



GREATER VALLEJO RECREATION DISTRICT

Mission Statement: *Building community and enhancing quality of life through people, parks, and*

395 Amador Street, Vallejo, CA 94590-6320 • 707-648-4600 • FAX 707-648-4616

Board of Directors
Robert Briseno
Gary Salvadori
Ron Bowen
Sheryl Pannell Lea
Adjoa McDonald

General Manager
Gabriel Lanusse

In accordance with California Government Code Section 54957.5, any writing or document that is a public record, relates to an open session agenda item and is distributed less than 72 hours prior to a regular meeting, will be made available for public inspection in the District offices during normal business hours. *Due to the current closure of the district office, documents will be available electronically at <https://www.gvrd.org/about-us/agendas-minutes/>

Greater Vallejo Recreation District Board of Directors

AGENDA August 12, 2021 6:30 p.m.

Due to Solano County and the State of California's shelter in place orders our Board Meeting will be held remotely via Zoom Meetings

(The Zoom platform is ADA compliant)

The public may attend and make a public comment by visiting:

<https://zoom.us/j/622641170>

You may also call in at +1 669 900 9128 US - Meeting ID: 622 641 170

At the beginning of the remote meeting the Board Clerk will ask if anyone wishes to comment on either a specific agenda item or an item not on the agenda but within the jurisdiction of the board. If you need assistance or have questions, please call Kimberly Pierson at 707-648-4604.

1) **Call to Order**

2) **Pledge of Allegiance**

3) **Roll Call**

4) **Approval of Agenda**

5) **Public Comment:**

Members of the public may speak on any item not on the agenda but within the jurisdiction of the Board. Items on the agenda can be addressed at the time the matter is taken up. Each speaker is limited to 3 minutes and a spokesperson for an organization is limited to 5 minutes.

6) **Consent Calendar:**

Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that item will be removed from the consent calendar and will be considered separately.

A) Approve Board Minutes-July 22, 2021

B) Accept the Programs and Publicity Committee Minutes-August 2, 2021

7) **Financials:**

- A) **Fiscal Year 2019-2020 Financial Audit Presentation by Susan Beeter of M.U.N. CPA's**
- B) **Resolution 2021-04 of the Board of Directors of the Greater Vallejo Recreation District to Adopt the Revised Annual Operating Budget for Fiscal Year 2021-2022 (Harman)**
- C) **Approve Financial Statement as of 7/31/2021 (Harman)**
- D) **Approve Payment of Bills 7/1/2021 through 7/31/2021 (Harman)**

8) **New Business:**

- Approve 1st Read of Policy XXXX -Vacation/Sick Leave Transfer (Lanusse/Halcro)**

9) **Staff Reports:**

- A) **Maintenance Superintendent**
- B) **Finance Director**
- C) **Human Resources – Not included in packet**
- D) **Recreation Department**
- E) **General Manager**

10) **Executive Session: Will be held via Zoom breakout room**

- A) **CONFERENCE WITH REAL PROPERTY NEGOTIATORS (GENERAL MANAGER & LEGAL COUNSEL):** Regarding potential lease from Vallejo City Unified School District of part of the Franklin Middle School site, 501 Starr Avenue, Vallejo. Negotiating Parties: Vallejo Unified School District (Mitchell Romao). Called pursuant to Government Code section 54956.8
- B) **PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Title: Legal Counsel - Pursuant to Government Code Section 54957(b)(1).**

11) **Report out of Executive Session:**

12) **Announcements and Comments from Board Members:**

13) **Meeting Adjourn:**

Next meeting: August 26, 2021



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Greater Vallejo Recreation District Board of Directors

MINUTES
July 22, 2021
6:30 p.m.

Due to Solano County and the State of California's shelter in place orders our Board Meeting will be held remotely via Zoom Meetings
(The Zoom platform is ADA compliant)

1) Call to Order:

Chairperson Briseno called a regular meeting, of the Board of Directors of the Greater Vallejo Recreation District, to order at 6:30 p.m., July 22, 2021.

2) Pledge of Allegiance:

3) Roll Call:

Present: Chairperson Briseno, Vice-Chairperson Gary Salvadori, Directors; Sheryl Pannell Lea, Adjoa McDonald, and Ron Bowen

Staff: General Manager, Gabe Lanusse; Legal Counsel, Gary Heppell; Finance Director, Penny Harman; Human Resources Manager, Casey Halcro; Interim Recreation Superintendent Antony Ryans and Board Clerk, Kimberly Pierson

Excused: Maintenance Superintendent, Salvador Nuno

4) Approval of Agenda:

Director Lea offered the motion, seconded by Director Bowen to approve the agenda. Roll call vote: ayes: Directors: Lea, Salvadori, Briseno, Bowen, McDonald; Noes: none; absent: none abstain: none. Motion passed unanimously.

5) Presentation:

A) Disc Golf – John Riley

John Riley and fellow community members gave a presentation for a proposed Disc Golf course at Hanns Park.

B) Overview of the Policy Making Process (Halcro)

Human Resources Manager Halcro gave an overview on the process for changing a policy.

6) Public Comment:

Members of the public may speak on any item not on the agenda but within the jurisdiction of the Board. Items on the agenda can be addressed at the time the matter is taken up. Each speaker is limited to 3 minutes and a spokesperson for an organization is limited to 5 minutes.

Naomi- Carquinez Quad Squad

Micah-Basketball Court at Washington Park

Corby-Carquinez Quad Squad

Madeline-Carquinez Quad Squad

John C. – Item 5 A-Disc Golf

7) Consent Calendar:

Items listed on the consent calendar are considered routine in nature and may be enacted by one motion. If discussion is required, that particular item will be removed from the consent calendar and will be considered separately.

A) Approve Board Minutes-July 8, 2021

B) Accept the Facility and Development Committee Minutes-June 17, 2021

C) Accept the Policies and Personnel Committee Minutes-July 12, 2021

Director Lea offered the motion seconded by Director Bowen to approve the Consent Calendar Roll call vote: ayes: Directors: Lea, Salvadori, Briseno, Bowen, McDonald Noes: none; absent: none abstain: none. Motion passed unanimously.

8) Financials:

A) Approve Financial Statement as of 6/30/2021 (Harman)

Director Salvadori offered the motion, seconded by Director McDonald to approve the Financial Statement as of 6/30/2021. Roll call vote: ayes: Directors: Lea, Salvadori, Briseno, Bowen, McDonald Noes: none; absent: none abstain: none. Motion passed unanimously.

B) Approve Payment of Bills 6/1/2021 through 6/31/2021 (Harman)

Finance Director Harman provided details on a few of the larger payments: Director Lea offered the motion, seconded by Director Bowen to approve the Payment of Bills 6/1/2021 through 6/30/2021. Roll call vote: ayes: Directors: Lea, Briseno, Bowen, McDonald Noes: none; absent: none abstain: Director Salvadori. Motion passed.

9) New Business:

A) Approve the Addition of a New Full-Time Job Position-Human Resource Coordinator-Approximate Cost of \$80,000 per Year (Halcro)

Director Briseno offered an amended motion, seconded by Director McDonald to approve the addition of a new full-time job position-Human Resource Coordinator with a pay scale between the Admin. Support (39S) and Coordinator (46S). Director McDonald then withdrew her second. Motion was restated and offered by Director Briseno, seconded by Director Bowen. Roll call vote: ayes: Directors: Briseno, Bowen Noes: Directors: Lea, Salvadori, McDonald absent: none abstain: Director Salvadori. Motion did not pass. Item will return to the Policy and personnel Committee for review.

B) Appointment of Real Property Negotiators (Franklin Middle School property, 501 Starr Avenue., Vallejo) **(Lanusse/Legal Counsel)**
Director Savadori offered the motion, seconded by Director Bowen to appoint the General Manager and Legal Counsel as real property negotiators. Roll call vote: ayes: Directors: Lea, Salvadori, Briseno, Bowen, McDonald Noes: none; absent: Bowen, McDonald abstain: none. Motion passed unanimously.

10) Old Business:

Approve Revised General Manager Evaluation Timeline (Halcro)

Director Savadori offered the motion, seconded by Director Bowen to approve the General Manager timeline with one date change, June 24th to August 26th. Roll call vote: ayes: Directors: Lea, Salvadori, Briseno, Bowen, McDonald Noes: none; absent: abstain: none. Motion passed unanimously.

11) Staff Reports-Informational Only:

A) Maintenance Superintendent-Given by the General Manager

- Provided an update on lighting at North Vallejo Park.
- Gave an update on Participatory Budgeting projects at South Vallejo Community Center and Setterquist Park

B) Finance Director

- Provided an update on the status of the Fiscal Year 2019-2020 audit
- Informed the board of an upcoming amendment to the 2021-2022 budget.

C) Human Resources

- Provided an update on two recently filled Supervisor positions

D) Recreation Department

- Announced an upcoming in-person event at Children's Wonderland-"Parks N Rex Day."
- Provided an update on the Fall Activity Guide

E) General Manager

- Informed the board, a tour of the Colusa Street property will take place after September 10th.
- Provided an update on Prop. 68 grant applications.

12) Administrative Items:

A) Discussion on Policy #4060-Committees of the Board of Directors'

Board discussed the history of committee assignments and Policy #4060.

B) Board Authorization for Director McDonald to attend the CSDA - Special District Leadership Academy Conference. September 26-29, 2021 in South Lake Tahoe.

Director Savadori offered the motion, seconded by Director Lea to authorize Director McDonald to attend the CSDA Special District Leadership Academy conference. Roll call vote: ayes: Directors: Lea, Salvadori, Briseno, Bowen, McDonald Noes: none; absent: abstain: none. Motion passed unanimously.

13) Executive Session: At 8:46p.m. Chairperson Briseno convened to executive session held via Zoom breakout room.

A) CONFERENCE WITH REAL PROPERTY NEGOTIATORS (GENERAL MANAGER & LEGAL COUNSEL): Regarding potential lease from Vallejo City Unified School District of part of the Franklin Middle School site, 501 Starr Avenue, Vallejo. Negotiating Parties: Vallejo Unified School District (Mitchell Romao). Called pursuant to Government Code section 54956.8

B) CONFERENCE WITH LEGAL COUNSEL-ANTICIPATED LITIGATION: Significant exposure to litigation pursuant to Government Code section 54956.9(d)(2): 1 case (Workers Compensation).

C) PUBLIC EMPLOYEE PERFORMANCE EVALUATION – Title: Legal Counsel Pursuant to Government Code Section 54957(b)(1).

14) Report out on Executive Session:

At 9:47p.m. Chairperson Briseno convened to regular session and reported:

Item 13A: Information provided. Direction given by the Board of Directors

Item 13B: Information given

Item 13C: Information given, Direction provided

15) Announcements and Comments from Board Members:

Director McDonald announced that she met a local real estate agent who has a waterfront property for sale for \$600,000.

Director Bowen would like to have confirmation on whether board members receive a stipend for attending trainings and conferences. Would like to add the topic to an upcoming Policy Committee agenda.

Director Briseno mentioned a story he read regarding what makes a good playground.

Director Briseno mentioned the upcoming Shakespeare in the Park event and encouraged the board to attend one of the shows.

16) Meeting Adjourn:

Director Bowen offered the motion, seconded by Director Lea to adjourn the meeting at 9:55p.m. Roll call vote: ayes: Directors: Lea, Salvadori, Briseno, Bowen, McDonald Noes: none; absent: abstain: none. Motion passed unanimously.

Ron Bowen, Board Secretary

Date



Agenda 6-B

BOARD COMMUNICATION

Date: August 12, 2021

TO: Board Chairperson and Directors

FROM: Staff

SUBJECT: Accept the Minutes from the Programs and Publicity Committee meeting August 2, 2021

RECOMMENDATION

To accept the minutes from Programs and Publicity Committee from the August 2, 2021 meeting.

DOCUMENTS AVAILABLE FOR REVIEW

A) Programs and Publicity Committee Minutes from August 2, 2021



GREATER VALLEJO RECREATION DISTRICT

Mission Statement: *Building community and enhancing quality of life through people, parks, and programs.* Website: www.gvrd.org

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General Manager
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Programs and Publicity Committee Minutes Monday, August 2, 2021

Due to Solano County and the State of California's shelter in place orders our Committee Meeting was held remotely via Zoom Meetings

In attendance: Director Bowen, Director McDonald, Interim Recreation Superintendent, Antony Ryans, Recreation Supervisor, Sandy Tawaratsumida, and General Manager, Gabriel Lanusse

Meeting began at: 3:35 pm

- **Assign Committee Chairperson-** Gabe will look into what the process is for selecting a chairperson of committee meetings.
- **Registration Software (Sportsman PEAK)-** Training began the week of Aug 2nd. The transition of Sportsman will take place the month of Aug. The software will go live on Aug 27th.
- **Activity Guide Update-** Activity will be available electronically and printed limited copies will be available at select locations.
- **Community Centers Update-** updates of the community center are still happening through September. Phase 2 of reopening the centers will take place in September. This includes reservations for meetings and church groups.

- **Aquatic Programs-**Swim lessons are full through the entire month of August. The department is working on a series of special events to offer at the pool this fall.
- **Sports Programs-** Fall Ball offered through Junior Giants will take place on Sat, Aug 14th from 9:30-11am at the Amador field. As of now, there are 44 participants registered for the free event.
- **Sports Leases-** scheduled several meetings to meet with leagues to review lease and update terms.
- **Community Programs-** Parks N' Rex Day was held on Sat, July 31st and had over 200 families in attendance. The event featured: Parker Rex (mascot), Reptile Rescue, and a dinosaur egg hunt. The Times Herald captured the event. Families were very happy to have an opportunity to attend this event.
- **Children's Wonderland-** The Ribbon Cutting for the Pumpkin and Pirate Ship will take place on Friday, Aug 6th at the park. The free event will be from 4-6pm.
- **Youth Programs/Teens/Camps-** Kids Club will return to in-person learning beginning August 16th. We will offer programming at 3 sites (Wardlaw, Cave, and Glen Cove)
- **Vallejo City Unified School District (VCUSD) Grant Funded Programs: (staffing)-** school begins on August 16th. Staffing will be needed at 13 participating school locations.

Meeting adjourned at: 4:33pm

SUMMARY OF AUDIT RESULTS

GREATER VALLEJO RECREATION DISTRICT
YEAR ENDED JUNE 30, 2020

PRESENTER

SUSAN BEETER, CPA
MUN CPAs



OVERVIEW

- **Audit Process and Audit Results of Greater Vallejo Recreation District as of and for the year ended June 30, 2020**

AUDIT PROCESS

- **Financial Statements are representation of management**
- **Auditor is tasked with forming an independent opinion on the financial statements**

AUDIT PROCESS

- **Audit was conducted remotely due to COVID**
- **Interim Fieldwork – July 2020**
- **Year-End Fieldwork- October 2020**
 - **Planning- risk assessment, board minutes review, management inquiry**
 - **Internal control process testing**
 - **Receipts**
 - **Disbursements**
 - **Payroll**
 - **Financial Reporting**

AUDIT PROCESS

- **Testing of Year-End Balances and Activity**
 - **Cut off testing**
 - **Confirmation of balances**
 - **Analytical review procedures**
 - **Detail transaction testing**
- **Financial Statements**

AUDIT PROCESS

- **Reporting Results of the Audit**
 - **Audit Opinion- Independent Auditor's Report**
 - **Government Auditing Standards Report**
 - **Communication with Those Charged with Governance**
 - **Management letter**

AUDIT RESULTS

- **Independent Auditor's Report**
 - **Types of Opinions- Unmodified, Qualified, Adverse or Disclaimer.**
 - **Greater Vallejo Recreation District- Unmodified Opinion**
 - **"Clean" Audit Opinion**

AUDIT RESULTS

- **Government Auditing Standards Report**
 - **No Material Weaknesses**
 - **No Compliance Exceptions**
 - **One Significant Deficiency – Prior Period Adjustments**

AUDIT RESULTS

- **Communication with Those Charged with Governance- SAS 114**
 - **Accounting Policies and Estimates**
 - **Estimates: Depreciation, OPEB, NPL**
 - **Difficulties due to personnel turnover and ineffective closing processes**
 - **Audit Adjustments**
 - **13 Audit Adjustments**

AUDIT RESULTS

- **Management Letter Recommendations:**
 - **Fund Accounting – Separate Measure K and set-up separate fund to track balances of long-term assets and liabilities**
 - **Financial Reporting – Implement internal controls**
 - **Cash Receipts – Segregation of duties**
 - **Cash – Improve bank reconciliation process**

AUDIT RESULTS

- **Management Letter Recommendations (Continued):**
 - **Capital Assets – Ensure depreciation methods are correct**
 - **Building Deposits Payable – Develop tracking system for building deposits payable**
 - **Compensated Absences – Implement controls to ensure hours do not exceed limits**
 - **GASB 75 Census Data – Prepare and reconcile census data to the general ledger**

CONCLUSION- SUMMARY

- **Unmodified Opinion**
- **No Compliance Exceptions**
- **No Material Weaknesses**
- **One Significant Deficiency**
- **13 Audit Adjustments**
- **8 Recommendations on Management Letter**

QUESTIONS?

MUN CPAS, LLP

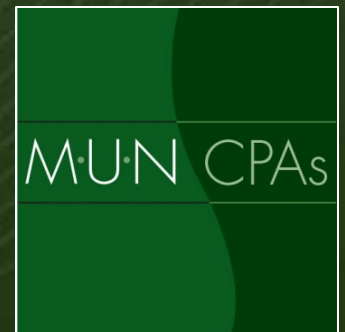
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**GREATER VALLEJO
RECREATION DISTRICT**

Annual Financial Report For the Year Ended

June 30, 2020

With Independent Auditor's Report

Mann, Urrutia, Nelson, CPAs & Associates, LLP
1760 Creekside Oaks Drive, Suite 160
Sacramento, California 95833

**GREATER VALLEJO RECREATION DISTRICT
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INTRODUCTORY SECTION

**GREATER VALLEJO RECREATION DISTRICT
DISTRICT OFFICIALS
JUNE 30, 2020**

BOARD OF DIRECTORS

Chairperson	Sheryl Pannell Lea
Vice Chairperson	Robert Briseno
Secretary	Gary Salvadori
Director	Karen Sims
Director	Ron Bowen

OPERATIONS

General Manager	Gabriel Lanusse
Finance Director	Penny Harman
Recreation Superintendent	Phillip McCoy
Project Manager	Thomas Judt
Maintenance Superintendent	Salvador Nuno

FINANCIAL SECTION



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Greater Vallejo Recreation District
Vallejo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and each major fund of Greater Vallejo Recreation District, as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise Greater Vallejo Recreation District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and each major fund of Greater Vallejo Recreation District as of June 30, 2020, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, budgetary comparison information, pension related schedules, and the schedules of changes in the District's total OPEB liability and related ratios 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 Greater Vallejo Recreation District's basic financial statements. The introductory section and schedule of revenues, expenditures, and changes in fund balance Measure K, are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The schedule of revenues, expenditures, and changes in fund balance Measure K is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic 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 schedule of revenues, expenditures, and changes in fund balance Measure K is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section has 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 it.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated July 9, 2021, on our consideration of Greater Vallejo Recreation District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of Greater Vallejo Recreation District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Greater Vallejo Recreation District's internal control over financial reporting and compliance.



Sacramento, California
July 9, 2021

**GREATER VALLEJO RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

As Management of the Greater Vallejo Recreation District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2020. We encourage readers to consider the information presented here in conjunction with the District's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the District exceeded its liabilities at June 30, 2020 by \$21,369,901 (net position). Of this amount, \$18,360,473 is invested in capital assets; \$238,140 is restricted for capital projects; and \$2,771,288 is unrestricted.
- The District's total net position decreased by \$288,490 as a result of operations and increased of \$48,671 due to a prior period adjustment, for a net decrease of \$239,819.
- As of June 30, 2020, the District's governmental funds reported combined ending fund balances of \$8,908,334, a net decrease of \$1,092,548 from the prior year's balance of \$10,000,882. Restricted fund balance totaled \$238,140, whereas unassigned fund balance totaled \$8,670,194.
- At the end of the fiscal year, the General Fund reported total assets of \$9,231,851, total liabilities of \$561,657, and a total fund balance of \$8,670,194. Of the total fund balance, the unassigned fund balance of the General Fund totaled \$8,670,194 or 79% of total General Fund expenditures at year-end.

OVERVIEW OF THE BASIC FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements which comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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, deferred outflows of resources, liabilities and deferred inflows of resources, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is strengthening or weakening.

The Statement of Activities presents information showing how the District's net position changed during the fiscal 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 this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

The government-wide financial statements can be found on pages 10 - 11 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is 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. The funds used by the District are reported as governmental funds.

**GREATER VALLEJO RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, which focus on the long-term, governmental fund financial statements focus on near-term inflows and outflows of spendable resource, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating the District's near-term capability of maintaining service delivery levels.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with what is presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term funding choices. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balance provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 12 - 15 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the District's financial statements. Each note is in sequence with the financial statements and can be found on pages 16 - 38 of this report.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the District's pension liability and other post-employment benefits (OPEB) liability. The District adopts an annual appropriated budget for all of its funds. Budgetary information on the District's General Fund can be found on pages 39. These schedules demonstrate compliance with the adopted budget.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

A comparative analysis of the government-wide data follows.

	Statement of Net Position			
	Governmental Activities			
	2020	2019	Net Change	% Change
ASSETS				
Current and other assets	\$ 9,469,991	\$ 10,685,784	\$ (1,215,793)	(11)%
Capital assets	<u>18,360,473</u>	<u>16,840,958</u>	<u>1,519,515</u>	<u>9 %</u>
Total Assets	<u>27,830,464</u>	<u>27,526,742</u>	<u>303,722</u>	<u>1 %</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>2,386,476</u>	<u>2,018,800</u>	<u>367,676</u>	<u>18 %</u>
LIABILITIES				
Long-term liabilities	7,835,021	7,092,562	742,459	10 %
Other liabilities	<u>835,214</u>	<u>684,902</u>	<u>150,312</u>	<u>22 %</u>
Total Liabilities	<u>8,670,235</u>	<u>7,777,464</u>	<u>892,771</u>	<u>11 %</u>
DEFERRED INFLOWS OF RESOURCES	<u>176,804</u>	<u>158,258</u>	<u>18,546</u>	<u>12 %</u>
NET POSITION				
Investment in capital assets	18,360,473	16,840,958	1,519,515	9 %
Restricted	238,140	238,095	45	-
Unrestricted	<u>2,771,288</u>	<u>4,530,667</u>	<u>(1,759,379)</u>	<u>(39)%</u>
Total Net Position	<u>\$ 21,369,901</u>	<u>\$ 21,609,720</u>	<u>\$ (239,819)</u>	<u>(1)%</u>

**GREATER VALLEJO RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

By far, the largest portion of the District's net position is unspendable (\$18,360,473 or 86%) and reflects its investment in capital assets (e.g. infrastructure, land, buildings, equipment). The District's remaining net position consists of restricted funds of \$238,140 which are resources subject to external restrictions, and unrestricted net position totaling \$2,771,288.

Changes in Net Position				
Governmental Activities				
	2020	2019	Net Change	% Change
REVENUES:				
Program Revenues				
Charges for services	\$ 3,446,312	\$ 4,014,734	\$ (568,422)	(14)%
Operating grants and contributions	506,024	490,122	15,902	3 %
General Revenues				
Property taxes	4,905,942	4,640,233	265,709	6 %
Investment earnings	597,954	773,553	(175,599)	(23)%
Park dedication fees	-	180,009	(180,009)	(100)%
Other revenues	<u>216,376</u>	<u>344,124</u>	<u>(127,748)</u>	<u>(37)%</u>
Total Revenues	<u>9,672,608</u>	<u>10,442,775</u>	<u>(770,167)</u>	<u>(7)%</u>
EXPENSES:				
Park and recreation	<u>9,961,098</u>	<u>8,594,902</u>	<u>1,366,196</u>	<u>16 %</u>
Total Expenses	<u>9,961,098</u>	<u>8,594,902</u>	<u>1,366,196</u>	<u>16 %</u>
Change in net position	(288,490)	1,847,873	(2,136,363)	(116)%
Net Position Beginning, as restated	<u>21,658,391</u>	<u>19,761,847</u>	<u>1,896,544</u>	<u>10 %</u>
Net Position Ending	<u>\$ 21,369,901</u>	<u>\$ 21,609,720</u>	<u>\$ (239,819)</u>	<u>(1)%</u>

Key elements for the changes in revenues and expenses for governmental activities are as follows:

- Charges for services decreased \$568,422 primarily as a result of the closure of facilities and cancellation of programs due to the statewide stay at home orders in response to the COVID-19 pandemic.
- Investment earnings decreased \$175,599 primarily as a result of the closure of facilities and cancellation of programs due to the statewide stay at home orders in response to the COVID-19 pandemic, as well as the permanent closure of the Mare Island Sports Complex.
- Park and recreation expenses increased by \$1,366,196 primarily as a result of the renovation of Cunningham Pool.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements. Each fund functions as its own entity with its own set of financial statements for analyses of revenues, expenses, assets, liabilities, and fund balance.

Under the Governmental Accounting Standards Board Statement No. 54, fund balances are classified as nonspendable, restricted, committed, assigned, and unassigned. Nonspendable fund balances are amounts that are inherently nonspendable, i.e. cannot be spent because of their form or because they must be maintained intact. Restricted fund balances are amounts with externally enforceable limitations on use, such as limitations imposed by creditors or grantors, and limitations imposed by other governments. Committed fund balances are amounts that can only be used for the specific purposes determined by formal action of the District's highest level of decision making authority (the Board of Directors). Assigned fund balances are amounts constrained by the District's intent to be used for specific purposes. Unassigned fund balances, the residual net resources, are the amounts in excess of nonspendable, restricted, committed, and assigned amounts. Negative fund balances are included in the unassigned fund balance category.

**GREATER VALLEJO RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

Governmental Funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of resources. Such information is useful in assessing the District's current resources available for service delivery.

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$8,908,334, a decrease of \$1,092,548, over the prior year balance. The decreased fund balance is the result of expenditures exceeding revenues and a prior period adjustment.

The General Fund has a positive unassigned fund balance of \$8,670,194. The Capital Projects fund has a positive restricted fund balance of \$238,140.

General Fund

The General Fund is the chief operating fund of the District. Fiscal year 2019-20 decreased the District's General Fund balance by \$1,092,593 to an ending fund balance of \$8,670,194.

General Fund expenditures exceeded revenues by \$1,301,176 primarily due to a decrease in park and recreation service revenues related to state mandated closures due to the COVID-19 pandemic and an increase in capital outlay expenditures related to the Cunningham Pool renovation project.

The following table provides a two-year comparison of revenues by sources and expenditures by function. Accompanying the tables are brief explanations of significant changes.

**Revenues Classified by Source
General Fund
For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Percent</u>
Property taxes and assessments	\$ 6,972,345	\$ 6,712,315	\$ 260,030	4 %
Intergovernmental	488,948	490,122	(1,174)	- %
Use of money and property	597,909	773,375	(175,466)	(23)%
Redevelopment fund	17,076	180,009	(162,933)	(91)%
Donations	3,937	142	3,795	2,673 %
Other revenues	212,439	343,982	(131,543)	(38)%
Park and recreation services	<u>1,379,909</u>	<u>1,942,652</u>	<u>(562,743)</u>	<u>(29)%</u>
	<u>\$ 9,672,563</u>	<u>\$ 10,442,597</u>	<u>\$ (770,034)</u>	<u>(7)%</u>

Total General Fund revenues increased by \$770,034 or 7% from the prior fiscal year and are driven by a combination of factors:

- Taxes and assessments modestly increased by \$260,030 or 4%, which is within the normal range of 2-4%.
- Use of money and property decreased by \$175,466 or 23% due to a decrease in facility rental fees.
- Other revenues decreased by \$131,543 or 38% primarily due to the closure of facilities and cancellation of programs due to the statewide stay at home orders in response to the COVID-19 pandemic.
- Park and recreation services revenue decreased by \$562,743 or 29% primarily due to the closure of facilities and cancellation of programs due to the statewide stay at home orders in response to the COVID-19 pandemic.

**GREATER VALLEJO RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

**Expenditures
General Fund
For the Years Ended June 30, 2020 and 2019**

	<u>2020</u>	<u>2019</u>	<u>Increase (Decrease)</u>	
	<u>Amount</u>	<u>Amount</u>	<u>Amount</u>	<u>Percent</u>
Salaries and benefits	\$ 6,055,549	\$ 5,655,100	\$ 400,449	7 %
Services and supplies	2,392,325	2,534,467	(142,142)	(6)%
Capital outlay	<u>2,525,865</u>	<u>860,381</u>	<u>1,665,484</u>	<u>194 %</u>
	<u>\$ 10,973,739</u>	<u>\$ 9,049,948</u>	<u>\$ 1,923,791</u>	<u>21 %</u>

The above General Fund expenditures remain categorically consistent and increased by \$1,923,791 or 21% from the prior fiscal year primarily due to rising salary, benefit, and retirement costs, as well as increased capital outlay expenditures.

GENERAL FUND BUDGETARY HIGHLIGHTS

Each year, the District develops the annual budget for revenues and expenditures using a realistic, but conservative methodology based upon the best information available at that time. During the course of the fiscal year, the Board of Directors is presented with financial status reports and approves amendments to budgeted revenue and expenditure projections as needed, so as to ensure that the District's budget continuously provides an accurate measurement of available fiscal resources to achieve the Board of Directors priorities.

The final General Fund budget for the fiscal year ending June 30, 2020 projected revenue of \$10,400,684 and expenditures of \$9,866,435, and an increase in fund balance of \$534,249. The General Fund's actual performance for the year however, ended with revenues totaling \$9,672,563 or \$728,121 less than projected and expenditures totaling \$10,973,739, or \$1,107,304 more than budgeted, resulting in an annual operating deficit of \$1,301,176.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's capital assets include land, construction in progress, buildings and improvements, vehicles and equipment, and park facilities. As of June 30, 2020, the District's investment in capital assets totaled \$18,360,473 (net of accumulated depreciation) which increased over the prior fiscal year by \$1,519,515, which is the result of current year asset investments exceeding annual depreciation.

**GREATER VALLEJO RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

CAPITAL ASSETS (NET OF DEPRECIATION)

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Land	\$ 850,598	\$ 850,598
Construction in progress	1,786,312	50,149
Buildings	3,300,414	3,112,438
Parks	2,858,065	2,858,065
Park improvements	23,854,603	23,854,603
Buildings improvements	1,502,713	1,502,713
Vehicles	815,829	750,771
Maintenance equipment	518,683	436,917
Office equipment	754,988	567,127
Other assets	16,332	-
Accumulated depreciation	<u>(17,898,064)</u>	<u>(17,142,423)</u>
Total	<u>\$ 18,360,473</u>	<u>\$ 16,840,958</u>

Additional information on the District's capital assets can be found in Note 3 of this report.

Long-term Debt

As of June 30, 2020, the District had total debt outstanding of \$273,557, which is comprised of \$273,557 in compensated absences.

OUTSTANDING DEBT

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Compensated absences	\$ <u>273,557</u>	\$ <u>208,583</u>
Total	<u>\$ 273,557</u>	<u>\$ 208,583</u>

Additional information about the District's long-term debt can be found in Note 4 to the financial statements.

Districts Pension and OPEB Liabilities

	<u>Governmental Activities</u>	
	<u>2020</u>	<u>2019</u>
Net pension liability	\$ 5,379,190	\$ 5,008,941
OPEB liability	<u>2,455,831</u>	<u>2,083,621</u>
Total	<u>\$ 7,835,021</u>	<u>\$ 7,092,562</u>

The District's net pension liability and OPEB liability increased by \$742,459 or 10%. Additional information on the District's net pension liability and OPEB liability can be found in notes 8 and 9, respectively.

**GREATER VALLEJO RECREATION DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2020**

ECONOMIC FACTORS

On March 19, 2020, Governor Gavin Newsom issued a stay at home order to protect the health and well-being of all Californians and to establish consistency across the state in order to slow the spread of COVID-19.

The administration of the District is an essential service. As such, full-time District employees continue to work providing administrative services such as payroll and human resources, maintenance of parks and facilities, and virtual recreation services. These operations will be adjusted as necessary to meet current health guidelines, community needs and financial conditions.

The District's financial position continues to be adequate. Property taxes and assessments are the primary source of funding for the District. Property tax revenues increased in FY 2019-20 by 6%. The District's financial planning is based on specific assumptions from recent trends in real property values, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability. The District will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the citizens of the greater Vallejo area.

REQUESTS FOR INFORMATION

This financial statement is designed to provide our citizens, taxpayers, customers, and residents with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have any questions about this report or need additional financial information, please contact the Greater Vallejo Recreation District, 395 Amador Street, Vallejo, California, 94590, (707) 648-4600 or you may contact the General Manager or Finance Director at the information listed below.

General Manager	Gabe Lanusse	(707) 648-4603	glanusse@gvrd.org
Finance Director	Penny Harman	(707) 648-4617	pharman@gvrd.org

**GREATER VALLEJO RECREATION DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2020**

ASSETS

Cash and cash equivalents (Note 2)	\$ 9,327,027
Accounts receivable	142,964
Capital assets (Note 3):	
Non-depreciable	2,636,910
Depreciable, net	<u>15,723,563</u>
Total Capital Assets, net	<u>18,360,473</u>
Total Assets	<u>27,830,464</u>

DEFERRED OUTFLOWS OF RESOURCES

Changes in the net pension liability	1,220,789
Changes in the OPEB liability	<u>1,165,687</u>
Total Deferred Outflows of Resources	<u>2,386,476</u>

LIABILITIES

Accounts payable	370,982
Accrued payroll and benefits	145,009
Accrued expenses	2,677
Deposits payable	42,989
Accrued compensated absences (Note 4):	
Due within one year	273,557
Net pension liability (Note 8):	
Due in more than one year	5,379,190
OPEB liability (Note 9):	
Due in more than one year	<u>2,455,831</u>
Total Liabilities	<u>8,670,235</u>

DEFERRED INFLOWS OF RESOURCES

Changes in the net pension liability	<u>176,804</u>
Total Deferred Inflows of Resources	<u>176,804</u>

NET POSITION

Investment in capital assets	18,360,473
Restricted for:	
Capital projects	238,140
Unrestricted	<u>2,771,288</u>
Total Net Position	<u>\$ 21,369,901</u>

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

**GREATER VALLEJO RECREATION DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Functions/Programs	Expenses	Program Revenues		Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	
PRIMARY GOVERNMENT				
Governmental activities:				
Parks and recreation	\$ <u>9,961,098</u>	\$ <u>3,446,312</u>	\$ <u>506,024</u>	\$ <u>(6,008,762)</u>
Total governmental activities	\$ <u>9,961,098</u>	\$ <u>3,446,312</u>	\$ <u>506,024</u>	<u>(6,008,762)</u>
General revenues:				
Property taxes				4,905,942
Interest income				597,954
Other revenue				<u>216,376</u>
Total general revenues				<u>5,720,272</u>
Change in net position				<u>(288,490)</u>
Net position - July 1, 2019				21,609,720
Prior period adjustment (Note 12)				<u>48,671</u>
Net position - July 1, 2019, restated				<u>21,658,391</u>
Net position - June 30, 2020				\$ <u>21,369,901</u>

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

**GREATER VALLEJO RECREATION DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2020**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<u>ASSETS</u>			
Cash and investments	\$ 9,088,887	\$ 238,140	\$ 9,327,027
Accounts receivable	<u>142,964</u>	<u>-</u>	<u>142,964</u>
Total Assets	<u>\$ 9,231,851</u>	<u>\$ 238,140</u>	<u>\$ 9,469,991</u>
<u>LIABILITIES AND FUND BALANCES</u>			
LIABILITIES			
Accounts payable	\$ 370,982	\$ -	\$ 370,982
Accrued payroll and benefits	145,009	-	145,009
Accrued expenses	2,677	-	2,677
Deposits payable	<u>42,989</u>	<u>-</u>	<u>42,989</u>
Total Liabilities	<u>561,657</u>	<u>-</u>	<u>561,657</u>
FUND BALANCES			
Restricted	-	238,140	238,140
Unassigned	<u>8,670,194</u>	<u>-</u>	<u>8,670,194</u>
Total Fund Balances	<u>8,670,194</u>	<u>238,140</u>	<u>8,908,334</u>
Total Liabilities and Fund Balances	<u>\$ 9,231,851</u>	<u>\$ 238,140</u>	<u>\$ 9,469,991</u>

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

**GREATER VALLEJO RECREATION DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2020**

Total fund balances of governmental funds	\$ 8,908,334
Amounts reported for governmental activities in the statement of net position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds, net of accumulated depreciation of \$17,898,064.	18,360,473
Deferred outflows of resources related to changes in the net pension liability are not applicable to the current period.	1,220,789
Deferred outflows of resources related to changes in the OPEB liability are not applicable to the current period.	1,165,687
Long term liabilities are not due and payable in the current period and therefore are not reported in the funds:	
Compensated absences	(273,557)
Net pension liability	(5,379,190)
OPEB liability	(2,455,831)
Deferred inflows related to changes in the net pension liability	<u>(176,804)</u>
Net position of governmental activities	<u>\$ 21,369,901</u>

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

**GREATER VALLEJO RECREATION DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2020**

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
<u>REVENUES</u>			
Property taxes and assessments	\$ 6,972,345	\$ -	\$ 6,972,345
Intergovernmental revenues	488,948	-	488,948
Use of money and property	597,909	45	597,954
Redevelopment fund	17,076	-	17,076
Donations	3,937	-	3,937
Other revenues	212,439	-	212,439
Park and recreation services	<u>1,379,909</u>	<u>-</u>	<u>1,379,909</u>
Total Revenues	<u>9,672,563</u>	<u>45</u>	<u>9,672,608</u>
<u>EXPENDITURES</u>			
Current:			
Salaries and benefits	6,055,549	-	6,055,549
Services and supplies	2,392,325	-	2,392,325
Capital outlay	<u>2,525,865</u>	<u>-</u>	<u>2,525,865</u>
Total Expenditures	<u>10,973,739</u>	<u>-</u>	<u>10,973,739</u>
Net Change in Fund Balances	<u>(1,301,176)</u>	<u>45</u>	<u>(1,301,131)</u>
Fund Balances - July 1, 2019	9,762,787	238,095	10,000,882
Prior Period adjustment (Note 12)	<u>208,583</u>	<u>-</u>	<u>208,583</u>
Fund Balances - July 1, 2019, restated	<u>9,971,370</u>	<u>238,095</u>	<u>10,209,465</u>
Fund Balances - June 30, 2020	<u>\$ 8,670,194</u>	<u>\$ 238,140</u>	<u>\$ 8,908,334</u>

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

**GREATER VALLEJO RECREATION DISTRICT
RECONCILIATION OF THE
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2020**

Reconciliation of the change in fund balances - total governmental funds to the change in net position of governmental activities:

Net change in fund balances - total governmental funds	\$ (1,301,131)
<p>Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets are capitalized and allocated over their estimated useful lives and reported as depreciation expense.</p>	
Capital asset purchases	2,275,156
Depreciation expense	(822,115)
<p>Compensated absence expenditures reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in a governmental fund. This is the net change in compensated absences for the current period.</p>	
	(64,974)
<p>Some expenses reported in the Statement of Activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds.</p>	
Pension expense related to deferred outflows and inflows of resources	(373,662)
OPEB expense related to deferred outflows of resources	<u>(1,764)</u>
Change in net position of governmental activities	<u>\$ (288,490)</u>

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

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Organization and Nature of Activities

Greater Vallejo Recreation District (the District) was organized as a special district in 1944. The District is governed by a Board of Directors whose members are appointed by both the City Council of the City of Vallejo and regional representatives to the Solano County Board of Supervisors.

The District's mission is to provide recreation opportunities, education for the proper use of leisure time and conservation of resources in the area. The District strives to provide opportunities for all citizens of the District, with an emphasis on family and youth oriented programs and facilities. To this end the District's finances are predicated on adequate resources to provide facilities and services leading to a continuous evaluation of revenue sources including property taxes, user fees, and rental from properties. In addition, the District has a long-standing supportive relationship with non-profit and youth organizations throughout the community who provide valuable recreational opportunities for youth.

The accounting policies of the District conform to accounting principles generally accepted in the United States of America as applicable to governments.

A. The Reporting Entity

The accompanying basic financial statements present the financial activities of the District, which has no component units.

B. Basis of Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America. These standards require that the financial statements described below be presented.

Government-wide Financial Statements:

The Statement of Net Position and Statement of Activities display information on all of the activities of the District. The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and; therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods and services offered by the program, 2) operating grants and contributions, and 3) capital grants and contributions. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements:

The fund financial statements provide information about the District's funds. Each fund is accounted for by providing a separate set of self-balancing accounts that constitute its assets, deferred outflows of resources, liabilities, deferred inflows of resources, net position, revenues and expenditures/expenses. An emphasis is placed on major funds with each major fund displayed in a separate column.

The fund types of the financial reporting entity are described below:

Governmental Funds

General Fund - The General Fund is the general operating fund of the District and is always classified as a major fund. It is used to account for all activities except those legally or administratively required to be accounted for in other funds.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Project Funds - Capital Project Funds are used to account for financial resources that are restricted, committed, or assigned to expenditures for capital outlays, including the acquisition or construction of capital facilities and other capital assets.

Major Funds

The City reported the following major governmental funds in the accompanying financial statements:

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

Capital Projects - The Capital Projects fund is used to account for the acquisition or construction of capital assets.

C. Measurement Focus and Basis of Accounting

Measurement focus is a term used to describe "which" transactions are recorded within the financial statements. Basis of accounting refers to "when" revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements regardless of the measurement focus applied.

Measurement Focus

On the government-wide Statement of Net Position and the Statement of Activities, governmental activities are presented using the economic resources measurement focus. The accounting objectives of this measurement focus are the determination of operating income, changes in net position (or cost recovery), financial position, and cash flows. All assets and deferred outflows of resources, and all liabilities and deferred inflows of resources (whether current or noncurrent) associated with the operation of these funds are reported.

All governmental funds are accounted for using a "current financial resources" measurement focus. With this measurement focus, only current assets and deferred outflows of resources, and current liabilities and deferred inflows of resources generally are included on their balance sheets. Their operating statements present sources and uses of available spendable financial resources during a given period. These funds use fund balance as their measure of available spendable financial resources at the end of the period.

Basis of Accounting

In the government-wide Statement of Net Position and Statement of Activities, governmental activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset is used. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

In the fund financial statements, governmental funds are presented on the modified accrual basis of accounting. Under the modified accrual basis of accounting, revenues are recognized when "measurable and available." Measurable means knowing or being able to reasonably estimate the amount. Available means collectible within the current period or soon enough thereafter to pay current liabilities. The District defines available to be within 60 days of year-end. Expenditures (including capital outlay) are recorded when the related fund liability is incurred. Governmental capital asset acquisitions are reported as expenditures in governmental funds.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

D. Cash and Investments

Cash and investments include amounts in demand deposit accounts as well as short-term and long-term investments with the county investment pool. Substantially all of the District's cash and investments are held by the County of Solano (County) as its fiscal agent. The District's investments are reported at fair value. The fair value represents the amount the District could reasonably expect to receive for an investment in a current sale between a willing buyer and a willing seller. The fair value of investments is obtained by using quotations obtained from independent published sources. The District also maintains a general checking account to facilitate the processing of transactions.

As permitted by the California Government Code, the District is permitted to invest in the County's cash and investment pool, obligations of the U.S. Treasury or its agencies, certificates of deposit, mutual funds invested in U.S. Government securities, and other permitted investments.

Interest income earned on pooled cash and investments is allocated quarterly to the various funds based on the quarter-end balances and is adjusted at fiscal year-end.

E. Accounts Receivable

In the government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Major receivable balances for the governmental activities include grants, interest, and other fees.

In the fund financial statements, material receivables in governmental funds include revenue accruals such as grants and other similar intergovernmental revenues since they are usually both measurable and available. Nonexchange transactions collectible but not available are recorded as deferred inflows of resources in the fund financial statements in accordance with modified accrual, but not deferred in the government-wide financial statements in accordance with the accrual basis. Interest and investment earnings are recorded when earned only if paid within 60 days since they would be considered both measurable and available.

F. Capital Assets

Government-wide Statements

In the government-wide financial statements, capital outlay with a cost of \$1,000 or more and a useful life of one year or longer is capitalized. All capital assets are valued at historical cost, or estimated historical cost if actual is unavailable. Donated capital assets are reported at acquisition value. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend the asset lives are not capitalized.

Depreciation of all exhaustible capital assets is recorded as an allocated expense in the Statement of Activities, with accumulated depreciation reflected in the Statement of Net Position. Depreciation is provided over the assets' estimated useful lives using the straight-line method of depreciation. The range of estimated useful lives by type of asset is as follows:

Buildings and parks	15 - 50 years
Park improvements	10 - 15 years
Building improvements	15 years
Vehicles and maintenance and office equipment	5 - 20 years
Other assets	5 - 20 years

Maintenance and repairs are charged to operations when incurred. Betterments and major improvements which significantly increase values, change capacities or extend useful lives are capitalized. Upon sale or retirement of capital assets, the cost and related accumulated depreciation are removed from the respective accounts and any resulting gain or loss is included in the results of operations.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Financial Statements

In the fund financial statements, capital assets used in governmental fund operations are accounted for as capital outlay expenditures of the governmental fund upon acquisition.

G. Property Taxes

Solano County assesses properties, bills, collects, and distributes property taxes and assessments to the District. Under the County's "Teeter Plan", the County remits the entire amount levied and handles all delinquencies, retaining interest and penalties.

Tax collections are the responsibility of the County Tax Collector. Taxes and assessments on secured rolls which constitute a lien against the property, may be paid in two installments; the first is due November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the tax becomes delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed by the County for late payment.

Tax levy dates are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property, as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

The District recognizes property taxes when the individual installments are due provided they are collected within 60 days after year-end.

H. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused vacation and sick leave. Unused vacation and compensatory time off benefits are paid to employees upon termination. In the government-wide financial statements the accrued compensated absences are recorded as an expense and related liability, with the current portion estimated based on historical trends. In the governmental fund financial statements the expenditures and liabilities related to those obligations are recognized only when they mature.

I. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plan (the Plan) and additions to/deductions from the Plan's fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

J. Other Postemployment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the District's plan (OPEB Plan) and additions to/deductions from the OPEB Plan's fiduciary net position have been determined on the same basis. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms. Investments are reported at fair value.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

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

Valuation Date	June 30, 2020
Measurement Date	June 30, 2020
Measurement Period	July 1, 2019 - June 30, 2020

K. Deferred Outflows/Inflow of Resources

In addition to assets, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position or fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the Statement of Net Position or balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position or fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

L. Equity Classifications

Government-wide Statements

Net position is the excess of all the District's assets and deferred outflows of resources over all its liabilities and deferred inflows of resources, regardless of fund. Net position is divided into three categories. These categories apply only to net position, which is determined at the Government-wide level, and are described below:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and reduced by the outstanding balances of any bonds, mortgages, notes or other borrowings that are attributable to the acquisition, construction, or improvement of those assets.
- b. Restricted net position - Consists of net position with constraints placed on the use either by (1) external groups such as creditors, grantors, contributors, or laws or regulations of other governments; or (2) law through constitutional provisions or enabling legislation.
- c. Unrestricted net position - All other net position that does not meet the definition of "restricted" or "net investment in capital assets."

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fund Statements

The governmental fund financial statements present fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the respective governmental funds can be spent. The classifications used in the governmental fund financial statements are as follows:

- a. Nondisposable - Amounts that cannot be spent because they are either (1) not in spendable form or (2) legally or contractually required to be maintained intact.
- b. Restricted - Amounts that are restricted for specific purposes when constraints placed on the use of resources are either (1) externally imposed by creditors, grantors, contributors, laws, or regulations of other governments; or (2) imposed by law through constitutional provisions or enabling legislation.
- c. Committed - Amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (resolution) of the government's highest level of decision-making authority.
- d. Assigned - Amounts that are constrained by the Board of Directors' intent to be used for specific purposes through a resolution, but are neither restricted or committed. The Board of Directors assigns fund balances for specific purposes by resolution adopting the annual budget for the upcoming fiscal year, or by an amending budget resolution during the fiscal year.
- e. Unassigned - Amounts representing the residual classification for the general fund or any other fund with a negative fund balance.

Further detail about the District's fund balance classification is described in Note 6.

M. Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates.

N. Reclassifications

Certain accounts in prior-year financial statements have been reclassified for comparative purposes to conform with the presentation in the current-year financial statements.

O. Implementation of Governmental Accounting Standards Board Statements

Effective July 1, 2019, the District implemented the following accounting and financial reporting standards:

Government Accounting Standards Board Statement No. 95

In May 2020, GASB issued Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018 and later. The District adopted this accounting guidance for its June 30, 2020 year-end.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

P. Future Governmental Accounting Standards Board Statements

These statements are not effective until July 1, 2020 or later.

Governmental Accounting Standards Board Statement No. 84

In January 2017, GASB issued Statement No. 84, *Fiduciary Activities*. The objective of this Statement is to improve guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2021.

Governmental Accounting Standards Board Statement No. 87

In June 2017, GASB issued Statement No. 87, *Leases*. This Statement (1) increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract; and (2) establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Additionally, under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 89

In June 2018, GASB issued Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*. This Statement establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 90

In August 2018, GASB issued Statement No. 90, *Majority Equity Interests - an amendment of GASB Statements No. 14 and 61*. The primary objectives of this Statement are to improve the consistency and comparability of reporting a government's majority equity interest in a legally separate organization and to improve the relevance of financial statement information for certain component units. It defines a majority equity interest and specifies that a majority equity interest in a legally separate organization should be reported as an investment if a government's holding of the equity interest meets the definition of an investment. This Statement establishes that ownership of a majority equity interest in a legally separate organization results in the government being financially accountable for the legally separate organization and, therefore, the government should report that organization as a component unit. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2021.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 91

In May 2019, GASB issued Statement No. 91, *Conduit Debt Obligations*. The primary objectives of this Statement are to provide a single method of reporting conduit debt obligations by issuers and eliminate diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement achieves those objectives by clarifying the existing definition of a conduit debt obligation; establishing that a conduit debt obligation is not a liability of the issuer; establishing standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improving required note disclosures. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 92

In January 2020, GASB issued Statement No. 92, *Omnibus 2020*. The primary objectives of this Statement are to enhance comparability in accounting and financial reporting and to improve the consistency of authoritative literature by addressing practice issues that have been identified during implementation and application of certain GASB Statements. The District has not determined what impact, if any, this pronouncement will have on the financial statements. Application of this statement is effective for the District's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 93

In March 2020, GASB issued Statement No. 93, *Replacement of Interbank Offered Rates*. The primary objective of this Statement is to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR). The District has not determined what impact, if any, this pronouncement will have on the financial statements. The removal of LIBOR as an appropriate benchmark interest rate is effective for the District's fiscal year ending June 30, 2022. All other requirements of this statement are effective for the District's fiscal year ending June 30, 2022.

Governmental Accounting Standards Board Statement No. 94

In March 2020, GASB issued Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The primary objective of this Statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial assets, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

Governmental Accounting Standards Board Statement No. 96

In May 2020, GASB issued Statement No. 96, *Subscription-Based Information Technology Arrangements*. This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for governments, defines a SBITA, establishes that a SBITA results in a right-to-use subscription asset-an intangible asset-and a corresponding liability, provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA, and requires note disclosures regarding a SBITA. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement are effective for the District's fiscal year ending June 30, 2023.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 1: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Governmental Accounting Standards Board Statement No. 97

In June 2020, GASB issued Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans an Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32*. The primary objectives of this Statement are to (1) increase consistency and comparability related to the reporting of fiduciary component units in circumstances in which a partial component unit does not have a governing board and the primary government performs the duties that a governing board typically would perform; (2) mitigate costs associated with the reporting of certain defined contribution pension plans, defined contribution other postemployment benefit (OPEB) plans, and employee benefit plans other than pension plans or OPEB plans (other employee benefit plans) as fiduciary component units in fiduciary fund financial statements; and (3) enhance the relevance, consistency, and comparability of the accounting and financial reporting for Internal Revenue Code (IRC) Section 457 deferred compensation plans (Section 457 plans) that meet the definition of a pension plan and for benefits provided through those plans. The District has not determined what impact, if any, this pronouncement will have on the financial statements. The requirements of this statement related to the accounting and financial reporting for Section 457 plans are effective for the District's fiscal year ending June 30, 2022.

NOTE 2: CASH AND INVESTMENTS

Cash and investments were carried at fair value as of June 30, 2020 and consisted of the following:

Cash in banks	\$ 2,966,938
Cash held by Solano County	<u>6,360,089</u>
Total cash and investments	<u>\$ 9,327,027</u>

Authorized Investments of the District

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that addresses interest rate risk, credit risk, and concentration of credit risk.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in one Issuer
United States Treasury bills, bonds and notes	5 years	100%	None
Federal Agency or U.S Government-sponsored obligations	5 years	100%	None
Local Agency Investment Fund (LAIF)	NA	100%	None
County pooled investment funds	NA	100%	None
Money market funds	NA	20%	None
Bankers' acceptances	180 days	40%	None
Commercial paper	270 days	25%	10%
Negotiable certificates of deposit	5 years	30%	None
Non-negotiable certificates of deposit	5 years	100%	None
Medium term corporate notes	5 years	30%	None
California local agency obligations	5 years	100%	None
Supranationals	5 years	30%	None
Asset-backed securities	5 years	20%	None

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Investment in County Investment Pool

The District is a voluntary participant in the Solano County Investment Pool. Investments are made by the Solano County Treasurer and are regulated by the California Government Code and the County investment policy, which is approved annually by the County Treasury Oversight Committee. This fund is not registered with the Securities and Exchange Commission as an investment company, but is required to invest according to California Government Code and the County investment policy. Adherence to the statutes and investment policy is monitored by the Solano County Board of Supervisors and the Treasury Oversight Committee via monthly reports and an annual audit. Investment income earned on the District's cash is allocated quarterly to the District. Changes in fair value are included in investment income. Redeemed or sold shares are priced at book value, which includes realized investment earnings such as interest income, realized gains or losses upon sale of investments, and amortized premiums and discounts. This number may differ from the shares' fair value, which would include unrealized gains or losses based on market conditions. Additional information regarding insurance, collateralization, and custodial risk categorization of the County's cash and investments is presented in the notes to the County's basic financial statements.

Disclosure Relating to Interest Rate Risk

Interest rate risk is the risk of loss due to the fair value of an investment falling due to interest rates rising. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. To limit exposure to fair value losses resulting from increases in interest rates, the District's investment policy limits investment maturities to a term appropriate to the need for funds so as to permit the District to meet all projected obligations. Any investments that mature more than five years from the date of purchase cannot occur without prior approval of the Board of Directors.

Investments with Fair Values Highly Sensitive to Interest Rate Fluctuations

The District had no investments that were highly sensitive to interest rate fluctuations as of June 30, 2020.

Disclosures Relating to Credit Risk

Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The District's investment policy sets specific parameters by type of investment to be met at the time of purchase. Presented below is the minimum rating required by (where applicable) the California Government Code or the District's investment policy, and the actual rating as of year end for each investment type.

	Total	Rating as of Fiscal Year End		
		Minimum Legal Rating	S&P	Moody's
Solano County Investment Pool	\$ 6,360,089	N/A	Not rated	Not rated

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of the District's investment in a single issuer of securities. When investments are concentrated in one issuer, this concentration presents a heightened risk of potential loss. The District's investment policy contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2020, there were no investments in any one issuer (other than external investment pools) that represent 5 percent or more of total District investments.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 2: CASH AND INVESTMENTS (CONTINUED)

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of a depository financial institution, the District will not be able to recover its deposits or collateral securities that are in the possession of an outside party. To mitigate the custodial credit risk the District's investment policy requires that all of its managed investments shall be held in the name of the District in safekeeping by a third party bank trust department.

The District's investment policy requires that deposits in banks must meet the requirements of the California Government Code. Under this code, deposits of more than \$250,000 must be collateralized at 105 percent to 150 percent of the value of the deposit to guarantee the safety of the public funds. The first \$250,000 of the District's deposits are insured by the Federal Deposit Insurance Corporation (FDIC). Deposits more than the \$250,000 insured amount are collateralized.

As of June 30, 2020, the carrying amount of the District's deposits was \$2,966,938 and bank balances were \$2,991,356. The difference between the bank balance and the carrying amount represents outstanding checks and deposits in transit.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 3: CAPITAL ASSETS

Capital asset activity for the year ended June 30, 2020, was as follows:

	Balance at July 1, 2019	Prior Period Adjustment	Additions	Balance at June 30, 2020
Capital assets not being depreciated				
Land	\$ 850,598	\$ -	\$ -	\$ 850,598
Construction-in-progress	<u>50,149</u>	<u>-</u>	<u>1,736,163</u>	<u>1,786,312</u>
Total capital assets not being depreciated	<u>900,747</u>	<u>-</u>	<u>1,736,163</u>	<u>2,636,910</u>
Capital assets being depreciated				
Buildings	3,112,438	-	187,976	3,300,414
Parks	2,858,065	-	-	2,858,065
Park improvements	23,854,603	-	-	23,854,603
Building improvements	1,502,713	-	-	1,502,713
Vehicles	750,771	-	65,058	815,829
Maintenance equipment	436,917	-	81,766	518,683
Office equipment	567,127	-	187,861	754,988
Other assets	<u>-</u>	<u>-</u>	<u>16,332</u>	<u>16,332</u>
Total capital assets being depreciated	<u>33,082,634</u>	<u>-</u>	<u>538,993</u>	<u>33,621,627</u>
Accumulated depreciation				
Land	(84,756)	84,756	-	-
Construction-in-progress	(1,672)	1,672	-	-
Buildings	(459,826)	(19,954)	(135,725)	(615,505)
Parks	(2,118,025)	-	(55,508)	(2,173,533)
Park Improvements	(12,003,314)	-	(512,425)	(12,515,739)
Building Improvements	(1,116,494)	-	(6,153)	(1,122,647)
Vehicles	(519,622)	-	(68,392)	(588,014)
Maintenance equipment	(354,780)	-	(24,597)	(379,377)
Office equipment	(483,934)	-	(18,327)	(502,261)
Other assets	<u>-</u>	<u>-</u>	<u>(988)</u>	<u>(988)</u>
Total accumulated depreciation	<u>(17,142,423)</u>	<u>66,474</u>	<u>(822,115)</u>	<u>(17,898,064)</u>
Total capital assets being depreciated, net	<u>15,940,211</u>	<u>66,474</u>	<u>(283,122)</u>	<u>15,723,563</u>
Total Capital Assets, net	<u>\$ 16,840,958</u>	<u>\$ 66,474</u>	<u>\$ 1,453,041</u>	<u>\$ 18,360,473</u>

Depreciation expense totaled \$822,115 for the year ended June 30, 2020.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 4: LONG-TERM LIABILITIES

The following is a summary of changes in the District's governmental long-term liabilities for the fiscal year ended June 30, 2020:

	<u>Balance at July 1, 2019</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance June 30, 2020</u>	<u>Current Portion</u>
Compensated absences	\$ 208,583	\$ 294,147	\$ (229,173)	\$ 273,557	\$ 273,557
Total Governmental Activities	<u>\$ 208,583</u>	<u>\$ 294,147</u>	<u>\$ (229,173)</u>	<u>\$ 273,557</u>	<u>\$ 273,557</u>

Compensated Absences

Compensated absences for governmental activities are generally liquidated by the fund where the accrued liability occurred.

NOTE 5: INTERGOVERNMENTAL REVENUES

The Greater Vallejo Recreation District operates and manages the Norman C. King South Vallejo Community Center and the John Cunningham Aquatic Complex on behalf of the City of Vallejo by terms of the Master Lease with the City. Through an instrument entitled, "Agreement Between the Redevelopment Agency of the City of Vallejo and Greater Vallejo Recreation District Pursuant to Health and Safety Code Section 33401," the District operates and manages the North Vallejo Community Center.

The City of Vallejo has a Park Dedication Fee Ordinance, which requires homebuyers and developers to pay a fee for the purpose of acquisition, development, or rehabilitation of parks and recreational facilities in accordance with the District's specifications. These funds are held by the City under a separate budget unit in a pooled investment fund. Disbursements are made from this fund upon receipt of a written application from the District and approval by the City Planning Director. The District records revenues as funds are received from the City.

For the year ended June 30, 2020, the City reported the following activities for the benefit of the District.

Fund Balance June 30, 2019	\$ 679,305
Licenses, permits & fees collected	37,632
Investment income	<u>22,798</u>
Fund Balance June 30, 2020	<u>\$ 739,735</u>

The following comprised the Fund assets and deferred inflows of resources at June 30, 2020:

Cash and investments	\$ 600,975
Receivables	194,299
Unavailable revenues	<u>(55,539)</u>
Fund Equity	<u>\$ 739,735</u>

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 6: FUND BALANCE

As prescribed by GASB Statement No. 54, "Fund Balance Reporting and Governmental Fund Type Definitions" governmental funds report fund balance in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in the funds can be spent. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balances more transparent. The District established the following fund balance policies:

Nonspendable: This classification includes amounts that cannot be spent because they are either (a) not in spendable form or (b) are legally or contractually required to be maintained intact. The District has classified prepaids and long-term advances as being nonspendable as these items are not expected to be converted to cash or are not expected to be converted to cash within the next year.

Restricted: Amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

Committed: Amounts that can only be used for the specific purposes determined by formal action of the District's highest level of decision-making authority. The Board of Directors is the District's highest level of decision-making authority, and the formal action that is required to be taken to establish, modify, or rescind a fund balance commitment is a resolution approved by the Board of Directors. Once adopted, the limitation imposed remains in place until a similar action is taken to remove or revise the limitation. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.

Assigned: This classification includes amounts that are constrained by the District's intent to be used for a specific purpose but are neither restricted or committed. The Board of Directors has authorized the General Manager as officials authorized to assign fund balance to a specific purpose.

Unassigned: This classification includes the residual balance for the General Fund. The unassigned classification also includes negative residual fund balance of any other governmental fund that cannot be eliminated by offsetting of assigned fund balance amounts.

The accounting policies of the District consider restricted fund balance to have been spent first when an expenditure is incurred for the purposes for which both restricted and unrestricted fund balance is available. Similarly, when an expenditure is incurred for purposes for which amounts in any of the unrestricted classifications of fund balance could be used, the District considers committed amounts to be reduced first, followed by assigned amounts, as appropriate opportunities arise, but reserves the right to selectively spend unassigned resources first to defer the use of these other classified funds.

The fund balances for all governmental funds as of June 30, 2020, were distributed as follows:

	<u>General Fund</u>	<u>Capital Projects</u>	<u>Total Governmental Funds</u>
Restricted			
Capital projects	\$ _____ -	\$ <u>238,140</u>	\$ <u>238,140</u>
Total Restricted	_____ -	<u>238,140</u>	<u>238,140</u>
Unassigned	<u>8,670,194</u>	_____ -	<u>8,670,194</u>
Total Fund Balance	<u>\$ 8,670,194</u>	<u>\$ 238,140</u>	<u>\$ 8,908,334</u>

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 7: DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation retirement plan in accordance with Internal Revenue Service Code Section 457 (the "457 Plan"). The 457 Plan, available to all full-time employees, allows them to defer a portion of their salary until future years. Withdrawals from the 457 Plan are not permitted to employees until termination, retirement, death, or unforeseeable emergency. Participants may elect to contribute, through salary reductions, up to the IRC(g) limit (\$19,500 in 2020). The 457 Plan does not contain a provision for employer matching contributions except for contractually agreed upon matches.

All amounts of compensation deferred under the 457 Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, property or rights are held in trust with a third party administrator. Except as may otherwise be permitted or required by law, no assets or income of the 457 Plan shall be used for, or diverted to, purposes other than for the exclusive purpose of providing benefits for participants and their beneficiaries or defraying reasonable expenses of administration of the 457 Plan.

The 457 Plan assets totaled \$1,330,157 at June 30, 2020. 457 Plan assets consist of investments in mutual funds, which are held in trust and are considered protected from the general creditors of the District.

NOTE 8: DEFINED BENEFIT PENSION PLAN

A. General Information about the Pensions Plan

Plan Description

All qualified permanent and probationary employees are eligible to participate in the Public Agency Cost-Sharing Multiple-Employer Defined Benefit Pension Plan (Plan) administered by the California Public Employees' Retirement System (CalPERS). The Plan consists of individual rate plans (benefit tiers) within a miscellaneous risk pool. Plan assets may be used to pay benefits for any employer rate plan of the miscellaneous pool. Accordingly, rate plans within the miscellaneous pool are not separate plans under GASB Statement No. 68. Individual employers may sponsor more than one rate plan in the miscellaneous risk pool. The District sponsors two plans. Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plan regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 62 if membership date is on or after January 1, 2013 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 1957 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.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

The rate plan's provisions and benefits in effect at June 30, 2020, are summarized as follows:

Hire Date	Miscellaneous	
	Prior to January 1, 2013	On or After January 1, 2013
	Tier I	PEPRA
Benefit Formula	2.0% @ 55	2.0% @ 62
Benefit Vesting Schedule	5 years service	5 years service
Benefit Payments	monthly for life	monthly for life
Retirement Age	50 - 55	52 - 62
Monthly Benefits, as a % of Eligible Compensation	2.000 - 2.700%	1.000 - 2.500%
Required Employee Contribution Rates	7.00%	6.25%
Required Employer Contribution Rates*	33.195%	7.094%

* The employer contribution rate is the sum of the plan's employer normal cost plus the employer unfunded accrued liability.

Contributions

Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. The District's contributions to the Plan for the year ending June 30, 2020 were \$652,772.

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

As of June 30, 2020, the District reported a net pension liability for its proportionate share of the net pension liability of the Plan of \$5,379,190.

The District's net pension liability for the Plan is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all participating employers, actuarially determined. The District's proportionate share of the net pension liability for the Plan as of June 30, 2019 and 2020 was as follows:

Proportion - June 30, 2019	0.13291%
Proportion - June 30, 2020	0.13433%
Change - Increase (Decrease)	0.00142%

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

For the year ended June 30, 2020, the District recognized a pension expense of \$1,026,434. At June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to the measurement date	\$ 652,772	\$ -
Changes of assumptions	165,576	-
Differences between actual and expected experience	344,660	-
Differences between projected and actual investment earnings	-	94,045
Differences between employer's contributions and proportionate share of contributions	7,694	22,675
Change in employer's proportion	50,087	60,084
Total	\$ 1,220,789	\$ 176,804

\$652,772 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 June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

For the Fiscal Year Ending June 30,	Net Deferred Outflows (Inflows) of Resources
2021	\$ 388,552
2022	(67,120)
2023	50,779
2024	19,002

Actuarial Assumptions

The total pension liabilities in the June 30, 2019 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2018
Measurement Date	June 30, 2019
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
Inflation	2.50%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.00% net of pension plan investment expenses; includes inflation
Mortality (1)	Derived using CalPERS membership data for all funds
Post Retirement Benefit Increase	Contract COLA up to 2.50% until purchasing power protection allowance floor on purchasing power applies, 2.50% thereafter

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

(1) The mortality table used was developed based on CalPERS' specific data. The table includes 15 years of mortality improvements using Society of Actuaries 90 percent Scale MP 2016. For more details on this table, please refer to the December 2017 experience study report (based on CalPERS demographic data from 1997 to 2015) available on CalPERS website.

Changes in Assumptions

For the measurement period June 30, 2019, there were no changes in assumptions.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund (PERF) cash flows. Using historical returns of all of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ 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 rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

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

<u>Asset Class</u>	<u>Assumed Asset Allocation</u>	<u>Real Return Years 1-10 (a)</u>	<u>Real Return Years 11+ (b)</u>
Global Equity	50.0%	4.80%	5.98%
Fixed Income	28.0%	1.00%	2.62%
Inflation Assets	0.0%	0.77%	1.81%
Private Equity	8.0%	6.30%	7.23%
Real Assets	13.0%	3.75%	4.93%
Liquidity	1.0%	0.00%	(0.92%)

(a) An expected inflation of 2.0% used for this period

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

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 8: DEFINED BENEFIT PENSION PLAN (CONTINUED)

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability for the Plan as of the measurement date, calculated using the discount rate for the Plan, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate that is one-percentage point lower or one-percentage point higher than the current rate:

	Discount Rate -1% (6.15%)	Current Discount Rate (7.15%)	Discount Rate +1% (8.15%)
Net Pension Liability (Asset)	\$ 8,052,589	\$ 5,379,190	\$ 3,172,487

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

NOTE 9: OTHER POST EMPLOYMENT BENEFITS

Plan Description

Plan administration: The District administers a single employer defined benefit other postemployment healthcare (OPEB) plan providing health plan coverage to eligible retired employees and their eligible dependents. The District maintains the same medical plans for its retirees as for its active employees.

Benefits provided: Employees become eligible to retire and receive District-paid healthcare benefits upon retirement with CalPERS and completion of a minimum of 5 years of service with the District. For current active employees, the District will pay for the monthly medical premium under the CalPERS insurance program up to a maximum of \$432 per month for life. Some retired members are also subject to the \$432 maximum, while others have an open benefit that increases with medical inflation according to the premium charged.

As of June 30, 2020, the District had \$1,097,722 designated in its Retiree Benefits account for future OPEB obligations. Since these funds are not held in an irrevocable trust to provide benefits to plan members, these funds do not meet the criteria in GASB Statement No. 75, paragraph 4.

Employees Covered

As of the June 30, 2020 actuarial valuation, membership consisted of the following:

Active plan members	25
Inactive plan members or beneficiaries currently receiving benefit payments	27
Total	52

Contributions

The contribution requirements of plan members and the District are established and may be amended by the District Board of Directors. The required contribution is based on projected pay-as-you-go financing requirements.

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Total OPEB Liability

The District's total OPEB liability ("TOL") was measured as of June 30, 2020 and the total OPEB liability used to calculate the total OPEB liability was determined by an actuarial valuation as of June 30, 2020 using the following actuarial assumptions:

Funding Method	Entry Age Normal Cost, level percent of pay	
Discount Rate	2.25%	
Mortality	RP2014 Mortality Table Blended for males and females (50% / 50%). Females are 2 years younger than males for J&S Function.	
Salary Scale	2.75% per annum	
Healthcare Cost Trend Rate	7% in 2021, grading down to 5% by 2022	
Termination Prior to Retirement	<u>Attained Age:</u>	<u>Rate of Termination:</u>
	20 - 24	15.0%
	25 - 29	10.0%
	30 - 39	6.0%
	40 - 44	3.0%
	45 - 49	0.5%
	50+	0.0%
Age at Retirement	<u>10 Yrs. Svc. & Age 55:</u>	<u>25 Years of Service:</u>
IBEW - DOH	On or before 1/1/96	After 1/1/96
SEIU - DOH	Before 12/31/97	On or after 12/31/97

Changes in Assumptions

In the June 30, 2020 valuation, the discount rate was changed from 3.75% to 2.25%.

Discount Rate

The discount rate used to measure the total OPEB liability was 2.25%.

Changes in the OPEB Liability

The changes in the total OPEB liability for the Plan are as follows:

<u>Changes in the Net OPEB Liability</u>	<u>Total OPEB Liability</u>
Total OPEB Liability June 30, 2019	\$ 2,083,621
Service cost	55,972
Interest cost	78,136
Difference between expected and actual experience	107,632
Changes of assumptions	289,627
Benefit payments	<u>(159,157)</u>
Net change during 2019-20	<u>372,210</u>
Balance at June 30, 2020	<u>\$ 2,455,831</u>

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 9: OTHER POST EMPLOYMENT BENEFITS (CONTINUED)

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

	1% Decrease (1.25%)	Current Discount Rate (2.25%)	1% Increase (3.25%)
Total OPEB Liability	\$ <u>3,381,700</u>	\$ <u>2,455,831</u>	\$ <u>1,800,100</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the District, as well as what the total OPEB liability would be if it were calculated using healthcare cost trend rates that are 1-percentage point lower or 1-percentage point higher than the current healthcare cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
Net OPEB Liability (Asset)	\$ <u>2,352,686</u>	\$ <u>2,455,831</u>	\$ <u>2,566,300</u>

OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB

For the fiscal year ended June 30, 2020, the District recognized OPEB expense of \$180,556. As of fiscal year ended June 30, 2020, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ 289,627	\$ -
Experience gains and losses	<u>876,060</u>	<u>-</u>
Total	<u>\$ 1,165,687</u>	<u>\$ -</u>

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized as expense as follows:

For the Fiscal Year Ending June 30,	Recognized Net Deferred Outflows (Inflows) of Resources
2021	\$ 67,356
2022	67,356
2023	67,356
2024	67,356
2025	67,356
Thereafter	828,907

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 10: RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To mitigate potential losses, the District purchases commercial insurance coverage. It is the opinion of management that coverage for such risks are adequate.

NOTE 11: CONTINGENCIES AND COMMITMENTS

Contingencies

The District is subject to legal proceedings and claims that arise in the ordinary course of business. In the opinion of management, the amount of ultimate liability with respect to such actions will not materially affect the financial position or results of operations of the District.

In addition, the District has deferred impact fees outstanding from a prior year. The District is working to obtain a repayment plan for the deferred impact fees, however due to the unknown collectibility of the deferred impact fees, the District has not recorded a receivable..

Construction Commitments

At June 30, 2020, the District had construction contracts outstanding of approximately \$70,157 related to the Cunningham Pool renovation capital project.

Public Health Emergency

The World Health Organization declared the worldwide coronavirus (COVID-19) outbreak a public health emergency on January 30, 2020 and officially declared it as a pandemic as of March 11, 2020. Management has performed an evaluation of certain financial statement line items such as investments, accounts receivable, accounts payable, and accrued expenses to determine whether valuation or impairment adjustments should be made. Management has determined that the amounts reported on the financial statements are properly valued as of June 30, 2020. However, since the duration and full effects of the COVID-19 outbreak are yet unknown there could be future negative impacts to the financial condition of the District.

NOTE 12: PRIOR PERIOD ADJUSTMENT

Governmental Activities

The District recorded the following prior period adjustments, effectively increasing governmental activities net position as of July 1, 2019. The net increase resulted from the following:

Correction of deferred inflows of resources	\$ (17,803)
Correction of accumulated depreciation related to land and CIP	<u>66,474</u>
Total governmental activities prior period restatement	<u>\$ 48,671</u>

Governmental Funds

The District recorded the following prior period adjustment, effectively increasing fund balance as of July 1, 2019. The decrease resulted from the following:

Correction of compensated absences payable	\$ 208,583
Total governmental funds prior period restatement	<u>\$ 208,583</u>

**GREATER VALLEJO RECREATION DISTRICT
NOTES TO THE BASIC FINANCIAL STATEMENTS
JUNE 30, 2020**

NOTE 13: SUBSEQUENT EVENTS

Subsequent events have been evaluated through July 9, 2021, which is the date the financial statements were available to be issued. No events occurred subsequent to the balance sheet date that require accrual or adjustment to the carrying balances of assets and liabilities in the balance sheet.

REQUIRED SUPPLEMENTARY INFORMATION

**GREATER VALLEJO RECREATION DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

	<u>2019 - 2020 Budgeted Amounts</u>		<u>Actual Amounts</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<u>REVENUES</u>				
Property taxes and assessments	\$ 4,594,825	\$ 6,670,342	\$ 6,972,345	\$ 302,003
Intergovernmental revenues	505,392	505,392	488,948	(16,444)
Use of money and property	679,247	679,247	597,909	(81,338)
Redevelopment fund	170,000	170,000	17,076	(152,924)
Donations	-	-	3,937	3,937
Other revenues	236,608	247,908	212,439	(35,469)
Park and recreation services	<u>2,121,655</u>	<u>2,127,795</u>	<u>1,379,909</u>	<u>(747,886)</u>
Total Revenues	<u>8,307,727</u>	<u>10,400,684</u>	<u>9,672,563</u>	<u>(728,121)</u>
<u>EXPENDITURES</u>				
Current:				
Salaries and benefits	5,978,859	6,386,112	6,055,549	330,563
Services and supplies	1,680,448	2,380,085	2,392,325	(12,240)
Capital outlay	<u>317,000</u>	<u>1,100,238</u>	<u>2,525,865</u>	<u>(1,425,627)</u>
Total Expenditures	<u>7,976,307</u>	<u>9,866,435</u>	<u>10,973,739</u>	<u>(1,107,304)</u>
Net change in fund balance	\$ <u>331,420</u>	\$ <u>534,249</u>	(1,301,176)	\$ <u>(1,835,425)</u>
Fund balance - July 1, 2019			<u>9,762,787</u>	
Prior period adjustment			<u>208,583</u>	
Fund balance - July 1, 2019, restated			<u>9,971,370</u>	
Fund balance - June 30, 2020			<u>\$ 8,670,194</u>	

**GREATER VALLEJO RECREATION DISTRICT
 NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
 BUDGETARY ACCOUNTING AND CONTROL
 FOR THE YEAR ENDED JUNE 30, 2020**

Budgetary Information

The amounts reported as the original budgeted amounts in the budgetary schedule reflect the amounts when the original appropriations were adopted. The amounts reported as the final budgeted amounts in the budgetary schedule reflect the amounts after all budget amendments have been accounted for.

Budgetary Controls

Budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual budget requests are submitted by the District's staff to the District Board of Directors for preliminary review and approval. After a public hearing, a final budget is approved by a resolution of the Board of Directors. Copies of the approved budget are sent to all required agencies.

The fiscal year 2019/20 budget document budgeted Measure K carry-forward fund balance as a revenue source. This is not on the GAAP basis of accounting as it simply shows the full amount of Measure K resources available for spending and not just the funds expected to be collected during the fiscal year.

Expenditures in Excess of Appropriations

The General Fund had an excess of expenditures over appropriations as follows:

	<u>Appropriations</u>	<u>Expenditures</u>	<u>Excess of Expenditures Over Appropriations</u>
Services and supplies	\$ 2,380,085	\$ 2,392,325	\$ (12,240)
Capital outlay	1,100,238	2,525,865	(1,425,627)

**GREATER VALLEJO RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
AS OF JUNE 30, 2020**

Last 10 Years*

	Measurement Period					
	2014	2015	2016	2017	2018	2019
Proportion of the net pension liability	varies by plan	0.14757 %	0.14757 %	0.13054 %	0.13291 %	0.13433 %
Proportionate share of the net pension liability	\$ 3,975,585	\$ 3,574,756	\$ 4,564,785	\$ 5,145,855	\$ 5,008,941	\$ 5,379,190
Covered payroll	\$ 2,029,435	\$ 1,967,539	\$ 2,033,288	\$ 2,443,866	\$ 3,048,664	\$ 2,858,836
Proportionate share of the net pension liability as a percentage of covered payroll	195.90 %	181.69 %	224.50 %	210.56 %	164.30 %	188.16 %
Plan fiduciary net position as a percentage of the total pension liability	79.82 %	78.40 %	74.06 %	73.29 %	75.30 %	75.30 %

Notes to Schedule:

Changes in assumptions – In 2019, there were no changes in assumptions. In 2018, assumptions for individual salary increases and overall payroll growth were reduced from 3.00 percent to 2.75 percent. In 2017, amounts reported reflect an adjustment of the discount rate from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense). In 2014, amounts reported were based on the 7.5 percent discount rate.

* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

**GREATER VALLEJO RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF PENSION CONTRIBUTIONS
AS OF JUNE 30, 2020**

Last 10 Years*

	Fiscal Year-End					
	2015	2016	2017	2018	2019	2020
Miscellaneous Plan						
Contractually required contribution (actuarially determined)	\$ 343,103	\$ 357,277	\$ 511,478	\$ 536,391	\$ 585,369	\$ 652,772
Contributions in relation to the actuarially determined contributions	<u>(343,103)</u>	<u>(357,277)</u>	<u>(511,478)</u>	<u>(536,392)</u>	<u>(585,369)</u>	<u>(652,772)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ (1)</u>	<u>\$ -</u>	<u>\$ -</u>
Covered payroll	\$ 2,029,435	\$ 1,967,539	\$ 2,033,288	\$ 2,443,866	\$ 3,048,664	\$ 2,858,836
Contributions as a percentage of covered payroll	16.91 %	18.16 %	25.16 %	21.95 %	19.20 %	22.83 %

* Schedule is intended to show information for ten years. Fiscal year 2015 was the first year of implementation, therefore only six years are shown. Additional years' information will be displayed as it becomes available.

**GREATER VALLEJO RECREATION DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
SCHEDULE OF CHANGES IN THE DISTRICT'S TOTAL OPEB LIABILITY AND RELATED RATIOS
AS OF JUNE 30, 2020**

Last 10 Years*

	Measurement Period		
	2018	2019	2020
Total OPEB liability			
Service cost	\$ 7,981	\$ 42,271	\$ 55,972
Interest	92,876	97,300	78,136
Experience gains (losses)	112,406	592,325	107,632
Changes in assumptions	-	-	289,627
Benefit payments	<u>(145,203)</u>	<u>(145,203)</u>	<u>(159,157)</u>
Net change in total OPEB liability	68,060	586,693	372,210
Total OPEB liability, beginning	<u>1,428,868</u>	<u>1,496,928</u>	<u>2,083,621</u>
Total OPEB liability, ending (a)	<u>\$ 1,496,928</u>	<u>\$ 2,083,621</u>	<u>\$ 2,455,831</u>
Covered-employee payroll	\$ 1,557,242	\$ 1,777,118	\$ 1,839,170
District's total OPEB liability as a percentage of covered-employee payroll	96.13 %	117.25 %	133.53 %

Notes to Schedule:

Changes in assumptions – The discount rate was changed from 3.75 percent to 2.25 percent for the measurement period ended June 30, 2020. There were no changes in assumptions for the measurement periods ended June 30, 2019 and June 30, 2018.

* Schedule is intended to show information for ten years. Fiscal year 2018 was the first year of implementation, therefore only three years are shown. Additional years' information will be displayed as it becomes available.

SUPPLEMENTARY INFORMATION

**GREATER VALLEJO RECREATION DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
MEASURE K
FOR THE YEAR ENDED JUNE 30, 2020**

<u>REVENUES</u>	<u>Measure K</u>
Property taxes and assessments	\$ <u>2,066,403</u>
Total Revenues	<u>2,066,403</u>
<u>EXPENDITURES</u>	
Current:	
Salaries and benefits	466,518
Professional services	14,120
Repairs and maintenance	364,381
Scholarships	7,660
Utilities	241,780
Recreation supplies and services	18,731
Capital Outlay	<u>674,704</u>
Total Expenditures	<u>1,787,894</u>
Net Change in Fund Balances	278,509
Fund Balances - July 1, 2019	<u>109,025</u>
Fund Balances - June 30, 2020	\$ <u><u>387,534</u></u>

OTHER REPORTS



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS
PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Directors
Greater Vallejo Recreation District
Vallejo, California

We have audited, in accordance with the 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, the financial statements of the governmental activities and each major fund of Greater Vallejo Recreation District (the District) as of and for the year-ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the District's basic financial statements and have issued our report thereon dated July 9, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the District's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. We did identify certain deficiencies in internal control, described in the accompanying schedule of current year findings as item 2020-001 that we consider to be a significant deficiency.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Greater Vallejo Recreation District's Response to Finding

Greater Vallejo Recreation District's response to the finding identified in our audit is described in the accompanying schedule of current year findings. Greater Vallejo Recreation District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in blue ink, appearing to read "M. C. McPherson".

Sacramento, California
July 9, 2021

**GREATER VALLEJO RECREATION DISTRICT
SCHEDULE OF CURRENT YEAR FINDINGS
JUNE 30, 2020**

Finding 2020-001 Prior Period Adjustments (Significant Deficiency)

Criteria

Governmental accounting standards require the District to record all amounts owed as liabilities and to calculate and record depreciation on depreciable capital assets.

Condition

The District identified errors in the prior year recorded amounts of accumulated depreciation, compensated absences payable and deferred outflows of resources.

Cause

The District incorrectly calculated and recorded depreciation on land and construction in progress which are non-depreciable capital assets on the government-wide financial statements. The District also recorded the compensated absences payable on the governmental fund financial statements and did not record the deferred outflows of resources related to the OPEB liability at the correct amount on the government-wide financial statements.

Effect

Compensated absences payable were incorrectly recorded as a liability on the governmental funds balance sheet and accumulated depreciation and deferred outflows of resources were incorrectly stated on the government-wide statement of net position.

Recommendation

We recommend the District record liabilities on the governmental funds balance sheet in accordance with the modified accrual basis of accounting, ensure depreciation is not recorded for non-depreciable capital assets, and deferred outflows of resources related to the OPEB liability are properly stated.

Views of Responsible Officials

The capital assets database was set up by a previous Finance Director using CMI Fixed Assets software. The current Finance Director will review that database and make adjustments to depreciation as necessary. Assistance from the auditing team may be requested.

Additionally, the Finance Director will record liabilities on the governmental funds balance sheet in accordance with the modified accrual basis of accounting, and deferred outflows of resources related to the OPEB liability will be properly stated. Again, assistance from the auditing team may be requested.

**GREATER VALLEJO RECREATION DISTRICT
SCHEDULE OF PRIOR YEAR FINDINGS
JUNE 30, 2020**

No findings were reported for the year ended June 30, 2019.



Management Letter

July 9, 2021

Greater Vallejo Recreation District
395 Amador Street
Vallejo, California 94590

In planning and performing our audit of the financial statements of Greater Vallejo Recreation District (the District) as of and for the year ended June 30, 2020, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing auditing procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

However, during our audit we became aware of deficiencies in internal control other than significant deficiencies and material weaknesses and matters that are opportunities for strengthening internal controls and operating efficiency. The memorandum that accompanies this letter summarizes our comments and suggestions regarding those matters. A separate letter dated July 9, 2021, contains our communication of material weaknesses and significant deficiencies in the District's internal control. This letter does not affect our report dated July 9, 2021, on the financial statements of the District.

We will review the status of these comments during our next audit engagement. We have already discussed many of these comments and suggestions with various District personnel, and we will be pleased to discuss them in further detail at your convenience, to perform any additional study of these matters, or to assist you in implementing the recommendations.

This communication is intended solely for the information and use of management, Board of Directors, and others within the District, and is not intended to be, and should not be, used by anyone other than those specified parties.

Sincerely,

A handwritten signature in blue ink that reads "Mann, Urrutia, Nelson CPAs".

Mann, Urrutia, Nelson CPAs & Associates LLP

Greater Vallejo Recreation District
Control Deficiencies and Internal Control Recommendations
June 30, 2020

Fund Accounting

During our audit, we noted the District setup a separate fund to track Measure K activity, however they have not entered the beginning balances of assets, liabilities, and equity. We further noted the District has not setup a separate fund to track the balances of long-term assets and liabilities, such as capital assets, net pension liability, OPEB liability, compensated absences and deferred outflows and inflows of resources. We recommend the District determine the Measure K asset, liability, and equity balances and prepare a journal entry to reclassify these amounts from the General fund to the Measure K fund and that the District setup a separate fund to track the balances of long-term assets and liabilities.

Management's Response

As the separate fund for Measure K was set up with the assistance of a consultant, the Finance Director will work with that consultant to determine asset, liability, and equity balances and prepare a journal entry to reclassify these amounts.

The Finance Director will be setting up a separate fund (90) as directed by MUN CPAs & Associates. Once the fund has been set up, the Finance Director will complete the journal entries prepared by MUN.

Financial Reporting

During our testing over financial reporting, we noted the following:

1. Monthly bank reconciliations were both prepared and reviewed by the Finance Director
2. All finance department personnel prepare and post journal entries to the general ledger without prior approval of the Finance Director
3. No support was attached to two out of fifteen journal entries tested.

We recommend the District implement procedures to enhance internal controls including assigning preparation of the monthly bank reconciliations to a staff member within the finance department with the Finance Director performing the review, all journal entries be submitted to the Finance Director for review prior to posting in the general ledger, and ensuring supporting documentation is maintained with each journal entry.

Management's Response

1. The Finance Director is currently training the Accounting Specialist and the Accounting Assistant in monthly bank reconciliations. Their reconciliations will be reviewed by the Finance Director.
2. The form used for journal entries has been modified to include a sign-off by the Finance Director.
3. As part of the Finance Director's review and, before signing off on journal entries, the Finance Director will ensure sufficient supporting documentation is attached.

Cash Receipts

During our testing of cash receipts, we noted the Accounting Assistant enters deposits into Cougar Mountain, prepares the bank deposit, takes the deposit to the bank, and drops the deposit via the merchant drop box at the bank, which results in no receipt received from the bank. Good internal controls require that no one person handle all elements of a single transaction. We recommend the District segregate the duties of preparation, input, and deposit at the bank and that the Finance Director verify deposits per the bank to the cash received report in E-Trak input at the sites.

Management's Response

As the GVRD Finance Department is made up of only 3 employees (Finance Director, Accounting Specialist, and Accounting Assistant) it has been historically difficult to segregate duties. However, the Finance Director is currently working with the Finance staff, the General Manager, and the Human Resources Manager to identify areas where internal controls can be improved by segregating various duties of the department. A part of this improvement to internal controls will include having the Finance Director verify deposits to the cash received report in E-Trak.

Greater Vallejo Recreation District
Control Deficiencies and Internal Control Recommendations (continued)
June 30, 2020

Cash

During our review of the June 30, 2020 bank reconciliation, we noted the District reconciles to the bank statement balance rather than the general ledger balance. In addition, we noted ten old outstanding deposits from October 2019, November 2019 and October 2018 we still being recorded don the bank reconciliation. We recommend the District improve the bank reconciliation process and reconcile from the bank statement balance to the general ledger balance and research the old outstanding deposits to determine if these items have been recorded correctly.

Management's Response

The bank reconciliation process is done through our Cougar Mountain Denali Accounting Software. The Finance Director will request assistance from the team at Cougar Mountain in reconciling from the bank statement balance to the general ledger balances.

The Finance Director and Accounting Assistant will research all outstanding deposits in order to determine if they have been recorded correctly and will make adjustments where necessary.

Capital Assets

During our testing of capital assets, we noted the District was using various accelerated depreciation methods such as MACRS, MACRS-Q and MACRS-Y which are methods used when reporting taxes to the Internal Revenue Service, not for financial reporting purposes. We recommend the District review the capital asset system and ensure all depreciable assets are depreciated using the appropriate depreciation method.

Management's Response

The capital assets database was set up by a previous Finance Director using CMI Fixed Assets software. The current Finance Director will review that database and make adjustments to depreciation methods as necessary. Assistance from the auditing team may be requested.

Building Deposits Payable

During our audit, we noted the District has not maintained a detail schedule of building deposits payable, which has a balance of \$42,989 at June 30, 2020. We recommend the District develop a system to track building deposits payable including the deposit date, amount, and payee and reconcile the tracking system to the general ledger on a monthly basis.

Management's Response

The Finance Department will work with the Recreation Department to identify any amounts in the \$42,989 that are due as refunds to customers, and what amounts need to be credited to facility revenue accounts. We will also determine the best way for the two departments to track the deposits and reconcile them monthly.

Compensated Absences

Per review of the compensated absences workbook, we noted one employee who had an accrued vacation balance over the allowable limit and one employee eligible for accumulated sick leave payout that was not calculated. We recommend the District perform a comprehensive review of the compensated absences report to ensure hours do not exceed their respective limits and amounts are correctly calculated.

Management's Response

The two instances of error on the workbook have been corrected. In future years, the workbook will be compiled by the Accounting Specialist, and, subsequently, reviewed by the Finance Director.

Greater Vallejo Recreation District
Control Deficiencies and Internal Control Recommendations (continued)
June 30, 2020

GASB 75 Census Data

During our testing of the census data used for the GASB 75 valuation, we noted the census data was rolled forward and calculated by the actuary based on information provided in a prior year and was not reviewed by the District Finance Director or reconciled to the District records. In addition, we noted District was unable to provide documentation to support the date of birth and date of retirement for eight retirees selected for testing. We recommend the District prepare the census data for submission to the actuary ensuring the census data agrees to District personnel records and reconciles to the District general ledger.

Management's Response

The Finance Director shall, in future, prepare the census data to be submitted to the actuary, working with Human Resources to ensure date of birth and date of retirement and that all other required data is present and correct for all retirees and/or employees. The Finance Director shall also ensure that the census data agrees to the District general ledger.

Greater Vallejo Recreation District
Status of Prior Year
Control Deficiencies and Internal Control Recommendations
June 30, 2020

None



Agenda 7-B

BOARD COMMUNICATION

Date: August 12, 2021

TO: Board Chairperson and Directors

FROM: Penny Harman, Finance Director

SUBJECT: **Resolution of the Board of Directors of the Greater Vallejo Recreation District to Adopt the Revised Annual Operating Budget for Fiscal Year 2021-2022**

BACKGROUND AND DISCUSSION

The Greater Vallejo Recreation District Board of Directors approved the Final Budget for Fiscal Year 2021-2022 on June 24, 2021. Since that time, the unions, SEIU and IBEW, and the unrepresented individual employees have negotiated a salary increase. The budget accounts affected are full time salaries, along with the salary-driven benefits, CalPERS contributions, Medicare, and Workers' Compensation. The total additional cost to the District is \$61,817.

RECOMMENDATION

Accept the Revised Final Budget for Fiscal Year 2021-2022.

PROPOSED ACTION

Adopt the Revised Annual Operating Budget for Fiscal Year 2021-2022.

DOCUMENTS AVAILABLE FOR REVIEW

- a. Revised Final Budget Summary

Budget Summary

Revised Final

Department		2020-2021 Final Budget			2020-2021 Estimated Actual				2021-2022 Preliminary Budget			
		Revenues	Expenses	Variance	Revenues	Total	Measure K	Variance	Revenues	Expenses	Measure K	Variance
					Expenses	Expenses			Expenses			
General Administration												
001	General Support & Admin	5,247,922	1,325,843	3,922,079	5,827,867	1,581,831	17,618	4,246,036	5,827,867	1,504,029	99,000	4,323,838
007	Human Resources	0	340,394	(340,394)	0	321,764	0	(321,764)	0	423,494	0	(423,494)
100	Finance	0	307,793	(307,793)	0	375,763	0	(375,763)	0	410,593	2,000	(410,593)
001	General Fund Contributio	0	0	0	0	0	0	0	0	0	0	0
Total Admin Services		5,247,922	1,974,030	3,273,892	5,827,867	2,279,358	17,618	3,548,509	5,827,867	2,338,116	101,000	3,489,751
001	Measure K	2,066,404	0	2,066,404	2,102,787	0	(2,058,790)	2,102,787	2,102,787	0	(2,337,040)	2,102,787
001	Measure K Carryover	275,000	275,000	0	275,000	0	(275,000)	275,000	0	0	0	0
001	Total Measure K	2,341,404	275,000	2,066,404	2,377,787	0	(2,333,790)	2,377,787	2,102,787	0	(2,337,040)	2,102,787
Parks Maintenance												
200	Park Maintenance & Dev	0	168,116	(168,116)	0	166,134	0	(166,134)	0	173,688	0	(173,688)
300	Facilities	200,000	1,708,902	(1,508,902)	14,759	1,551,331	947,793	(1,536,572)	0	1,378,322	843,520	(1,378,322)
301	Visitor Services	119,900	114,234	5,666	164,243	113,895	0	50,348	203,400	153,174	0	50,226
310	Landscaping & Grounds	0	1,761,977	(1,761,977)	0	1,913,521	698,061	(1,913,521)	0	2,140,444	685,852	(2,140,444)
Total Parks		319,900	3,753,229	(3,433,329)	179,002	3,744,881	1,645,854	(3,565,879)	203,400	3,845,628	1,529,372	(3,642,228)
Recreation:												
010	Recreation Admin	15,000	357,518	(342,518)	350	451,334	13,350	(450,984)	0	435,598	13,350	(435,598)
415	Children's Wonderland	61,590	136,759	(75,169)	0	37,387	6,044	(37,387)	41,605	113,439	83,537	(71,834)
430	Break Camp	100,388	195,877	(95,489)	9,045	122,880	0	(113,835)	45,098	140,620	0	(95,522)
450	Vallejo Community Cente	53,595	193,606	(140,011)	296	112,272	12,300	(111,976)	55,104	197,006	13,762	(141,902)
451	Foley Cultural Center	176,438	306,995	(130,557)	26,135	178,440	48,850	(152,305)	178,794	282,717	61,840	(103,923)
460	Sports	87,338	167,281	(79,943)	37,071	124,270	26,896	(87,199)	72,407	183,378	64,197	(110,971)
465	Community Programs	21,558	84,150	(62,592)	4,030	16,217	5,567	(12,187)	19,925	124,160	43,926	(104,235)
480	Expanded Learning Prog	525,520	550,630	(25,110)	203,358	283,417	0	(80,059)	317,630	564,884	0	(247,254)
481	After School Programs	358,519	540,769	(182,250)	45,262	271,942	0	(226,680)	315,140	418,046	0	(102,906)
486	Teen Services	4,213	7,237	(3,024)	(20)	636	95	(656)	5,825	15,787	4,718	(9,962)
490	REACH	3,000	6,383	(3,383)	0	788	95	(788)	3,148	8,367	2,784	(5,219)
720	North Vallejo C.C.	22,463	134,779	(112,316)	(414)	98,986	7,900	(99,400)	24,878	108,027	10,200	(83,149)
721	South Vallejo C.C.	38,599	177,974	(139,375)	(566)	114,518	18,000	(115,084)	40,772	185,356	20,640	(144,584)
730	Cunningham Pool	184,551	601,729	(417,178)	168,794	573,786	307,063	(404,992)	417,485	879,310	387,714	(461,825)
Total Recreation		1,652,772	3,461,687	(1,808,915)	493,341	2,386,031	446,160	(1,893,532)	1,537,811	3,656,695	706,668	(2,118,884)
906	Capital Improvements	1,520,000	1,520,000	0	1,245,000	1,536,044	275,000	(291,044)	3,151,400	2,910,000	0	241,400
935	Contingency Reserve	0	98,052	(98,052)	0	0	0	0	0	22,826	0	(22,826)
001	Retiree Benefit-OPEB	0	0	0	0	200,000	0	(200,000)	0	50,000	0	(50,000)
Total Others		1,520,000	1,618,052	(98,052)	1,245,000	1,736,044	275,000	(491,044)	3,151,400	2,982,826	0	168,574
TOTAL BUDGET		11,081,998	11,081,998	0	10,122,997	10,146,314	0	(24,159)	12,823,265	12,823,265	0	0

Note: "Measure K Expenses" columns in gray are for information and are not directly included in the Variance calculations. These amounts are included as expenses for the individual programs/departments.

RESOLUTION NO 2021-04

**RESOLUTION OF THE BOARD OF DIRECTORS OF THE GREATER VALLEJO
RECREATION DISTRICT TO ADOPT THE REVISED ANNUAL OPERATING
BUDGET FOR FISCAL YEAR 2021-2022**

WHEREAS, on June 24, 2021, the Board of Directors voted to adopt the Budget for Fiscal Year 2021-2022; and

WHEREAS, the SEIU and IBEW unions and the unrepresented staff have negotiated a pay increase effective July 1, 2021. This pay increase is reflected in the Revised Budget for Fiscal Year 2021-2022. The total budget for General Fund is \$12,823,265 and it represents a balanced budget. The budget appropriation in the General Operating Fund is \$10,720,478 and the total Measure K Capital Improvement is \$2,102,787.

NOW, THEREFORE, be it resolved by the Board of Directors that the Revised Annual Budget for the fiscal year beginning July 1, 2021, which has been submitted is hereby passed and adopted this 12th day of July, 2021 as follows:

	<u>Revenues</u>	<u>Appropriations</u>
General Administration	5,827,867	2,338,116
Measure K	2,102,787	0
Measure K Carryover	0	0
Parks & Maintenance	203,400	3,845,628
Recreation	1,537,811	3,656,695
Deferred Maintenance	0	0
Capital Improvements	3,151,400	2,910,000
Contingency Reserve	0	22,826
Retiree Benefit - OPEB	0	50,000
Contributions from Reserve	0	0
Total General Fund	<u>12,823,265</u>	<u>12,823,265</u>

Following Roll Call Vote: Ayes: _____

Noes: _____

Absent: _____

Abstained _____

Adopted: _____
Robert Briseno, Chairperson

Attest: _____

**Greater Vallejo Recreation District
Financial Report Year-to-Date
as of July 31, 2021
All Funds**

<u>Revenue</u>	<u>Actual Yr to Date</u>	<u>Annual Budget</u>	<u>Amount Remaining</u>	<u>Percent</u>
Administration	9,983	7,930,654	7,920,671	0.13%
Buildings & Trades	0	0	0	0.00%
Park Maintenance & Visitor Service	30,846	203,400	172,554	15.17%
Recreation	82,671	1,537,811	1,455,140	5.38%
Total Revenues	123,500	9,671,865	9,548,365	1.28%
<u>Expenses</u>	<u>Actual Yr to Date</u>	<u>Annual Budget</u>	<u>Amount Remaining</u>	<u>Percent</u>
Administration & General Support	265,480	2,338,116	2,072,636	11.35%
Planning & Development	10,510	173,688	163,178	6.05%
Buildings & Trades	52,150	1,378,322	1,326,172	3.78%
Visitor Services	10,069	153,174	143,105	6.57%
Landscaping & Grounds	82,167	2,140,444	2,058,277	3.84%
Recreation	231,138	3,656,695	3,425,557	6.32%
Deferred Maintenance	0	0	0	0.00%
Contingency Reserve	0	22,826	22,826	0.00%
Retiree Medical Benefit - OPEB	0	0	0	0.00%
Total Expenditures	651,514	9,863,265	9,211,751	6.61%
Net Revenues Over (Expenditures)	(528,014)	(191,400)	336,614	

Greater Vallejo Recreation District
Financial Report Year-to-Date
7/2021-7/2021
All Funds Detailed

<u>Revenues</u>		<u>Actual</u>	<u>Annual</u>	<u>Variance</u>	<u>Percent</u>	
		<u>Yr to Date</u>	<u>Budget</u>			
001	Administration	9,983	7,930,654	7,920,671	0.13%	9,983
200	Planning & Development	0	0	0	0.00%	
300	Buildings & Trades	0	0	0	0.00%	-
301	Visitor Services	30,846	203,400	172,554	15.17%	30,846
310	Landscaping & Grounds	0	0	0	0.00%	-
010	Recreation Administraion	300	0	(300)	#DIV/0!	
415	Children's Wonderland	11,572	41,605	30,033	27.81%	
430	Break Camp	9,846	45,098	35,252	21.83%	
450	VCC	1,268	55,104	53,836	2.30%	
451	FCC	4,572	178,794	174,222	2.56%	
460	Sports	4,214	72,407	68,193	5.82%	
465	Community Programs	0	19,925	19,925	0.00%	
480	ExLP	0	317,630	317,630	0.00%	
481	After School Programs	(196)	315,140	315,336	-0.06%	
486	Teen Services	0	5,825	5,825	0.00%	
490	R.E.A.C.H.	0	3,148	3,148	0.00%	
720	NVCC	89	24,878	24,789	0.36%	
721	SVCC	886	40,772	39,887	2.17%	
730	Cunningham Pool	50,121	417,485	367,365	12.01%	82,671
Total Revenues		123,500	9,671,865	9,548,365	1.28%	123,500

<u>Expenses</u>		<u>Actual</u>	<u>Annual</u>	<u>Variance</u>	<u>Percent</u>	
		<u>Yr to Date</u>	<u>Budget</u>			
001	Administration	217,217	1,504,029	1,286,812	14.44%	
007	Human Resources	20,901	423,494	402,593	4.94%	
100	Finance	27,363	410,593	383,230	6.66%	265,480
200	Planning & Development	10,510	173,688	163,178	6.05%	10,510
300	Buildings & Trades	52,151	1,378,322	1,326,171	3.78%	52,151
301	Visitor Services	10,069	153,174	143,105	6.57%	10,069
310	Landscaping & Grounds	82,167	2,140,444	2,058,277	3.84%	82,167
010	Recreation Administration	14,987	435,598	420,611	3.44%	
415	Children's Wonderland	10,116	113,439	103,323	8.92%	
430	Break Camp	16,985	140,620	123,635	12.08%	
450	VCC	5,069	197,006	191,937	2.57%	
451	FCC	19,826	282,717	262,891	7.01%	
460	Sports	8,603	183,378	174,775	4.69%	
465	Community Programs	2,458	124,160	121,702	1.98%	
480	ExLP	20,560	564,884	544,324	3.64%	
481	After School Programs	4,857	418,046	413,189	1.16%	
486	Teen Services	76	15,787	15,711	0.48%	
490	R.E.A.C.H.	76	8,367	8,291	0.91%	
720	NVCC	6,619	108,027	101,408	6.13%	
721	SVCC	5,633	185,356	179,723	3.04%	
730	Cunningham Pool	115,272	879,310	764,038	13.11%	231,138
	Deferred Maintenance	0	0	0		
	Contingency Reserve	0	22,826	22,826	0.00%	
	Retiree Medical Benefit - OPEB	0	0	0		
Total Expenditures		651,516	9,863,265	9,211,750	6.61%	651,516

Net Revenues Over (Expenditures)	(528,016)	(191,400)	336,616	(528,016)
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Greater Vallejo Recreation District
Financial Report Year-to-Date
as of July 31, 2021
Measure K

<u>Revenue</u>	<u>Actual Yr to Date</u>	<u>Annual Budget</u>	<u>Amount Remaining</u>	<u>Percent</u>
Administration	0	2,102,787	2,102,787	0.00%
Total Revenues	0	2,102,787	2,102,787	0.00%
<u>Expenses</u>	<u>Actual Yr to Date</u>	<u>Annual Budget</u>	<u>Amount Remaining</u>	<u>Percent</u>
Administration & General Support	6,431	99,000	92,569	6.50%
Buildings & Trades	24,481	843,520	819,039	2.90%
Landscaping & Grounds	7,102	685,852	678,750	1.04%
Recreation	28,673	706,668	677,995	4.06%
Total Expenditures	66,687	2,335,040	2,268,353	2.86%
Net Revenues Over (Expenditures)	(66,687)	(232,253)	(165,566)	

Greater Vallejo Recreation District
 Financial Report Year-to-Date
 7/2021-7/2021
 Measure K Detailed

<u>Revenues</u>		<u>Actual</u>	<u>Annual</u>	<u>Variance</u>	<u>Percent</u>	
		<u>Yr to Date</u>	<u>Budget</u>			
001	Administration	0	2,102,787	2,102,787	0.00%	
007	Human Resources	0	0	0		
100	Finance	0	0	0	-	
200	Planning & Development	0	0	0		
300	Buildings & Trades	0	0	0		
301	Visitor Services	0	0	0		
310	Landscaping and Grounds	0	0	0		
010	Recreation Administration	0	0	0		
415	Children's Wonderland	0	0	0		
430	Break Camp	0	0	0		
450	VCC	0	0	0		
451	FCC	0	0	0		
460	Sports	0	0	0		
462	Mare Island Sports Center	0	0	0		
465	Special Events	0	0	0		
475	Cool School	0	0	0		
480	21st Century After School	0	0	0		
481	After School Programs	0	0	0		
486	Teen Services	0	0	0		
490	R.E.A.C.H.	0	0	0		
720	NVCC	0	0	0		
721	SVCC	0	0	0		
730	Cunningham Pool	0	0	0		
Total Revenues		0	2,102,787	2,102,787	0.00%	0

<u>Expenses</u>		<u>Actual</u>	<u>Annual</u>	<u>Variance</u>	<u>Percent</u>	
		<u>Yr to Date</u>	<u>Budget</u>			
001	Administration	6,431	99,000	92,569	6.50%	
007	Human Resources	0	0	0		
100	Finance	0	2,000	2,000	0.00%	6,431
200	Planning & Development	0	0	0		
300	Buildings & Trades	24,481	843,520	819,039	2.90%	24,481
301	Visitor Services	0	0	0		
310	Landscaping & Grounds	7,102	685,852	678,750	1.04%	7,102
010	Recreation Administration	0	13,350	13,350		
415	Children's Wonderland	931	83,537	82,606	1.11%	
430	Break Camp	0	0	0		
450	VCC	1,299	13,762	12,463	9.44%	
451	FCC	6,116	61,840	55,724	9.89%	
460	Sports	2,734	64,197	61,463	4.26%	
465	Community Services	0	43,926	43,926	0.00%	
480	21st Century After School	0	0	0		
481	After School Programs	0	0	0		
486	Teen Services	0	4,718	4,718	0.00%	
490	R.E.A.C.H.	0	2,784	2,784	0.00%	
720	NVCC	704	10,200	9,496	6.91%	
721	SVCC	2,085	20,640	18,555	10.10%	
730	Cunningham Pool	14,804	387,714	372,910	3.82%	28,673
	Deferred Maintenance	0				
	Contingency Reserve	0				
	Retiree Medical Benefit - OPEB	0				
Total Expenditures		66,687	2,337,040	2,270,353	2.85%	66,687

Net Revenues Over (Expenditures)	(66,687)	(234,253)	(167,566)	(66,687)
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**Greater Vallejo Recreation District
Balance Sheet
All Funds Combined
July 31, 2021**

Assets

Cash - Solano County	4,625,321.81
Cash - General Account - Bank of the West	439,674.05
Cash - Payroll - Bank of the West	(390.24)
Cash - Umpqua Bank - Reserve Account	1,627,401.27
Cash - Retiree Benefit Trust Fund	1,298,281.87
Accounts Receivable	<u>0.00</u>

Total Assets 7,990,288.76

Liabilities

Accounts Payable	13,000.41
Payroll Related Payables	(34,814.77)
Building Deposits Payable	34,054.12
Amount Due Customers - Etrak	<u>3,771.64</u>

Total Liabilities 16,011.40

Net Assets

Fund Balance - Restricted Operating Reserve	1,900,000.00
Fund Balance - Unrestricted Operating Reserve	3,676,610.15
Fund Balance - Restricted Retiree Benefit	1,298,281.87
Fund Balance - Designated Reserve 15%	1,627,401.27
Excess Revenues Over Expenses	<u>(528,015.93)</u>

Total Net Assets 7,974,277.36

Total Liabilities and Net Assets 7,990,288.76

Revenue and Expense Variance Report
July 2021

	For July Only				Cumulative through July				Adopted Budget	Projected at Year End	Variance	Notes
	Anticipated		Actual		Anticipated		Actual					
	%	\$	Actual	Over/(Under)	%	\$	Actual	Over/(Under)				
REVENUES												
Property/Taxes	0.0%	\$0	\$0	\$0	0.0%	\$0	\$0	\$7,483,812	\$7,483,812	\$0		
Administration	6.2%	\$27,700	\$9,983	(\$17,717)	6.2%	\$27,704	\$9,983	\$446,842	\$161,017	(\$285,825)		
Maintenance	8.8%	\$18,000	\$30,846	\$12,846	8.8%	\$17,966	\$30,846	\$203,400	\$349,222	\$145,822		
Recreation	7.5%	\$115,800	\$82,671	(\$33,129)	7.5%	\$115,810	\$82,671	\$1,537,811	\$1,097,770	(\$440,041)		
Capital Improvements	8.3%	\$261,600	\$0	(\$261,600)	8.3%	\$261,566	\$0	\$3,151,400	\$0	(\$3,151,400)		
Total Revenues		\$161,500	\$123,500	(\$299,600)		\$423,046	\$123,500	\$12,823,265	\$9,091,821	(\$3,731,444)		
EXPENSES												
Administration	7.1%	\$16,900	\$265,480	\$248,580	7.1%	\$16,859	\$265,480	\$238,116	\$3,749,653	\$3,511,537		
Maintenance	5.0%	\$190,700	\$154,896	(\$35,804)	5.0%	\$190,730	\$154,896	\$3,845,628	\$3,123,116	(\$722,512)		
Recreation	6.9%	\$252,300	\$231,138	(\$21,162)	6.9%	\$252,296	\$231,138	\$3,656,695	\$3,350,033	(\$306,662)		
Capital Improvements	8.3%	\$241,500	\$0	(\$241,500)	8.3%	\$241,530	\$0	\$2,910,000	\$0	(\$2,910,000)		
Total Expenses		\$459,900	\$651,514	(\$49,886)		\$701,415	\$651,514	\$10,650,439	\$10,222,802	(\$427,637)		

Change in Fund Balance \$2,172,826 -\$1,130,981 -\$3,303,807

BR Bank Register Report

Greater Vallejo Recreation District (0GVRD)

Bank Code: GEN

Document Number	Date	Payee Name / Description	Amount
65243	07/01/2021	Grainger	\$429.90
65244	07/01/2021	O'Connor Lumber	\$71.11
65245	07/01/2021	Atkinson, Andelson, Loya Ruud & Ror	\$1,827.53
65246	07/01/2021	B & G Tires Of Vallejo	\$114.52
65247	07/01/2021	Bay City Rollers Painting Co.	\$32,134.37
65248	07/01/2021	Complete Welders Supply	\$19.50
65249	07/01/2021	Derrick Leonard	\$89.60
65250	07/01/2021	Mathews & Son's Automotive, Inc.	\$321.62
65251	07/01/2021	Minuteman Press	\$56.59
65252	07/01/2021	Municipal Resource Group, LLC	\$2,392.00
65253	07/01/2021	Platt Electric Supply	\$867.70
65254	07/01/2021	PROforma	\$3,342.58
65255	07/01/2021	Sandy Tawaratsumida	\$90.65
65256	07/01/2021	The Office City	\$68.53
65257	07/02/2021	Jessica Brown	\$21.00
65258	07/02/2021	Abigail Hernandez	\$623.00
65259	07/02/2021	National Academy Of Athletes	\$1,765.40
65260	07/02/2021	PROforma	\$859.95
65261	07/02/2021	R & D Termite And Pest Control	\$285.00
65262	07/02/2021	Orlando Wynn	\$3,200.00
65263	07/02/2021	Franchise Tax Board	\$100.00
65264	07/02/2021	Franchise Tax Board	\$416.68
65265	07/06/2021	Norman Mitchell	\$475.00
65266	07/07/2021	US Bank Corporate Payment System	\$23,894.79
65267	07/07/2021	California Custom Remodeling	\$2,776.64
65268	07/07/2021	City Of Foster City	\$1,020.00
65269	07/07/2021	Cole Supply Co., Inc.	\$44.40
65270	07/07/2021	Commercial Energy Of Montana	\$3,414.20
65271	07/07/2021	Monarch Engineering	\$874.50
65272	07/07/2021	RRM Design Group	\$21,518.33
65273	07/07/2021	Security Enforcement Alliance	\$3,500.00
65274	07/07/2021	Underground Vaults & Storage, Inc.	\$105.00
65275	07/09/2021	Morgan Alarm Co., Inc	\$750.75
65276	07/09/2021	O'Connor Lumber	\$143.39
65277	07/09/2021	State Of California	\$192.00
65278	07/09/2021	Tri-City Fence	\$1,267.00
65279	07/09/2021	Clark Pest Control	\$82.00
65280	07/09/2021	Gregory Sessler	\$500.00
65281	07/09/2021	Techline Sports Lighting	\$95,527.49
65282	07/12/2021	CAPRI	\$41,084.00
65283	07/12/2021	O'Connor Lumber	\$73.66
65284	07/12/2021	P G & E	\$15,791.65
65285	07/12/2021	Tri-City Fence	\$70.00
65286	07/12/2021	ALL STAR RENTS	\$261.19
65287	07/12/2021	Angela Ayers	\$100.00
65288	07/12/2021	Bay Area Ridge Trail	\$500.00
65289	07/12/2021	Joann Carpo	\$93.60
65290	07/12/2021	Marvin Carroll	\$180.00
65291	07/12/2021	May Celzo	\$119.00
65292	07/12/2021	Trina Cheng	\$375.00
65293	07/12/2021	Clark Pest Control	\$387.00
65294	07/12/2021	Commercial Pool Systems, Inc	\$2,830.05
65295	07/12/2021	Katie Cosgrove	\$50.00
65296	07/12/2021	Elaine Eterosa	\$50.00
65297	07/12/2021	GreatAmerica Financial Services	\$1,525.85
65298	07/12/2021	Lakisha Hawkins	\$100.00

BR Bank Register Report

Greater Vallejo Recreation District (0GVRD)

Bank Code: GEN

Document Number	Date	Payee Name / Description	Amount
65299	07/12/2021	J & N Builders	\$2,250.00
65300	07/12/2021	Jack & Jill	\$179.50
65301	07/12/2021	Briana King	\$50.00
65302	07/12/2021	Recorrion Knowles	\$72.00
65303	07/12/2021	Evelyn Maza	\$148.00
65304	07/12/2021	Molly Murphy	\$50.00
65305	07/12/2021	Nancy Piotrowski	\$8.00
65306	07/12/2021	Quench USA, Inc.	\$44.54
65307	07/12/2021	Alfredo Rivera	\$90.00
65308	07/12/2021	Brittany Ruiz	\$89.26
65309	07/12/2021	Whitney Yragui	\$50.00
65310	07/13/2021	VALLEJO GLASS COMPANY	\$390.00
65311	07/13/2021	ALL STAR RENTS	\$1,927.81
65312	07/13/2021	GreenPlay LLC	\$2,337.50
65313	07/13/2021	Veritiv Operating Company	\$473.37
65314	07/14/2021	CARPD	\$2,500.00
65315	07/14/2021	P G & E	\$4,759.86
65316	07/14/2021	Tri-City Fence	\$309.95
65317	07/14/2021	Brett Benner	\$60.00
65318	07/14/2021	AT&T	\$44.02
65319	07/14/2021	Sunyoung Charlton-Davis	\$144.00
65320	07/14/2021	Clean America Janitorial LLC	\$3,600.00
65321	07/14/2021	Comcast	\$339.76
65322	07/14/2021	Commercial Pool Systems, Inc	\$657.14
65323	07/14/2021	Stephanie Jones	\$368.00
65324	07/14/2021	Marie Joshua	\$85.00
65325	07/14/2021	Quinisha McCall	\$110.70
65326	07/14/2021	Veronica Tan	\$50.00
65327	07/14/2021	Ni'Ela Taylor	\$30.00
65328	07/16/2021	Grainger	\$414.71
65329	07/16/2021	O'Connor Lumber	\$102.32
65330	07/16/2021	P G & E	\$33.18
65331	07/16/2021	AT&T	\$46.47
65332	07/16/2021	Pauline D Insigne-Nickens	\$50.00
65333	07/16/2021	Marcos Jaime	\$30.00
65334	07/16/2021	Tiffany Morgan	\$100.00
65335	07/16/2021	PROforma	\$402.67
65336	07/19/2021	Tecogen	\$21,172.20
65337	07/19/2021	Mary Brown	\$24.50
65338	07/19/2021	CITY OF VALLEJO	\$6,675.49
65339	07/19/2021	Casey Halcro	\$19.83
65340	07/19/2021	Mathews & Son's Automotive, Inc.	\$1,580.76
65342	07/21/2021	CAPRI	\$168,346.50
65343	07/21/2021	Morgan Alarm Co., Inc	\$1,944.01
65344	07/21/2021	O'Connor Lumber	\$16.80
65345	07/21/2021	ABC Napa Valley Sewer & Drain	\$420.00
65346	07/21/2021	Teodorica Gamulo	\$148.00
65347	07/21/2021	Casey Halcro	\$25.76
65348	07/21/2021	Pauline D Insigne-Nickens	\$50.00
65349	07/21/2021	Mathews & Son's Automotive, Inc.	\$636.27
65350	07/21/2021	Ternisa McCray	\$194.00
65351	07/21/2021	Dee Morgan	\$475.00
65352	07/21/2021	The Office City	\$169.49
65353	07/21/2021	Franchise Tax Board	\$100.00
65354	07/21/2021	SEIU LOCAL #1021	\$367.50
65355	07/21/2021	Franchise Tax Board	\$416.68

BR Bank Register Report

Greater Vallejo Recreation District (0GVRD)

Bank Code: GEN

Document Number	Date	Payee Name / Description	Amount
65356	07/21/2021	IBEW 1245	\$525.66
65357	07/21/2021	SEIU LOCAL #1021	\$306.46
65358	07/21/2021	IBEW 1245	\$564.24
65359	07/22/2021	Bayshore Materials	\$106.20
65360	07/22/2021	Grainger	\$28.12
65361	07/22/2021	O'Connor Lumber	\$100.14
65362	07/22/2021	Commercial Pool Systems, Inc	\$583.77
65363	07/22/2021	Monique Feybesse	\$46.00
65364	07/22/2021	Jack & Jill	\$108.00
65365	07/22/2021	Cindy Maclas	\$50.00
65366	07/22/2021	Noelia Morales	\$50.00
65367	07/22/2021	Javier Pena	\$150.00
65368	07/22/2021	Wisconsin Lighting Lab	\$1,059.91
65369	07/22/2021	Favaro, Lavezzo, Gill, Caretti & Hepp	\$3,045.00
65370	07/22/2021	MUN CPA's	\$20,300.00
65371	07/26/2021	Bert Williams & Sons Inc	\$97.53
65372	07/26/2021	Express Shirt Printing	\$360.89
65373	07/26/2021	O'Connor Lumber	\$0.00
65374	07/26/2021	O'Connor Lumber	\$631.25
65375	07/26/2021	Alhambra	\$55.89
65376	07/26/2021	Cole Supply Co., Inc.	\$1,421.55
65377	07/26/2021	Green Valley Aloha Saw & Mower	\$509.28
65378	07/26/2021	Tru Green	\$265.00
65379	07/26/2021	Gretha Wilkerson	\$45.00
65380	07/27/2021	United States Treasury	\$1,152.52
65381	07/27/2021	Hall's Safe Lock & Alarm Co.	\$65.00
65382	07/27/2021	Kelly-Moore Paint Co.-NorCal CPC	\$74.49
65383	07/27/2021	O'Connor Lumber	\$0.00
65384	07/27/2021	O'Connor Lumber	\$907.26
65385	07/27/2021	P G & E	\$14,478.29
65386	07/27/2021	Victory Stores	\$112.60
65387	07/27/2021	B & G Tires Of Vallejo	\$998.24
65388	07/27/2021	Sheyenne Batten	\$50.00
65389	07/27/2021	Stacey Bullen	\$50.00
65390	07/27/2021	AT&T	\$137.94
65391	07/27/2021	Angelito Or Loana Claudio	\$1,099.00
65392	07/27/2021	Cole Supply Co., Inc.	\$451.82
65393	07/27/2021	Comcast	\$505.70
65394	07/27/2021	Stacey Dalton	\$48.00
65395	07/27/2021	Nousta Dieudonne	\$150.00
65396	07/27/2021	Rita Fryar	\$140.00
65397	07/27/2021	Green Valley Aloha Saw & Mower	\$855.68
65398	07/27/2021	Liza Marie Guinto	\$50.00
65399	07/27/2021	Hector Hernandez	\$180.00
65400	07/27/2021	Anna Hong	\$50.00
65401	07/27/2021	Yuritzi Jacobo	\$88.50
65402	07/27/2021	Kay Cady-Johnson	\$4,896.50
65403	07/27/2021	Jonibel Johnson	\$50.00
65404	07/27/2021	M & M Sanitary LLC	\$379.31
65405	07/27/2021	Minerva Maldonado	\$50.00
65406	07/27/2021	Metropolitan Life Insurance Company	\$5,739.25
65407	07/27/2021	Jeunesse Monroe Speed	\$134.67
65408	07/27/2021	Sabrina Parks	\$300.00
65409	07/27/2021	Dawnita Perryman	\$200.00
65410	07/27/2021	Ring Central Inc.	\$847.53
65411	07/27/2021	Vanessa Rodriguez	\$350.00

BR Bank Register Report

Greater Vallejo Recreation District (0GVRD)

Bank Code: GEN

Document Number	Date	Payee Name / Description	Amount
65412	07/27/2021	Kelvin Smith	\$169.50
65413	07/27/2021	Lynn Winter	\$25.00
65414	07/28/2021	Gary Bowers	\$505.96
65415	07/28/2021	Eileen Brown	\$289.00
65416	07/28/2021	Deberah Carey	\$181.48
65417	07/28/2021	Kerry Carmody	\$181.48
65418	07/28/2021	Richard Conzelman	\$744.96
65419	07/28/2021	Jose Famalette	\$181.48
65420	07/28/2021	Patricia Gloyd	\$181.48
65421	07/28/2021	Cynthia Hewitt	\$214.63
65422	07/28/2021	Jerome Lohr	\$269.24
65423	07/28/2021	Prisco Manglona	\$181.48
65424	07/28/2021	Roger Maryatt	\$181.48
65425	07/28/2021	Jeremias Morgado	\$181.48
65426	07/28/2021	Sidney Nickolas	\$181.48
65427	07/28/2021	Randy Nicks	\$289.00
65428	07/28/2021	Nancy Ortiz	\$181.48
65429	07/28/2021	Steve Pressley	\$181.48
65430	07/28/2021	Francis Radziewicz	\$181.48
65431	07/28/2021	Joan Russell	\$181.48
65432	07/28/2021	Anita Sailas	\$204.60
65433	07/28/2021	Barbara Schmidt	\$289.00
65434	07/28/2021	Audrey Tucker	\$181.48
65435	07/28/2021	Adeline Varni	\$181.48
65436	07/30/2021	SEIU LOCAL #1021	\$372.60
65437	07/30/2021	Franchise Tax Board	\$166.37
65438	07/30/2021	IBEW 1245	\$525.66
65439	07/30/2021	Bayshore Materials	\$63.89
65440	07/30/2021	O'Connor Lumber	\$99.59
65441	07/30/2021	Adams Pool Specialties	\$1,500.00
65442	07/30/2021	Ryan Allen	\$250.00
65443	07/30/2021	Melvin Dumlao	\$160.00
65444	07/30/2021	Fun Express, LLC	\$558.14
65445	07/30/2021	Glen Cove Communtiy Association	\$40.00
65446	07/30/2021	Jack & Jill	\$251.50
65447	07/30/2021	JNW Reptile Rescue	\$150.00
65448	07/30/2021	K Butler Electric	\$14,012.50
65449	07/30/2021	Elizabeth Martinez	\$750.00
65450	07/30/2021	Jennifer Mejia-Ledesma	\$270.00
65451	07/30/2021	Daniel Mercury	\$144.00
65452	07/30/2021	Pearl Myers	\$20.00
65453	07/30/2021	Lauren Shook	\$36.08
65454	07/30/2021	Micherae Stephens	\$196.00
65455	07/30/2021	Veritiv Operating Company	\$276.94
65456	07/30/2021	Verizon Wireless	\$1,206.01
Bank Totals			\$585,547.35

Report Selection Criteria

Bank Account:	Start	End
Date Range:	GEN	GEN
	Custom	



Agenda 8

BOARD COMMUNICATION

Date: August 12, 2021

TO: Board Chairperson and Directors

FROM: Gabe Lanusse and/or Casey Halco

SUBJECT: Approve First Read of Policy XXXX Donation of Vacation/Sick leave

BACKGROUND AND DISCUSSION

PURPOSE: To establish a procedure through which eligible employees may voluntarily donate a portion of their accrued vacation/sick leave balance to be transferred to assist another employee who has exhausted sick leave, and vacation, due to their extended illness or disability. This practice is included in other agencies and was requested by staff to review. The GM is familiar with this policy, as the three other agencies he worked for had this in place. It then went to the Policy committee for review. No additions were made at the time. It has now moved to the Board for the first read.

RECOMMENDATION

Approve first read of Policy XXXX Donation of Vacation/Sick leave

FISCAL IMPACT

Donation of Vacation or sick leave will have minimum impact as those hours are already a liability on our finances. Donation of direct hours from one employee to another will cost the district for staff time to process, which will be minimal.

ALTERNATIVES CONSIDERED

GVRD already has a catastrophic leave bank that individual employees can contribute to. However, as other agencies have direct donations, this can have employees assist each other directly before an employee has to go to the catastrophic bank. So an alternative would be to rely on the catastrophic leave bank only.

- Approve the first read of the proposed policy
- Approve the first read with recommendations
- Reject the first read
- Reject the first read with recommendations
- Do nothing

ENVIRONMENTAL REVIEW

N/A

PROPOSED ACTION

Approve the first read of Policy XXXX with suggestions from the board

DOCUMENTS AVAILABLE FOR REVIEW

- a. Copy of the Policy XXXX

Greater Vallejo Recreation District

Rules and Regulations

POLICY NUMBER/TITLE: XXXX Vacation/Sick Leave Transfer
Rule and Regulation: XXXX

Vacation/Sick Leave Donation Policies:

PURPOSE: To establish a procedure through which eligible employees may voluntarily donate a portion of their accrued vacation/sick leave balance to be transferred to assist another employee who has exhausted sick leave, and vacation, due to their extended illness or disability.

POLICY: All full-time employees who have completed the probation period will be considered eligible to participate in this program.

PROCEDURES:

1. Donations of accrued vacation/sick leave must be in whole hours, with a minimum of one hour per donation, a separate form must be completed for each pay period in which a donation is desired.
2. The donating employee shall specify the employee to receive the value of the donation.
3. Prior to proceeding the first donation(s) to an employee, the GVRD will verify the eligibility of the named recipient (i.e. employee status and exhaustion of paid sick leave) and request the individual's written consent to receive donations. No donations will be processed until this written authorization is received. The authorization will remain valid until the individual revokes it or he/she becomes ineligible to participate in the program.
4. The donated vacation/sick leave will be transferred to the recipient, and processed by the finance department.
5. The IRS has ruled that the donating employee realizes no income and incurs no tax deductible expense or loss, either upon donation or payment to the recipient.
6. The City will not inform the recipient of the names of those donating hours or the number of hours donated.
7. The donations processed for a recipient each pay period shall be limited to the amount equal to that individual's regular gross earnings per pay period (i.e. his/her current hourly base rate multiplied by his/her schedule hours of work per pay period). In the event donations exceed this limit, they will be processed in order of the date on the donation authorization form, with the earliest date processed first. Excess donations will be held until the following pay period(s) and processed at that time.
8. Once a donation has been processed, neither the donor nor the recipient may revoke the transaction, even if it has not yet been transferred.
9. **ADMINISTRATIVE RESPONSIBILITY:** The Finance Department shall be responsible for implementing and maintaining this program.

Greater Vallejo Recreation District _____ VACATION/SICK LEAVE DONATION PROGRAM Vacation/Sick Leave Waiver & Donation Authorization Form Having read and understood the GVRD Vacation/Sick Leave Donation Program on the back of this form, and subject to the terms and conditions set forth therein, I hereby voluntarily waive my entitlement to and donate...

_____ hour(s) of my accrued vacation,
_____ hour(s) of my accrued sick leave

to the employee I have identified below: EMPLOYEE TO RECEIVE DONATION: Print name:

_____ Department: _____ (Last)

(First) I understand that, upon submission of this form, I cannot control the timing of the deduction of the donated hour(s) from my vacation/sick leave balance and that, while I will not be specifically notified when the donation is processed, I may determine this by monitoring the vacation/sick leave balance reported to the GVRD Board of Directors and department heads monthly.

Donor's Name (print): _____ (Last) (First) Donor's

Social Security Number: _____ Donor's Department Name:

_____ Donor's Work Phone Number:

_____ Donor's Signature:

_____ Date: _____ Return

form to: _____

DRAFT



Maintenance Department Board Report

8/12/21

Parks and Facilities

- North Vallejo Park- Contractor completed the Park lighting restoration and conversion to LED.
- Dan Foley Cultural Center- Ceiling texture is complete, and the contractor is making progress on the interior painting; We are working with the designer and flooring contractor for the flooring choices.
- Children's Wonderland- Very pleased to finally have the ribbon cutting of the playground structures installed before the pandemic.
- Amador Restrooms- Contractor installed new metal doors, and will be painting the restrooms.
- Vallejo Watershed Alliance will be having their annual planning meeting on August 21st at Dan Foley Park.
- 395/401- We will be putting out and RFP for the renovations of these buildings.
- Highlands Park- Contractor will begin soon to do the renovations on the bocce ball courts, and a landscape contractor will be doing repairs on the DG pathway.
- Amador Garage Building- Contractor replaced and added an automatic garage door.
- Parks Supervisor began the first week of this month; we are starting to review the applications for the three vacant positions in the maintenance department.



Finance Department Board Report

08/12/2021

FY 2021-2022 Budget Books

- Now that the Budget for FY 2021-2022 has been revised to reflect changes due to negotiations with IBEW, SEIU, and unrepresented staff, I will begin working on creating the budget books. Once they are completed, I will distribute them to staff and the Board.

Internal Controls

- After reviewing internal control recommendations from our auditing team at MUN CPAs, and the consultants at MRG (Municipal Resource Group), I met with the Finance Department team to discuss changes. We are working to improve internal controls and develop segregation of duties. With only 3 on our team, it's difficult, but we are managing to find ways to implement many of the recommendations.

Arc Time Tracking

- We are continuing to work closely with HR and Cougar Mountain Software to learn all we can about the system and to update them with issues we have encountered along the way. The Cougar Mountain team has been very helpful and has been able to implement many of our suggested changes. At this time, only fulltime staff are using the time tracking program.

Cross Training

- In order to ensure we have coverage in the event of a team member's absence, and to comply with the recommendations for segregation of duties, we are working to ensure all 3 of us are familiar with the various day to day operations of the department.

Peak Recreation Software

- Finance Department staff attended training sessions this week for the Peak recreation software. In addition, we have been working to get credit card payment processes completed.



Recreation Department Board Report

08/12/2021

Youth Services, Events, & CW:

- Kids Club and Expanded Learning programs begin in-person August 16th
- Recruitment has begun for Recreation and Senior Recreation Leaders to operate GVRD's before and after school programs for the 21-22 school year.
- Movie Under the Stars will be held at CW on August 21st. The park will proceed with normal park operations, close, and reopen its gates at 7:30pm for a showing of Minions. This event is free to guests and concessions will be available to purchase for a nominal fee.
- Free Days at CW begin Thursday, August 12th. Free days at the park will be every 2nd Thursday of the month beginning in August.
- The inaugural Parks N' Rex free event was a huge hit! About 200 families attended took photos with Parker the T-Rex. There was a dinosaur egg hunt, Reptile Rescue, and countless dance parties! A huge shout out to our sponsor Caliber School. Souvenirs and concessions were available for a nominal fee.



Sports:

- Dynamic Tennis by Phil Graham Session at Glen Cove is at a steady enrollment of 7 participants.
- Phil Graham will offer a new course in fall called High Performance Junior Training and will add 2 additional days to his sessions.
- Junior Giants Play Ball Event on August 14 is being heavily promoted and currently has 35 participants registered.
- With the great success of Coach O's football camp. GVRD Sports will bring back Coach O, Head Coach of John Swett High School football team to run a flag football league for youth participants ages (5-14) in fall season.
- Adult Co-ed Softball ages 16+ will make its return to Fall Season

Aquatics:

- All Aquatic Camps are full at 15 participants each
- All Swim Lesson time slots continue to be completely full.
- Lap Swim remains a very popular program with happy customers.
- Recreation Swim is seeing more participants from the public each day.
- VJO is still using their nine lanes for afternoon practices, Monday-Friday.
 - They are also utilizing the pool for long course practices on Monday, Wednesday, and Friday 7am-9am
 - VJO will be hosting the R.E.A.L's Championship Swim Meet on August 6th, 7th, and 8th.
- St. Patrick's/St. Vincent's Water Polo Team has started conditioning practices, Monday-Thursday, 9:30am-11:30am.

- We are working diligently to plan and organize the After School at the Pool Camp to start on August 16th.
- The Lifeguard Training class was conducted during the week of July 19th-23rd and had 4 participants in the class.
- The Aquatics team will be offering eight additional weeks of Swim Lessons during the Fall, beginning on August 23rd, only in the afternoons.

Community Centers:

- FCC is currently closed due to repairs and upgrades on the roof and interior of the center. Repairs continue through August.
- Community Centers will reopen for meetings and small church groups beginning in September.
- Fall 2021 Activity Guide will be electronic and available on our website. There will be a limited number of physical copies printed and available at our main office.



General Manager Board Report

8/9/2021

- We conducted the first round of interviews for the Recreation Superintendent. The second round occurred on the 11th. The final round will be on August 25th or 26th.
- I have been asked to sit on some panels for the CSDA manager workshops at the end of August.
- I have contacted the School District regarding the Franklin site and proposed lease. The information they have provided regarding conditions is very useful.
- I met with the neighborhood organization that represents City Park and will work with them to conduct outreach for improvements to that Park. A large issue is the area of the Horseshoe Courts, and what to do for that area.
- Ongoing staff issues have taken up my time.
- I attended a workshop on Highway 37, and related improvements that are requested regarding land and recreation opportunities.
- Admin and Recreation staff have started Trust training. Other departments will begin in the following months. This is for morale improvement, as well as communication.
- I met with the Interim City Manager to discuss items that GVRD and the City need to work together on. This is a regularly scheduled meeting I had with the previous City Manager.
- The City would like to resume talks about the Mare Island Preserve. I have included the County Parks agency in this discussion.
- Thanks to the Board and staff for attending/preparing the Children's Wonderland Park for the Ribbon Cutting on Friday August 6th.