

**Hayward Area  
Recreation and Park  
District  
Measure F1 Fund**

Hayward, California

*Financial Statements and  
Independent Auditor's Report*

*For the year ended June 30, 2025*



**Hayward Area Recreation & Park District**  
**Measure F1 Fund**  
**Financial Statements**  
**For the year ended June 30, 2025**

**Table of Contents**

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	<u>Page</u>
<b>Independent Auditor's Report .....</b>	<b>1</b>
<b>Financial Statements:</b>	
Balance Sheet.....	3
Statement of Revenues, Expenditures and Changes in Fund Balances .....	4
Notes to Financial Statements.....	5



## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
of the Hayward Area Recreation & Park District  
Hayward, California

### **Report on the Audit of the Financial Statements**

#### *Opinion*

We have audited the accompanying financial statements of the Measure F1 Fund (Measure F1) of the Hayward Area Recreation & Park District, as of and for the year ended June 30, 2025, and the related notes to the financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly in all material respects the financial position of the Measure F1 Fund at June 30, 2025 and the results of operations and changes in fund balance for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Hayward Area Recreation & Park District (District) and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

#### *Emphasis of Matter*

As discussed in Note 1, the financial statements present only the Measure F1 Fund and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2025, and the changes in its financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Responsibility Management 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 of the financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

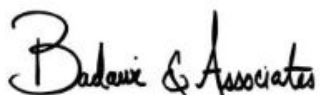
***Auditor's Responsibility for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Badawi & Associates, CPAs  
Emeryville, California  
February 6, 2026

**Hayward Area Recreation and Park District**  
**Measure F1 Fund**  
**Balance Sheet**  
**June 30, 2025**

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**ASSETS:**

Restricted cash and investments	\$ 45,895,830
<b>Total assets</b>	<u>45,895,830</u>

**LIABILITIES AND FUND BALANCES:**

Accounts payable	\$ -
<b>Total liabilities</b>	<u>-</u>

**Fund Balances:**

Restricted	<u>45,895,830</u>
<b>Total fund balances</b>	<u>45,895,830</u>
<b>Total liabilities and fund balances</b>	<u>\$ 45,895,830</u>

See accompanying notes to the financial statements

**Hayward Area Recreation and Park District**  
**Measure F1 Fund**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**June 30, 2025**

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**REVENUES:**

Interest	\$ 2,592,824
Miscellaneous	<u>1,424</u>
<b>Total revenues</b>	<u>2,594,248</u>

**EXPENDITURES:**

Capital outlay	<u>31,690,332</u>
<b>Total expenditures</b>	<u>31,690,332</u>

**Net change in fund balances** (29,096,084)

**FUND BALANCES:**

Beginning of year	<u>74,991,914</u>
End of year	<u>\$ 45,895,830</u>

**Hayward Area Recreation & Park District**  
**Measure F1 Fund**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. *Reporting Entity***

On May 11, 2017, Hayward Area Recreation & Park District (District) issued the 2016 General Obligation bonds, Series A (Measure F1 Bonds, Series A) in the amount of \$125,000,000. The Measure F1 Bonds, Series A were issued for (i) financing the repair, upgrading, acquisition, and construction of District sites and facilities; (ii) defease all or a portion of the District's outstanding Certificates of Participation, Series 2014; (iii) pay capitalized interest on a portion of the Bonds; and (iv) pay the costs of issuing the Bonds.

On January 24, 2023, the District issued the Election of 2016 General Obligation bonds, Series B (Measure F1 Bonds, Series B) in the amount of \$85,000,000. The Measure F1 Bonds, Series B were issued to (i) finance the repair, upgrading, acquisition, and construction of District sites and facilities; (ii) pay the costs of issuing the Bonds. The Bonds were issued at a premium of \$6,277,282 which will be amortized over the life of the Bonds.

All Measure F1 Bonds' transactions are recorded by the District in a separate capital projects fund. The Measure F1 Fund is used to account for the District's expenditures incurred under the District's Measure F1 eligible projects. The accompanying financial statements are for the Measure F1 Fund only and are not intended to fairly present the financial position or results of operations of the District as a whole.

**B. *Basis of Accounting and Measurement Focus***

The accompanying financial statements are prepared on the modified accrual basis of accounting. Revenues are generally recorded when measurable and available, and expenditures are recorded when the related liabilities are incurred.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus, wherein only current assets and current liabilities generally are included on the balance sheet. Operating statements of governmental funds present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets.

**C. *Fund Accounting***

The operations of the Measure F1 Fund are accounted for in a separate capital projects fund. The fund is a separate accounting entity with a set of self-balancing accounts which comprise its assets, liabilities, fund equity, revenues, and expenses.

**Hayward Area Recreation & Park District**  
**Measure F1 Fund**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2025**

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**1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, CONTINUED**

*D. Use of Estimates*

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America may require management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

**2. CASH AND INVESTMENTS**

Measure F1 Fund had the following cash and investments at June 30, 2025:

Restricted Cash and Investments	<u>\$ 45,895,830</u>
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Measure F1 fund's cash and investment is maintained with Alameda County Treasury. The County pools these funds with those of other agencies and invests the cash. These pooled funds are carried at cost, which approximates the market value. All the funds in the pool share any investment gains/losses proportionately.

Funds with the County Treasurer are invested pursuant to investment policy established by the Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority, preservation of capital, liquidity and yield. The policy addresses the soundness of financial institutions in which the County deposits funds, the types of investment instruments and the percentage of the portfolio which may be invested in certain instruments, as permitted by Section 53600 of the Government Code of the State of California. Authorized instruments in which the Treasurer can invest include debts issued by the County, US Treasury securities, banker's acceptances, federal, state and local government securities, commercial paper, medium-term corporate notes, negotiable certificates of deposit, local agency investment fund, money market funds, mutual funds, and mortgage-backed securities.

Information regarding the characteristics of the entire investment pool can be found in the County's June 30, 2025 annual comprehensive financial report. A copy of that report may be obtained by contacting the County's Auditor-Controller Agency, 1221 Oak Street, Room 220, Oakland, CA 94612.