increased by \$9 million due to increased land purchases in 2016 compared to prior year.

**East Bay Regional Park District
Management's Discussion and Analysis
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FUND FINANCIAL STATEMENT ANALYSIS, continued

Governmental Funds – Revenues Classified by Source, Expenditures Classified by Function
For the Years Ended December 31, 2016, and 2015 (in thousands)

	2016	% of Total	2015	% of Total	Change From Prior Year	% Change
Revenues:						
Property tax/assessments	\$ 150,779	81%	\$ 150,568	86%	\$ 211	0%
Charges for services	10,341	6%	9,957	6%	384	4%
Interest/property usage	5,270	3%	4,153	2%	1,117	27%
Interagency agreements/grants	17,553	9%	7,495	4%	10,058	134%
Miscellaneous	3,350	2%	3,836	2%	(486)	-13%
Total revenue	<u>\$ 187,293</u>	<u>100%</u>	<u>\$ 176,009</u>	<u>100%</u>	<u>\$ 11,284</u>	<u>6%</u>
Expenditures:						
Current:						
Acquisition/Stewardship/Develop	\$ 23,472	11%	\$ 15,931	9%	\$ 7,541	47%
Executive/Legislative	3,753	2%	1,948	1%	1,805	93%
Finance/Management Services	20,700	10%	15,315	8%	5,385	35%
Human Resources	2,307	1%	2,153	1%	154	7%
Legal	1,869	1%	1,939	1%	(70)	-4%
Operations	68,171	32%	63,943	34%	4,228	7%
Public Affairs	4,195	2%	3,811	2%	384	10%
Public Safety	26,362	12%	25,338	14%	1,024	4%
Debt service	32,242	15%	33,264	18%	(1,022)	-3%
Capital outlay	32,266	15%	23,146	12%	9,120	39%
Total expenditures	<u>\$ 215,337</u>	<u>100%</u>	<u>\$ 186,788</u>	<u>100%</u>	<u>\$ 28,549</u>	<u>15%</u>

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 \$136.2 million which is an increase of \$9.6 million or 7.6% from the prior year. The primary funding source for the General Fund is property tax revenue, which totaled \$121.3 million and represented 89% of General Fund total revenue. Charges for services totaled \$10.3 million and property usage revenue totaled \$2.5 million in 2016.

General Fund expenditures totaled \$114.8 million, an increase of \$8 million or 7.4% from 2015.

At the end of 2016, the fund balance of the General Fund was \$108.3 million, an increase of \$10.9 million from the beginning balance. The fund balance was comprised of \$1.9 million non-spendable (2%), \$24.6 million restricted (23%), \$12.9 million committed (12%), \$10.9 million assigned (10%), and \$57.9 million unassigned (53%). Detail of each category is provided in Note 8 of the notes to the basic financial statements.

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 general obligation debt, 2008 refundings, as well as Measure WW general obligation debt, series 2009A and 2013A.

**East Bay Regional Park District
Management's Discussion and Analysis
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FUND FINANCIAL STATEMENT ANALYSIS, continued

Revenues for the Measure AA and 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.

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 park facilities and trail development and improvement. Additionally, unspent bond proceeds are accounted for in this fund.

In addition to land acquisitions discussed in the Capital Assets section below, several of the projects undertaken in 2016 include the following:

- upgrades to public access, restrooms, and picnic area at Huckleberry Regional Preserve
- new paths and restroom renovations at Miller-Knox Regional Shoreline
- retrofit of the Doolittle Drive boat launch facilities at Martin Luther King Jr. Regional Shoreline
- completion of the exhibits and lighting at the Environmental Education Center in the Tilden Nature Area

Non-major Governmental Funds – All special revenue funds are included in the category of non-major funds. Additionally, permanent funds established for non-wasting legal endowments are classified as non-major funds.

Special revenue funds include:

Landscape and Lighting Districts:

- Alameda County – Contra Costa County Regional Trails
- East Contra Costa County

Zones of Benefit:

- Five Canyons
- Dublin Hills
- Walpert Ridge
- San Ramon Hills
- Stone Valley
- Gateway Valley/Sibley Volcanic

Measure CC (Public Safety & Environmental Maintenance Zone)

Mitigation Fund

Other Special Revenue:

- Martin Luther King Jr. Intern Program
- Ardenwood/Coyote Hills Trail
- Coyote Hills/Dumbarton Quarry
- Private Gifts
- Public Safety Asset Seizure and Forfeitures

Measure WW Local Grant Program

PROPRIETARY FUNDS

The District's proprietary funds include only internal service funds, which are used to finance and account for special activities performed by a designated department for other departments in the District, generally on a cost-reimbursement basis. Functions accounted for in this category include:

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

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

FUND FINANCIAL STATEMENT ANALYSIS, continued

Proprietary Funds – Summary Balance Sheet
As of December 31, 2016, and 2015 (in thousands)

	2016	2015	Change From Prior Year
Assets	\$ 48,289	\$ 45,711	\$ 2,578
Liabilities	10,513	9,946	567
Total net position	<u>\$ 37,776</u>	<u>\$ 35,766</u>	<u>\$ 2,010</u>

Comparison of 2016 and 2015 balances and activity:

- The increase in assets of \$2.6 million was attributed primarily to an increase in funding for the workers compensation and general liability claim reserves.
- The liability balance of \$10.5 million increased by \$0.6 million from prior year and includes workers' compensation and general liability claims outstanding.
- Net position increased \$2 million.
- Operating revenues were comparable to prior year at \$13.2 million.
- Operating expenses decreased by \$0.3 million primarily due to fewer major claims compared to prior year.

Proprietary Funds – Revenues Classified by Source, Expenses Classified by Type
For the Years Ended December 31, 2016 and 2015 (in thousands)

	2016	% of Total	2015	% of Total	Change From Prior Year	%
Revenues:						
Charges for services	\$ 12,188	92%	\$ 11,709	88%	\$ 479	4%
Other revenue	1,054	8%	1,571	12%	(517)	-33%
Total revenue	<u>\$ 13,242</u>	<u>100%</u>	<u>\$ 13,280</u>	<u>100%</u>	<u>\$ (38)</u>	<u>0%</u>
Expenses:						
Cost of services	\$ 4,403	51%	\$ 4,149	46%	\$ 254	6%
Claims	3,125	36%	3,723	41%	(598)	-16%
General and administrative	1,169	13%	1,151	13%	18	2%
Total expenses	<u>\$ 8,697</u>	<u>100%</u>	<u>\$ 9,023</u>	<u>100%</u>	<u>\$ (326)</u>	<u>-4%</u>

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

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 2016 year end results reflect that revenue exceeded budget and expenditures were below final budget, for an overall positive General Fund budget variance.

General Fund actual revenue exceeded final budgeted estimates by \$8.7 million. The majority of the variance was due to the receipt of higher than anticipated property tax revenue (\$6.5 million) and increased revenue from charges for services (\$1 million) and property usage (\$0.6 million) over the budgeted amounts.

Actual expenditures were less than final appropriations by \$8.1 million. The major reason for expenditures less than budget was salary and benefits savings due to position vacancies.

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 \$51,000. Increases in General Fund operating appropriations totaled \$2.8 million. Transfers in were increased by \$0.8 million. Transfers out were amended at mid-year, increasing by \$5.7 million, to provide additional funding for capital projects and insurance reserves.

General Fund Budget to Actual –Variances
As of December 31, 2016 and 2015 (in thousands)

	Original Budget	Final Budget	Actual	2016 Variance	2015 Variance
Revenue	\$ 127,464	\$ 127,515	\$ 136,247	\$ 8,732	\$ 4,740
Expenditures	120,139	122,937	114,819	8,118	9,837
Revenue over expenditures	7,325	4,578	21,428	16,850	14,577
Other sources (uses)	(6,736)	(11,585)	(10,506)	1,079	184
Net change in fund balance	\$ 589	\$ (7,007)	\$ 10,922	\$ 17,929	\$ 14,761

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (net of accumulated depreciation)

The District's investment in capital assets for its governmental activities as of December 31, 2016 totaled \$657.8 million (net of accumulated depreciation), an increase of \$25.8 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, 2016, and 2015 (in thousands)

Description	2016	2015	Change From	%
			Prior Year	Change
Land and trails	\$ 451,911	\$ 439,900	\$ 12,011	3%
Historical structures	1,799	1,796	3	0%
Construction in progress	58,388	40,005	18,383	46%
Improvements	136,911	141,780	(4,869)	-3%
Equipment	8,822	8,579	243	3%
Total	<u>\$ 657,831</u>	<u>\$ 632,060</u>	<u>\$ 25,771</u>	<u>4%</u>

During 2016, the District acquired, leased or optioned more than 2,000 acres of parklands and open-space valued at \$12 million. This includes the purchase of a 20-acre inholding at Point Pinole Regional Shoreline's Dotson Family (formerly Breuner) Marsh which will enhance the District's marsh restoration and public access project while protecting the property from future development, the 191.45 acre Moller Ranch property at the main Somersville Road entrance to Black Diamond Mines Regional Preserve in partnership with the State Department of Parks and Recreation Habitat Conservation Fund grant program, protecting riparian habitat and associated historic structures, and the 26.87 acre donation of property at Hayward Regional Shoreline which will be incorporated into the adjacent Resource Protected Area for the preservation and enhancement of salt marsh harvest mouse habitat and ultimately become part of a larger wetland restoration project.

Long Term Debt

Information about the District's outstanding debt is included in Note 7 of the financial statements. As of December 31, 2016, the District had \$124.4 million in long-term debt outstanding as summarized below. This table does not include debt premium or discount amounts. The decrease in long term debt was due to the regularly scheduled principal payments on outstanding debt made during 2016.

Long-Term Debt – Governmental Activities

As of December 31, 2016 and 2015 (in thousands)

Description	2016	2015	Change From	%
			Prior Year	Change
General Obligation Bonded Debt	\$ 102,370	\$ 127,910	\$ (25,540)	-20%
Limited Obligation Bonded Debt	22,035	22,835	(800)	-4%
Total	<u>\$ 124,405</u>	<u>\$ 150,745</u>	<u>\$ (26,340)</u>	<u>-17%</u>

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 with \$6.8 million outstanding at year end. For Measure WW, the District is authorized to issue \$500 million and has issued \$160 million in bonds with \$105.2 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. In 2013 the District issued \$80 million in the second series of Measure WW debt, with an average coupon of 3.935%. Debt service will be paid from amounts levied as ad valorem taxes and the voter-approved general obligation levy.

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

CAPITAL AND DEBT ADMINISTRATION, continued

The District's credit rating for its General Obligation Bonds were "Aaa" by Moody's Investor Services and "AAA" by Standard & Poor's, as updated in 2016.

The District is subject to Public Resource Code section 5568 which states that limited obligation debt is limited to 5% of assessed valuation of real and personal property located within Alameda and Contra Costa counties. The Public Resource Code refers to the California Government Code section 43605 in relationship to bonded debt. This section established a legal debt limit of 15% of assessed valuation subject to debt levy (which does not include Murray Township). Based upon the 2016/2017 assessed valuation of Alameda and Contra Costa counties (\$451.2 billion without Murray Township) the limited obligation debt limit was \$22.6 billion and the bonded debt limit was \$67.7 billion.

- The limited obligation debt limit (\$22.6 billion), when compared to the District's outstanding limited obligation debt (\$22 million), provided a legal debt margin of \$22.6 billion.
- The bonded indebtedness debt limit (\$67.7 billion), when compared to the District's outstanding bonded debt (\$102.4 million) provided a legal debt margin of \$67.6 billion.

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 7.0% increase in countywide assessed valuation for Fiscal Year 2016-17. Contra Costa County experienced a 5.9% increase in countywide assessed valuation for Fiscal Year 2016-17.

The District's main operating resource is property tax. The changes to assessed values noted above provided a 6.1% increase to property tax revenue in 2015. The Fiscal Year 2017-18 property tax rolls are forecast to increase by an average of 6.3%.

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 2017 District-wide operating budget projects a 3.4% increase in total revenue, while General Fund revenue is projected to increase by 8.7% primarily due to the increase in budgeted property tax revenue of 7.5%.

The District's largest expenditure category is personnel services for the 805 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.

**East Bay Regional Park District
Management's Discussion and Analysis
For the year ended December 31, 2016**

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET, continued

The 2017 District-wide operating budget includes a 2.9% decrease in total expenditures, while the General Fund expenditure increase in the 2017 budget is 7.3%.

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 2016, \$76 million of the original \$125 million in Measure WW Local Grant funds had been spent.

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 2016 \$19.4 million had been transferred from the General Fund to the MIRR fund. An additional transfer of \$0.6 million was budgeted for 2017.

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.

The District has been very successful in maintaining our 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 conservative 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

GOVERNMENT-WIDE FINANCIAL STATEMENT

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East Bay Regional Park District
Statement of Net Position
December 31, 2016

	<u>Governmental Activities</u>
ASSETS	
Cash and investments	\$ 219,950,220
Receivables	76,516,446
Prepaid items and deposits	2,417,020
Consumable supplies	435,490
Restricted cash and investments held by fiscal agent	69,209,354
Notes receivable	3,032,366
Other assets	3,313,090
Net OPEB asset	1,883,879
Capital assets not being depreciated	512,097,798
Capital assets, net of accumulated depreciation	<u>145,732,857</u>
Total assets	<u>1,034,588,520</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflows related to pensions	<u>21,772,785</u>
LIABILITIES	
Accounts payable	11,292,453
Accrued payroll and related liabilities	1,787,122
Interest payable	1,587,723
Unearned revenue	6,919,431
Deposits	1,101,265
Other liabilities	934,547
Long-term liabilities:	
Claims due within one year	2,071,865
Compensated absences due within one year	500,247
Long-term debt due within one year	11,009,709
Notes payable	3,032,366
Pollution remediation obligation	5,720,000
Net pension liability EBRPD	14,868,200
Net pension liability CalPERS	100,946,769
Claims due in more than one year	7,244,560
Compensated absences due in more than one year	4,873,048
Long-term debt due in more than one year	<u>123,310,447</u>
Total liabilities	<u>297,199,752</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred amount on refunding	51,081
Deferred inflows related to pensions	<u>4,899,925</u>
Total deferred inflow of resources	<u>4,951,006</u>
NET POSITION	
Net investment in capital assets	584,276,354
Restricted for:	
Park maintenance and operations	40,297,426
Debt service	8,653,163
Capital projects	18,564,253
Mitigation projects:	
Expendable	335,296
Nonexpendable	<u>4,047,574</u>
Total restricted net position	<u>71,897,712</u>
Unrestricted	<u>98,036,481</u>
Total net position	<u>\$ 754,210,547</u>

See accompanying Notes to Basic Financial Statements.

East Bay Regional Park District
Statement of Activities
For the year ended December 31, 2016

Functions/Programs	Expenses	PROGRAM REVENUES			Total Program Revenues	NET (EXPENSES)
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants		REVENUE AND CHANGES IN NET POSITION
						Governmental Activities
Primary Government:						
Governmental Activities:						
Acquisition/Steward/Dev Division	\$ 23,473,090	\$ 1,398,143	\$ 3,766,600	\$14,472,128	\$ 19,636,871	\$ (3,836,219)
Executive/Legislative Division	3,761,476	2,077	-	-	2,077	(3,759,399)
Finance/Mgmt Service Division	21,038,743	93,408	106,298	2,718	202,424	(20,836,319)
Human Resources	2,290,686	40	-	-	40	(2,290,646)
Legal Division	7,441,256	170	-	-	170	(7,441,086)
Operations Division	71,434,687	19,672,985	1,017,504	354,551	21,045,040	(50,389,647)
Public Affairs Division	4,203,454	332,740	-	-	332,740	(3,870,714)
Public Safety Division	26,115,088	1,790,150	282,159	75,000	2,147,309	(23,967,779)
Interest on long-term debt	4,504,040	-	-	-	-	(4,504,040)
	<u>\$164,262,520</u>	<u>\$23,289,713</u>	<u>\$ 5,172,561</u>	<u>\$14,904,397</u>	<u>\$ 43,366,671</u>	<u>(120,895,849)</u>
GENERAL REVENUES:						
General property taxes						123,570,579
General obligation bond property tax						15,278,879
Unrestricted interest income						<u>1,453,725</u>
Total general revenues						<u>140,303,183</u>
CHANGE IN NET POSITION						19,407,334
Net position, beginning						<u>734,803,213</u>
Net position, end of year						<u>\$ 754,210,547</u>

See accompanying Notes to Basic Financial Statements.

GOVERNMENTAL FUND FINANCIAL STATEMENTS

General Fund – The General Fund accounts for all financial resources and expenditures which are not required legally, or by sound financial management, to be accounted for in another fund.

Debt Service Fund – This fund accounts for resources accumulated to pay 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 2009A
 - Series 2013A

Project Fund – This fund accounts for the resources and expenditures related to the acquisition and development of parkland and other projects. 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, 2016**

	Major Funds		
	General Fund	Debt Service Fund	Project Fund
ASSETS			
Cash and investments	\$ 108,555,396	\$ 662,765	\$ 38,705,011
Restricted cash and investments held by fiscal agent	-	7,938,117	61,271,237
Receivables:			
Accounts receivable	4,790,685	-	30,819
Grants receivable	-	-	7,913,010
Interest receivable	382,938	2,233	374,676
Property usage receivable	128,328	-	-
Taxes and other receivables	52,931,140	5,729,257	-
Prepaid items and advances	1,490,327	-	17,200
Due from other funds	-	-	879,509
Consumable supplies	435,490	-	-
Notes receivable	-	-	3,032,366
Other assets	-	-	3,313,090
Total assets	\$ 168,714,304	\$ 14,332,372	\$ 115,536,918
LIABILITIES			
Accounts payable	\$ 4,441,399	\$ -	\$ 5,752,876
Due to other funds	-	-	-
Accrued payroll and related liabilities	1,550,092	-	86,580
Unearned revenue	1,092,474	-	5,110,885
Deposits	1,101,265	-	-
Other liabilities	82,441	-	852,106
Total liabilities	8,267,671	-	11,802,447
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	52,196,512	5,729,257	8,650,838
FUND BALANCES			
Nonspendable	1,925,818	-	4,901,293
Restricted	24,642,998	8,603,115	69,481,189
Committed	12,882,331	-	20,701,151
Assigned	10,895,641	-	-
Unassigned	57,903,333	-	-
Total fund balances	108,250,121	8,603,115	95,083,633
Total liabilities, deferred inflows and fund balances	\$ 168,714,304	\$ 14,332,372	\$ 115,536,918

See accompanying Notes to Basic Financial Statements.

Non-Major Governmental Funds	Total Governmental Funds
\$ 24,767,634	\$ 172,690,806
-	69,209,354
-	4,821,504
-	7,913,010
-	759,847
203,447	331,775
3,909,980	62,570,377
-	1,507,527
-	879,509
-	435,490
-	3,032,366
-	3,313,090
<u>\$ 28,881,061</u>	<u>\$ 327,464,655</u>

\$ 29,522	\$ 10,223,797
879,509	879,509
58,766	1,695,438
716,072	6,919,431
-	1,101,265
-	934,547
<u>1,683,869</u>	<u>21,753,987</u>

<u>3,909,980</u>	<u>70,486,587</u>
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4,047,574	10,874,685
16,039,772	118,767,074
1,799,332	35,382,814
1,400,534	12,296,175
-	57,903,333
<u>23,287,212</u>	<u>235,224,081</u>

<u>\$ 28,881,061</u>	<u>\$ 327,464,655</u>
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**East Bay Regional Park District
 Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position
 December 31, 2016**

Total Fund Balances - Governmental Funds \$ 235,224,081

Amounts reported for governmental activities in the Government-wide Statement of Net Position 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	\$ 512,097,798	
Depreciable, net	<u>145,732,857</u>	

Total capital assets		657,830,655
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Net OPEB asset - is not an available resource; and therefore, it is not reported in the fund financial statements.		1,883,879
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Interest payable and notes payable on long-term debt do not require current financial resources; therefore, are not reported as a liability in the fund financial statements.		(4,620,089)
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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.		37,775,843
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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.		70,486,587
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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 outflows of resources EBRPD Plan		638,800
Deferred outflows of resources CalPERS		21,133,985
Deferred inflows of resources CalPERS		(4,899,925)

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	\$ (497,705)	
Long-term debt-due within one year	(11,009,709)	
Compensated absences-due in more than one year	(4,839,358)	
Long-term debt-due in more than one year	(123,310,447)	
Net pension liability EBRPD	(14,868,200)	
Net pension liability CalPERS	(100,946,769)	
Pollution remediation obligation	<u>(5,720,000)</u>	
Total long-term liabilities		(261,192,188)

Deferred inflows related to deferred amounts on refunding are not current inflows of resources. Therefore, they are not reported in the fund financial statements.		<u>(51,081)</u>
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Net Position of Governmental Activities **\$ 754,210,547**

See accompanying Notes to Basic Financial Statements.

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East Bay Regional Park District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the year ended December 31, 2016

	Major Funds		
	General Fund	Debt Service Fund	Project Fund
REVENUES			
Property taxes and assessments	\$ 121,323,311	\$ 21,294,480	\$ -
Charges for services	10,273,512	-	19,296
Interest	878,350	59,353	226,194
Property usage	2,529,884	-	17,674
Interagency agreements and grants	434,722	-	17,118,098
Miscellaneous	807,590	-	2,477,667
Total revenues	136,247,369	21,353,833	19,858,929
EXPENDITURES			
Current:			
Acquisition/Stewardship/Development	8,462,993	-	14,978,170
Executive/Legislative Division	3,753,283	-	-
Finance/Management Services Division	8,387,122	11,820	556,542
Human Resources	2,306,763	-	-
Legal Division	1,853,888	-	15,292
Operations Division	59,328,846	-	4,215,013
Public Affairs Division	4,179,811	-	14,862
Public Safety Division	24,728,917	-	1,603,504
Debt service:			
Principal	-	26,340,000	-
Interest	-	5,901,742	-
Capital outlay	1,817,766	-	30,420,753
Total expenditures	114,819,389	32,253,562	51,804,136
REVENUES OVER (UNDER) EXPENDITURES	21,427,980	(10,899,729)	(31,945,207)
OTHER FINANCING SOURCES (USES)			
Sale of capital assets	201,052	-	-
Transfers in	1,899,350	1,433,100	16,860,098
Transfers out	(12,606,234)	-	(12,800,050)
Total other financing sources (uses)	(10,505,832)	1,433,100	4,060,048
NET CHANGE IN FUND BALANCES	10,922,148	(9,466,629)	(27,885,159)
FUND BALANCES			
Beginning of year	97,327,973	18,069,744	122,968,792
End of year	\$ 108,250,121	\$ 8,603,115	\$ 95,083,633

See accompanying Notes to Basic Financial Statements.

	Non-Major Governmental Funds		Total Governmental Funds
\$	8,161,199	\$	150,778,990
	48,542		10,341,350
	241,341		1,405,238
	1,317,025		3,864,583
	-		17,552,820
	64,515		3,349,772
	<u>9,832,622</u>		<u>187,292,753</u>
	30,460		23,471,623
	-		3,753,283
	11,744,906		20,700,390
	-		2,306,763
	-		1,869,180
	4,627,302		68,171,161
	-		4,194,673
	29,688		26,362,109
	-		26,340,000
	-		5,901,742
	27,321		32,265,840
	<u>16,459,677</u>		<u>215,336,764</u>
	<u>(6,627,055)</u>		<u>(28,044,011)</u>
	-		201,052
	11,737,074		31,929,622
	<u>(3,661,267)</u>		<u>(29,067,551)</u>
	<u>8,075,807</u>		<u>3,063,123</u>
	1,448,752		(24,980,888)
	21,838,460		260,204,969
\$	<u>23,287,212</u>	\$	<u>235,224,081</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, 2016

Net Change in Fund Balance - Governmental Funds \$ (24,980,888)

Amounts reported for governmental activities in the Government-wide Statement of Activities 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	\$	33,165,840
Depreciation expense		(7,300,742)

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	\$	(201,052)	
Net book value of asset disposals/adjustments		<u>105,760</u>	
Loss on disposal/sale of capital assets			(95,292)

OPEB contributions in excess of required contributions are recorded as an asset on the statement of net position. The annual adjustment to the asset impacts annual OPEB expense. (583,220)

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. (4,955,674)

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. 26,340,000

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. 277,450

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):

Pension expense EBRPD Plan	1,139,319
Pension expense CalPERS	(556,670)

**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, 2016**

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. 1,120,251

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. (453,271)

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. 2,010,231

Change in Net Position of Governmental Activities \$ 19,407,334

See accompanying Notes to Basic Financial Statements.

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 Revenues, Expenses and Changes in Net Position
Proprietary Funds
For the year ended December 31, 2016

	Governmental Activities Internal Service Funds
OPERATING REVENUES	
Charges for services	\$ 12,187,807
Other revenue	1,054,312
Total operating revenues	<u>13,242,119</u>
OPERATING EXPENSES	
Cost of services	4,403,174
Claims	3,124,966
General and administrative	1,168,692
Total operating expenses	<u>8,696,832</u>
OPERATING INCOME	<u>4,545,287</u>
NONOPERATING REVENUES	
Interest income	<u>327,015</u>
INCOME BEFORE TRANSFERS	4,872,302
TRANSFERS	
Transfers in	3,056,960
Transfers out	<u>(5,919,031)</u>
Net transfers	<u>(2,862,071)</u>
CHANGE IN NET POSITION	2,010,231
NET POSITION	
Beginning of year	<u>35,765,612</u>
End of year	<u>\$ 37,775,843</u>

See accompanying Notes to Basic Financial Statements.

**East Bay Regional Park District
Statement of Cash Flows
Proprietary Funds
For the year ended December 31, 2016**

	Governmental Activities - Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from customers/other	\$ 13,161,023
Payments to suppliers	(1,596,063)
Payments to employees	(3,718,105)
Claims paid	(2,815,666)
Net cash provided/(used) by operating activities	<u>5,031,189</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES	
Transfers in	3,056,960
Transfers out	(5,919,031)
Net cash provided/(used) by noncapital financing activities	<u>(2,862,071)</u>
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest	327,015
Net cash provided/(used) by investing activities	<u>327,015</u>
Net increase/(decrease) in cash and cash equivalents	2,496,133
CASH AND CASH EQUIVALENTS	
Beginning of year	44,763,281
End of year	<u>\$ 47,259,414</u>
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED BY OPERATING ACTIVITIES	
Operating income	\$ 4,545,287
Adjustments to reconcile operating income to net cash provided (used for) operating activities:	
Changes in assets and liabilities:	
Accounts receivable	(81,096)
Prepaid items and deposits	(219)
Accounts payable	221,830
Accrued payroll and related liabilities	36,087
Accrued claims	309,300
Net cash provided/(used) by operating activities	<u>\$ 5,031,189</u>

See accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND 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 Net Position
Fiduciary Funds
December 31, 2016**

	EBRPD Retirement Plan- Safety	EBRPD Retirement Plan- General Employees	Total Pension Trust Funds
ASSETS			
Cash and Investments	\$ 3,280,696	\$ 35,433,481	\$ 38,714,177
Accounts receivable	59,250	564,530	623,780
Total assets	<u>3,339,946</u>	<u>35,998,011</u>	<u>39,337,957</u>
NET POSITION			
Net position restricted for pensions	<u>\$ 3,339,946</u>	<u>\$ 35,998,011</u>	<u>\$ 39,337,957</u>

See accompanying Notes to Basic Financial Statements.

**East Bay Regional Park District
Statement of Changes in Net Position
Fiduciary Funds
For the year ended December 31, 2016**

	EBRPD Retirement Plan- Safety	EBRPD Retirement Plan- General Employees	Total Pension Trust Funds
ADDITIONS			
Investment income	\$ 125,606	\$ 2,354,130	\$ 2,479,736
Contributions from employer	237,000	2,269,865	2,506,865
Total additions	<u>362,606</u>	<u>4,623,995</u>	<u>4,986,601</u>
DEDUCTIONS			
Payment to retirees	254,277	3,438,733	3,693,010
Administration costs	4,753	51,330	56,083
Total deductions	<u>259,030</u>	<u>3,490,063</u>	<u>3,749,093</u>
CHANGES IN NET POSITION	103,576	1,133,932	1,237,508
NET POSITION			
Beginning of year	3,236,367	34,864,082	38,100,449
End of year	<u>\$ 3,339,943</u>	<u>\$ 35,998,014</u>	<u>\$ 39,337,957</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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**East Bay Regional Park District
Notes to the Basic Financial Statements
December 31, 2016**

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 65 parks covering 120,931 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. There are no separate or legal entities or component units included in the financial statements of the District.

B. Basis of Accounting and Measurement Focus

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, an 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.

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 the liability incurred.

Certain types of transactions reported as program revenues for the District are reported in three categories:

- Charges for services
- Operating contributions and grants
- Capital contributions and grants

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

As a general rule the effect of interfund activity has been removed 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.

Governmental Fund Financial Statements

Governmental 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 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 which are not legally, or by sound financial management required to be accounted for in another fund.

Debt Service Funds – accounts for resources accumulated to pay principal and interest due on the District’s outstanding bond issues.

Project Funds – accounts for the collection of resources and the related expenditures for acquisition and construction of major capital improvement projects in the District. Also included in this fund are projects which do not meet the capitalization limits, and unexpended bond proceeds used to finance acquisitions and construction of the District’s projects.

The District includes special revenue funds and permanent funds in the non-major 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 present increased (revenues and other financing sources) and decreased (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 government considers revenues 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 liability is incurred. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts.

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

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. The pension trust funds are 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 6 active members remaining. The fiduciary funds use the economic resource measurement focus and the accrual basis of accounting, accruing contributions when due, as receivable. The trust fund has an 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 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 based upon quarterly ending cash and investment balances.

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.

In accordance with GASB Statement No. 72, *Fair Value Measurement and Application*, 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 participates in an investment pool managed by the State of California, Local Agency Investment Fund (LAIF), which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk due to changing interest rates.

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 and for acquisition and construction of capital projects.

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.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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 – and a useful life of two years or more, and 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.

Historical treasures and structures are capitalized at historical cost or fair 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
Drainage	20 - 100	\$100,000
Utilities	10 - 50	\$100,000
Other improvements	10 - 35	\$100,000
Structures	50	\$100,000

The District has included the value of all infrastructure in the current financial statements. The District defines infrastructure as: roads, bridges, sidewalks, park improvements, etc. Each major infrastructure system can be divided into subsystems. The subsystems information is not included in the financial statements, but is maintained in the capital asset system. The accumulated depreciation, defined as the total depreciation from the date 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.

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

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 less of the life of the old debt or the new debt. Bond 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 – Long-term debt and other long-term obligations are not reported in the fund financial statements, but are included in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

Bond premiums and discounts are recognized during the current period. Bond proceeds are reported as other financing sources, net of the applicable premium or discount. Issuance costs, whether or not withheld from the actual net proceeds received, are reported as debt service expenditures.

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 East Bay Regional Park District's California Public Employees Retirement System Miscellaneous and Safety (CalPERS) plans and East Bay Regional Park District's General Employees and Safety Employees plans (EBRPD Plans) and additions to/deductions from the Plan's 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. 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 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.

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

L. 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 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 and is a lien against the assessed, any person owning, claiming, possessing or controlling the property on the lien date. The tax 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 donations, such as amounts provided by private donors for trail maintenance, and capital grants and donations, such as amounts received from other governmental agencies for the purchase of property.

M. 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 the 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.

N. 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.

O. 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.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

P. Permanent Funds

The District accounts for resources received from developers and other governmental agencies, which are intended for long term management and maintenance of mitigation property and improvements dedicated to the District, in permanent funds. These resources 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 statement endowment principal and interest are reported as restricted net position, nonexpendable and expendable respectively.

Q. 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 2016:

GASB Statement No. 72 – In February 2015, GASB issued Statement No. 72, *Fair Value Measurement and Application*. This statement addresses accounting and financial reporting issues related to fair value measurements. The definition of fair value 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. This statement provides guidance for determining a fair value measurement for financial reporting purposes. This statement also provides guidance for applying fair value to certain investments and disclosure related to all fair value measurements. This statement is effective for fiscal years beginning after June 15, 2015. The District implemented the statement as of January 1, 2016.

GASB Statement No. 76 – In June 2015, GASB issued Statement No. 76, *The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*. The objective of this statement is to identify – in the context of the current governmental financial reporting environment – the hierarchy of generally accepted accounting principles (GAAP). The requirements of this statement are effective for financial statements for periods beginning after June 15, 2015, and should be applied retroactively. The District implemented the standard as of January 1, 2016.

GASB Statement No. 77 – In August 2016, GASB issued Statement No. 77, *Tax Abatement Disclosures*. This statement requires governments that enter into tax abatement agreements to disclose certain information about the agreements. The requirements of this statement are effective for fiscal years beginning after December 15, 2015. The District has determined that this statement did not have a material effect on the financial statements.

GASB Statement No. 78 – In December 2016, GASB issued Statement No. 78, *Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*. This statement is associated with pensions provided through certain multiple-employer defined benefit pension plans and to state or local governmental employers whose employees are provided with such pensions. The requirements of this statement are effective for reporting periods beginning after December 15, 2015. The District has determined that this statement did not have a material effect on the financial statements.

GASB Statement No. 79 – In December 2015, GASB issued Statement No. 79, *Certain External Investment Pools and Pool Participants*. The statement addresses accounting and financial reporting for certain external investment pools and pool participants. The statement establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The statement establishes additional note disclosure requirements for qualifying external investment pools that require measure all of their investments at amortized cost for financial reporting purposes and for governments that participate in those pools. Both the qualifying external investment pools and their participants are required to disclose information about any limitations or restrictions on participant withdrawals. The requirements of this statement are effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015. The District has determined that this statement did not have a material effect on the financial statements.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

GASB Statement No. 82 – In March 2016, GASB issued Statement No. 82, *Pensions Issues – An Amendment of GASB Statements No. 67, No. 68, and No. 73*. The objective of the statement is to address certain issues that have been raised with respect to Statements No. 67, *Financials Reporting for Pensions Plans*, No. 68, *Accounting and Financial Reporting for Pensions*, and No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68*, and Amendments to Certain Provisions of GASB Statements 67 and 68. Specifically, the Statement addresses issues regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. The statement is effective for the reporting periods beginning after June 15, 2016. The requirements of this statement are effective for reporting periods beginning after June 15, 2016. The District early implemented the standard effective January 1, 2016.

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. 73 - In June 2016, GASB issued Statement No. 73, *Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*. The objective of this statement is to improve the usefulness of information about pensions included in the general purpose external financial reports of state and local governments and agencies for making decisions and assessing accountability. This statement establishes requirements for defined benefit pensions that are not within the scope of Statement No. 68, *Accounting and Financial Reporting for Pensions*, as well as for the assets accumulated for purposes of providing those pensions. In addition, it establishes requirements for defined contribution pensions that are not within the scope of Statement No. 68. It also amends certain provisions of Statement No. 67, *Financial Reporting for Pensions Plans*, and Statement 68 for pension plans and pensions that are within their respective scopes. The requirements of this statement are effective for fiscal years beginning after June 15, 2015, except for the certain provisions, which are effective for reporting periods beginning after June 15, 2016. For the applicable provisions effective this year, the District has determined that this statement did not have a material effect on the financial statements.

GASB Statement No. 74 – In June 2015 GASB issued Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This statement is effective for fiscal years beginning after June 15, 2016. The District has not determined the effect on the financial statements.

GASB Statement No. 75 - In June 2016, GASB issued Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The primary objective of this statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This statement is effective for fiscal years beginning after June 15, 2017. The District has not determined the effect on the financial statements.

GASB Statement No. 80 – In January 2016, GASB issued Statement No. 80, *Blending Requirements for Certain Component Units – An Amendment of GASB Statement No. 14*. The objective of the Statement is to improve financial reporting by clarifying the financial statement presentation requirements for certain component units. This Statement amends the blending requirements established in paragraph 53 of Statement No. 14, *The Financial Reporting Entity*, as amended. The additional criterion requires blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The statement is effective for the reporting periods beginning after June 15, 2016. The City 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, 2016

GASB Statement No. 81 – In March 2016, GASB issued Statement No. 81, *Irrevocable Split-Interest Agreements*. The objective of the Statement is to improve financial reporting for irrevocable split-interest agreements by providing recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. The Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, the Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. The Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The Statement is effective for the reporting periods beginning after December 15, 2016. The District has not determined the effect on the financial statements.

R. Deferred Inflows/Outflows of Resources

In government-wide financial statement deferred inflows of resources represent an acquisition of net position that applies to a future period and so is not recognized as an inflow of resources until that time. The District records any deferred gain on bond refunding as deferred inflows.

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an expense/expenditure until then.

In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position and fund balance that applies to a future period(s) and so will not be recognized as revenue until then.

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. The District's dependence on property tax receipts, which are received semi-annually, requires it to maintain significant cash reserves to finance operations during the remainder of the year.

Investment income is allocated among funds on the 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.

Investments maturing in three months or less at the time of purchase are considered to be liquid assets for purposes of measuring cash flows.

A. Cash Deposits

The carrying amounts of the District's cash and deposits were \$3,305,361 at December 31, 2016. Bank balances before reconciling items were \$5,104,089 at December 31, 2016, 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, 2016**

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

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, 2016, 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, 2016, the District had \$49,971,192 (fair value) invested in LAIF, which had invested 2.66% of the pool investment funds in structured notes and asset-backed securities. The LAIF fair value factor of 0.999423823 was used to calculate the fair value of the investment in LAIF.

C. Summary of Cash and Investments

The following is a summary of cash and investments at December 31, 2016.

	Government-Wide Statement of Net Position Governmental Activities
Cash and investments	\$ 219,950,220
Restricted cash/invest held by fiscal agent	69,209,354
Pension Trust Fund investments	38,714,177
Total cash and investments	<u>\$ 327,873,751</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

Fair value of the District's cash and investment, grouped by maturity date, at December 31, 2016, follows:

Cash and Investment Type	Fair Value	1 Year or Less	1-2 Years	2-3 Years	3-4 Years	4-5 Years
Cash and Deposits	\$ 3,305,361	\$ 3,305,361	\$ -	\$ -	\$ -	\$ -
Money Market/Mutual Funds 1st Am Govern	71,417	71,417	-	-	-	-
LAIF Investment Pool	49,971,192	49,971,192	-	-	-	-
CAMP Investment Pool	90,837,720	90,837,720	-	-	-	-
Government securities:						
U.S. agency collateralized debt obligation	905,866	-	165,095	740,771	-	-
U.S. agency securities	26,359,229	7,577,022	7,740,760	9,044,538	1,996,909	-
U.S. treasury notes	19,020,381	1,575,070	9,728,092	7,717,219	-	-
Municipal bonds	2,978,392	1,602,521	1,002,540	373,331	-	-
Supra- National bond	1,173,530	-	347,817	825,713	-	-
Subtotal	50,437,398	10,754,613	18,984,304	18,701,572	1,996,909	-
Corporate notes	18,312,660	3,417,229	7,654,929	4,633,038	2,607,464	-
Commercial paper	7,014,472	4,902,379	2,112,093	-	-	-
Total cash and investments	<u>\$219,950,220</u>	<u>\$163,259,911</u>	<u>\$28,751,326</u>	<u>\$23,334,610</u>	<u>\$4,604,373</u>	<u>\$ -</u>

Fair value of the restricted cash and investment held by fiscal agents, grouped by maturity date, at December 31, 2016, 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	\$ 19,456,003	\$ 19,456,003	\$ -	\$ -	\$ -	\$ -
CAMP Investment Pool	27,694,641	27,694,641	-	-	-	-
Municipal bonds	22,058,710	10,941,698	11,117,012	-	-	-
Total Cash and Investments	<u>\$ 69,209,354</u>	<u>\$ 58,092,342</u>	<u>\$11,117,012</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Held by Fiscal Agent						

Fair value of the pension trust fund cash and investments, grouped by maturity date, at December 31, 2016, follows:

Cash and Investment Type	Fair Value	1 Year or Less	1-3 Years	3-5 Years	5-10 Years	10+ Years
Cash	\$ 500,042	\$ 500,042	\$ -	\$ -	\$ -	\$ -
Domestic equity mutual funds	16,429,841	16,429,841	-	-	-	-
International equity mutual funds	3,628,926	3,628,926	-	-	-	-
Intermediate bonds mutual funds	7,553,179	7,553,179	-	-	-	-
Core fixed income mutual funds	10,602,189	10,602,189	-	-	-	-
Total Pension Fund cash and investments	<u>\$ 38,714,177</u>	<u>\$ 38,714,177</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

D. Risks

Investment risk tolerance is specifically addressed in the District's formal investment policy (which is in compliance with government code), which is 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.

Market Risk - At December 31, 2016, the District's investments were diversified into the following categories:

Sector	% of Portfolio	Maximum % per Investment Policy
LAIF/CAMP	64.6%	No limit
Money Market	0.0%	20%
Cash and Deposits	1.8%	No limit
Negotiable Certificates of Deposit	2.4%	30%
US Treasuries	6.5%	No limit
Federal Agencies/Instrumentalities	9.4%	75%
State/Local Agencies	8.6%	30%
Medium Term Corporate Notes	6.3%	30%
Supranationals	0.4%	30%
Commercial Paper	0.0%	25%

Interest Rate Risk – At December 31, 2016, the District's investment had the following maturities:

Maturity	% of Portfolio
Up to one year	53%
One year to two years	28%
Two years to five years	19%

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.

Concentration Risk – Excluding pension trust funds, each type of allowable investment has a not to exceed percentage in the District's investment policy. For example, federal agencies and U.S. government-sponsored enterprise obligations and instruments cannot exceed 75% of the total portfolio. No more than 5% of the portfolio can be invested in commercial paper of any one issuer and 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, 2016 the District's investments in excess of 5% of the total portfolio were federal agency obligations, municipal obligations and medium term corporate notes.

Credit Risk – The District's investment policy 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, 2016, the District had the following investments credit risk rating:

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

Credit Quality Ratings	Moody's	S&P
U.S. Government Agencies:		
FFCB	Aaa	AA+
FHLB	Aaa	AA+
FHLMC	Aaa	AA+
FNMA	Aaa	AA+
Fannie Mae	Aaa	AA+
Freddie Mac	Aaa	AA+
US Treasury Notes	Aaa	AA+
Supra-National		
Inter-American Development Bank	Aaa	AAA
International Bank of Recon and Dev Note	Aaa	AAA
State and Municipal Bonds:		
California Earthquake Auth. Revenue	A3	not rated
City of New York, NY	Aa2	AA
California State	Aa3	A+
Connecticut State	Aa3	AA-
Georgia State	Aaa	AAA
Kansas City	Aa2	AA
Louisiana State	Aa3	AA
Maryland State	Aaa	AAA
Massachusetts State	Aa1	AA+
Minnesota State	Aa1	AA+
Nashville & Davidson County	Aa2	AA
North Carolina State	Aaa	AAA
Pennsylvania State	Aa3	AA-
Univ of Washington	Aa2	AA
Wisconsin State	Aa2	AA
Corporate Notes		
American Express Credit Corp	A2	A-
American Honda Finance	A1	A+
Apple Inc Global	Aa1	AA+
Bank of America Bank Notes	A1	A
Bank of New York	A1	A
Berkshire Hathaway Inc.	Aa2	AA
Chevron	Aa2	AA-
Cisco Systems Inc	A1	AA-
Citicorp Inc	Baa1	BBB+
Exxon Mobile Corp Notes	Aaa	AA+
GE Capital	Aa3	AA-
Goldman Sachs Group	A3	BBB+
IBM Corp	Aa3	AA-
Microsoft Corp	Aaa	AAA
Oracle	A1	AA-
Pepsico Inc Global	A1	A
Pfizer Inc	A1	AA
Toyota Motor Credit Corp	Aa3	AA-
US Bancorp	A1	A+
Walt Disney Corp	A2	A
Wal-Mart	Aa2	AA
Wells Fargo & Co	A2	A
Commercial Paper/CD		
Bank of Nova Scotia	Aa3	A+
Canadian Imperial Bank	Aa3	A+
HSBC Bank USA	P-1	A-1+
Nordea Bank NY	Aa3	AA-
Rabobank Nederland NV NY	P-1	A-1
Royal Bank of Canada NY	Aa3	AA-
Skandinaviska Enskilda Banken NY	P-1	A-1+
Toronto Dominion Bank NY	Aa1	AA-
US Bank NA Cincinnati	Aa1	AA-
LAIF	not rated	not rated
CAMP	not rated	AAAm
First American Govern (US Bank) Money Market Fund	Aaa-mf	AAAm
Dreyfus Government Cash Mgmt Money Market Fund	Aaa-mf	not rated
Dreyfus CA AMT-Free Municipal Money Market Fund	not rated	not rated
Pension Trust Investments		
TransAmerica Fixed Dollar Account Mutual Fund	not rated	not rated
TransAmerican Stable Value Mutual Fund	not rated	not rated
Vanguard Total Stock Market Index Mutual Fund	not rated	not rated
EuroPacific Growth Mutual Fund	not rated	not rated
Pimco Moderate Duration Bond Mutual Fund	not rated	AA-
Pimco Total Return Fixed Income Mutual Fund	not rated	AA-

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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.

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 uses 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, 2016. 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, 2016

The District has the following recurring fair value measurements as of December 31, 2016:

<u>Investment Type</u>	<u>Fair Value</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>	<u>Significant Unobservable Inputs (Level 3)</u>
District Investments:				
Collateralized debt obligations	\$ 905,865	\$ -	\$ 905,865	\$ -
Supra-National Agency/Note	1,173,530	-	1,173,530	-
Municipal bonds/notes	2,978,392	-	2,978,392	-
Certificates of deposit	7,014,472	-	7,014,472	-
Corporate notes	18,312,660	-	18,312,660	-
U.S. agency securities	26,359,229	-	26,359,229	-
U.S. Treasury notes	19,020,381	-	19,020,381	-
Total Investments by Fair Value Level	75,764,529	\$ -	\$ 75,764,529	\$ -
<u>Investments Measured at Net Asset Value</u>				
Mutual funds	71,417			
Total Investments Measure at Net Asset Value	71,417			
<u>Investments Uncategorized</u>				
California Asset Management Program (CAMP)	90,837,720			
Local Agency Investment Fund (LAIF)	49,971,192			
Total Investments Uncategorized	140,808,912			
Total District Investments	216,644,858			
Investments with Fiscal Agents:				
Money Markets/Mutual funds	19,456,003	-	19,456,003	-
Municipal bonds	22,058,710	-	22,075,885	-
Total Investments by Fair Value Level	41,514,713	\$ -	\$ 41,531,888	\$ -
<u>Investments Uncategorized</u>				
California Asset Management Program (CAMP)	27,694,641			
Total Investments Uncategorized	27,694,641			
Total Investments with Fiscal Agents	69,209,354			
Total Investments	\$ 285,854,212			

<u>Investment Type</u>	<u>Fair Value</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>	<u>Significant Unobservable Inputs (Level 3)</u>
Pension Trust Fund Investments:				
Mutual funds	\$ 38,714,177	\$ -	\$ 38,714,177	\$ -
Total Investments by Fair Value Level	\$ 38,714,177	\$ -	\$ 38,714,177	\$ -

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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 October 2016. 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, 2016 with 42.4% domestic equity, 9.4% international equity, 27.4% core bonds, 19.5% intermediate bonds and 1.3% 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 for an additional 6 years), at 10% simple interest. Principal and accrued interest are due at maturity, or at property sale, whichever occurs first. Accrued interest at December 31, 2016 totaled \$303,333.

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 23, 2018 or when property is sold, if earlier. Accrued interest at December 31, 2016 totaled \$43,919.

Additionally, in 2013 the District purchased the Hefferman/Heinz \$1.4 million Promissory Note dated March 11, 2009, which was a liability of the Trust, from the lender. In addition to the \$1.4 million principal, the District purchased accrued interest and late payment penalty totaling \$100,407. This note is secured by deed of trust on the real property and assignment of leases and rents. The original note was extended until September 11, 2013, and was in default when the District purchased it. 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, 2016 totaled \$921,911.

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 28, 2018. Accrued interest at December 31, 2016 totaled \$175,000.

Notes Receivable	
2012 loan	\$ 700,000
2013 loan #1	131,959
2013 loan #2	1,500,407
2014 loan #3	700,000
Total at December 31, 2016	\$ 3,032,366

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

4. INTERFUND TRANSACTIONS

A. Due to/from other funds

At December 31, 2016, the balance of the due to/from other fund between the Project Fund and the Special Revenue Measure CC Fund was \$879,509. These funds were advanced for capital projects in anticipation of future Measure CC receipts.

B. Transfers In and Out

Transfers between funds during the year ended December 31, 2016 were as follows:

Transfers Out	Transfers In					
	Governmental Funds					
	Major Funds					
	General Fund	Debt Service Fund	Project Fund	Non-major Governmental Funds	Internal Service Funds	Total
General Fund	\$ -	\$ 1,433,100	\$ 8,373,134	\$ -	\$ 2,800,000	\$ 12,606,234
Project Fund	806,016	-	-	11,737,074	256,960	12,800,050
Non-major Governmental Funds	97,933	-	3,563,334	-	-	3,661,267
Internal Service Funds	995,401	-	4,923,630	-	-	5,919,031
Total	\$ 1,899,350	\$ 1,433,100	\$ 16,860,098	\$ 11,737,074	\$ 3,056,960	\$ 34,986,582

Transfers into the General Fund from the Project Fund was the return of unspent project funds. Transfers into the General Fund from the non-major governmental funds was conveyance of operating funds from special revenue accounts.

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 all sources were to fund capital and other than asset projects.

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 between non-major governmental funds was interest earned in the permanent fund, which supports activities in 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.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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, 2016 follows:

	Balance January 1, 2016	Additions/ Adjustments	Retirements/ Adjustments	Transfers	Balance December 31, 2016
Non-depreciable capital assets:					
Land	\$ 439,899,773	\$ -	\$ -	\$ 12,011,437	\$ 451,911,210
Historical structures	1,796,485	-	-	2,354	1,798,839
Construction in progress	40,005,360	31,903,802	-	(13,521,413)	58,387,749
Total non-depreciable	481,701,618	31,903,802	-	(1,507,622)	512,097,798
Depreciable capital assets:					
Transportation	97,161,471	-	(80,768)	312,449	97,393,152
Public access	35,696,360	-	-	301,999	35,998,359
Utilities	16,307,903	-	-	14,129	16,322,032
Land improvements	39,943,542	-	(42,695)	167,064	40,067,911
Structures and improvements	56,682,729	-	(63,356)	164,161	56,783,534
Leasehold improvements	73,325,219	-	-	-	73,325,219
Equipment	28,557,246	1,262,038	(1,557,021)	547,820	28,810,083
Total depreciable	347,674,470	1,262,038	(1,743,840)	1,507,622	348,700,290
Less accumulated depreciation:					
Transportation	(56,865,507)	(1,856,012)	64,347	-	(58,657,172)
Public access	(14,753,765)	(701,799)	-	-	(15,455,564)
Utilities	(6,473,570)	(517,693)	-	-	(6,991,263)
Land improvements	(38,445,157)	(222,811)	42,695	-	(38,625,273)
Structures and improvements	(15,647,801)	(1,100,813)	21,541	-	(16,727,073)
Leasehold improvements	(45,150,946)	(1,372,206)	-	-	(46,523,152)
Equipment	(19,978,492)	(1,529,409)	1,519,965	-	(19,987,936)
Total depreciation	(197,315,238)	(7,300,743)	1,648,548	-	(202,967,433)
Depreciable assets, net	150,359,233	(6,038,705)	(95,292)	1,507,622	145,732,857
Total governmental activities capital asset, net	\$ 632,060,851	\$25,865,097	\$ (95,292)	\$ -	\$ 657,830,655

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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	\$ 342,269
Executive/Legislative	253
Legal	2,537
Operations	6,272,609
Acquisition/Stewardship/Development	92,884
Public Affairs	25,500
Public Safety	564,691
Total Governmental Activities	<u>\$ 7,300,743</u>

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. 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 grants with dates subsequent to December 31. At December 31, 2016, unearned revenues in the governmental funds and government-wide financial statements were as follows:

Governmental Activities	2016 Unearned Revenue
Deposits	\$ 1,020,793
Grants	5,824,570
Other	74,068
Total	<u>\$ 6,919,431</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

B. Fund Financial Statements

In addition to the unearned revenues listed above, at December 31, 2016 the following unavailable revenues were recorded as deferred inflows of resources in the fund financial statement 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 2016-2017 are levied on July 1, 2016. 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	\$ 61,410,564
Grants	7,206,675
Other	1,869,348
Total	<u>\$ 70,486,587</u>

7. LONG TERM LIABILITIES

A. Long Term Debt Issues and Transactions

The District's debt issues and transactions for the year ended December 31, 2016 are summarized below and discussed in detail thereafter.

	Balance January 1, 2016	Additions	Retirements	Balance December 31, 2016	Due Within One Year	Due in More Than One Year
Measure AA GO Bonds						
2008 Refunding	\$ 9,470,000	\$ -	\$ (3,600,000)	\$ 5,870,000	\$ 3,780,000	\$ 2,090,000
Unamortized premium	1,411,274	-	(470,425)	940,849	470,425	470,424
Total Measure AA	10,881,274	-	(4,070,425)	6,810,849	4,250,425	2,560,424
Measure WW GO Bonds						
Series 2009A	72,215,000	-	(4,055,000)	68,160,000	4,170,000	63,990,000
Unamortized premium	5,171,434	-	(376,104)	4,795,330	376,104	4,419,226
Series 2013A	46,225,000	-	(17,885,000)	28,340,000	1,150,000	27,190,000
Unamortized premium	4,091,174	-	(232,673)	3,858,501	232,673	3,625,828
Total Measure WW	127,702,608	-	(22,548,777)	105,153,831	5,928,777	99,225,054
Limited Obligation Bond						
2012 Promissory Notes	22,835,000	-	(800,000)	22,035,000	815,000	21,220,000
Unamortized premium	335,983	-	(15,507)	320,476	15,507	304,969
Total limited obligation	23,170,983	-	(815,507)	22,355,476	830,507	21,524,969
Total Governmental Activities Long-Term Debt	<u>\$161,754,865</u>	<u>\$ -</u>	<u>\$ (27,434,709)</u>	<u>\$ 134,320,156</u>	<u>\$11,009,709</u>	<u>\$123,310,447</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

B. Debt Service Requirements

Future principal and interest payments on all long-term debt were as follows at December 31, 2016:

Limited Obligation Bonds						
	Year Ending	Principal	Interest			
	2017	\$ 815,000	\$ 605,311			
	2018	830,000	589,880			
	2019	845,000	573,130			
	2020	865,000	556,030			
	2021	880,000	538,580			
	2022-2026	4,705,000	2,401,328			
	2027-2031	5,390,000	1,713,675			
	2032-2036	6,310,000	796,730			
	2037	1,395,000	24,413			
	Total	22,035,000	7,799,077			
	Debt premium	320,476	-			
	Total limited obligation	\$ 22,355,476	\$ 7,799,077			

Year Ending	Measure AA GO Bonds		Measure WW GO Bonds		Total GO Bonds	
	Principal	Interest	Principal	Interest	Principal	Interest
2017	\$ 3,780,000	\$ 293,500	\$ 5,320,000	\$ 4,155,450	\$ 9,100,000	\$ 4,448,950
2018	2,090,000	104,500	5,485,000	3,989,950	7,575,000	4,094,450
2019	-	-	5,675,000	3,805,000	5,675,000	3,805,000
2020	-	-	5,875,000	3,599,850	5,875,000	3,599,850
2021	-	-	6,090,000	3,381,800	6,090,000	3,381,800
2022-2026	-	-	34,445,000	12,942,075	34,445,000	12,942,075
2027-2031	-	-	29,075,000	4,157,925	29,075,000	4,157,925
2032-2036	-	-	4,535,000	273,800	4,535,000	273,800
Total	5,870,000	398,000	96,500,000	36,305,850	102,370,000	36,703,850
Debt premium	940,849	-	8,653,831	-	9,594,680	-
Total GO Bonds	\$ 6,810,849	\$ 398,000	\$ 105,153,831	\$ 36,305,850	\$ 111,964,680	\$ 36,703,850

Grand Total		
Year Ending	Principal	Interest
2017	\$ 9,915,000	\$ 5,054,261
2018	8,405,000	4,684,330
2019	6,520,000	4,378,130
2020	6,740,000	4,155,880
2021	6,970,000	3,920,380
2022-2026	39,150,000	15,343,403
2027-2031	34,465,000	5,871,600
2032-2036	10,845,000	1,070,530
2037	1,395,000	24,413
Total	124,405,000	44,502,927
Debt premium	9,915,156	-
Grand Total	\$ 134,320,156	\$ 44,502,927

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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, 2016 was \$22,035,000.

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 balance of the refunding bonds as December 31, 2016 was \$5,870,000.

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 2008 GO Refunding Bonds.

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

The Bonds were issued at a premium of \$4,753,767, which is being amortized over the 12 year life of the Bonds, resulting in annual amortization of \$470,425.

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 principal balance at December 31, 2016 was \$68,160,000.

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 and mandatory 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, 2016 was \$28,340,000.

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.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

The Bonds are subject to optional and mandatory 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.

Defeased Debt – In 2009 the District issued 2009 General Obligation Refunding Bonds (now paid off) 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 is \$10,430,000 at December 31, 2016.

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 \$5,373,295 at December 31, 2016. The District uses the General Fund to liquidate compensated absences recorded in the governmental activities.

	January 1, 2016	Additions	Deletions	December 31, 2016	Due within One Year	Due in More than One Year
Governmental Activities	\$ 4,916,528	\$ 1,011,827	\$ (555,060)	\$ 5,373,295	\$ 500,247	\$ 4,873,048

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, 2016	Claims incurred	Claims paid	December 31, 2016	Due within One Year	Due in More than One Year
Workers' compensation	\$ 8,421,000	\$ 1,646,793	\$ (1,581,446)	\$ 8,486,347	\$ 1,845,395	\$ 6,640,952
General liability	530,000	343,380	(111,380)	762,000	158,392	603,608
Dental benefits	56,125	976,351	(964,398)	68,078	68,078	-
	<u>\$ 9,007,125</u>	<u>\$ 2,966,524</u>	<u>\$ (2,657,224)</u>	<u>\$ 9,316,425</u>	<u>\$ 2,071,865</u>	<u>\$ 7,244,560</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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. These include encumbrances which are contracts in place at year-end, but not fully expended.
- 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 does not have a formal policy on 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, by default under GASB Statement No. 54, 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 can only be assigned by the Board.

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, 2016

The following is detail of the categories of governmental funds' fund balances at December 31, 2016.

	General Fund	Debt Service Fund	Project Fund	Non-Major Funds	Total Governmental Funds
Nonspendable					
Endowment corpus	\$ -	\$ -		\$ 4,047,574	\$ 4,047,574
Consumable supplies	435,491	-	-	-	435,491
Long-term notes receivable	-	-	3,032,366	-	3,032,366
Prepaid/advances	1,490,327	-	1,868,927	-	3,359,254
Total Nonspendable	1,925,818	-	4,901,293	4,047,574	10,874,685
Restricted					
Debt Service/Bonds	-	8,603,115	51,287,655	50,048	59,940,818
Park maintenance and operations	24,642,998	-	-	92,584	24,735,582
Capital projects	-	-	18,193,534	-	18,193,534
Endowment earnings	-	-	-	335,296	335,296
Agency related maintenance agreements	-	-	-	11,063,752	11,063,752
Trail operations	-	-	-	4,498,092	4,498,092
Total Restricted	24,642,998	8,603,115	69,481,189	16,039,772	118,767,074
Committed by Board of Directors					
Fire fuel reduction grant match	-	-	380,245	-	380,245
Land acquisition/development	-	-	6,822,140	-	6,822,140
Mitigation	-	-	-	1,147,059	1,147,059
Coyote Hills-Dumbarton Quarry	-	-	-	652,273	652,273
Capital projects	-	-	13,498,766	-	13,498,766
Revenue take-away contingency	12,132,331	-	-	-	12,132,331
Workers' compensation contingency*	750,000	-	-	-	750,000
Total Committed	12,882,331	-	20,701,151	1,799,332	35,382,814
Assigned					
Election costs*	1,199,791	-	-	-	1,199,791
Budgeted first quarter expenditures	8,595,850	-	-	-	8,595,850
Gifts	-	-	-	1,186,035	1,186,035
Legal contingency*	1,100,000	-	-	-	1,100,000
Martin Luther King Jr. Internship	-	-	-	122,902	122,902
Mitigation	-	-	-	91,597	91,597
Total Assigned	10,895,641	-	-	1,400,534	12,296,175
Unassigned	57,903,333	-	-	-	57,903,333
Total Fund Balances	\$ 108,250,121	\$ 8,603,115	\$ 95,083,633	\$ 23,287,212	\$ 235,224,081

*Committed and assigned balances that have been drawn upon during the current year will be replenished as a mid-year resolution of the Board of Directors in the following year.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

B. Mitigation and Gift Special Revenue Funds

Non-major special revenue funds include the Mitigation and Gifts Funds (included within Other Special Revenue). These are used to account for revenues received from private parties as donations, or in relationship to mitigation agreements associated with land acquisition and development. Details and balances are presented in the following table.

Donor/Location	Restricted	Committed	Assigned	Total
Other Special Revenue Fund - Gift Fund Only				
Dickson/trails	\$ -	\$ -	\$ 628,730	\$ 628,730
Meyers/Dry Creek Garden	134,393	-	-	134,393
Henry/Tilden	-	-	355,776	355,776
Hayward 1900/Walpert Ridge	1,226,176	-	-	1,226,176
Various/memorial benches	355,489	-	-	355,489
OG Property/Sibley	1,058,749	-	-	1,058,749
NextEra/Vasco Caves	522,448	-	-	522,448
Foster/no location		-	201,529	201,529
	<u>\$ 3,297,255</u>	<u>\$ -</u>	<u>\$ 1,186,035</u>	<u>\$ 4,483,290</u>
Mitigation Fund				
MLK Marsh/Port of Oakland	\$ 286,371	\$ -	\$ -	\$ 286,371
Walnut Ck-Iron Horse Tr/Tosco	1,477,811	-	-	1,477,811
Contra Loma Lagoon/CCWD	90,239	-	-	90,239
Vasco Caves/Northwind	-	909,631	-	909,631
Waterbird/Chevron	-	149,907	-	149,907
ER Brushy Peak/Republic Svc	-	87,521	-	87,521
Vasco-Souza/Lyons	791,835	-	-	791,835
Diablo/PGE	6,910	-	-	6,910
Carquinez/PGE	6,910	-	-	6,910
ER District wide	5,177	-	91,597	96,774
Various permanent endowments	80,734	-	-	80,734
	<u>\$ 2,745,987</u>	<u>\$ 1,147,059</u>	<u>\$ 91,597</u>	<u>\$ 3,984,643</u>
ER=environmental review				

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

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 2016.

10. OTHER POST EMPLOYMENT BENEFITS (OPEB) – POSTEMPLOYMENT HEALTHCARE PLAN

Plan Description: In 2007 the District began contributing to an OPEB trust to fund certain retiree medical insurance benefits. In 2012 the District became a participant in the California Employers' Retiree Benefit Trust (CERBT), an agent multiple-employer defined benefit healthcare plan trust administered by CalPERS. Fiduciary responsibility over the trust is assumed by the plan administrator, CalPERS. The District's EBRPD Retirement Plan provides medical insurance benefits to eligible retirees and their eligible dependents based on union agreements and District policy. There are benefits for pre-Medicare and post-Medicare status.

A summary of eligibility and contributions are shown below:

- **2428 Union Employees pre-Medicare:**
 - The District pays \$100 (\$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 (20 or more) years of service. The benefit discontinues at age 65 when Medicare coverage commences.
- **2428 Union Employees post-Medicare hired after 1/1/2013:**
 - Eligible for CalPERS Health with District providing the Public Employees' Medical & Hospital Care Act (PEMHCA) contribution. The PEMCHA amount is following the "unequal" method beginning in the year 2013, with increases to the minimum each year in the amount of 5% until it equals the PEMCHA minimum.
- **2428 Union Employees post-Medicare hired before 1/1/2013:**
 - 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 PEMCHA minimum amount, which was \$125 per month per retiree in 2016, as long as they retire or resign in good standing at age 50 or older after 10 years of service.
- **Management/Confidential Employees pre-Medicare hired or promoted on or after 1/1/2003:**
 - If the retiree has at least 10 (20) years of service as a regular employee, the District will pay \$250 (\$300) a month 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.

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

- **Management/Confidential Employees post-Medicare hired after 1/1/2013:**
Eligible for choice of either:
 - If employee is enrolled in CalPERS Health with District, the District will provide the PEMCHA contribution. The PEMCHA amount is following the “unequal” method beginning in the year 2013, with increases to the minimum each year in the amount of 5% until it equals the PEMCHA minimum.
 - If the retiree has at least 10 (20) years of service as a regular employee, the District will pay \$250 (\$300) a month.

- **Management/Confidential Employees post-Medicare hired or promoted before 1/1/2013:**
 - 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.

- **Management employees at the level of Assistant General Manager or General Manager:**
 - If retiree has at least 10 (20) years of service as a regular employee will be paid \$300 (\$350) a month toward medical. Management employees at the level of Assistant General Manager or General Manager with 20 (15) years of service, upon reaching the age of 65, will be offered the opportunity to continue enrollment in the medical program or the AARP supplemental coverage at District expense for the retiree and spouse (retiree only). They will also be offered the opportunity to continue participation in the District dental program at District expense, after 20 years, retiree and spouse, at 15 years retiree only at the District’s expense.

- **Board Members**
 - Board members who retire from the Board with 12 or more years of service 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.

Funding Policy: The District pays all costs of the plan, except for the participation of retirees who pay District group medical and dental premiums. In 2007 the District established a separate retiree healthcare benefit trust. The District’s policy is to make a contribution to the Trust each pay period, for the purpose of funding its required contribution over a period of time. The amount necessary to fund future benefits is based upon the June 30, 2015 actuarial valuation in accordance with GASB Statement No. 45, *Accounting and Financial Reporting for Postemployment Benefits Other than Pensions*.

For fiscal year 2016, the District contributed a total of \$4,553,364 to the plan. The estimated Actuarial Accrued Liability (AAL) at June 30, 2015 was \$63,484,000. The UAAL is being amortized over a 15 year fixed (closed) period, maximum 30 year combined period is used. The cost method is entry age normal and the amortization method is level percent of payroll.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

Annual OPEB Cost and Net OPEB Assets: The District's annual OPEB cost is calculated based on the Annual Required Contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement No. 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed 20 years. The 2016 ARC rate was 10.6% of annual covered payroll. The following table shows the components of the District's annual OPEB cost for the year, the amount contributed to the plan, and the changes in the District's net OPEB obligation (asset) for the year ended December 31, 2016:

Required annual contribution (ARC)	\$ 5,115,364
Interest on net OPEB asset	(166,529)
Adjustment to ARC	187,750
Annual OPEB cost (expense)	5,136,585
Contributions made (less implied subsidy)	(4,553,364)
Decrease/(increase) net pension asset	583,221
Net OPEB asset beginning of year	(2,467,099)
Net OPEB asset end of year	<u>\$ (1,883,878)</u>

The net OPEB asset is primarily due to the 2007 contribution amount above the ARC. This amount is recorded as an asset on the Government-Wide Statement of Net Position.

Audited financial statements for the CERBT are available on their website, www.calpers.ca.gov, or may be obtained by writing to:

CalPERS
 Lincoln Plaza North
 400 Q Street
 Sacramento, CA 95811

Plan cost, the percentage of annual cost contributed to the Plan and the net OPEB asset for the year ended December 31, 2016 and the two preceding years were as follows:

Year Ending December 31,	Annual OPEB Cost	Amount Contributed	Percentage Contributed	Net OPEB Asset
2014	\$ 4,409,564	\$ 4,299,677	98%	\$ 3,018,870
2015	\$ 4,972,755	\$ 4,420,983	89%	\$ 2,467,099
2016	\$ 5,136,585	\$ 4,553,364	89%	\$ 1,883,878

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

Funded Status and Funding Progress: Based upon the most recent actuarial valuation (June 30, 2015), the June 30, 2015 AAL for benefits was \$63,484,000, compared to the actuarial value of plan assets of \$37,558,000, resulting in UAAL of \$25,926,000. The estimated annual covered payroll is \$46,688,000, resulting in a UAAL as a percent of payroll of 55.5%. The schedule of funding progress, included in required supplementary information (RSI) section of this report, presents multi-year trend information about the OPEB actuarial value of plan assets in relationship to the actuarial accrued liability for benefits.

Actuarial Methods and Assumptions: Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members), include the types of benefits provided at the time of each valuation, and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

Per the June 30, 2015 actuarial valuation, the actuarial cost method used is entry age normal (EAN) cost method. Under the EAN cost method, the plan's normal cost is developed as a level percent of payroll through the participants' working lifetime. Entry age is based on current age minus years of service. The actuarial accrued liability (AAL) represents the portion of the present value of benefits that participants have earned (on an actuarial, not actual basis) through the valuation date.

In the current actuarial report, the assumption used were:

- discount rate 6.75%
- payroll increases 3.25%
- inflation 3%
- PEMHCA minimum increase 4.5%, and
- dental trend 3%

Another key assumption is future healthcare inflation rates. For the June 30, 2015 actuarial valuation, premium rate increases range from 7.2% as an annual high in 2017, decreasing to an annual low of 5.0% in 2021 and beyond.

All calculations are based upon the OPEB benefits provided under the terms of the substantive plan in effect at the time of the valuation and on the pattern of sharing of costs between the employer and plan members to this point. Additionally, the actuarial valuation of the OPEB plan involves estimates of the value of reported amounts and assumptions about the probability of events far into the future. Further, actuarially determine amounts are subject to continual revisions as results are compared to past expectations and new estimates are made about the future. The actuarial calculations of the OPEB plan reflect a long-term perspective.

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.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

A. East Bay Regional Park District Retirement Plans

Plan Description. The District contributes to the East Bay Regional Park District (EBRPD) Plans, a 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. 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 9B.

Membership in the EBRPD Plans comprised the following at January 1, 2015:

	General Plan	Sworn Safety Plan
Remaining active employees	9	-
Retirees and beneficiaries currently receiving benefits	98	7
COLA only retirees	79	17
Vested terminated employees	7	1
Disability retirements	2	4
Total Participants	<u>195</u>	<u>29</u>

Summary of Significant Accounting Policies. 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%	42.40%	
Vanguard Total Stock			\$ 16,429,841
Fixed Income:	48.00%	46.90%	
Pimco Total Return			10,602,189
Pimco Moderate Duration			7,553,179
International:	10.00%	9.40%	
EuroPacific Growth Fund			3,628,926
Cash:	2.00%	1.30%	
Transamerica Fixed Dollar			500,042
Total	<u>100.00%</u>	<u>100.00%</u>	<u>\$ 38,714,177</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

Rate of Return

The annual money-weighted rate of return for the year ended December 31, 2016, net of plan investment expenses, was 0.4%. The money-weighted rate of return expresses investment performance, net of investment expenses, adjusted for the changing amounts actually invested.

Contribution Requirements. The Plan's annual required contributions are based on an actuarially determined amount that is estimated to finance costs of benefits earned by Plan members during the year; with additional amounts to finance any unfunded accrued liability. 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 2016, employees were contributing 6% of employee portion, with the District paying the balance. The total employee portion was \$24,865, with the District paying \$7,887 of that amount. Additionally, during 2016 the actuarially recommended District contribution was \$2,245,000 to the General Employees Plan and \$237,000 to the Sworn Safety Plan. The annual contribution requirements of both plans are determined via the actuarial study completed by Bartel Associates, LLC. For the year ended June 30, 2016, the employer contributions to the Plans were as follows:

	<u>General Plan</u>	<u>Safety Plan</u>
Contributions - employer	\$ 2,245,000	\$ 237,000

Net Pension Liability. The net pension liability was measured as of December 31, 2016 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2015. The changes in the net pension liability at December 31, 2016 were as follow:

	General Employees Retirement Plan Single Employer Defined Benefit Pension Plan		
	<u>Increase (Decrease)</u>		
	<u>Total Pension Liability</u>	<u>Plan Fiduciary Net Position</u>	<u>Net Pension Liability/(Asset)</u>
Balance at December 31, 2015	\$ 49,955,076	\$ 34,864,082	\$ 15,090,994
Changes in the year:			
Service Cost	94,000	-	94,000
Interest on the total pension liability	2,611,000	-	2,611,000
Contribution - employer	-	2,245,000	(2,245,000)
Contribution - employee	-	24,865	(24,865)
Net Investment income	-	2,257,737	(2,257,737)
Administrative expenses	-	(41,083)	41,083
Benefit payments, including refunds of employee contributions	(3,352,590)	(3,352,590)	-
Net changes	(647,590)	1,133,929	(1,781,519)
Balance at December 31, 2016	<u>\$ 49,307,486</u>	<u>\$ 35,998,011</u>	<u>\$ 13,309,475</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

	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, 2015	\$ 4,977,092	\$ 3,236,367	\$ 1,740,725
Changes in the year:			
Service Cost	-	-	-
Interest on the total pension liability	262,000	-	262,000
Contribution - employee	-	-	-
Net Investment income	-	222,000	(222,000)
Benefit payments, including refunds of employee contributions	(340,421)	(340,421)	-
Net changes	(78,421)	103,579	(182,000)
Balance at December 31, 2016	\$ 4,898,671	\$ 3,339,946	\$ 1,558,725
Totals of both plans	\$ 54,206,157	\$ 39,337,957	\$ 14,868,200

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

For the year ended December 31, 2016, the District's recognized pension expense for the General and Safety plans of \$989,481 and \$102,000, respectively. At December 31, 2016 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>General Plan</u>	<u>Sworn Safety Plan</u>	<u>Total</u>
	<u>Single Employer Plan</u>	<u>Single Employer Plan</u>	<u>Deferred</u>
	Deferred	Deferred	Deferred
	Outflows/(Inflows)	Outflows/(Inflows)	Outflows/(Inflows)
	<u>of Resources</u>	<u>of Resources</u>	<u>of Resources</u>
Net difference between projected and actual earnings on pension plan investments	\$ 582,800	\$ 56,000	\$ 638,800
	<u>\$ 582,800</u>	<u>\$ 56,000</u>	<u>\$ 638,800</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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

	General Plan	Sworn Safety Plan	Total
<u>Year Ended</u>	\$ 940,693	\$ 151,273	\$ 1,091,966
2017	940,693	124,569	1,065,262
2018	4,080,146	247,139	4,327,285
2019	2,618,959	782,377	3,401,336
2020	3,532	-	3,532
2021	<u>\$ 8,584,023</u>	<u>\$ 1,305,358</u>	<u>\$ 9,889,381</u>

Actuarial Assumptions.

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	1/1/2015
Measurement Date	12/31/2016
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	5.40%
Payroll Growth	4.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	5.40%
Mortality	Mortality projected fully generational with Scale MP-2014, modified to coverage to ultimate improvement rates in 2022

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.

The 5.40% long-term expected rate of return was derived based on the inflation assumption of 3.0% and the following asset allocation:

- 50% equities, 48% fixed income, and 2% cash through 2018
- 40% equities, 55% fixed income and 5% cash for 2019 to 2023, and
- 15% equities, 80% fixed income and 2% cash after 2023.

The geometric real rates of return were assumed to be 5.3% for equities and 1.5% for fixed income.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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	4.40%	4.40%	
Net Pension Liability	\$ 18,764,000	\$ 2,138,000	\$ 20,902,000
Current Discount Rate	5.40%	5.40%	
Net Pension Liability	\$ 13,309,475	\$ 1,558,725	\$ 14,868,200
1% Increase	6.40%	6.40%	
Net Pension Liability	\$ 9,842,000	\$ 1,034,000	\$ 10,876,000

Copies of the annual actuarial valuation report may be obtained at the District’s Finance Department. The EBRPD Retirement Plans do not issue separate, audited financial statements.

B. California Public Employees Retirement Systems

Plan Description. 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. Copies of CalPERS’ annual financial report may be obtained from their executive office at 400 P Street, Sacramento, CA 95814.

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. 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.

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 PEPRA 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 as specified by the Public Employees’ Retirement Law.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

The plans' provisions and benefits in effect at December 31, 2016, are summarized as follows:

Miscellaneous Plan
Agent-Multiple

	AFSCME, non-POA, Mangmt/Conf		POA non-sw orn	
	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	23.727%	23.727%	23.727%	23.727%

Safety Plan
Cost Sharing

	Fire-Sw orn		Police-sw orn	
	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 ⁽²⁾	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%	9.000%	9.000%
Required employer contribution rate	19.536%	17.689%	19.536%	17.689%

Safety Plan
Cost Sharing

	Fire-Sw orn	Police-sw orn
	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	11.500%	11.500%
Required employer contribution rate	12.082%	12.082%

(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,

(2) Newly hired Safety Employees will be enrolled in the 3% at 55 or 2.7% at 57 formula, dependent on the individual's eligibility, as per AB340 consistency.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

Employees Covered. At December 31, 2016, the following employees were covered by the benefit terms of the Miscellaneous Plan.

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	257
Inactive employees entitled to but not yet receiving benefits	199
Active employees	<u>573</u>
Total	<u><u>1,029</u></u>

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, 2016, the annual required employer contributions to the Plans were \$9,481,670 for the Miscellaneous Plan and \$2,047,623 for the Safety Plan.

Net Pension Liability. The District's net pension liability for the Miscellaneous and Safety Plans are measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of each of the Plans were measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. As of December 31, 2016, the District reported net pension liability of the Miscellaneous plan and proportionate shares of the net pension liability of the Safety plan as follows:

	Miscellaneous Agent Plan	Safety Cost Sharing Plan	Total
Total Net Pension Liability	<u>\$ 83,741,133</u>	<u>\$ 17,205,636</u>	<u>\$ 100,946,769</u>

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

At December 31, 2016, the District reported a liability of \$17,205,636 for its proportionate share of the Safety Plan net pension liability. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Safety Plan as of June 30, 2016 was 0.199%, which was an increase of .006 from its proportion measured as of June 30, 2015.

Pension Expense and Deferred Outflows/Inflows of Resources Related to Pension. At December 31, 2016, the District recognized pension expense of (\$44,525) for the Miscellaneous Plan and \$601,195 for the Safety Plan.

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

	Agent-Multiple		Cost-Sharing		Total	
	Miscellaneous Plan		Safety Plan			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 4,976,267	\$ -	\$ 1,368,412	\$ -	\$ 6,344,679	\$ -
Differences between actual and expected experience	908,391	-	-	(146,097)	908,391	(146,097)
Changes in assumptions	-	(2,835,427)	-	(636,993)	-	(3,472,420)
Changes in proportion			240,342	(1,281,408)	240,342	(1,281,408)
Net difference between projected and actual earnings on pension plan investments	10,511,059		3,129,514	-	13,640,573	-
	<u>\$ 16,395,717</u>	<u>\$ (2,835,427)</u>	<u>\$ 4,738,268</u>	<u>\$ (2,064,498)</u>	<u>\$ 21,133,985</u>	<u>\$ (4,899,925)</u>

The \$6,344,679 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, 2017.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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

Year Ended	<u>Miscellaneous Plan</u>	<u>Safety Plan</u>	<u>Total</u>
2017	\$ 940,693	\$ 151,273	\$ 1,091,966
2018	940,693	124,569	1,065,262
2019	4,080,146	247,139	4,327,285
2020	2,618,959	782,377	3,401,336
2021	3,532	-	3,532
	<u>\$ 8,584,023</u>	<u>\$ 1,305,358</u>	<u>\$ 9,889,381</u>

Actuarial Assumptions – The total pension liabilities in the June 30, 2015 actuarial valuations were determined using the following actuarial assumptions for the Miscellaneous and Safety Plans:

	<u>Miscellaneous and Safety Plans</u>
Valuation Date	6/30/2015
Measurement Date	6/30/2016
Actuarial Cost Method	Entry Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return ⁽¹⁾	7.65%
Mortality	Derived using CalPERS' membership for data for all funds

⁽¹⁾ Net of pension plan investment; includes inflation.

The mortality table used for Miscellaneous and Safety Plans were developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. 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, 2015 valuation were based on the results of an actuarial experience study for the period from 1997 to 2011, including updates to salary increase, mortality and retirement rates. The Experience Study report can be obtained in CalPERS' website under Forms and Publications.

Discount Rate. The discount rate used to measure the total pension liability was 7.65 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 7.65 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 7.65 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.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

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 table below 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, 2015.

Asset Class	Target Allocation	Real Return Years 1-10 (a)	Real Return Years 11+ (b)
Global Equity	51.0%	5.25%	5.71%
Global Fixed Income	20.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	10.0%	6.83%	6.95%
Real Estate	stand 10.0%	4.50%	5.13%
Infrastructure and Fore	2.0%	4.50%	5.09%
Liquidity	1.0%	-0.55%	-1.05%
	<u>100.0%</u>		

(a) An expected inflation of 2.5% used for this period

(b) An expected inflation of 3.0% used for this period

Sensitivity of the Net Pension Liability for Miscellaneous Plans and Sensitivity of the Proportionate Share of the Net Pension Liability for Safety Plans to changes in the Discount rate. The following presents the net pension liability of the District for the Miscellaneous Plan and the District's proportionate share of the net pension liability for the Safety Plans, 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	Cost Sharing Safety Plan	Total
1% Decrease	6.65%	6.65%	
Net Pension Liability	\$ 120,637,288	\$ 26,177,611	\$ 146,814,899
Current Discount Rate	7.65%	7.65%	
Net Pension Liability	\$ 83,741,133	\$ 17,205,636	\$ 100,946,769
1% Increase	8.65%	8.65%	
Net Pension Liability	\$ 53,080,024	\$ 9,819,163	\$ 62,899,187

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

Changes in the Net Pension Liability

The changes in the Net Pension Liability measured as of June 30, 2016 for the Miscellaneous Plan is as follows:

	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability/(Asset)
Balance at December 31, 2015	\$ 262,913,479	\$ 192,489,376	\$ 70,424,103
Changes in the year:			
Service Cost	6,304,972	-	6,304,972
Interest on the total pension liability	19,948,033	-	19,948,033
Differences between actual and expected experience	180,162	-	180,162
Contribution - employer	-	8,925,854	(8,925,854)
Contribution - employee	-	3,226,009	(3,226,009)
Net Investment income	-	1,081,586	(1,081,586)
Administrative expenses	-	(117,312)	117,312
Benefit payments, including refunds of employee contributions	(10,975,030)	(10,975,030)	-
Net changes	15,458,137	2,141,107	13,317,030
Balance at December 31, 2016	\$ 278,371,616	\$ 194,630,483	\$ 83,741,133

CalPERS issues a publicly available financial report that includes a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website at: <http://calpers.ca.gov/index.jsp?bc=/about/forms-pubs/calpers-reports/actuarial-reports/home.xml>.

12. 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. Total cost of 2016 general insurance was \$822,360.

The actuarially determined liability at December 31, 2016 for general liability was \$530,000, which includes an estimate for incurred, but not reported claims. Several claims were settled during 2016 and claims paid equated \$111,380.

Workers’ Compensation – For workers’ compensation coverage, the District retains \$350,000 for each claim, with the excess coverage provided through EIA. Total cost of 2016 workers’ compensation insurance was \$461,738.

The actuarially determined liability at December 31, 2016 for workers’ compensation liability was \$8,486,347, which includes an estimate for incurred, but not reported claims. Claims paid during 2016 equaled \$1,581,446.

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 \$68,078. Claims paid during 2016 equaled \$964,398.

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

**Changes to the internal service funds claims liability amounts
for the year ended December 31, 2016 and 2015 are as follows:**

Year Ending December	Accrued Claims Beginning of Year	Claims Incurred and Changes in estimates	Claims Paid	Accrued Claims End of Year
2015	\$ 9,254,400	\$ 3,486,430	\$ (3,733,705)	\$ 9,007,125
2016	\$ 9,007,125	\$ 2,966,524	\$ (2,657,224)	\$ 9,316,425

13. 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
2017	\$ 3,578,634
2018	3,720,639
2019	3,195,126
2020	2,654,243
2021	2,524,377
Thereafter	9,437,583
Total	<u>\$ 25,110,600</u>

14. 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 in the capital project fund. The District has two 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.

The original 2008 estimated future liability of \$300,000 was based upon the opinion of an independent environmental consultant, using expected cash flow measurement techniques. Costs incurred are compensation to a third party environmental service firm that has performed “bioventing” procedures, ORC® injections, permeable reactive barrier installation, groundwater monitoring, and submission of quarterly status reports to the regulatory agencies. The original estimate had assumed that continuing the level of “bioventing” techniques was deemed to be an appropriate corrective action to mitigate residual petroleum contamination. However, an alternative remediation technique in the form of a permeable reactive barrier was installed in November 2013. After three years of drought conditions, it was determined in late 2016 that the permeable reactive barrier did not provide adequate remediation of the site and additional remedial measures will be necessary. During 2017, the District will be working with an environmental remediation consultant to develop a work plan to address the soil and groundwater contamination that remains at this site. The investigation conducted during 2017 will provide cost estimates for additional remedial actions and future liability.

East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016

The cost during 2016 related to the bioventing system, and regulatory reporting was \$25,866.

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 the purpose of allowing the Board of Directors to consider potential costs in determining whether to renew the Gun Club lease. It is not based on specific site conditions. The District will begin site investigation in 2017-2018. 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 and related expense is reported in the government-wide financial statements as of December 31, 2016.

15. RELATED PARTIES

A. Joint Ventures

The District is a party to numerous 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. 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.

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/.

**East Bay Regional Park District
Notes to the Basic Financial Statements, continued
For the year ended December 31, 2016**

16. 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.

REQUIRED SUPPLEMENTARY INFORMATION

**East Bay Regional Park District
Required Supplementary Information
For the year ended December 31, 2016**

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, 2016**

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	\$ 114,800,000	\$ 114,800,000	\$ 121,323,311	\$ 6,523,311
Charges for services	9,305,950	9,305,950	10,273,512	967,562
Interest	550,000	550,000	878,350	328,350
Property usage	1,954,500	1,954,500	2,529,884	575,384
Interagency agreements and grants	246,400	246,400	434,722	188,322
Miscellaneous	607,640	658,198	807,590	149,392
Total revenues	<u>127,464,490</u>	<u>127,515,048</u>	136,247,369	<u>8,732,321</u>
EXPENDITURES				
Current:				
Acquisition/Stewardship/Development Division	9,304,820	9,370,819	8,462,993	907,826
Executive/Legislative Division	3,140,570	4,395,202	3,753,283	641,919
Finance/Management Services Division	9,153,170	9,299,470	8,387,122	912,348
Human Resources	2,571,350	2,620,990	2,306,763	314,227
Legal Division	2,256,100	2,156,100	1,853,888	302,212
Operations Division	61,744,220	62,058,481	59,328,846	2,729,635
Public Affairs Division	4,627,670	4,787,067	4,179,811	607,256
Public Safety Division	26,564,360	26,787,995	24,728,917	2,059,078
Capital outlay	777,160	1,460,815	1,817,766	(356,951)
Total expenditures	<u>120,139,420</u>	<u>122,936,939</u>	<u>114,819,389</u>	<u>8,117,550</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>7,325,070</u>	<u>4,578,109</u>	21,427,980	16,849,871
OTHER FINANCING SOURCES (USES)				
Sale of capital assets	117,000	117,000	201,052	84,052
Transfers in	98,000	903,949	1,899,350	995,401
Transfers out	(6,951,080)	(12,606,234)	(12,606,234)	-
Total other financing sources (uses)	<u>(6,736,080)</u>	<u>(11,585,285)</u>	<u>(10,505,832)</u>	1,079,453
NET CHANGE IN FUND BALANCE	<u>\$ 588,990</u>	<u>\$ (7,007,176)</u>	10,922,148	<u>\$ 17,929,324</u>
Beginning of year			97,327,973	
End of year			<u>\$ 108,250,121</u>	

See note to required supplementary information.

**East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2016**

2. SCHEDULE OF FUNDING PROGRESS FOR OTHER POST EMPLOYMENT BENEFITS (OPEB) PLAN

Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Total UAAL	Funded Ratio	Annual Covered Payroll	UAAL as % of Payroll
2012	\$ 20,543,000	\$ 44,634,000		46.0%	\$ 44,098,000	54.6%
2013	\$ 26,248,000	\$ 54,271,000	\$ 28,023,000	48.4%	\$ 45,531,000	54.6%
2015	\$ 37,558,000	\$ 63,484,000	\$ 25,926,000	59.2%	\$ 46,688,000	55.5%

**East Bay Regional Park District
Required Supplementary Information, continued
For the year ended December 31, 2016**

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

**Miscellaneous Plan
Agent Multiple-Employer Defined Benefit Pension Plan
As of December 31, 2016**

Schedule of Changes in the Net Pension Liability and Related Ratios for the Measurement Periods Ended June 30
Last 10 Years *

Measurement Date	2016 June 30, 2016	2015 June 30, 2015
Total Pension Liability		
Service Cost	\$ 6,304,972	\$ 6,106,964
Interest on total pension liability	19,948,033	18,805,627
Changes in benefits terms	-	-
Difference between expected and actual experience	180,162	1,240,777
Changes in assumptions	-	(4,607,569)
Benefit payments, including refunds of employee contributions	(10,975,030)	(9,541,653)
Net change in total pension liability	15,458,137	12,004,146
Total Pension Liability - beginning	262,913,479	250,909,333
Total Pension Liability - ending (a)	\$ 278,371,616	\$ 262,913,479
Plan fiduciary net position		
Contributions - employer	\$ 8,925,854	\$ 8,267,531
Contributions - employee	3,226,009	3,149,004
Net investment income	1,081,586	4,302,435
Benefit payments	(10,975,030)	(9,541,653)
Plan to Plan Resource Movement	-	(526)
Administrative Expense	(117,312)	(216,838)
Net change in plan fiduciary net position	2,141,107	5,959,953
Plan fiduciary net position - beginning	192,489,376	186,529,423
Plan fiduciary net position - ending (b)	\$ 194,630,483	\$ 192,489,376
Net pension liability - ending (a) - (b)	\$ 83,741,133	\$ 70,424,103
Plan fiduciary net position as a percentage of the total pension liability	69.92%	73.21%
Covered payroll	\$ 41,055,842	\$ 38,524,876
Net pension liability as a percentage of covered payroll	203.97%	182.80%

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

**East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2016**

**Miscellaneous Plan
 Agent Multiple-Employer Defined Benefit Pension Plan
 As of December 31, 2016
 Schedule of Contributions
 Last 10 Years ***

	2016	2015
Actuarially Determined Contribution	\$ 9,481,670	\$ 8,963,339
Contribution in relation to the Actuarially Determined Contribution	(9,481,670)	(8,963,339)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered payroll	\$41,055,842	\$ 38,524,876
Contributions as a percentage of covered payroll	23.09%	23.27%

Notes to Schedule

Valuation date 6/30/2013 & 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	2.75%
Salary increases	Varies by entry age and service
Payroll growth	3.00%
Investment rate of return	7.50%, net of pension plan investment expenses, including inflation
Retirement age	50 years
Mortality	The probabilities of mortality are based on the 2010 CalPERS E for the period from 1997 to 2007. Pre-retirement and Post-retirement rates include 5 years of projected mortality improvement using rates published by the Society of Actuaries.

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

East Bay Regional Park District
Required Supplementary Information, continued
For the year ended December 31, 2016

General Employees' Retirement Plan
Single Employer Defined Benefit Pension Plan
As of December 31, 2016
Schedule of Changes in the Net Pension Liability and Related Ratios
Last 10 Years *

	2016	2015
Measurement Date	December 31, 2016	December 31, 2015
Total Pension Liability		
Service Cost	\$ 94,000	\$ 101,000
Interest on total pension liability	2,611,000	2,412,000
Changes in benefits terms	-	-
Difference between expected and actual experience	-	851,000
Changes in assumptions	-	2,427,000
Benefit payments, including refunds of employee contributions	(3,352,590)	(3,363,924)
Net change in total pension liability	(647,590)	2,427,076
Total Pension Liability - beginning	49,955,076	47,528,000
Total Pension Liability - ending (a)	<u>\$ 49,307,486</u>	<u>\$ 49,955,076</u>
Plan fiduciary net position		
Contributions - employer	\$ 2,245,000	\$ 2,003,000
Contributions - employee	24,865	31,066
Net investment income	2,257,737	164,514
Benefit payments	(3,352,590)	(3,363,924)
Plan to Plan Resource Movement		
Administrative Expense	(41,083)	(95,685)
Net change in plan fiduciary net position	1,133,929	(1,261,029)
Plan fiduciary net position - beginning	34,864,082	36,125,111
Plan fiduciary net position - ending (b)	<u>\$ 35,998,011</u>	<u>\$ 34,864,082</u>
Net pension liability - ending (a) - (b)	<u>\$ 13,309,475</u>	<u>\$ 15,090,994</u>
Plan fiduciary net position as a percentage of the total pension liability	73.01%	69.79%
Covered payroll	\$ 300,600	\$ 383,000
Net pension liability as a percentage of covered payroll	4427.64%	3940.21%

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

**East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2016**

**General Employees' Retirement Plan
 Single Employer Defined Benefit Pension Plan
 As of December 31, 2016
 Schedule of Contributions
 Last 10 Years ***

	2016	2015
Actuarially Determined Contribution	\$ 2,245,000	\$ 2,003,000
Contribution in relation to the Actuarially Determined Contribution	(2,245,000)	(2,003,000)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered payroll	\$ 300,600	\$ 383,000
Contributions as a percentage of covered payroll	746.84%	522.98%

Methods and Assumptions for Actuarially Determined Contribution:

Valuation Date	January 1, 2015
Actuarial cost method	Entry age normal
Amortization method	Level dollar amount, 14-year closed periods
Remaining amortization period	Average of 10.1 years for 2015
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount Rate	5.40%
Salary increases	4% per annum
Mortality	CalPERS 97-11 Experience study Post-retirement mortality projected fully generational with Scale MP-2014 converging to ultimates improvement rates in 2022.

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

**East Bay Regional Park District
Required Supplementary Information, continued
For the year ended December 31, 2016**

**Sworn Safety Plan
Single Employer Defined Benefit Pension Plan
As of December 31, 2016
Schedule of Changes in the Net Pension Liability and Related Ratios
Last 10 Years ***

Measurement Date	2016 December 31, 2016	2015 December 31, 2015
Total Pension Liability		
Service Cost	\$ -	\$ -
Interest on total pension liability	262,000	248,000
Changes in benefits terms	-	-
Difference between expected and actual experience	-	(55,000)
Changes in assumptions	-	192,000
Benefit payments, including refunds of employee contributions	(270,010)	(246,908)
Net change in total pension liability	(8,010)	138,092
Total Pension Liability - beginning	4,977,092	4,839,000
Total Pension Liability - ending (a)	<u>\$ 4,969,082</u>	<u>\$ 4,977,092</u>
Plan fiduciary net position		
Contributions - employer	\$ 237,000	\$ 222,000
Contributions - employee	-	-
Net investment income	125,606	39,818
Benefit payments	(254,277)	(246,908)
Plan to Plan Resource Movement	-	-
Administrative Expense	(4,753)	(8,859)
Net change in plan fiduciary net position	103,576	6,051
Plan fiduciary net position - beginning	3,236,367	3,230,316
Plan fiduciary net position - ending (b)	<u>\$ 3,339,943</u>	<u>\$ 3,236,367</u>
Net pension liability - ending (a) - (b)	<u>\$ 1,629,139</u>	<u>\$ 1,740,725</u>
Plan fiduciary net position as a percentage of the total pension liability	67.21%	65.03%
Covered payroll	\$ -	
Net pension liability as a percentage of covered payroll**	n/a	n/a

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

** No active employees

**East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2016**

**Sworn Safety Plan
 Single Employer Defined Benefit Pension Plan
 As of December 31, 2016
 Schedule of Contributions
 Last 10 Years ***

	2016	2015
Actuarially Determined Contribution	\$ 237,000	\$ 222,000
Contribution in relation to the Actuarially Determined Contribution	(237,000)	(222,000)
Contribution Deficiency (Excess)	\$ -	\$ -
Covered payroll	\$ -	\$ -
Contributions as a percentage of covered payroll	n/a	n/a

Methods and Assumptions for Actuarially Determined Contribution:

Valuation Date	January 1, 2015
Actuarial cost method	Entry age normal
Amortization method	Level dollar amount, 14-year closed periods
Remaining amortization period	Average of 10.1 years for 2015
Asset valuation method	Investment gains and losses spread over 5-year rolling period
Discount Rate	5.40%
Salary increases	4% per annum
Mortality	CalPERS 97-11 Experience study Post-retirement mortality projected fully generational with Scale MP-2014 converging to ultimate improvement rates in 2022.

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

** No active employees

**East Bay Regional Park District
 Required Supplementary Information, continued
 For the year ended December 31, 2016**

**Safety Plan
 Cost-Sharing Multiple-Employer Defined Benefit Pension Plan - CalPERS
 As of December 31, 2016
 Schedule of Proportionate Share of the Net Pension Liability
 Last 10 Years ***

	2016	2015
District's proportionate of the net pension liability (asset)	0.19884%	0.19322%
District's proportionate share of the net pension liability (asset)	\$17,205,636	\$13,262,357
District's covered payroll	\$ 7,845,628	\$ 8,608,057
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	219.30%	154.07%

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

East Bay Regional Park District
Required Supplementary Information, continued
For the year ended December 31, 2016

Safety Plan
Cost-Sharing Multiple-Employer Defined Benefit Pension Plan
Schedule of Contributions
Last 10 Years *

	<u>2016</u>	<u>2015</u>
Actuarially determined contribution	\$ 2,047,623	\$ 1,576,447
Contributions in relation to the actuarially determined contribution	<u>(2,047,623)</u>	<u>(1,576,447)</u>
Contributions deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 7,845,628	\$ 8,608,057
Contributions as a percentage of covered payroll	26.10%	18.31%

* Fiscal year 2015 was the 1st 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.
- Ardenwood/Coyote Hills Trail Fund accounts for the resources related to the maintenance of a linear park and trail from Ardenwood to Coyote Hills Park.
- 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 assets seizures and asset forfeitures, related to criminal activity in which the District police department was involved in arrests and/or investigation. 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 habitat conservation plan. The plan provides the framework to protect natural resources.
- Coyote Hills/Dumbarton Quarry Fund accounts for tipping revenue. The use of the funds is to up-grade facilities and infrastructure at Coyote Hills Regional Park.

Measure WW Local Grant Fund – This fund accounts for the amounts granted to local agencies for park projects funded through the \$125 million portion of the Measure WW. Sources for funding are transferred from the Measure WW Project Fund, which holds the bond proceeds.

Permanent Funds – 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, 2016**

	Special Revenue Funds		
	Landscape		
	Lighting District	Zones of Benefit	Measure CC
ASSETS			
Cash and investments	\$ 4,646,352	\$ 771,175	\$ -
Receivables:			
Property usage receivable	-	-	-
Taxes and other receivables	2,251,264	77,639	1,581,077
Total assets	\$ 6,897,616	\$ 848,814	\$ 1,581,077
LIABILITIES			
Accounts payable	\$ 7,395	\$ -	\$ -
Due to other funds	-	-	879,509
Accrued payroll and related liabilities	50,217	346	-
Unearned revenue	-	-	-
Total liabilities	57,612	346	879,509
DEFERRED INFLOWS OF RESOURCES			
Unavailable revenue	2,251,264	77,639	1,581,077
FUND BALANCES			
Nonspendable	-	-	-
Restricted	4,588,740	770,829	(879,509)
Committed	-	-	-
Assigned	-	-	-
Total fund balances (deficit)	4,588,740	770,829	(879,509)
Total liabilities, deferred inflows and fund balances	\$ 6,897,616	\$ 848,814	\$ 1,581,077

Special Revenue Funds				
Mitigation	Other Special Revenue	Measure WW Local Grant	Permanent Funds	Total Non-Major Governmental Funds
\$ 4,699,230	\$ 10,213,477	\$ 54,530	\$ 4,382,870	\$ 24,767,634
-	203,447	-	-	203,447
-	-	-	-	3,909,980
<u>\$ 4,699,230</u>	<u>\$ 10,416,924</u>	<u>\$ 54,530</u>	<u>\$ 4,382,870</u>	<u>\$ 28,881,061</u>
\$ -	\$ 22,127	\$ -	\$ -	\$ 29,522
-	-	-	-	879,509
-	3,721	4,482	-	58,766
<u>714,587</u>	<u>1,485</u>	<u>-</u>	<u>-</u>	<u>716,072</u>
<u>714,587</u>	<u>27,333</u>	<u>4,482</u>	<u>-</u>	<u>1,683,869</u>
-	-	-	-	3,909,980
-	-	-	4,047,574	4,047,574
2,745,987	8,428,381	50,048	335,296	16,039,772
1,147,059	652,273	-	-	1,799,332
91,597	1,308,937	-	-	1,400,534
<u>3,984,643</u>	<u>10,389,591</u>	<u>50,048</u>	<u>4,382,870</u>	<u>23,287,212</u>
<u>\$ 4,699,230</u>	<u>\$ 10,416,924</u>	<u>\$ 54,530</u>	<u>\$ 4,382,870</u>	<u>\$ 28,881,061</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, 2016**

	Special Revenue Funds		
	Landscape		
	Lighting District	Zones of Benefit	Measure CC
REVENUES			
Property taxes and assessments	\$ 4,750,728	\$ 166,251	\$ 3,244,220
Charges for services	2,190	-	-
Interest	38,062	7,102	1,317
Property usage	-	-	-
Miscellaneous	-	-	-
Total revenues	4,790,980	173,353	3,245,537
EXPENDITURES			
Current:			
Acquisition/Stewardship/Development	-	-	-
Finance/Management Services Division	33,540	1,000	100,000
Operations Division	4,142,251	69,304	-
Public Safety Division	-	-	-
Capital outlay	-	27,321	-
Total expenditures	4,175,791	97,625	100,000
REVENUES OVER (UNDER) EXPENDITURES	615,189	75,728	3,145,537
OTHER FINANCING SOURCES (USES)			
Transfers in	-	1,023	74,204
Transfers out	-	-	(1,997,900)
Total other financing sources (uses)	-	1,023	(1,923,696)
NET CHANGE IN FUND BALANCES	615,189	76,751	1,221,841
FUND BALANCES (DEFICIT)			
Beginning of year	3,973,551	694,078	(2,101,350)
End of year	\$ 4,588,740	\$ 770,829	\$ (879,509)

Special Revenue Funds				
Mitigation	Other Special Revenue	Measure WW Local Grant	Permanent Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 8,161,199
-	46,352	-	-	48,542
39,840	111,220	-	43,800	241,341
-	1,317,025	-	-	1,317,025
-	64,515	-	-	64,515
39,840	1,539,112	-	43,800	9,832,622
14,254	16,206	-	-	30,460
-	-	11,610,366	-	11,744,906
-	415,747	-	-	4,627,302
-	29,688	-	-	29,688
-	-	-	-	27,321
14,254	461,641	11,610,366	-	16,459,677
25,586	1,077,471	(11,610,366)	43,800	(6,627,055)
6,825	459	11,654,563	-	11,737,074
-	(1,658,367)	-	(5,000)	(3,661,267)
6,825	(1,657,908)	11,654,563	(5,000)	8,075,807
32,411	(580,437)	44,197	38,800	1,448,752
3,952,232	10,970,028	5,851	4,344,070	21,838,460
\$ 3,984,643	\$ 10,389,591	\$ 50,048	\$ 4,382,870	\$ 23,287,212

**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, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Property taxes and assessments	\$ 2,070,000	\$ 20,700,000	\$ 21,294,480	\$ 594,480
Interest	10,000	10,000	59,353	49,353
Total revenues	<u>2,080,000</u>	<u>20,710,000</u>	<u>21,353,833</u>	<u>643,833</u>
EXPENDITURES				
Current:				
Finance/Management Services Division	15,600	15,600	11,820	(3,780)
Debt service:				
Principal	26,340,000	26,340,000	26,340,000	-
Interest expense	5,901,900	5,901,900	5,901,742	(158)
Total expenditures	<u>32,257,500</u>	<u>32,257,500</u>	<u>32,253,562</u>	<u>(3,938)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(30,177,500)</u>	<u>(11,547,500)</u>	<u>(10,899,729)</u>	<u>647,771</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	1,433,100	1,433,100	1,433,100	-
Total other financing sources (uses)	<u>1,433,100</u>	<u>1,433,100</u>	<u>1,433,100</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u><u>\$(28,744,400)</u></u>	<u><u>\$(10,114,400)</u></u>	(9,466,629)	<u><u>\$ 647,771</u></u>
FUND BALANCE				
Beginning of year			<u>18,069,744</u>	
End of year			<u><u>\$ 8,603,115</u></u>	

**East Bay Regional Park District
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Project Fund
For the year ended December 31, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ -	\$ 200,000	\$ 19,296	\$ (180,704)
Interest	220,000	220,000	226,194	6,194
Property usage	-	-	17,674	17,674
Interagency agreements and grants	331,330	6,967,533	17,118,098	10,150,565
Miscellaneous	-	3,146,436	2,477,667	(668,769)
Total revenues	551,330	10,533,969	19,858,929	9,324,960
EXPENDITURES				
Current:				
Acquisition/Stewardship/Develop Division	5,011,070	13,208,374	14,978,170	(1,769,796)
Finance/Management Services Division	414,500	1,827,337	556,542	1,270,795
Legal Division	-	1,000,000	15,292	984,708
Operations Division	4,310,920	6,979,562	4,215,013	2,764,549
Public Affairs Division	-	7,646	14,862	(7,216)
Public Safety Division	1,863,270	2,406,275	1,603,504	802,771
Debt service:				
Capital outlay	7,642,250	20,747,183	30,420,753	(9,673,570)
Total expenditures	19,242,010	46,176,377	51,804,136	(5,627,759)
REVENUES OVER (UNDER) EXPENDITURES	(18,690,680)	(35,642,408)	(31,945,207)	3,697,201
OTHER FINANCING SOURCES (USES)				
Transfers in	13,344,980	28,225,184	16,860,098	(11,365,086)
Transfers out	(22,065,000)	(25,286,104)	(12,800,050)	12,486,054
Total other financing sources (uses)	(8,720,020)	2,939,080	4,060,048	1,120,968
NET CHANGE IN FUND BALANCE	\$ (27,410,700)	\$ (32,703,328)	(27,885,159)	\$ 4,818,169
FUND BALANCE				
Beginning of year			122,968,792	
End of year			<u>95,083,633</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, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Property taxes and assessments	\$ 4,635,000	\$ 4,635,000	\$ 4,750,728	\$ 115,728
Charges for services	-	-	2,190	2,190
Interest	8,300	8,300	38,062	29,762
Total revenues	<u>4,643,300</u>	<u>4,643,300</u>	<u>4,790,980</u>	<u>147,680</u>
EXPENDITURES				
Current:				
Finance/Management Services Division	44,000	44,000	33,540	10,460
Operations Division	4,685,160	4,685,160	4,142,251	542,909
Total expenditures	<u>4,729,160</u>	<u>4,729,160</u>	<u>4,175,791</u>	<u>553,369</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(85,860)</u>	<u>(85,860)</u>	<u>615,189</u>	<u>701,049</u>
NET CHANGE IN FUND BALANCE	<u>\$ (85,860)</u>	<u>\$ (85,860)</u>	<u>615,189</u>	<u>\$ 701,049</u>
FUND BALANCE				
Beginning of year			<u>3,973,551</u>	
End of year			<u>\$ 4,588,740</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, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Property taxes and assessments	\$ 135,400	\$ 135,400	\$ 166,251	\$ 30,851
Interest	1,500	1,500	7,102	5,602
Total revenues	<u>136,900</u>	<u>136,900</u>	<u>173,353</u>	<u>36,453</u>
EXPENDITURES				
Current:				
Finance/Management Services Division	1,000	1,000	1,000	-
Operations Division	83,290	91,141	69,304	21,837
Capital outlay	-	27,321	27,321	-
Total expenditures	<u>84,290</u>	<u>119,462</u>	<u>97,625</u>	<u>21,837</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>52,610</u>	<u>17,438</u>	<u>75,728</u>	<u>58,290</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	1,023	1,023	-
Total other financing sources (uses)	<u>-</u>	<u>1,023</u>	<u>1,023</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 52,610</u>	<u>\$ 18,461</u>	76,751	<u>\$ 58,290</u>
FUND BALANCE				
Beginning of year			<u>694,078</u>	
End of year			<u>\$ 770,829</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, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Property taxes and assessments	\$ 3,162,000	\$ 3,162,000	\$ 3,244,220	\$ 82,220
Interest	5,000	5,000	1,317	(3,683)
Total revenues	<u>3,167,000</u>	<u>3,167,000</u>	<u>3,245,537</u>	<u>78,537</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>3,067,000</u>	<u>3,067,000</u>	<u>3,145,537</u>	<u>78,537</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	74,204	74,204	-
Transfers out	(1,673,900)	(1,997,900)	(1,997,900)	-
Total other financing sources (uses)	<u>(1,673,900)</u>	<u>(1,923,696)</u>	<u>(1,923,696)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 1,393,100</u>	<u>\$ 1,143,304</u>	1,221,841	<u>\$ 78,537</u>
FUND BALANCE (DEFICIT)				
Beginning of year			(2,101,350)	
End of year			<u>\$ (879,509)</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, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Interest	\$ 30,000	\$ 30,000	\$ 39,840	\$ 9,840
Property usage	80,000	80,000	-	(80,000)
Total revenues	<u>110,000</u>	<u>110,000</u>	<u>39,840</u>	<u>(70,160)</u>
EXPENDITURES				
Current:				
Acquisition/Stewardship/Develop Division	96,430	96,430	14,254	82,176
Total expenditures	<u>96,430</u>	<u>96,430</u>	<u>14,254</u>	<u>82,176</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>13,570</u>	<u>13,570</u>	<u>25,586</u>	<u>(12,016)</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	6,825	6,825	-
Total other financing sources (uses)	<u>-</u>	<u>6,825</u>	<u>6,825</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 13,570</u>	<u>\$ 20,395</u>	32,411	<u>\$ 12,016</u>
FUND BALANCE				
Beginning of year			<u>3,952,232</u>	
End of year			<u>\$ 3,984,643</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, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Charges for services	\$ 50,000	\$ 50,000	\$ 46,352	\$ (3,648)
Interest	57,000	57,000	111,220	54,220
Property usage	1,369,800	1,369,800	1,317,025	(52,775)
Miscellaneous	27,000	27,000	64,515	37,515
Total revenues	<u>1,503,800</u>	<u>1,503,800</u>	<u>1,539,112</u>	<u>35,312</u>
EXPENDITURES				
Current:				
Acquisition/Stewardship/Develop Division	57,220	57,220	16,206	41,014
Operations Division	430,690	443,793	415,747	28,046
Public Safety Division	-	30,000	29,688	312
Capital Outlay	-	55,000	-	55,000
Total expenditures	<u>487,910</u>	<u>586,013</u>	<u>461,641</u>	<u>124,372</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>1,015,890</u>	<u>917,787</u>	<u>1,077,471</u>	<u>159,684</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	-	459	459	-
Transfers out	(93,000)	(1,658,367)	(1,658,367)	-
Total other financing sources (uses)	<u>(93,000)</u>	<u>(1,657,908)</u>	<u>(1,657,908)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 922,890</u>	<u>\$ (740,121)</u>	<u>(580,437)</u>	<u>\$ 159,684</u>
FUND BALANCE				
Beginning of year			10,970,028	
End of year			<u>\$10,389,591</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, 2016**

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
EXPENDITURES				
Current:				
Finance/Management Services Division	\$ 17,047,010	\$17,047,010	\$11,610,366	\$ (5,436,644)
Total expenditures	<u>17,047,010</u>	<u>17,047,010</u>	<u>11,610,366</u>	<u>(5,436,644)</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(17,047,010)</u>	<u>(17,047,010)</u>	<u>(11,610,366)</u>	<u>5,436,644</u>
OTHER FINANCING SOURCES (USES)				
Transfers in	16,800,000	16,800,000	11,654,563	5,145,437
Total other financing sources (uses)	<u>16,800,000</u>	<u>16,800,000</u>	<u>11,654,563</u>	<u>5,145,437</u>
NET CHANGE IN FUND BALANCE	<u>\$ (247,010)</u>	<u>\$ (247,010)</u>	44,197	<u>\$ 291,207</u>
FUND BALANCE				
Beginning of year			<u>5,851</u>	
End of year			<u>\$ 50,048</u>	

East Bay Regional Park District
Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual
Permanent Funds
For the year ended December 31, 2016

	Original Budget	Final Budget	Actual Amounts	Variance from Final Budget Positive (Negative)
REVENUES				
Interest	\$ 27,400	\$ 27,400	\$ 43,800	\$ 16,400
Miscellaneous	-	-	-	-
Total revenues	<u>27,400</u>	<u>27,400</u>	<u>43,800</u>	<u>16,400</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>27,400</u>	<u>27,400</u>	<u>43,800</u>	<u>16,400</u>
OTHER FINANCING SOURCES (USES)				
Transfers out	(5,000)	(5,000)	(5,000)	-
Total other financing sources (uses)	<u>(5,000)</u>	<u>(5,000)</u>	<u>(5,000)</u>	<u>-</u>
NET CHANGE IN FUND BALANCE	<u>\$ 22,400</u>	<u>\$ 22,400</u>	38,800	<u>\$ 16,400</u>
FUND BALANCE				
Beginning of year			<u>4,344,070</u>	
End of year			<u>\$4,382,870</u>	

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, 2016**

	Workers' Compensation	Major Infrastructure Renovation/Replace	Major Equipment Replacement
ASSETS			
Current assets:			
Cash and investments	\$ 16,168,008	\$ 7,290,630	\$ 13,661,304
Accounts receivable	11,995	-	-
Prepaid items and deposits	523,702	-	-
Total assets	16,703,705	7,290,630	13,661,304
LIABILITIES			
Current liabilities:			
Accounts payable	118,651	-	156,201
Accrued payroll and related liabilities	19,847	-	-
Accrued claims - due within one year	1,845,395	-	-
Compensated absences - due within one year	2,542	-	-
Total current liabilities	1,986,435	-	156,201
Non-current liabilities:			
Accrued claims - due in more than one year	6,640,952	-	-
Compensated absences - due in more than one year	15,574	-	-
Total non-current liabilities	6,656,526	-	-
Total liabilities	8,642,961	-	156,201
NET POSITION			
Unrestricted	8,060,744	7,290,630	13,505,103
Total net position	\$ 8,060,744	\$ 7,290,630	\$ 13,505,103

General Liability	Employee Benefits	Total
\$ 6,212,455	\$ 3,927,017	\$ 47,259,414
-	107,938	119,933
304,491	81,300	909,493
<u>6,516,946</u>	<u>4,116,255</u>	<u>48,288,840</u>
12,896	780,908	1,068,656
2,579	69,258	91,684
158,392	68,078	2,071,865
-	-	2,542
<u>173,867</u>	<u>918,244</u>	<u>3,234,747</u>
603,608	-	7,244,560
18,116	-	33,690
<u>621,724</u>	<u>-</u>	<u>7,278,250</u>
<u>795,591</u>	<u>918,244</u>	<u>10,512,997</u>
5,721,355	3,198,011	37,775,843
<u>\$ 5,721,355</u>	<u>\$ 3,198,011</u>	<u>\$ 37,775,843</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, 2016

	Workers' Compensation	Major Infrastructure Renovation/Replace	Major Equipment Replacement
OPERATING REVENUES			
Charges for services	\$ 3,893,862	\$ -	\$ 1,351,740
Other revenue	103,438	-	-
Total operating revenues	<u>3,997,300</u>	<u>-</u>	<u>1,351,740</u>
OPERATING EXPENSES			
Cost of services	461,738	-	-
Claims	1,553,531	-	-
General and Administrative	758,727	-	-
Total operating expenses	<u>2,773,996</u>	<u>-</u>	<u>-</u>
OPERATING INCOME	<u>1,223,304</u>	<u>-</u>	<u>1,351,740</u>
NONOPERATING REVENUES			
Interest income	156,067	80,013	-
INCOME (LOSS) BEFORE TRANSFERS	<u>1,379,371</u>	<u>80,013</u>	<u>1,351,740</u>
TRANSFERS			
Transfers in	-	3,056,960	-
Transfers out	-	(4,923,630)	(995,401)
Total transfers	<u>-</u>	<u>(1,866,670)</u>	<u>(995,401)</u>
CHANGE IN NET POSITION	<u>1,379,371</u>	<u>(1,786,657)</u>	<u>356,339</u>
NET POSITION			
Beginning of year	6,681,373	9,077,287	13,148,764
End of year	<u>\$ 8,060,744</u>	<u>\$ 7,290,630</u>	<u>\$ 13,505,103</u>

	General Liability	Employee Benefits	Total
\$	1,796,450	\$ 5,145,755	\$ 12,187,807
	950,874	-	1,054,312
	<u>2,747,324</u>	<u>5,145,755</u>	<u>13,242,119</u>
	850,542	3,090,894	4,403,174
	343,381	1,228,054	3,124,966
	285,464	124,501	1,168,692
	<u>1,479,387</u>	<u>4,443,449</u>	<u>8,696,832</u>
	1,267,937	702,306	4,545,287
	56,135	34,800	327,015
	1,324,072	737,106	4,872,302
	-	-	3,056,960
	-	-	<u>(5,919,031)</u>
	-	-	<u>(2,862,071)</u>
	<u>1,324,072</u>	<u>737,106</u>	<u>2,010,231</u>
	4,397,283	2,460,905	35,765,612
\$	<u>5,721,355</u>	\$ <u>3,198,011</u>	\$ <u>37,775,843</u>

**East Bay Regional Park District
Combining Statement of Cash Flows
Internal Service Funds
For the year ended December 31, 2016**

	Workers' Compensation	Major Infrastructure Renovation/Replace	Major Equipment Replacement
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers/other	\$ 3,986,752	\$ -	\$ 1,351,740
Payments to suppliers	(725,012)	-	156,201
Payments to employees	(424,713)	-	-
Claims paid	(1,488,184)	-	-
Net cash provided/(used) by operating activities	1,348,843	-	1,507,941
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Transfers in	-	3,056,960	-
Transfers out	-	(4,923,630)	(995,401)
Net cash provided (used) for noncap financing activity	-	(1,866,670)	(995,401)
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest	156,067	80,013	-
Net cash provided (used) by investing activities	156,067	80,013	-
Net increase (decrease) in cash and cash equivalents	1,504,910	(1,786,657)	512,540
CASH AND CASH EQUIVALENTS			
Beginning of year	14,663,098	9,077,287	13,148,764
End of year	\$ 16,168,008	\$ 7,290,630	\$ 13,661,304
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY OPERATING ACTIVITIES			
Operating income (loss)	\$ 1,223,304	\$ -	\$ 1,351,740
Adjustments to reconcile operating income (loss) to cash flow from operating activities:			
Changes in assets and liabilities:			
Accounts receivable	(10,548)	-	-
Prepaid items and deposits	1,261	-	-
Accounts payable	55,448	-	156,201
Accrued payroll and related liabilities	14,031	-	-
Accrued claims	65,347	-	-
Net cash provided/(used) by operating activities	\$ 1,348,843	\$ -	\$ 1,507,941

General Liability	Employee Benefits	Total
\$ 2,747,324	\$ 5,075,207	\$ 13,161,023
(950,561)	(76,691)	(1,596,063)
(222,181)	(3,071,211)	(3,718,105)
(111,381)	(1,216,101)	(2,815,666)
<u>1,463,201</u>	<u>711,204</u>	<u>5,031,189</u>
-	-	3,056,960
-	-	(5,919,031)
-	-	(2,862,071)
56,135	34,800	327,015
<u>56,135</u>	<u>34,800</u>	<u>327,015</u>
1,519,336	746,004	2,496,133
4,693,119	3,181,013	44,763,281
<u>\$ 6,212,455</u>	<u>\$ 3,927,017</u>	<u>\$ 47,259,414</u>
\$ 1,267,937	\$ 702,306	\$ 4,545,287
-	(70,548)	(81,096)
(1,480)	-	(219)
(37,629)	47,810	221,830
2,373	19,683	36,087
232,000	11,953	309,300
<u>\$ 1,463,201</u>	<u>\$ 711,204</u>	<u>\$ 5,031,189</u>

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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, 2016**

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 access 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.

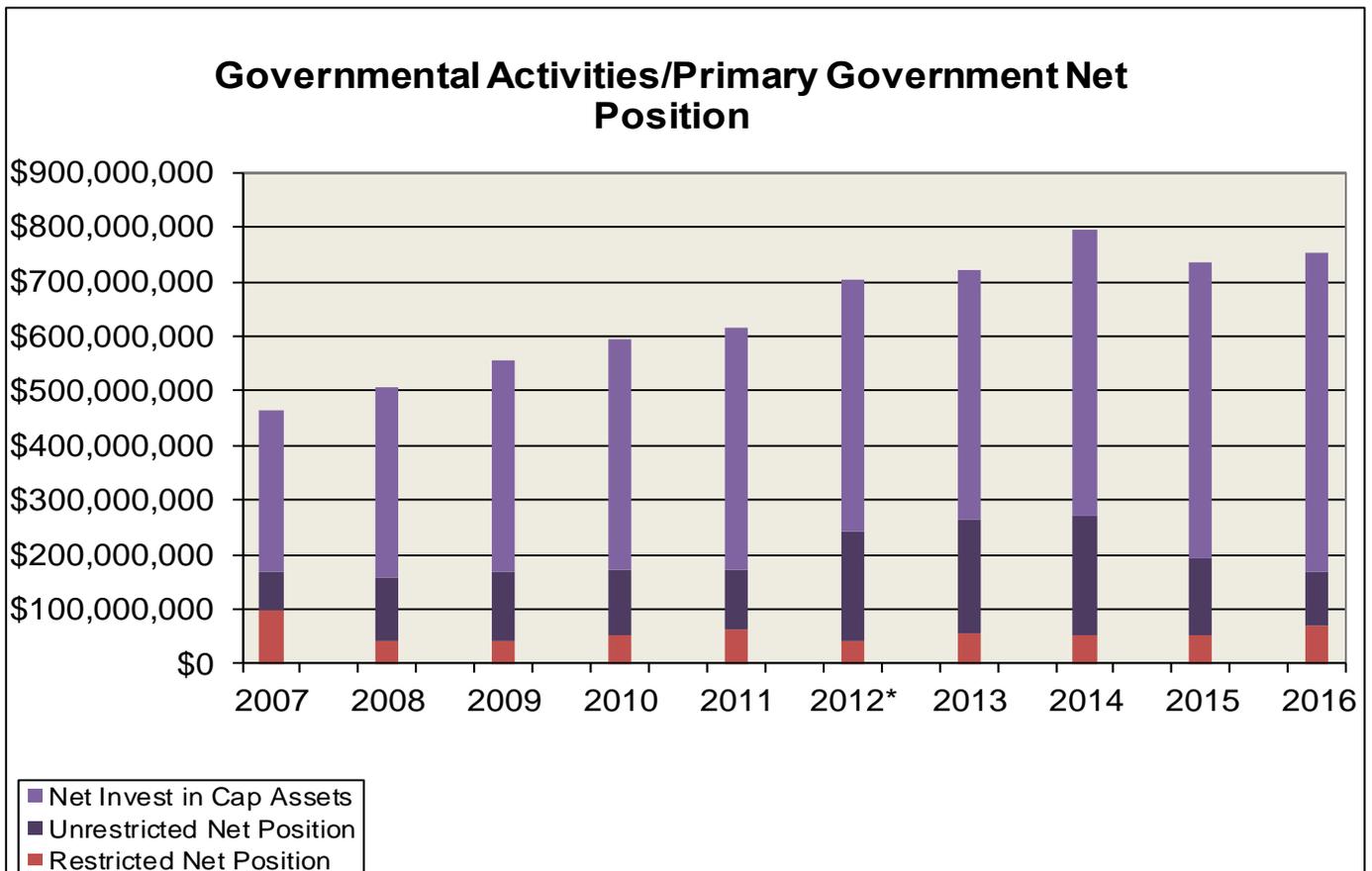
**East Bay Regional Park District
Net Position
Last Ten Fiscal Years**

	Year ended December 31,			
	2007	2008	2009	2010
Governmental Activities/Primary Government				
Net investment in capital assets	\$ 295,619,074	\$ 350,404,884	\$ 384,801,194	\$ 420,410,465
Restricted for:				
Capital projects	66,038,450	9,731,399	8,948,410	18,522,764
Debt service	16,558,074	20,116,946	26,338,455	20,925,374
Capital projects Operations	14,771,806	11,561,039	7,203,058	14,109,436
Net OPEB obligation				
Mitigation projects:				
Expendable				
Nonexpendable				
Total restricted net position	<u>97,368,330</u>	<u>41,409,384</u>	<u>42,489,923</u>	<u>53,557,574</u>
Unrestricted	<u>69,708,084</u>	<u>115,320,521</u>	<u>127,527,580</u>	<u>119,897,765</u>
Total governmental activities/ primary government net position	<u><u>\$ 462,695,488</u></u>	<u><u>\$ 507,134,789</u></u>	<u><u>\$ 554,818,697</u></u>	<u><u>\$ 593,865,804</u></u>

* as restated

Source: East Bay Regional Park District.

Year ended December 31,					
2011	2012*	2013	2014	2015	2016
\$ 445,133,895	\$ 461,617,626	\$ 456,160,622	\$ 523,526,294	\$ 542,662,924	\$ 584,276,354
34,662,211	-	-	-	-	-
14,472,963	12,730,090	21,922,993	20,219,074	18,615,595	8,653,163
15,142,325	5,447,693	10,668,872	6,778,145	11,824,946	18,564,253
	16,010,839	17,831,009	19,575,735	15,517,623	40,297,426
	3,221,351	3,128,758	3,018,871	2,467,099	
	246,900	255,235	253,287	296,496	335,296
	3,707,308	3,707,308	3,707,307	4,047,574	4,047,574
64,277,499	41,364,181	57,514,175	53,552,419	52,769,333	71,897,712
107,027,746	201,119,691	207,707,342	218,827,655	139,370,956	98,036,481
<u>\$ 616,439,140</u>	<u>\$ 704,101,498</u>	<u>\$ 721,382,139</u>	<u>\$ 795,906,368</u>	<u>\$ 734,803,213</u>	<u>\$ 754,210,547</u>



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

	Year ended December 31,			
	2007	2008	2009	2010
Governmental Activities				
Expenses				
Executive and Legislative Division	\$ 1,777,502	\$ 4,057,850	\$ 2,457,139	\$ 1,988,340
Finance and Management Services Division	8,767,117	8,785,967	13,186,667	20,036,518
Human Resources Division	1,812,495	1,980,395	1,851,719	2,006,161
Land Division	7,913,281	2,936,767	2,291,803	3,697,404
Legal Division	1,399,926	1,305,775	1,572,650	1,362,031
Operations Division	42,698,820	60,732,645	59,669,927	59,848,798
Acquisition/Stewardship/Development Div.	17,793,485	9,416,208	6,457,765	10,549,048
Public Affairs Division	2,671,478	3,072,368	2,961,039	2,983,987
Public Safety Division	19,501,807	21,925,522	21,156,662	21,280,310
Interest on long-term debt	8,184,436	7,567,362	5,744,689	6,220,090
Total governmental activities/ primary government expenses	112,520,347	121,780,859	117,350,060	129,972,687
Program Revenues				
Charges for services				
Executive and Legislative Division	1,100	(9,010)	700	150
Finance and Management Services Division	53,758	135,533	1,109,368	409,628
Human Resources Division	-	(9,735)	2,446	-
Land Division	151,971	5,697	964,449	392,073
Legal Division	-	41,048	387,650	419,809
Operations Division	16,438,637	18,711,809	15,979,011	16,381,249
Acquisition/Stewardship/Development Div.	548,139	423,208	(1,584,705)	527,773
Public Affairs Division	2,535	(6,497)	2,206	1,979
Public Safety Division	2,131,624	3,167,222	2,362,737	1,430,186
Operating contributions and grants	2,628,615	592,744	514,242	1,229,280
Capital contributions and grants	15,391,454	12,621,636	17,838,236	27,365,637
Total governmental activities/ primary government revenues	37,347,833	35,673,655	37,576,340	48,157,764
Total governmental activities/ primary government net revenue/(expense)	(75,172,514)	(86,107,204)	(79,773,720)	(81,814,923)
General Revenues				
General property taxes	115,028,552	126,141,955	95,015,571	91,042,456
General obligation bond property tax	-	-	30,084,466	28,038,818
Unrestricted interest	8,912,779	7,597,702	2,357,591	829,029
Debt/bond related interest	-	-	-	951,730
Miscellaneous	696,053	-	-	-
Endowment contribution	-	-	-	-
Extraordinary item	-	-	-	-
Total general/primary government revenues	124,637,384	133,739,657	127,457,628	120,862,033
Change in net position	\$ 49,464,870	\$ 47,632,453	\$ 47,683,908	\$ 39,047,110

Source: East Bay Regional Park District.

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

Year ended December 31,					
2011	2012	2013	2014	2015	2016
\$ 2,108,946	\$ 1,770,570	\$ 1,882,975	\$ 2,437,806	\$ 1,884,055	\$ 3,761,476
24,209,016	22,146,423	19,727,707	19,903,720	15,339,406	21,038,743
2,210,203	1,901,476	2,048,512	1,937,936	2,090,618	2,290,686
2,555,259	3,090,734	2,942,337	2,920,657	3,756,611	*
1,205,704	1,089,042	1,293,138	2,408,678	1,727,362	7,441,256
63,925,956	61,499,098	66,914,912	65,889,460	69,764,023	71,434,687
11,282,151	9,911,185	12,913,207	8,631,849	12,806,022	23,473,090
2,968,268	3,101,111	3,191,414	4,000,739	3,698,496	4,203,454
22,852,382	22,701,888	22,678,752	22,835,000	24,485,085	26,115,088
5,312,829	5,059,952	5,500,428	5,645,812	4,849,184	4,504,040
<u>138,630,714</u>	<u>132,271,479</u>	<u>139,093,382</u>	<u>136,611,657</u>	<u>140,400,862</u>	<u>164,262,520</u>
-	-	-	-	1,080	2,077
68,465	69,306	90,680	147,036	357,757	93,408
-	42	141	-	219	40
1,251,567	312,792	292,754	103,601	157,698	*
7,985	312	65	166,799	6,879	170
19,992,488	16,680,067	18,801,985	19,054,412	18,697,737	19,672,985
1,567,296	689,273	771,752	607,063	956,327	1,398,143
9,408	103	9,738	175,330	363,573	332,740
1,436,299	1,498,593	1,564,449	1,523,722	1,923,139	1,790,150
1,777,357	6,928,772	3,768,504	2,530,783	3,298,311	5,172,561
19,189,471	11,324,225	5,360,084	52,965,205	7,466,395	14,904,397
<u>45,300,336</u>	<u>37,503,485</u>	<u>30,660,152</u>	<u>77,273,951</u>	<u>33,229,115</u>	<u>43,366,671</u>
<u>(93,330,378)</u>	<u>(94,767,994)</u>	<u>(108,433,230)</u>	<u>(59,337,706)</u>	<u>(107,171,747)</u>	<u>(120,895,849)</u>
90,797,991	95,554,076	100,152,404	102,391,952	115,895,033	123,570,579
22,884,370	20,532,194	25,268,744	30,463,237	29,490,016	15,278,879
848,442	740,999	191,152	693,810	629,057	1,205,365
611,397	258,204	101,571	312,936	119,507	248,360
-	-	-	-	-	-
-	845,602	-	-	-	-
761,514	-	-	-	-	-
<u>115,903,714</u>	<u>117,931,075</u>	<u>125,713,871</u>	<u>133,861,935</u>	<u>146,133,613</u>	<u>140,303,183</u>
<u>\$ 22,573,336</u>	<u>\$ 23,163,081</u>	<u>\$ 17,280,641</u>	<u>\$ 74,524,229</u>	<u>\$ 38,961,866</u>	<u>\$ 19,407,334</u>

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

	Year ended December 31,			
	2007	2008	2009	2010
General Fund				
Reserved	\$1,787,517	\$2,399,652	\$10,325,522	\$8,912,139
Unreserved, designated in	64,366,025	14,058,921	22,197,891	48,915,671
Unreserved, reported in	-	56,494,885	49,466,329	30,772,533
Non-spendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total General Fund	<u>66,153,542</u>	<u>72,953,458</u>	<u>81,989,742</u>	<u>88,600,343</u>
Other Governmental Funds				
Reserved	30,001,555	24,952,651	41,872,957	36,561,520
Unreserved, designated in:				
Special revenue funds	14,562,231	-	-	-
Project funds	52,657,852	6,280,851	6,266,942	6,246,125
Debt service funds	-	-	-	-
Unreserved reported in:				
Special revenue funds	-	18,139,662	17,815,242	15,892,728
Project funds	-	51,896,150	118,060,011	94,684,577
Permanent funds	-	-	-	233,583
Non-spendable				
Restricted				
Committed				
Assigned				
Unassigned				
Total other governmental funds	<u>97,221,638</u>	<u>101,269,314</u>	<u>184,015,152</u>	<u>153,618,533</u>
Total governmental funds	<u>\$163,375,180</u>	<u>\$174,222,772</u>	<u>\$266,004,894</u>	<u>\$242,218,876</u>

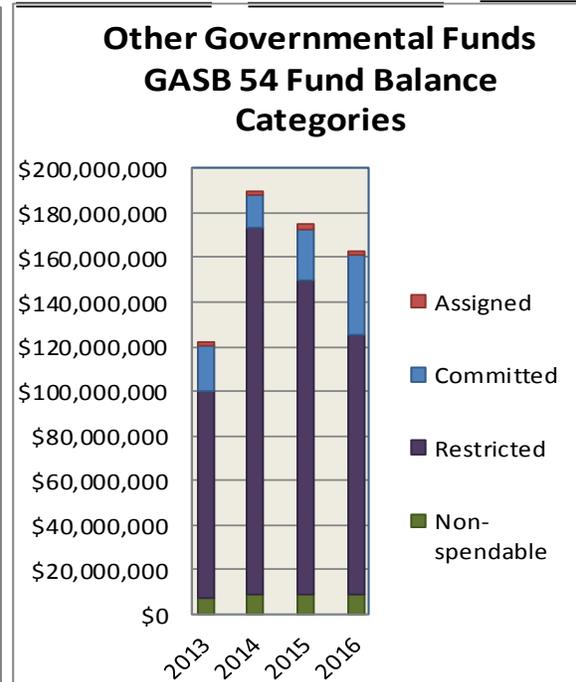
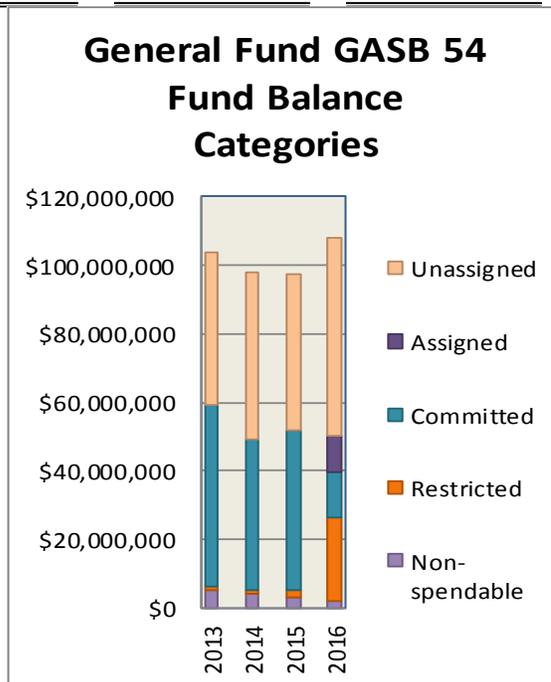
Source: East Bay Regional Park District.

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,					
2011*	2012	2013	2014	2015	2016
\$ 7,100,622	\$ 6,071,345	\$ 4,958,575	\$ 3,806,266	\$ 3,025,111	\$ 1,925,818
825,797	758,115	965,961	1,210,401	2,036,959	24,642,998
37,438,615	50,747,150	53,170,381	44,026,613	46,705,998	12,882,331
-	-	-	-	-	10,895,641
45,556,883	35,795,631	44,514,739	48,820,556	45,559,905	57,903,333
90,921,917	93,372,241	103,609,656	97,863,836	97,327,973	108,250,121

4,568,866	7,034,880	8,639,893	8,863,340	9,028,867	8,948,867
94,109,584	93,224,456	165,042,494	140,850,599	116,111,268	94,124,076
17,375,615	19,969,351	14,091,628	23,289,360	36,061,275	22,500,483
7,844,564	1,776,903	1,688,673	1,685,613	1,675,586	1,400,534
(389,322)	-	-	-	-	-
123,509,307	122,005,590	189,462,688	174,688,912	162,876,996	126,973,960
\$214,431,224	\$215,377,831	\$293,072,344	\$272,552,748	\$260,204,969	\$235,224,081



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

	Year ended December 31,			
	2007	2008	2009	2010
REVENUES:				
Property taxes and assessments	\$ 122,971,647	\$ 133,883,576	\$ 133,010,666	\$ 127,002,718
Charges for services	9,398,530	10,179,602	10,159,681	9,333,354
Interest	8,912,779	7,597,702	2,821,942	1,748,425
Property usage	1,703,143	1,662,362	1,774,871	1,989,547
Interagency agreements and grants	15,066,253	6,799,224	15,120,375	21,377,974
Miscellaneous	4,053,891	5,016,238	3,612,643	3,947,406
Total revenues	162,106,243	165,138,704	166,500,178	165,399,425
EXPENDITURES:				
Current:				
Executive and Legislative Division	2,100,469	4,055,201	2,183,147	2,056,177
Finance and Management Services Division	8,379,434	8,389,868	13,443,720	19,557,292
Human Resources Division	1,775,255	1,980,395	1,884,094	1,965,973
Land Division				
Legal Division	1,357,269	1,304,203	1,457,191	1,372,125
Operations Division	53,360,271	53,448,259	54,983,632	53,254,338
Acquisition/Stewardship/Development Division	10,742,283	12,246,951	9,165,177	11,289,960
Public Affairs Division	2,615,998	3,060,236	3,155,034	2,934,996
Public Safety Division	19,418,439	21,111,836	20,783,140	21,067,016
Debt Service:				
Principal	16,820,000	19,784,930	26,674,809	28,425,626
Interest	8,825,223	8,918,037	6,271,625	7,011,571
Cost of issuance	-	576,871	737,549	-
Capital Outlay	18,247,883	21,408,509	20,905,972	40,655,395
Total expenditures	143,642,524	156,285,296	161,645,090	189,590,470
REVENUES OVER (UNDER) EXPENDITURES	18,463,719	8,853,408	4,855,088	(24,191,045)
OTHER FINANCING SOURCES (USES):				
Proceeds from sales of property	163,456	165,342	150,486	113,942
Proceeds from issuance of debt (including premium)	3,558,000	1,872,621	87,692,502	-
Transfers in	17,820,473	24,974,503	17,558,121	36,741,204
Transfers out	(17,568,893)	(25,881,969)	(18,474,073)	(36,450,121)
Total Other Financing Sources (Uses)	3,973,036	1,130,497	86,927,036	405,025
Net Change in Fund Balances	22,436,755	9,983,905	91,782,124	(23,786,020)
FUND BALANCES:				
Beginning of year	-	166,288,084	174,222,772	266,004,896
End of year	\$ 22,436,755	\$ 176,271,989	\$ 266,004,896	\$ 242,218,876
Debt service as a percentage of noncap exp	20.5%	21.3%	23.4%	23.8%

Source: East Bay Regional Park District.

Amounts are reported on modified accrual basis of accounting

Year ended December 31,					
2011	2012	2013	2014	2015	2016
\$ 121,601,603	\$ 123,424,647	\$ 135,512,025	\$ 141,890,256	\$ 150,567,629	\$ 150,778,990
9,447,957	8,997,687	9,221,344	9,927,231	9,957,280	10,341,350
1,443,937	918,098	256,947	982,042	794,088	1,405,238
2,534,478	2,540,010	3,626,431	3,249,512	3,358,872	3,864,583
23,952,739	10,199,235	5,182,475	24,177,919	7,495,303	17,552,820
2,048,629	5,986,994	2,425,565	2,506,240	3,835,625	3,349,772
<u>161,029,343</u>	<u>152,066,671</u>	<u>156,224,787</u>	<u>182,733,200</u>	<u>176,008,797</u>	<u>187,292,753</u>
1,961,287	1,788,715	1,884,804	2,445,897	1,947,752	3,753,283
23,560,132	21,883,736	19,462,043	19,732,730	15,315,010	20,700,390
2,086,091	1,997,220	2,051,530	2,050,926	2,152,558	2,306,763
1,139,741	1,252,615	1,399,294	2,587,943	1,938,617	1,869,180
55,052,990	57,211,887	59,506,889	63,179,659	63,942,688	68,171,161
13,291,749	13,191,052	15,872,577	11,837,091	15,931,740	23,471,623
2,852,968	3,117,985	3,189,601	4,053,465	3,810,756	4,194,673
21,454,554	23,819,392	22,706,869	23,781,715	25,338,467	26,362,109
25,157,417	19,015,218	14,415,000	25,400,000	26,830,000	26,340,000
6,262,649	5,239,988	5,488,528	7,468,832	6,434,317	5,901,742
-	511,003	435,182	-	-	-
34,248,963	26,379,454	17,084,992	37,985,313	23,145,832	32,265,840
<u>187,068,541</u>	<u>175,408,265</u>	<u>163,497,309</u>	<u>200,523,571</u>	<u>186,787,737</u>	<u>215,336,764</u>
<u>(26,039,198)</u>	<u>(23,341,594)</u>	<u>(7,272,522)</u>	<u>(17,790,371)</u>	<u>(10,778,940)</u>	<u>(28,044,011)</u>
90,280	100,034	67,142	140,212	108,155	201,052
-	25,382,673	84,653,469	-	-	-
37,748,327	26,785,553	26,528,398	29,024,850	36,004,778	31,929,622
<u>(39,587,062)</u>	<u>(27,451,256)</u>	<u>(26,281,974)</u>	<u>(31,894,288)</u>	<u>(37,681,771)</u>	<u>(29,067,551)</u>
<u>(1,748,455)</u>	<u>24,817,004</u>	<u>84,967,035</u>	<u>(2,729,226)</u>	<u>(1,568,838)</u>	<u>3,063,123</u>
<u>(27,787,653)</u>	<u>1,475,410</u>	<u>77,694,513</u>	<u>(20,519,597)</u>	<u>(12,347,778)</u>	<u>(24,980,888)</u>
242,218,876	213,902,421	215,377,831	293,072,344	272,552,747	260,204,969
<u>\$ 214,431,224</u>	<u>\$ 215,377,831</u>	<u>\$ 293,072,344</u>	<u>\$ 272,552,747</u>	<u>\$ 260,204,969</u>	<u>\$ 235,224,081</u>
<u>20.6%</u>	<u>16.3%</u>	<u>13.6%</u>	<u>20.2%</u>	<u>20.3%</u>	<u>17.6%</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
2007	\$ 7,625,528	\$ 24,342,317	\$ 91,003,802	\$ 122,971,647
2008	\$ 7,741,621	\$ 28,591,391	\$ 97,550,564	\$ 133,883,576
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

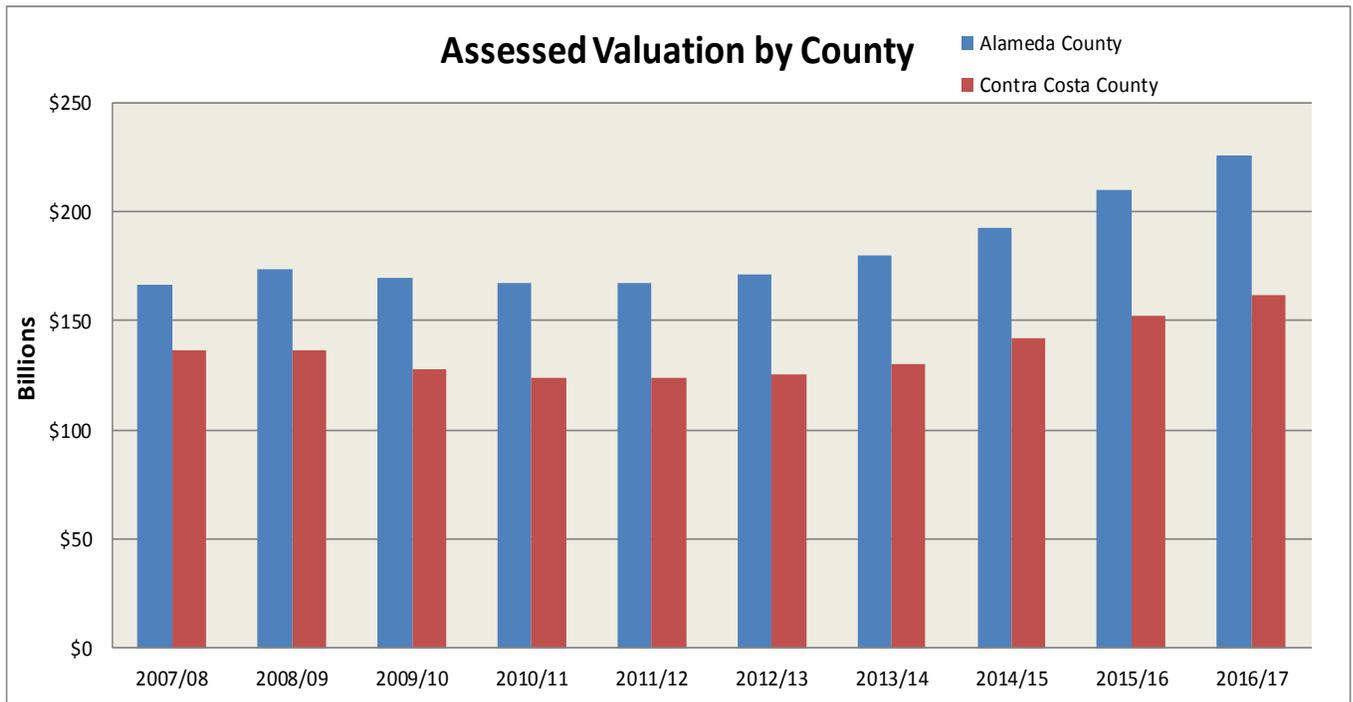


Source: East Bay Regional Park District.

Amounts are reported on modified accrual basis of accounting.

^January 1 through December 31.

**East Bay Regional Park District
Assessed and Estimated 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	
2007/08	\$ 186,238,748,120	\$ 98,490,077	\$10,844,768,390	\$ (6,632,908,615)	\$ (24,138,583,776)	\$ 166,410,514,196	1.00%
2008/09	\$ 195,178,888,584	\$ 94,778,439	\$11,392,576,690	\$ (6,878,483,552)	\$ (26,224,620,779)	\$ 173,563,139,382	1.00%
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%

CONTRA COSTA COUNTY							Total Direct Tax Rate
Fiscal Year ^	Secured	State Board	Unsecured	exemptions	RDA	Net AV	
2007/08	\$ 155,108,728,455	\$ 558,065,472	\$ 4,723,601,018	\$ (4,763,860,826)	\$ (18,805,423,183)	\$ 136,821,110,936	1.00%
2008/09	\$ 155,509,726,416	\$ 576,695,232	\$ 5,164,766,412	\$ (5,267,550,406)	\$ (19,082,111,154)	\$ 136,901,526,500	1.00%
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%

^July 1 to June 30.

*including Murray Township

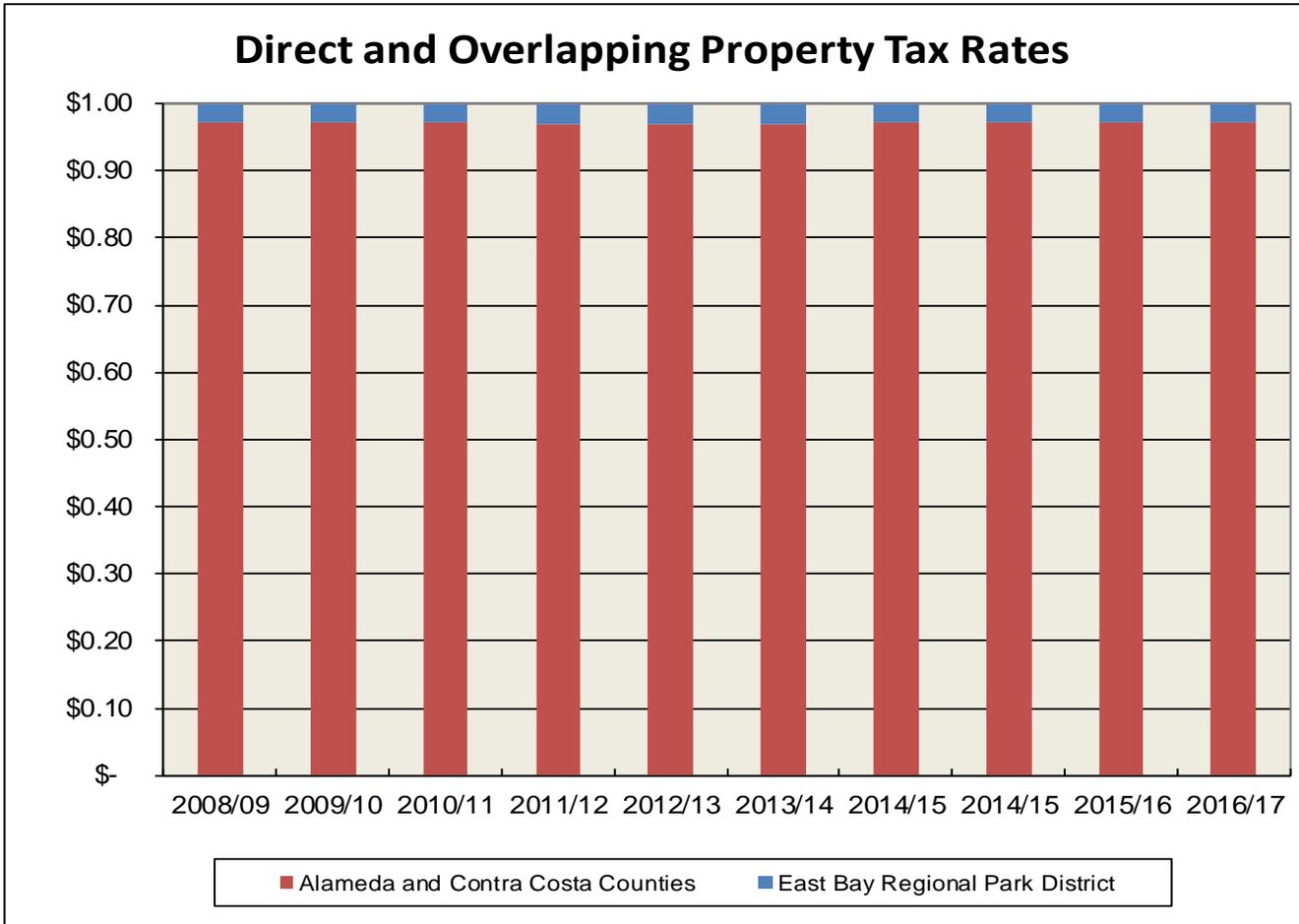
estimate of actual value of taxable property is unknown

**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 2016/17. 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
2008/09	0.97035	0.02965	1.00000	0.97126	0.02874	1.00000
2009/10	0.97035	0.02965	1.00000	0.97088	0.02912	1.00000
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

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
Principle Property Taxpayers (amounts in thousands)
2016 and 2007

Alameda County Assessed Value (AV)						
Taxpayers	June 30, 2016			June 30, 2007		
	Secured AV	Rank	Percent of Total Secured AV	Secured AV	Rank	Percent of Total Secured AV
Pacific Gas & Electric Co.	\$ 1,860,353	1	0.82%	\$ 1,126,061	1	0.66%
Tesla Motors Inc.	755,816	2	0.33%	na	na	na
Kaiser Foundation Hospitals	628,848	3	0.28%	304,811	5	0.18%
Digital 720 2nd LLC	500,388	4	0.22%	na	na	na
Russell City Energy Company, LLC	486,000	5	0.21%	407,085	3	0.24%
AT&T	424,722	6	0.19%	na	na	na
Kaiser Foundation Health Plan Inc.	374,304	7	0.17%	na	na	na
5616 Bay Street Investors LLC	302,435	8	0.13%	na	na	na
PSBN Northern California Industrial LLC	292,275	9	0.13%	na	na	na
Bayer Healthcare LLC	286,875	10	0.13%	228,966	10	0.13%
New United Motor Manufacturing, Inc.	na	na	na	987,625	2	0.58%
BMR Gateway Boulevard LLC	na	na	na	350,639	4	0.21%
Calwest Industrial Properties, LLC	na	na	na	255,646	6	0.15%
SCI Limited Partnership 1	na	na	na	251,772	7	0.15%
Chiron Corp.	na	na	na	237,128	8	0.14%
Catellus Development Corporation	na	na	na	230,379	9	0.14%
	<u>\$ 5,912,016</u>		<u>2.60%</u>	<u>\$ 4,380,112</u>		<u>2.58%</u>

Contra Costa County Assessed Value (AV)						
Taxpayers	June 30, 2016			June 30, 2007		
	Taxable Secured and Unitary AV	Rank	Percent of Total Secured AV	Taxable Secured and Unitary AV	Rank	Percent of Total Secured AV
Chevron USA	\$ 3,410,625	1	2.02%	\$ 5,372,494	1	3.84%
Equilon Enterprises, LLC	1,516,729	2	0.90%	3,384,896	2	2.42%
Tesoro Refining & Marketing	1,273,356	3	0.75%	1,595,843	3	1.14%
Tosco Corporation	1,048,546	4	0.62%	1,500,771	4	1.07%
NRG Delta LLC	669,335	5	0.40%	na	na	na
SDC7	642,914	6	0.38%	na	na	na
First Walnut Creek Mutual	585,049	7	0.35%	na	na	na
BRE Properties, Inc.	534,903	8	0.32%	na	na	na
Sierra Pacific Properties Inc.	464,005	9	0.27%	na	na	na
Shapell Industries, Inc.	385,772	10	0.23%	na	na	na
Pacific Gas & Electric Co.	na	na	na	1,008,158	5	0.72%
Sunset Land Company	na	na	na	713,614	6	0.51%
Posco	na	na	na	666,479	7	0.48%
Walnut Creek Mutual	na	na	na	448,075	8	0.32%
Delta Energy Co.	na	na	na	438,200	9	0.31%
SBC Communications, Inc.	na	na	na	393,488	10	0.28%
	<u>\$ 10,531,234</u>		<u>6.24%</u>	<u>\$ 15,522,018</u>		<u>11.09%</u>

**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	
2006/07	\$ 45,055,453	\$ 43,771,360	97%	**
2007/08	\$ 47,643,340	\$ 44,106,912	93%	**
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%	**

** 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<	
2006/07	\$ 36,289,475	\$ 36,289,475	100%	
2007/08	\$ 39,230,498	\$ 39,230,498	100%	
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%	

>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

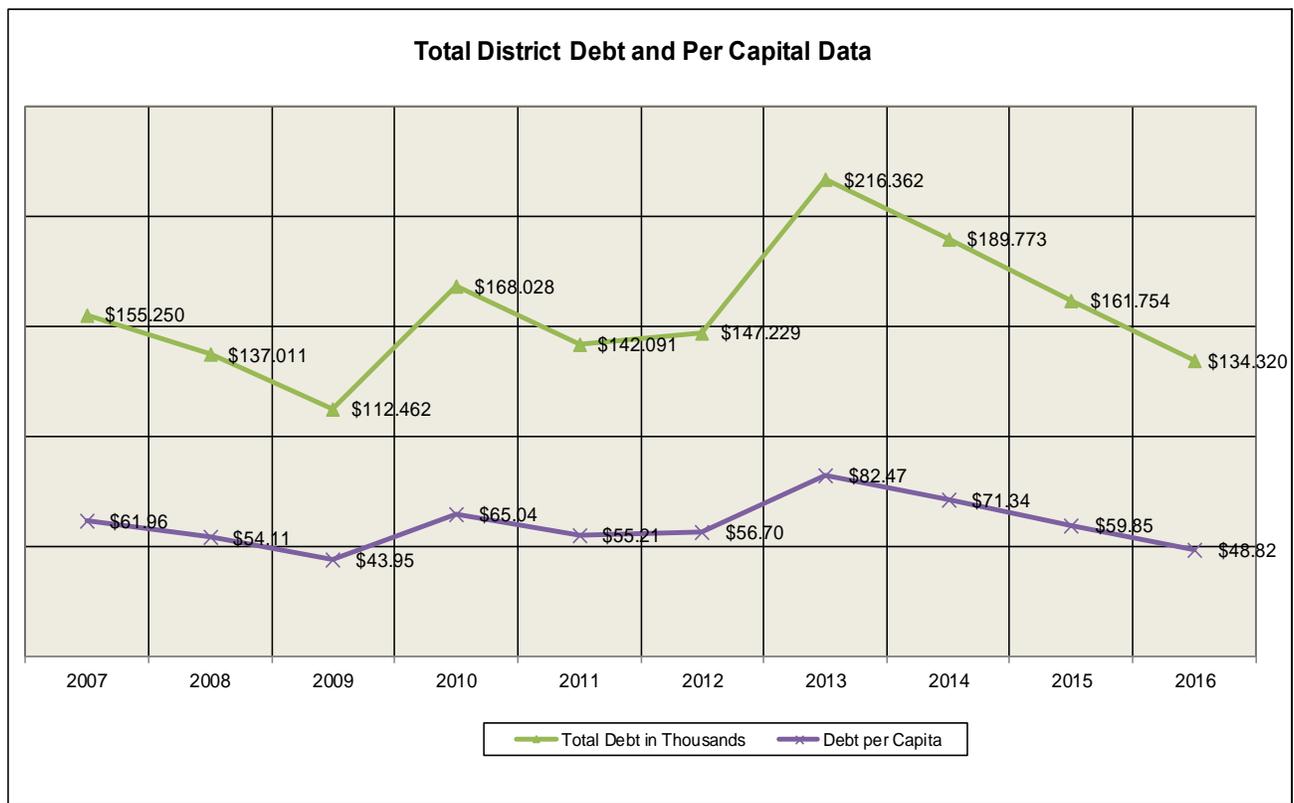
^July 1 through June 30

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 General Bonded Debt Outstanding Last Ten Fiscal Years

Fiscal Year	Governmental Activities					Taxable Assessed Value^ (AV)	Percentage of Taxable AV
	General Obligation Bonds	Limited Obligation Bonds	Notes Payable	Capital Leases	Total		
2007	\$ 145,277,378	\$ 6,415,000	\$ -	\$ 3,558,000	\$ 155,250,378	\$ 303,231,625,132	0.051%
2008	\$ 128,663,098	\$ 5,450,000	\$ -	\$ 2,898,070	\$ 137,011,168	\$ 310,464,665,882	0.044%
2009	\$ 105,798,814	\$ 4,450,000	\$ -	\$ 2,213,261	\$ 112,462,075	\$ 297,381,157,058	0.038%
2010	\$ 163,115,169	\$ 3,410,000	\$ -	\$ 1,502,635	\$ 168,027,804	\$ 291,272,212,555	0.058%
2011	\$ 138,991,085	\$ 2,335,000	\$ -	\$ 765,218	\$ 142,091,303	\$ 291,182,360,075	0.049%
2012	\$ 120,636,249	\$ 26,592,504	\$ -	\$ -	\$ 147,228,753	\$ 296,919,259,438	0.050%
2013	\$ 191,609,581	\$ 24,751,997	\$ -	\$ -	\$ 216,361,578	\$ 310,349,796,125	0.070%
2014	\$ 165,801,731	\$ 23,971,490	\$ -	\$ -	\$ 189,773,221	\$ 334,723,809,046	0.057%
2015	\$ 138,583,884	\$ 23,170,983	\$ -	\$ -	\$ 161,754,867	\$ 362,263,815,303	0.045%
2016	\$ 111,964,682	\$ 22,355,476	\$ -	\$ -	\$ 134,320,158	\$ 387,802,051,786	0.035%



Fiscal Year	Population	Per Capita	Percentage of Personal Income
2007	2,505,719	\$ 61.96	0.122%
2008	2,532,270	\$ 54.11	0.103%
2009	2,559,124	\$ 43.95	0.086%
2010	2,583,326	\$ 65.04	0.127%
2011	2,573,820	\$ 55.21	0.104%
2012	2,596,778	\$ 56.70	0.097%
2013	2,623,383	\$ 82.47	0.140%
2014	2,660,262	\$ 71.34	0.118%
2015	2,702,759	\$ 59.85	*
2016	2,751,294	\$ 48.82	*

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

* Data is unavailable for 2015 and 2016.

^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	Debt Service	Total	Taxable	Percentage	Population	Per Capita
	Bonds	Monies Available^		Assessed Value*	of Taxable AV		
2007	\$ 145,277,378	\$ 15,455,528	\$ 129,821,850	\$ 292,240,941,884	0.044%	2,505,719	\$ 51.81
2008	\$ 128,663,098	\$ 20,969,840	\$ 107,693,258	\$ 298,975,505,322	0.036%	2,532,270	\$ 42.53
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

^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, 2016**

JURISDICTION	District's Applicable %	Net Debt Outstanding
Overlapping Tax and Assessment Debt:		
Bay Area Rapid Transit District	67.602%	\$ 405,733,684
Chabot Community College District	100.000%	536,465,000
Contra Costa Community College District	100.000%	409,580,000
Peralta Community College District	100.000%	394,480,000
Other Community College Districts	0.458-100.000%	398,713,297
Berkeley Unified School District	100.000%	250,970,000
Dublin Unified School District	100.000%	339,242,619
Fremont Unified School District	100.000%	389,320,000
Mount Diablo Unified School District	100.000%	470,790,434
Oakland Unified School District	100.000%	945,175,000
San Ramon Valley Unified School District	100.000%	414,346,555
West Contra Costa Unified School District	100.000%	1,056,218,300
Other Unified School Districts	2.136-100.000%	1,883,159,182
Union High and School Districts	100.000%	429,874,151
Cities General Obligation and Parcel Tax Obligations	100.000%	393,094,977
Washington Township Healthcare District	100.000%	333,525,000
West Contra Costa Healthcare Parcel Tax Obligations	100.000%	57,035,000
East Bay Municipal Utility District Special District No. 1	100.000%	7,345,000
Pleasant Hill Recreation and Park District	100.000%	25,595,000
Community Facilities Districts	100.000%	304,810,420
1915 Act Bonds	100.000%	315,672,842
Total overlapping tax and assessment debt		<u>9,761,146,461</u>
Overlapping General Fund Debt		
Alameda County General Fund Obligations	100.000%	\$ 864,177,000
Alameda County Pension Obligations	100.000%	27,719,489
Contra Costa County General Fund Obligations	100.000%	244,055,570
Contra Costa County Pension Obligations	100.000%	212,765,000
Alameda-Contra Costa Transit District Certificates of Participation	100.000%	17,625,000
Unified School District Certificates and Participation	100.000%	231,959,817
Other School District General Fund and Pension Obligations	Various	164,235,529
City of Oakland General Fund and Pension Obligations	100.000%	477,437,529
Other City General Fund and Pension Fund Obligations	100.000%	795,913,605
Fire Protection Districts General Fund Obligations and Pension Obligation Bonds	100.000%	105,035,000
Special District General Fund Obligations	100.000%	18,987,812
Total gross overlapping General Fund obligation debt		<u>3,159,911,351</u>
Overlapping Tax Increment Debt (Successor Agencies)		<u>1,644,160,107</u>
Gross Combined Overlapping Debt		<u>14,565,217,919</u>
Direct Debt:		
East Bay Regional Park District (total direct bonded debt)	100.000%	124,405,000
Gross Combined Direct and Overlapping Debt ^		<u>\$ 14,689,622,919</u>
Less: Contra Costa County obligations supported from revenue funds		\$ (88,019,823)
Cities of Richmond, Concord and Livermore supported obligation		(59,736,234)
Net Combined Overlapping Debt		<u>14,417,461,862</u>
Direct Debt:		
East Bay Regional Park District (total direct bonded debt)	100.000%	\$ -
Net Combined Direct and Overlapping Debt		<u>\$ 14,417,461,862</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.

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

Computation of Legal Debt Margin for General Obligation Bonds	Fiscal Year[^]			
	2007	2008	2009	2010
Assessed Valuation:				
Assessed value subject to debt levy*	\$ 289,067,446,915	\$ 295,793,425,105	\$ 283,518,339,759	\$ 277,771,111,665
Add: HOPTR	3,173,494,969	3,182,080,217	3,177,660,746	3,140,681,082
Total assessed valuation	292,240,941,884	298,975,505,322	286,696,000,505	280,911,792,747
Debt Applicable to Limitation:				
Total general obligation debt	145,277,378	128,663,098	105,798,814	163,115,169
Less: amount available for repayment	15,455,528	20,969,840	27,161,473	21,777,729
Total debt applicable to limitation	129,821,850	107,693,258	78,637,341	141,337,440
Legal Debt Margin:				
Bonded debt limit (15% AV)	43,836,141,283	44,846,325,798	43,004,400,076	42,136,768,912
Debt applicable to limitation	129,821,850	107,693,258	78,637,341	141,337,440
Legal debt margin	\$ 43,706,319,433	\$ 44,738,632,540	\$ 42,925,762,735	\$ 41,995,431,472

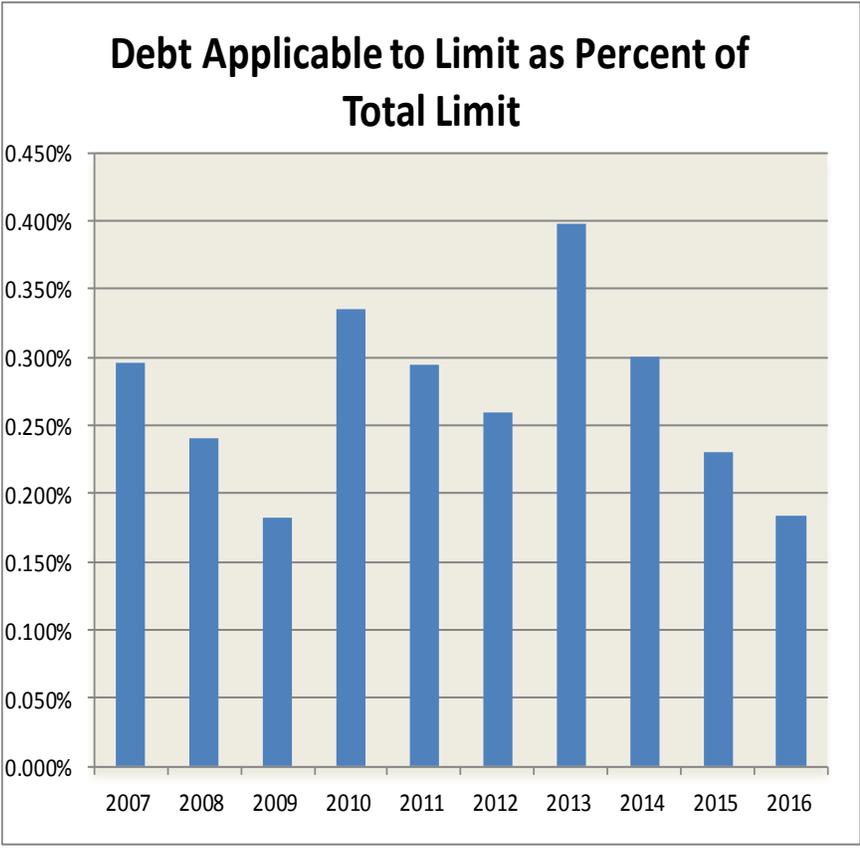
*excludes Murray Township

[^]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^					
2011	2012	2013	2014	2015	2016
\$ 277,678,058,227	\$ 282,817,745,337	\$ 295,889,931,336	\$ 322,142,631,947	\$ 348,500,492,466	\$ 373,951,234,871
3,100,826,111	3,046,929,074	2,995,211,624	2,952,217,584	2,932,650,997	2,912,773,684
280,778,884,338	285,864,674,411	298,885,142,960	325,094,849,531	351,433,143,463	376,864,008,555
138,991,085	120,636,249	191,609,581	165,801,731	138,583,884	111,964,682
15,014,111	9,125,966	13,462,178	19,556,254	17,406,779	7,938,117
123,976,974	111,510,283	178,147,403	146,245,477	121,177,105	104,026,565
42,116,832,651	42,879,701,162	44,832,771,444	48,764,227,430	52,714,971,519	56,529,601,283
123,976,974	111,510,283	178,147,403	146,245,477	121,177,105	104,026,565
\$ 41,992,855,677	\$ 42,768,190,879	\$ 44,654,624,041	\$ 48,617,981,953	\$ 52,593,794,414	\$ 56,425,574,718



**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
2007	1,470,622	\$ 71,893,560	\$ 49,387	4.8%
2008	1,484,085	\$ 74,305,916	\$ 50,302	6.1%
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%

Contra Costa County

Fiscal Year^	Population	Personal Income in thousands	Per Capita*	
			Personal Income	Unemployment Rate
2007	1,035,097	\$ 58,043,926	\$ 57,881	4.7%
2008	1,048,185	\$ 59,914,142	\$ 57,874	6.3%
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 *	na	na	4.9%
2016	1,123,429 *	na	na	4.9%

Source: Alameda and Contra Costa Counties.

^July 1 through June 30.

na = not available as of December 31, 2015.

*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 Employees
Current and Prior Years**

Employers	Alameda County					
	2016			2007		
	Estimated # Employees	Rank	% of Total County Employment	Estimated # Employees	Rank	% of Total County Employment
Kaiser Permanente Medical Group Inc.	28,481	1	3.59%	25,070	2	3.54%
Safeway Inc.	11,553	2	1.46	10,000	4	1.41
County of Alameda	8,690	3	1.10	8,683	5	1.23
Chevron Corporation	6,244	4	0.79		20+	
John Muir Health	6,181	5	0.78		20+	
Wells Fargo Bank	5,326	6	0.67		20+	
PG & E Corporation	5,154	7	0.65		20+	
UPS	4,980	8	0.63	8,472	6	1.20
Lam Research Corporation	4,500	9	0.69		20+	
Alta Bates Summit Medical Center	4,122	10	0.52		20+	
Total	85,231		10.74%	52,225		7.38%

The number of employees, except for Alameda County, include all employees in the East Bay, since number of employees within Alameda County is not available.

** Percentage is calculated based on Alameda County's total employment of 793,000 for 2016, and 708,200 for 2006.

Employers	Contra Costa County * *					
	2016			2007		
	Estimated # Employees	Rank	% of Total County Employment	Estimated # Employees	Rank	% of Total County Employment
Chevron Corporation	10,000 +	1	1.90%	7,100	1	1.30%
AAA Northern California, Nevada & Utah	5,000-9,999	2	1.42			
Bay Alarm Co.	1,000-4,999	T-3	0.47			
Bay Area Rapid Transit	1,000-4,999	T-3	0.47			
Bio-Rad Laboratories	1,000-4,999	T-3	0.47	1,100	8	0.20
John Muir Medical Center	1,000-4,999	T-3	0.47	1,900	5	0.40
Kaiser Permanente	1,000-4,999	T-3	0.47	5,000	2	1.00
La Raza Market	1,000-4,999	T-3	0.47			
St. Mary's College	1,000-4,999	T-3	0.47			
USS Posco Industries	1,000-4,999	T-3	0.47	975	10	0.20
John Muir/Mt. Diablo Medical Center				1,500	6	0.30
Doctors Medical Center				1,000	9	0.20
AT&T				3,150	3	0.60
24-Hour Fitness				1,200	7	0.20
Kaiser Foundation Hospital				2,300	4	0.50
All Others	489,600		92.92	489,925		95.10
Total	527,000		100.00%	515,150		100.00%

* * Government employers are excluded.

Source: Alameda and Contra Costa Counties.

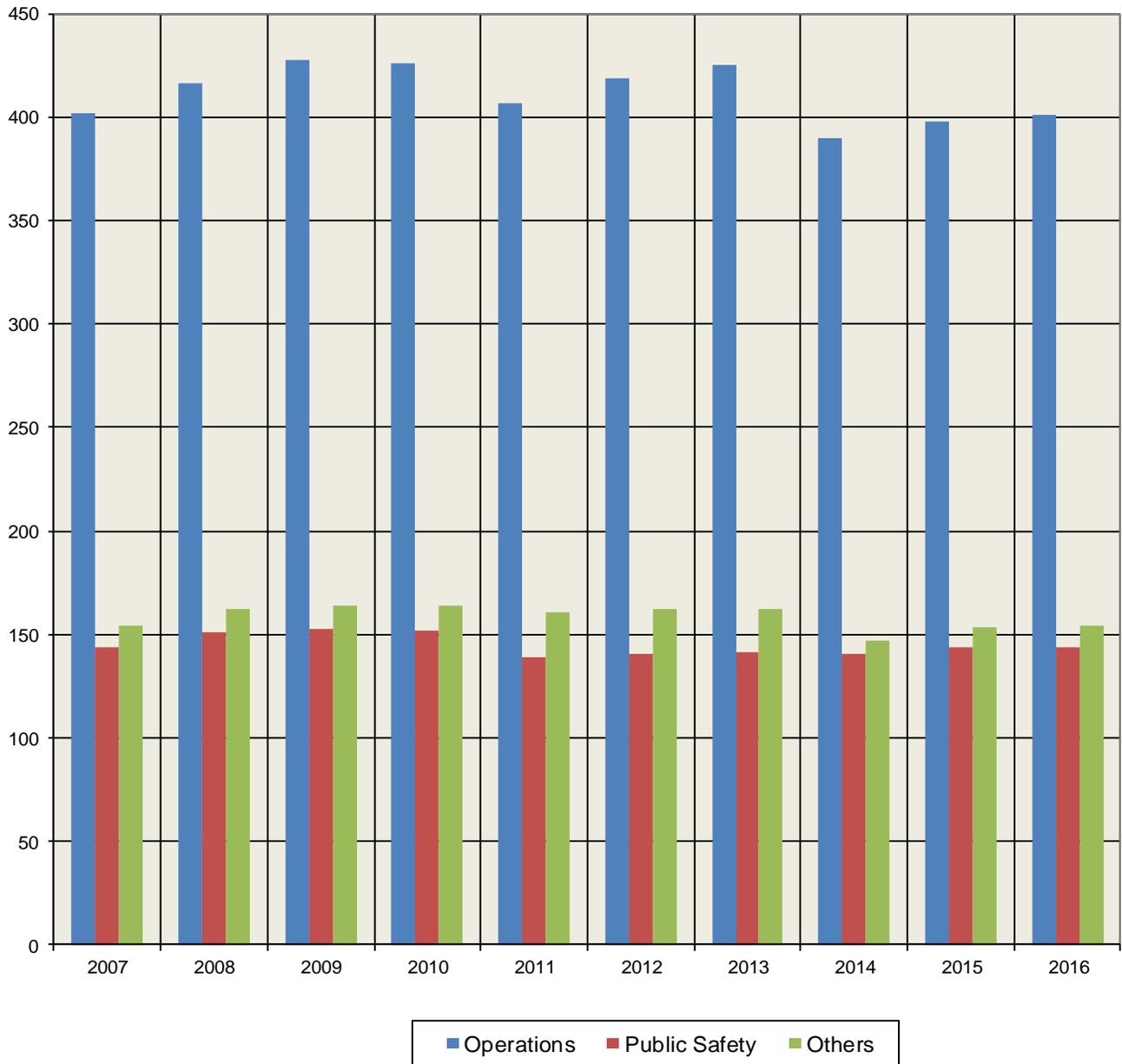
**East Bay Regional Park District
Full-time Equivalent Employees by Function
Last Ten Fiscal Years**

Function	Year ended December 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Legislative & Executive										
Clerk of the Board	2.00	*	*	*	*	*	*	*	*	*
General Manager	8.00	8.00	8.00	8.00	8.00	7.00	7.00	7.42	9.00	10.00
Subtotal	10.00	8.00	8.00	8.00	8.00	7.00	7.00	7.42	9.00	10.00
Human Resources Division	11.75	12.00	13.80	13.80	13.80	13.80	14.40	15.27	15.27	17.00
Acquisition, Stewardship & Development Division										
Administration	2.50	2.50	2.50	2.50	2.50	3.50	3.50	2.50	2.50	4.58
GIS & Enviro. Review	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.00	4.25	13.53
Advance Planning	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Land Acquisition	5.78	6.00	6.00	6.00	6.00	5.00	5.00	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	0.00	0.00	2.53	2.53	2.53	2.53	0.00
Design & Construction	29.53	31.53	31.53	31.53	29.53	26.83	26.83	26.83	26.83	26.00
Planning & Stew.	23.12	24.62	24.62	24.12	24.12	24.31	24.12	24.12	25.00	18.32
Subtotal	70.93	74.65	74.65	74.15	72.15	72.17	71.98	71.98	73.11	74.43
Legal Division	9.45	9.45	9.45	9.45	9.45	9.45	9.45	9.45	9.45	10.45
Finance/Mgt Services Division	37.88	42.00	42.00	42.00	42.00	42.50	42.50	43.50	44.00	45.00
Operations Division:										
Administration	6.00	6.50	8.00	7.00	7.00	6.00	6.00	6.00	6.00	4.00
Park Operations Dept.	254.44	260.64	263.10	259.09	245.66	253.44	255.32	258.69	265.04	269.39
Interp. & Rec. Serv.	77.41	79.41	85.41	88.41	84.91	74.50	78.17	77.38	78.97	81.02
Revenue Serv. Dept.	*	*	*	*	*	15.15	15.15	15.15	15.65	18.65
MAST	63.98	69.80	71.23	71.37	68.90	70.90	70.15	73.37	74.97	77.00
Subtotal	401.83	416.35	427.74	425.87	406.47	419.99	424.79	430.59	440.63	450.06
Public Affairs Division	14.20	16.20	16.20	16.20	15.20	17.20	17.20	20.00	20.50	21.00
Public Safety Division										
Admin. & Support Serv.	25.75	27.75	27.75	29.75	28.00	28.00	28.00	28.00	28.00	28.00
Lifeguard Services	34.32	38.23	39.43	39.43	36.43	36.43	36.43	36.99	37.35	37.35
Fire Department	14.75	15.75	15.75	15.25	14.75	16.00	15.75	16.09	18.50	18.91
Police Dept.	68.58	69.29	69.61	67.08	60.01	60.01	61.01	61.66	66.34	69.44
Subtotal	143.40	151.02	152.54	151.51	139.19	140.44	141.19	142.74	150.19	153.70
unfunded positions				-35.00						
Total	699.44	729.67	744.38	705.98	706.26	722.55	728.51	740.95	762.16	781.65

Source: East Bay Regional Park District.

*Included in Finance/Management Services Division

Full-time Equivalent Employees by Function



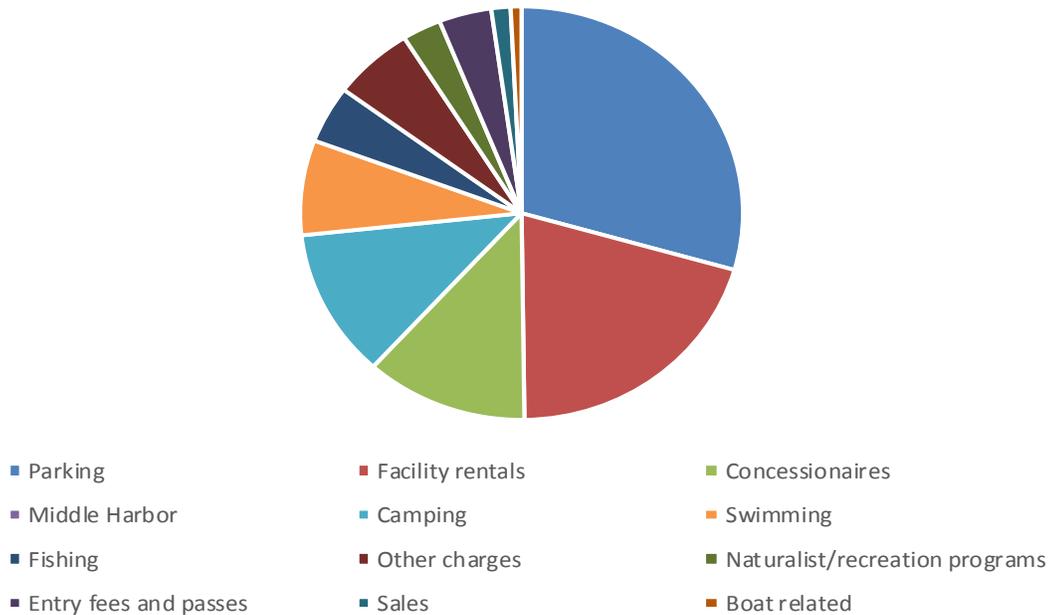
**East Bay Regional Park District
 Operating Indicators by Function / Program
 Operations Division Charges for Services Revenue General Fund
 Last Ten Fiscal Years**

	Year ended December 31,			
	2007	2008	2009	2010
Parking	\$ 1,786,002	\$ 1,841,383	\$ 1,900,765	\$ 1,907,090
Facility rentals	991,744	1,011,946	1,031,210	1,065,859
Concessionaires	1,045,343	1,025,108	1,016,011	1,046,490
Middle Harbor	662,608	831,794	883,981	658,250
Camping	495,277	544,751	598,462	585,205
Swimming	445,414	533,070	520,515	483,781
Fishing	376,658	403,829	414,275	452,807
Other charges	362,001	495,314	469,047	395,735
Naturalist/recreation programs	372,447	356,696	368,653	361,546
Entry fees and passes	256,804	242,167	289,145	310,319
Sales	121,271	122,412	123,483	115,284
Boat related	57,792	74,879	87,946	69,991
Total	\$ 6,973,361	\$ 7,483,349	\$ 7,703,493	\$ 7,452,357

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

Year ended December 31,						
2011	2012	2013	2014	2015	2016	
\$ 1,902,360	\$ 2,066,727	\$ 2,210,793	\$ 2,187,845	\$ 2,305,481	\$ 2,456,290	
1,098,798	1,331,002	1,455,122	1,499,985	1,639,443	1,699,277	
991,722	1,000,410	1,023,530	953,654	1,003,017	992,417	
-	-	-	-	-	-	
719,993	700,764	779,222	840,916	935,079	967,965	
448,224	574,835	584,864	603,122	624,884	620,107	
435,319	357,300	385,000	340,957	347,033	372,871	
395,933	461,772	435,590	465,956	494,449	495,209	
372,661	227,212	244,398	248,182	246,098	237,384	
362,760	310,607	355,294	359,046	356,135	320,609	
117,109	121,301	116,960	104,833	129,147	117,014	
81,177	74,210	75,313	70,743	71,837	66,272	
<u>\$ 6,926,056</u>	<u>\$ 7,226,140</u>	<u>\$ 7,666,085</u>	<u>\$ 7,675,238</u>	<u>\$ 8,152,603</u>	<u>\$ 8,345,415</u>	

2016 Operation Division Charges for Services Revenue



East Bay Regional Park District Operating Indicators by Function Divisional Activities Last Ten Years

	Year ended December 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Executive/Legislative Division:										
Board of Directors										
Resolutions adopted	342	333	338	330	314	322	303	322	374	339
Board/special/workshops meetings	27	27	29	30	26	27	31	33	24	22
Openings/dedications/groundbreaking	5	11	5	4	4	5	5	5	6	6
Finance/Management Services Division:										
Grants obtained	11	13	17	26	27	35	27	32	23	27
Measure WW local grant applications approved	-	-	40	53 ^	32	18	26	27	26	26
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
Computers replaced	204	111	140	198	197	85	143	108	282	172
Central Stores orders filled	41,262	14,579	12,108	12,256	11,916	12,458	13,545	13,159	3,457	2,781
Tons paper/cardboard/cans/bottles recycled	12.39	6.06	5.33 *	5.40	71.55	63.18 <	70.20 <	64.68 <	250.00 <	250.00
^ 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.										
Human Resources Division:										
Regular status recruitments	49	52	27	17	30	43	38	41	54	75
Interns hired	18	18	21	19	20	18	35	36	34	35
Land Division:										
Acres purchased	575	495	3,230	5,266	4,307	2,194	807	3,357	808	340
Trail acquisition/easements/licenses/leases	5	2	6	8	3	8	5	5	8	6
Grant funded land acquisitions	\$ 2,175,469	\$ 2,045,154	\$ 9,004,495	\$ 15,819,621	\$ 17,303,079	\$ 9,643,510	\$ 1,300,000	17,185,650	7,341,668	2,224,350
Operations Division:										
Park and recreation activities:										
Visitors/user:										
Parklands and recreation area	5,300,621	3,883,594	3,943,380	3,339,025	3,327,422	3,675,335	3,232,542	5,393,120	5,802,712	5,961,590
Lakes and shorelines	6,728,607	6,489,861	6,474,566	6,435,464	6,817,549	7,109,953	7,694,879	7,526,786	7,786,894	10,991,741
Regional trails	3,320,650	3,242,291	2,008,789	1,321,166	1,942,728	2,232,074	2,299,167	2,795,775	2,924,733	2,255,753
Reservations:										
Visitor center/aquatics/rec programs	12,444	14,863	8,559	9,901	10,124	10,051	8,611	10,074	10,282	9,928
Picnics	2,896	3,301	1,319	3,272	3,412	3,521	3,681	4,058	4,235	4,506
Camping	10,913	11,968	11,759	12,093	13,450	13,248	14,225	13,082	15,072	15,219
Special events and facility rentals	524	863	926	1,040	1,258	1,368	1,176	1,212	1,430	1,875
Maintenance activities:										
Work orders	779	997	799	974	926	906	930	961	844	1,066
Gallons of fuel dispensed	285,978	239,396	207,039	212,759	295,711	281,114	303,939	246,129	192,346	172,703
Community involvement activities:										
Volunteers	11,218	11,954	11,433	12,962	8,048	13,945	12,654	17,996	18,702	21,166
Volunteer hours	111,391	120,329	121,635	124,636	115,754	141,670	99,161	126,027	151,084	150,782
Planning/Stewardship and Development Division:										
Pounds of fish planted	168000	169214	171,858	174,797	161,917	152,759	151,635	161,200	188,905	160,977
Grazing acres	58,166	64,714	66,932	68,187	72,107	71,699	72,705	76,500	80,000	80,330
Resource protection surveys conducted	480	1,037	N/A	1,322	1,353	1,622	1,702	1,519	1,284	1,370
Grant funded development projects	\$ 8,596,715	\$ 540,313	\$ 288,671	\$ 3,633,819	\$ 6,174,518	\$ 2,272,527	\$ 2,439,064	\$ 4,154,451	\$ 1,394,200	\$ 6,362,901
Public Affairs Division:										
Participants in Trails Challenge	1,808	6,105	7,875	9,475	9,902	8,954	7,005	6,584	8,200	10,000
Unique visitors to District's website	287,610	825,386 *	1,018,102	1,078,583	1,204,223	1,266,929	1,403,134	1,559,855	1,632,258	1,622,703
*2007 rolled out new website and started keeping statistics of website visitors										
Public Safety Division:										
Police/medical/fire service calls	6,770	8,115	8,051	7,520	8,231	8,946	8,611	8,125	8,959	8,128
Police field contacts	3,924	4,052	2,961	3,264	2,586	3,194	3,205	3,650	3,533	3,962
Citations issued										
Moving and other violations	676	4,029	3,311	2,857	1,988	1,556	1,878	2,046	1,579	1,932
Parking	2,810	2,862	2,357	2,114	2,747	3,035	2,463	2,029	2,273	1,990
Helicopter flight hours	852	677	845	633	846	870	895	885	934	763
Acres haz fuel reduction/maintenance	928	806	947	879	968	600	1,030	936	875	891
Low income participants in jr lifeguard	39	60	72	70	64	32	156	112	27	141
Swim lesson participants	1,216	1,459	1,678	1,697	1,868	1,592	1,637	1,616	1,589	1,797
Marijuana plants destroyed	626	997	4,300	1,845	5,300	65	3,490	33	32	-

Source: East Bay Regional Park District.

N/A Not available.

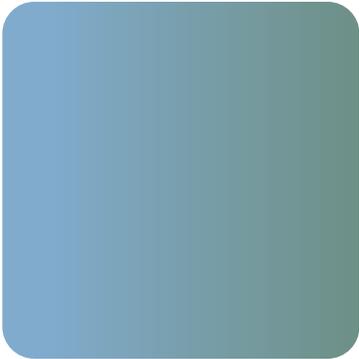
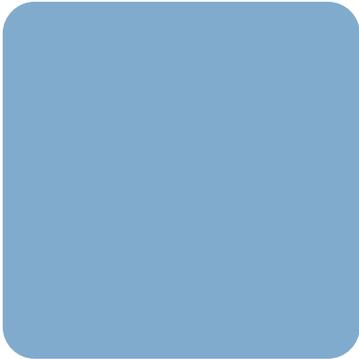
**East Bay Regional Park District
Capital Assets Statistics by Function
Last Ten Years**

	Year ended December 31,									
	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Land Division:										
Acreage:										
Park and trail located in Alameda County	52,214	52,256	53,473	54,315	55,398	56,780	56,838	57,484	58,562	58,596
Park and trail located in Contra Costa County (46,044	46,439	48,724	53,172	55,670	56,700	57,449	60,160	61,329	62,336
Total Acreage	<u>98,258</u>	<u>98,695</u>	<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>
Operations Division:										
Facilities:										
Number of parks	64	65	65	65	65	65	65	65	65	72
Number of visitor centers	9	9	9	9	9	10	10	10	9	12
Number of fishing docks/piers	32	32	32	32	43	30	30	30	30	30
Number of swimming pools/chlorinated lagoons	6	7	7	7	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	*	25	24	22	26	21	25	26	29	24
Number of dozers	*	5	5	5	5	3	5	5	5	4
Number of motorgraders/pavers/compaction rol	*	3	4	4	5	3	5	5	6	3
Number of sanitation pumps	*	5	5	5	6	5	5	5	5	8
Number of mowers (all types)	*	87	76	76	67	65	66	66	83	68
Number of tractors (all types)	*	44	43	43	42	44	45	49	54	46
Number of water trucks/tenders	*	3	2	2	2	2	5	4	5	6
Planning/Stewardship and Development Division:										
Number of stocked lake and ponds	9	9	9	9	9	9	9	8	8	8
Public Safety										
Number of helicopters	2	2	2	2	2	2	2	2	2	2
Number of fire engines	*	15	13	13	12	12	12	7	12	11
Number of police vehicles	*	75	78	78	77	78	79	80	80	69
Number of water tenders	*	1	1	1	2	2	2	2	2	2

* information for these years not available

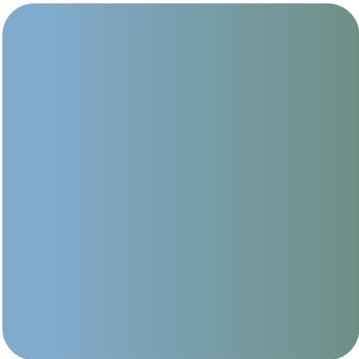
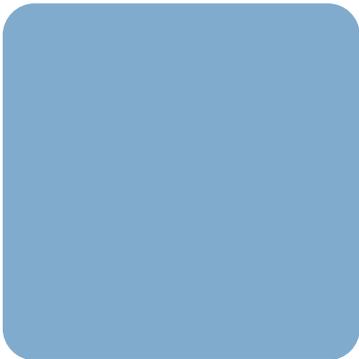
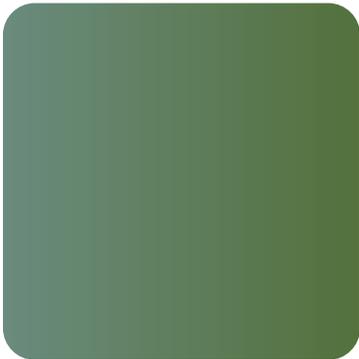
Although the District implemented GASB 34 in 2003, data presented is beginning in 2006 due to lack of prior years' records.

Source: East Bay Regional Park District.



East Bay 
 Regional Park District
www.ebparks.org

COMPREHENSIVE ANNUAL
 FINANCIAL REPORT
 FISCAL YEAR ENDED DECEMBER 31, 2016



Headquartered in
 Oakland, California
 Operating a Regional
 Park System within
 Alameda and
 Contra Costa Counties

