

# Hayward Area Recreation and Park District Measure F1 Fund

Hayward, California

*Financial Statements and  
Independent Auditor's Report*

*For the year ended June 30, 2018*



**Hayward Area Recreation & Park District**  
**Measure F1 Fund**  
**Financial Statements**  
**For the year ended June 30, 2018**

**Table of Contents**

---

---

	<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 Financial Statements**

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, 2018, and the related notes to the 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 of the financial statements that are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the District's preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing such 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 financial statement presentation.

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

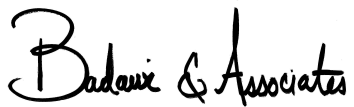
To the Board of Directors  
of the Hayward Area Recreation & Park District  
Hayward, California  
Page 2

### **Opinion**

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, 2018 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.

### **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the Measure F1 Funds and do not purport to, and do not, present fairly the financial position of the District as of June 30, 2018, 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.

A handwritten signature in cursive script that reads "Badawi & Associates".

Badawi and Associates  
Certified Public Accountants  
Oakland, California  
January 21, 2019

**Hayward Area Recreation and Park District**  
**Measure F1 Fund**  
**Balance Sheet**  
**June 30, 2018**

---

---

	<u><b>Total</b></u>
<b>ASSETS:</b>	
Restricted cash and investments	\$ 108,778,932
<b>Total assets</b>	<u>\$ 108,778,932</u>
<b>LIABILITIES AND FUND BALANCES:</b>	
Accounts payable	\$ 238,437
<b>Total liabilities</b>	<u>238,437</u>
<b>Fund Balances:</b>	
Restricted	<u>108,540,495</u>
<b>Total fund balances</b>	<u>108,540,495</u>
<b>Total liabilities and fund balances</b>	<u>\$ 108,778,932</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

For the year ended June 30, 2018

---

---

	<u>Total</u>
<b>REVENUES:</b>	
Interest	\$ 1,163,971
<b>Total revenues</b>	<u>1,163,971</u>
<b>EXPENDITURES:</b>	
Capital outlay	<u>1,960,365</u>
<b>Total expenditures</b>	<u>1,960,365</u>
<b>Net change in fund balances</b>	(796,394)
<b>FUND BALANCES:</b>	
Beginning of year	<u>109,336,889</u>
End of year	<u>\$ 108,540,495</u>

See accompanying notes to the financial statements



**Hayward Area Recreation & Park District**  
**Measure F1 Fund**  
**Notes to Financial Statements**  
**For the year ended June 30, 2018**

---

**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 Bond) in the amount of \$125,000,000. The Bonds were issued to (i) finance 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.

All Measure F1 bond 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.

*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.

**Hayward Area Recreation & Park District**  
**Measure F1 Fund**  
**Notes to Financial Statements, Continued**  
**For the year ended June 30, 2018**

---

**2. CASH AND INVESTMENTS**

Measure F1 Fund had the following cash and investments at June 30, 2018:

Cash and Investments	<u>\$108,778,932</u>
----------------------	----------------------

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 investments 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 feet seq. 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, 2018 comprehensive annual 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.