

**CONEJO RECREATION AND PARK DISTRICT  
THOUSAND OAKS, CALIFORNIA  
BASIC FINANCIAL STATEMENTS  
June 30, 2017**



**Conejo Recreation and Park District**  
**Basic Financial Statements**  
**For the fiscal year ended June 30, 2017**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors of  
the Conejo Recreation and Park District  
Thousand Oaks, California

**Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Conejo Recreation and Park District (the "District"), as of and for the fiscal year ended June 30, 2017, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

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

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Conejo Open Space Conservation Agency ("COSCA"), which represents 22.7 percent, 25.3 percent, and 0.1 percent, respectively, of the assets, net position, and net revenues of the District. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Investment in Joint Venture for COSCA, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## Opinions

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2017, and the respective changes in financial position for the fiscal 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, Schedule of Changes in the Net Pension Liability and Related Ratios – Last 10 Years, Schedule of Pension Contributions – Last 10 Years, and Schedule of Funding Progress on pages 4 through 11, pages 54 through 57, page 58, page 59, and page 60 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Combining Financial Statements are presented for the purposes of additional analysis and are not a required part of the basic financial statements.

The combining financial statements are the responsibility of management and were derived from and relate 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, based on the audit procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### *Other Reporting Required by Government Auditing Standards*

In accordance with Government Auditing Standards, we have also issued our report dated February 16, 2018, on our consideration of the 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 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
February 16, 2018

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# MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Conejo Recreation and Park 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, 2017.

## FINANCIAL HIGHLIGHTS

On June 30, 2017, District assets exceeded liabilities by \$150.5 million (net position). Of this amount, \$18.1 million may be used to meet the District's ongoing obligations to citizens and creditors.

The District's government-wide net position increased \$2.7 million during the fiscal year, which primarily reflects revenues in excess of expenditures.

- At the close of fiscal year 2016-17, District governmental funds reports a combined ending fund balance of \$40.7 million, an increase of \$1.2 million in comparison with the prior year. The prior period adjustment of \$0.3 million recognizes payroll expense that should have been recognized in fiscal year 15-16. Approximately \$29.8 million of fund balance, or 73.2 percent, is in the General Fund. Of this amount, \$6.8 million is unassigned general fund balance.
- At the close of fiscal year 2016-17, the General Fund budget to actual report shows a \$1.4 million increase in appropriation from original to final budget. Fund balance increased by \$0.6 million rather than the budgeted \$1.7 million decrease. Actual revenues were more than budgeted by \$0.9 million and actual expenditures and transfers were less than budgeted by \$1.5 million.
- As of June 30, 2017, the District's other governmental funds, excluding the general fund, reported combined ending fund balances of \$10.9 million.

## OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements.

### Government-wide financial statements

The government-wide financial statements are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the District's assets and liabilities, 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 improving or deteriorating. The statement of activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid (e.g., earned but unused vacation leave or uncollected taxes).

### Fund financial statements

Fund financial statements are designed to report information about groupings of related accounts 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. District funds can be divided into two categories: governmental funds and fiduciary funds.

**Governmental funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds financial statements focus on near-term inflows and outflows of spendable resources, as well as on balance of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Both the governmental funds balance sheet and the governmental funds statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General Fund, Special Assessment District Special Revenue Fund, Dos Vientos Assessment District Special Revenue Fund, Rancho Conejo Assessment District Special Revenue Fund, and Capital Projects Fund, which are considered to be major funds.

The District adopts a biennial appropriated budget. Budgetary comparison statements have been provided to demonstrate compliance with the General Fund, Special Assessment District Special Revenue Fund, Dos Vientos Assessment District Special Revenue Funds, and Rancho Conejo Assessment District Special Revenue Fund, pages 54 to 57 of this report.

The governmental funds financial statements can be found on pages 21 - 24 of this report.

**Fiduciary funds** are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement, because the resources of those funds are not available to support the District's own programs.

The basic fiduciary fund financial statements can be found on page 26 of this report.

#### Notes to the basic financial statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 28 - 51 of this report.

#### Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information, which can be found on pages 53 - 60.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. District assets exceed liabilities by \$150.5 million at June 30, 2017, as summarized below:

### Statement of Net Position June 30,

	2017	2016
Assets:		
Cash and investments	\$41,110,487	\$40,060,754
Receivables	709,974	800,004
Other assets	31,635	20,326
Investment in Joint Venture	38,087,886	37,838,170
Capital assets (net of depreciation)	87,531,379	85,597,031
Total assets	<u>167,471,361</u>	<u>164,316,285</u>
Deferred Outflows of Resources:		
Pension Related	5,057,546	2,825,179
Total assets and deferred outflows of resources	<u>172,528,907</u>	<u>167,141,464</u>
Liabilities:		
Accounts payable	881,954	818,208
Other current liabilities	1,399,252	1,277,086
Noncurrent liabilities	17,190,466	13,808,597
Total liabilities	19,471,672	15,903,891
Deferred Inflows of Resources		
Pension Related	2,577,073	3,258,943
Total liabilities and deferred inflows of resources	<u>22,048,745</u>	<u>19,162,834</u>
Net position:		
Net Investment in capital assets	87,531,379	85,597,031
Restricted - Joint Venture	38,087,886	37,838,170
Restricted - Assessment Districts	6,784,672	6,479,689
Unrestricted	18,076,225	18,063,740
	<u>\$ 150,480,162</u>	<u>\$ 147,978,630</u>

The largest portion (58.1 percent) of the District's net position reflects its investment of \$87.5 million in capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The District has no debt related to asset acquisition. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

\$38.1 million (25.3 percent) in restricted net position reflects the District's investment in its joint venture with the City of Thousand Oaks - Conejo Open Space Conservation Authority (COSCA). The District's share of COSCA's capital assets totals \$38.1 million. These assets are not available for future spending. Another portion of the District's net position, \$6.8 million (4.5 percent) represents resources available in the District's

three assessment districts. The remaining balance \$18.1 million (12.0 percent) may be used to meet the District's ongoing obligation to citizens, employees and creditors and to meet District imposed designations for postemployment benefits other than pensions, and operating reserves.

The increase in noncurrent liabilities consists of an increase in the District's pension liability of \$2.9 million as a result of GASB statements 68 and 71 and the fiscal year 2016-17 Other Post Employment Benefit (OPEB) liability of \$0.4 million. The District has \$9.3 million of committed general fund balance for OPEB costs.

### Statement of Activities

As shown in the table below, the District's change in net position due to FY 16-17 activity is an increase of \$2.8 million. Charges for Services includes recreation fees, rent, and accounting services provided to the MRCA JPA. Operating Grants and Contributions include the operations share of assessment district revenues and COSCA. Capital Grants and Contributions include the capital share of the assessment district revenues, developer fees and grants. FY 15-16 included one-time \$1.9 million land donation. Property Tax increases reflect the increasing real estate valuations. Investment Income increased due to the District's share of the COSCA valuation. Other revenue includes licenses/permits and miscellaneous. The increase in expenses is due primarily to capital activity, addressed elsewhere in this report. The prior period adjustment reflects payroll expenses attributable to FY 15-16.

	Statement of Activities June 30,	
	2017	2016
Revenues:		
Program Revenues:		
Charges for Services	\$ 5,332,029	\$ 5,308,929
Operating Grants & Contributions	1,733,833	1,648,888
Capital Grants & Contributions	2,923,491	4,936,381
General Revenues:		
Property Taxes	15,955,220	15,378,974
Investment Income	491,819	308,755
Other	562,916	561,876
Total Revenues	\$ 26,999,308	\$ 28,143,803
Expenses:		
Parks & Recreation	\$ 24,230,439	\$ 22,517,856
Change in Net Position	2,768,869	5,625,947
Net Position - Beginning	147,978,630	142,352,683
Prior Period Adjustment	(267,337)	
Net Position - Beginning, restated	147,711,293	142,352,683
Net Position - Ending	\$ 150,480,162	\$ 147,978,630

## FINANCIAL ANALYSIS OF DISTRICT FUNDS

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

### Governmental funds

The focus of the District's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the close of fiscal year 2016-17, District governmental funds reported a combined ending fund balance of \$40.7 million, an increase of \$1.2 million offset by a \$0.3 million prior period adjustment. Approximately \$29.8 million or 73.2 percent is in the General Fund. Of this amount, \$22.9 million is being held for specific purposes.

The following are the District's major funds:

#### **General Fund**

The General Fund is the District's primary operating fund. It showed an increase of \$0.6 million in fund balance for the year ended June 30, 2017, consisting of \$3.6 million of revenues exceeding expenses, offset by transfers to other funds of \$3.0 million. There is also a payroll related prior period adjustment of \$0.3 million. At June 30, 2017, the unrestricted fund balance (which includes the *committed*, *assigned* and *unassigned* components of fund balance) was \$29.7 million that is available for ongoing operations, or 163.5 percent of total general fund expenditures, excluding transfers. When adjusted for the *committed* and *assigned* components of fund balance, the figure available for ongoing operations is reduced to \$6.8 million or 37.4 percent.

#### **Special Assessment District Special Revenue Fund**

The Special Assessment District Fund accounts for a district-wide assessment for park maintenance and capital projects. The fund balance increased \$0.1 million, to \$5.8 million at June 30, 2017, as a result of general operations. Capital project activity in this fund during the year included upgrades at Old Meadows, Thousand Oaks and Northwood Neighborhood Parks, and design work for Sapwi Park.

#### **Dos Vientos Assessment District Special Revenue Fund**

The Dos Vientos Assessment District Fund accounts for an assessment for park maintenance and capital projects in the Dos Vientos area of the District. Fund balance increased by \$0.4 million, a result of transfers in for capital projects, for a total \$1.0 million at June 30, 2017.

#### **Rancho Conejo Assessment District Special Revenue Fund**

The Rancho Conejo Assessment District Fund accounts for an assessment for park maintenance and capital projects in the Rancho Conejo area of the District. Fund balance decreased by \$0.14 million, due to construction of Pickleball Courts, leaving a balance of \$0.02 million at June 30, 2017.

#### **Capital Projects Fund**

The Capital Projects Fund provides resources for construction of capital projects. Major projects include districtwide turf reductions, conversion to reclaimed irrigation at Triunfo Community Park and renovations at Walnut Grove Park. Fund balance increased \$0.29 million, for a total of \$4.1 million at June 30, 2017.

## **BUDGETARY HIGHLIGHTS**

### **General Fund**

The General Fund budget to actual report can be found on page 54 of this report. Increases between the original and final budget were \$1.4 million due to Board approved budget adjustments.

Total actual revenues exceeded budget by \$0.9 million. Property tax revenues, recreation fees and interest exceeded budget by \$0.5, \$0.3 million and \$0.1 million, respectively. Actual operating expenditures were less than budgeted by \$1.5 million across all divisions. Actual revenues exceeded actual expenditures by \$2.4 million. Anticipated net transfers out of the general fund of \$2.9 million led to an increase in fund balance of \$0.6 million.

### **Special Assessment District Special Revenue Fund**

The budget to actual report for this fund can be found on page 55 of this report. Changes between the original and final budget include an increase in capital outlay, funded by transfers in, for capital projects.

The positive variance in the Capital Outlay expenditure account and negative variance in the Other Revenue account reflect grant revenues and appropriations that will be carried into FY 17-18 to complete capital projects in progress primarily Sapwi Park.

### **Dos Vientos Assessment District Special Revenue Fund**

The budget to actual report for this fund can be found on page 56 of this report. There was no material change from the original to final budgets. The positive variance in the Capital Outlay expenditure account reflects appropriation that will be carried into FY 17-18 to complete projects in progress at the end of FY 16-17.

### **Rancho Conejo Assessment District Special Revenue Fund**

The budget to actual report for this fund can be found on page 57 of this report. The change from the original to final budgets, reflects a carryover of appropriation for completion of the pickleball courts.

## CAPITAL ASSET AND DEBT ADMINISTRATION

### Capital Assets

District investment in capital assets for its governmental activities as of June 30, 2017, totaled \$87.5 million (net of accumulated depreciation). Capital assets include land, buildings, improvements, equipment, and construction in progress. The total increase in capital assets for fiscal year 2016-17 was \$1.9 million, consisting of increases in land and building improvements, and construction in progress, offset by depreciation in buildings, improvements and equipment. Additional information on the District's capital assets can be found on page 41 of this report.

Capital assets are summarized below:

#### *Capital Assets (net of accumulated depreciation)*

June 30,

	2017	2016
Land	\$ 51,079,051	\$ 51,079,051
Buildings	6,291,515	6,547,590
Improvements	23,967,243	22,668,252
Equipment	1,296,592	1,314,623
Construction in Progress	4,896,978	3,987,516
	<u>\$ 87,531,379</u>	<u>\$ 85,597,031</u>

Major capital asset events during the fiscal year included upgrades at Old Meadows, Walnut Grove, Dos Vientos, Northwood Neighborhood and Rancho Conejo Parks, districtwide turf reduction and conversion to reclaimed irrigation at Triunfo Park in response to the drought, and design work on Sapwi Trails Community Park.

### Long-term debt

The District has no outstanding debt at June 30, 2017.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The focus of this annual report is the economic condition of the District as of June 30, 2017, however, national, state and local issues have economic impacts on the District and are worthy of consideration in this report.

With an improved local economy, it is expected that the District's primary revenue source, property taxes, will increase modestly from fiscal year 2016-17 to fiscal year 2017-18, reflecting additional recovery in the local real estate market. Managing district resources in an environment of projected modest property tax revenue increases coupled with rising costs (noted below) is a primary challenge facing the District.

In response to the drought and increasing water prices, the District implemented a turf reduction program districtwide, partially funded by grants from local water agencies. Turf is being replaced with mulch and installation of waterwise landscaping is occurring as resources become available. Resources otherwise programmed for water costs are being channeled into the waterwise landscape program. The District also connected parks in the east end of the Conejo Valley to reclaimed water irrigation systems.

An ongoing challenge facing state and local government is pension funding. The value of the California public employees' retirement systems (CalPERS) investment portfolio declined 23.6 percent during the year ended June 30, 2009. Since the market plunge in 2009, the portfolio value increased 11.1 percent in 2010; 20.7 percent in 2011; 1.0 percent in 2012; 12.5 percent in 2013; 18.4 percent in 2014, 2.4 percent in 2015, 0.6 percent in 2016 and 11.2 percent for the FY ending June 2017. Note that any year where earnings were less than the actuarial assumption of 7.5 percent one can expect increases in future employer contribution rates.

Since 2005, as part of the employee compensation and benefit package, the District had been paying the employees' portion of the pension cost, 7 percent of salary. In addition to that 7 percent, the District is responsible for the annually adjusted employer contribution rate. The employer contribution rate has increased from 6.609 percent for fiscal year 2009-10, to a projected 16.006 percent for fiscal year 2018-19.

Due to these increasing pension costs and the Public Employee Pension Reform Act (PEPRA), the District and employees reached an agreement whereby the employees paid the full 7 percent of the employee contribution by July, 2014. Thus, even though the total cost of employee pensions is escalating, by transferring 7 percent to the employees, the District's expense for pensions remained generally stable through FY 16/17.

However, CalPERS is reducing the discount rate from 7.5 percent to 7.0 percent, in three steps, which will drive increasing employer rates beginning in fiscal year 2018-19.

Additional changes to the pension plan include the December, 2009, implementation of a second tier retirement program - new enrollees were eligible for the 2% at 60 formula rather than the 2% at 55 formula, which saves the District money over time. Pension reform legislation adopted at the State level set a new formula, 2% at 62, for employees new to the retirement system after 12/31/12. This formula, coupled with the legislation's other changes to pension systems, are expected to reduce the Normal Cost contribution rates down over the coming decades.

Recent legislation increasing the California minimum wage from \$10.00 per hour at June 30, 2016 to \$15.00 per hour on January 1, 2022 is an additional challenge the District will need to address.

Locally, the District encompasses a community that has, for all intensive purposes, reached build out, thus fees from residential developers (Quimby Fees) cannot be counted on for future park development. Consequently, resources for future capital maintenance, replacement and new park and facility development must be either made available from resources currently available for operating expenses, or additional revenue sources must be identified.

The State Legislative Analyst's Office projected a State budget surplus for fiscal years 2017-18 and 2018-19. This may be offset by the federal administration's policies; however, that remains to be seen. The State's historical use of local resources to balance its budget remains of concern to local governments.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of District finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information can be addressed to the Management Services Administrator, Conejo Recreation and Park District, 403 W. Hillcrest Dr., Thousand Oaks, California, 91360, 805-495-6471, or via email at [parks@crpd.org](mailto:parks@crpd.org)

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# **BASIC FINANCIAL STATEMENTS**

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# GOVERNMENT-WIDE FINANCIAL STATEMENTS

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**Conejo Recreation and Park District**  
**Statement of Net Position**  
**June 30, 2017**

	<u>Governmental Activities</u>
<b>ASSETS</b>	
Current assets:	
Cash and investments (Note 2)	\$ 41,110,487
Receivables (Note 3):	
Accounts	216,459
Interest	120,072
Taxes	165,020
Loans	208,423
Prepays	31,635
Total current assets	<u>41,852,096</u>
Noncurrent assets:	
Investment in joint venture (Note 11)	38,087,886
Capital assets (Note 5):	
Nondepreciable	55,976,029
Depreciable, net	31,555,350
Total capital assets, net	<u>87,531,379</u>
Total noncurrent assets	<u>125,619,265</u>
Total assets	<u>167,471,361</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
Pension related (Note 7)	<u>5,057,546</u>
Total assets and deferred outflows of resources	<u>172,528,907</u>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	881,954
Payroll and related liabilities	238,924
Refundable deposits	24,108
Claims payable - due in less than one year (Note 9)	425,000
Compensated absences - due in less than one year	711,220
Total current liabilities	<u>2,281,206</u>
Noncurrent liabilities:	
Claims payable - due in more than one year (Note 9)	245,831
Compensated absences - due in more than one year	648,082
Net other post employment benefits obligation (Note 8)	4,702,467
Net pension liability (Note 7)	11,594,086
Total noncurrent liabilities	<u>17,190,466</u>
Total liabilities	<u>19,471,672</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Pension related (Note 7)	<u>2,577,073</u>
Total liabilities and deferred inflows of resources	<u>22,048,745</u>
<b>NET POSITION</b>	
Net investment in capital assets	87,531,379
Restricted for assessment districts	6,784,672
Restricted for parks and recreation open space - COSCA	38,087,886
Unrestricted	18,076,225
Total net position	<u>\$ 150,480,162</u>

**Conejo Recreation and Park District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
<b>Governmental activities:</b>					
Parks and recreation	\$ 24,230,439	\$ 5,332,029	\$ 1,733,833	\$ 2,923,491	\$ (14,241,086)
<b>Total governmental activities</b>	<u>\$ 24,230,439</u>	<u>\$ 5,332,029</u>	<u>\$ 1,733,833</u>	<u>\$ 2,923,491</u>	<u>(14,241,086)</u>
<b>General Revenues:</b>					
Taxes:					
Secured and unsecured property taxes					15,955,220
Investment income					491,819
Licenses and permits					441,008
Other					<u>121,908</u>
<b>Total general revenues</b>					<u>17,009,955</u>
<b>Change in net position</b>					<b>2,768,869</b>
<b>Net position:</b>					
Net Position - Beginning of fiscal year					<u>147,978,630</u>
Prior Period Adjustments (Note 13)					<u>(267,337)</u>
Net Position - Beginning of fiscal year, restated					<u>147,711,293</u>
Net Position - End of fiscal year					<u>\$ 150,480,162</u>

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# **FUND FINANCIAL STATEMENTS**

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**Conejo Recreation and Park District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2017**

	Major Funds					
	Special Revenue Funds				Capital Projects Fund	Total Governmental Funds
	General Fund	Districtwide Assessment District Fund	Dos Vientos Assessment District Fund	Rancho Conejo Assessment District Fund		
<b>ASSETS</b>						
Cash and investments (Note 2)	\$ 30,163,255	\$ 5,893,974	\$ 1,068,812	\$ 21,541	\$ 3,962,905	\$ 41,110,487
Receivables:						
Accounts	216,459					216,459
Interest	87,166	18,112	3,284	320	11,190	120,072
Taxes	91,263	52,208	19,737	1,812		165,020
Loans	4,423	30,000			174,000	208,423
Prepaid items	31,635					31,635
<b>Total assets</b>	<u>\$ 30,594,201</u>	<u>\$ 5,994,294</u>	<u>\$ 1,091,833</u>	<u>\$ 23,673</u>	<u>\$ 4,148,095</u>	<u>\$ 41,852,096</u>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>Liabilities:</b>						
Accounts payable	\$ 552,093	\$ 210,328	\$ 105,664	\$ 2,205	\$ 11,664	\$ 881,954
Accrued expenditures	231,993	793	4,585	1,553		238,924
Refundable deposits	24,108					24,108
<b>Total liabilities</b>	<u>808,194</u>	<u>211,121</u>	<u>110,249</u>	<u>3,758</u>	<u>11,664</u>	<u>1,144,986</u>
<b>Fund Balances:</b>						
Nonspendable:						
Prepaid items	31,635					31,635
Long-term receivables	4,423					4,423
Restricted for:						
Assessment Districts		5,783,173	981,584	19,915		6,784,672
Committed for:						
Other post employment benefits	9,314,119					9,314,119
Claims	2,549,885					2,549,885
Operating reserve	5,500,000					5,500,000
Equipment replacement	4,188,165					4,188,165
Assigned for:						
Retirement	1,266,912					1,266,912
Capital projects					4,136,431	4,136,431
Other purposes	104,099					104,099
Unassigned	6,826,769					6,826,769
<b>Total fund balances</b>	<u>29,786,007</u>	<u>5,783,173</u>	<u>981,584</u>	<u>19,915</u>	<u>4,136,431</u>	<u>40,707,110</u>
<b>Total liabilities and fund balances</b>	<u>\$ 30,594,201</u>	<u>\$ 5,994,294</u>	<u>\$ 1,091,833</u>	<u>\$ 23,673</u>	<u>\$ 4,148,095</u>	<u>\$ 41,852,096</u>

**Conejo Recreation and Park District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2017**

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**Total Fund Balances - Total Governmental Funds** **\$ 40,707,110**

Amounts reported for governmental activities in the Government-Wide Statement of Net Position were different because:

In governmental funds, only current assets were reported. In the Statement of Net Position, all assets are reported, including capital assets and accumulated depreciation.

Nondepreciable capital assets	\$	55,976,029	
Depreciable capital assets, net		31,555,350	87,531,379

Investment in joint venture has not been included as a financial resource in the governmental funds.			38,087,886
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Long-term liabilities are not due and payable in the current period. Therefore, they are not reported in the governmental funds' Balance Sheet.

Claims payable	\$	(670,831)	
Compensated absences		(1,359,302)	
Net other post-employment benefits obligation		(4,702,467)	
Net pension liability		(11,594,086)	(18,326,686)

Certain actuarially determined gains and losses, and current year payments to the net pension liability are deferred and are not reported on the governmental funds' Balance Sheet.

Deferred outflow of resources - pension	\$	5,057,546	
Deferred inflow of resources - pension		(2,577,073)	2,480,473

<b>Net position of governmental activities</b>			<b>\$ 150,480,162</b>
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**Conejo Recreation and Park District**  
**Statement of Revenues, Expenditures and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2017**

	Major Funds					
	Special Revenue Funds					Total Governmental Funds
	General	Districtwide	Dos Vientos	Rancho Conejo	Capital	
	Assessment	Assessment	Assessment	Assessment	Projects	
Fund	District Fund	District Fund	District Fund	Fund		
<b>REVENUES:</b>						
Property taxes	\$ 15,955,220	\$ -	\$ -	\$ -	\$ -	\$ 15,955,220
Assessments		1,770,972	619,766	104,241		2,494,979
Licenses and permits	14,271		72,231		354,506	441,008
Interest	161,822	45,695	6,474	2,249	25,863	242,103
Facilities rental	571,950					571,950
Other governmental agencies	510,563	55,298				565,861
Recreation fees	4,372,124					4,372,124
Other	158,253	20,882		5,084	1,922,128	2,106,347
<b>Total revenues</b>	21,744,203	1,892,847	698,471	111,574	2,302,497	26,749,592
<b>EXPENDITURES:</b>						
Current:						
Parks and recreation:						
District administration	2,933,288					2,933,288
Parks and planning	7,607,151	955,302	959,541	203,152		9,725,146
Recreation and community services	7,391,129					7,391,129
Capital outlay	230,831	2,344,674	200,224	531,612	2,153,217	5,460,558
<b>Total expenditures</b>	18,162,399	3,299,976	1,159,765	734,764	2,153,217	25,510,121
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	3,581,804	(1,407,129)	(461,294)	(623,190)	149,280	1,239,471
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in		1,502,000	816,555	488,890	478,508	3,285,953
Transfers out	(2,946,953)	-			(339,000)	(3,285,953)
<b>Total other financing sources (uses)</b>	(2,946,953)	1,502,000	816,555	488,890	139,508	
<b>Net change in fund balances</b>	634,851	94,871	355,261	(134,300)	288,788	1,239,471
<b>FUND BALANCES:</b>						
Beginning of fiscal year	29,407,644	5,689,185	634,437	156,067	3,847,643	39,734,976
Prior period adjustments	(256,488)	(883)	(8,114)	(1,852)		(267,337)
Beginning of fiscal year, restated	29,151,156	5,688,302	626,323	154,215	3,847,643	39,467,639
End of fiscal year	\$ 29,786,007	\$ 5,783,173	\$ 981,584	\$ 19,915	\$ 4,136,431	\$ 40,707,110

See accompanying Notes to Basic Financial Statements.

**Conejo Recreation and Park District**  
**Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes**  
**in Fund Balances to the Government-Wide Statement of Activities**  
**For the Fiscal Year Ended June 30, 2017**

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Net change in fund balance - total governmental funds: \$ 1,239,471

Amounts reported for governmental activities in the Statement of Activities are different because:

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Financial Statements, the cost of those assets was capitalized and depreciated over the estimated useful lives of the capital assets. The following capital assets were recorded in the current period:

A portion (\$1,095,808) of capital outlay expenditures was for current park and recreation expenditures and was not capitalized. 4,364,750

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds. (2,416,653)

Investment revenue earned from investment in joint venture - COSCA. 249,716

Change in claims payable expense was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in claims payable was not reported as an expenditure in the governmental funds. (175,163)

Change in long-term compensated absences was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in long-term compensated absences was not reported as an expenditure in the governmental funds. (102,788)

Net other post-employment benefits obligation was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in long-term net other post-employment benefits obligation was not reported as an expenditure in the governmental funds. (436,333)

Pension contributions were reported as expenditures in the governmental funds. However, the Government-Wide Statement of Activities reports the cost of pension benefits earned net of employee contributions as pension expense. 59,618

Various capital assets were disposed of during the fiscal year. Loss on disposal of capital assets was reported in the Government-Wide Statement of Activities. (13,749)

Change in net position of governmental activities \$ 2,768,869

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# **FIDUCIARY FUND FINANCIAL STATEMENTS**

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**Conejo Recreation and Park District**  
**Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2017**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,225,170
Interest receivable	<u>3,468</u>
<b>Total assets</b>	<u><u>\$ 1,228,638</u></u>
<b>LIABILITIES</b>	
Deposits payable	\$ 795,973
Part-time pensions payable	<u>432,665</u>
<b>Total liabilities</b>	<u><u>\$ 1,228,638</u></u>

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# NOTES TO BASIC FINANCIAL STATEMENTS

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**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements**  
**June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies**

***A. Reporting Entity***

The accompanying basic financial statements present the financial activity of the Conejo Recreation and Park District (the “District”), which is the primary government, along with the financial activities of its component unit for which the District is financially accountable. Although they are separate legal entities, blended component units are in substance part of the District’s operations and are reported as an integral part of the District’s financial statements. The District’s component unit, which is described below, is a blended component unit of the District.

The Board of Directors of the District makes managerial decisions for the Alex Fiore Thousand Oaks Teen Center (the “Center”) and, as such, it is included as a component unit of the accompanying basic financial statements. The Center’s financial activities have been aggregated and merged (termed “blending”) within the District’s General Fund, as it meets the criteria for inclusion.

The Center was opened in October 1989 for 7<sup>th</sup> to 12<sup>th</sup> grade teens. The mission of the Center is to enrich the lives of Conejo teens by offering a comprehensive program to include quality leisure, social, and educational services in the form of both drop-in and organized activities, including recreational classes, educational workshops, surf and sports camps, leagues, excursions, dances, and live concerts.

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

The District’s basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America (“U.S. GAAP”). The Governmental Accounting Standards Board (“GASB”) is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

**Government-Wide Financial Statements**

The District’s Government-Wide Financial Statements include a Statement of Net Position and a Statement of Activities. Fiduciary activities of the District are not included in these statements.

The Statement of Net Position reports separate sections for Deferred Outflows of Resources, and Deferred Inflows of Resources, when applicable.

**Deferred Outflows of Resources** represent outflows of resources (consumption of net position) that apply to future periods and that, therefore, will not be recognized as an expense until that time.

**Deferred Inflows of Resources** represent inflows of resources (acquisition of net position) that apply to future periods and that, therefore, are not recognized as a revenue until that time.

The Government-Wide Financial Statements are presented on an “*economic resources*” measurement focus and the accrual basis of accounting. Accordingly, all of the District’s assets and liabilities, including capital assets, as well as infrastructure assets, and long-term liabilities, are included in the accompanying Statement of Net Position. The Statement of Activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred.



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

**Government-Wide Financial Statements (Continued)**

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

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

Certain eliminations have been made in regards to interfund activities, payables and receivables. All internal balances in the Statement of Activities have been eliminated. The following interfund activities have been eliminated:

- Transfers in/out

**Governmental Fund Financial Statements**

Governmental fund financial statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances. An accompanying schedule is presented to reconcile and explain the differences in net position as presented in these statements to the net position presented in the Government-Wide Financial Statements.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in fund balance. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property taxes, grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The reconciliations of the Fund Financial Statements to the Government-Wide Financial Statements are provided to explain the differences.

**Major Funds**

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

*General Fund* – The General Fund is used for all general revenues of the District not specifically levied or collected for other District funds and the related expenditures. The General Fund accounts for and reports all financial resources not accounted for and reported in another fund.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***B. Basis of Accounting and Measurement Focus (Continued)***

**Major Funds (Continued)**

*Districtwide Assessment District Special Revenue Fund* – This fund accounts for and reports proceeds of specific revenue sources that are restricted or committed to expenditures for specified maintenance and construction projects in the assessment district.

*Dos Vientos Assessment District Special Revenue Fund* – This fund accounts for and reports proceeds of specific revenue sources that are restricted or committed to expenditures for acquisition and construction of capital assets and maintenance within the Dos Vientos Assessment District.

*Rancho Conejo Assessment District Special Revenue Fund* – This fund accounts for and reports proceeds of specific revenue sources that are restricted or committed to expenditures for acquisition and construction of capital assets and maintenance within the Rancho Conejo Assessment District.

*Capital Projects Fund* – This fund accounts for and reports financial resources that are restricted, committed or assigned for the acquisition or construction of major capital facilities.

**Fiduciary Fund Financial Statements**

Fiduciary fund financial statements include a Statement of Fiduciary Net Position. The District's fiduciary funds represent agency funds. Fiduciary fund types are accounted for according to the nature of the fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using the accrual basis of accounting.

**Fiduciary Funds**

*Agency Funds* – These funds account for assets of others for which the District acts as an agent. The District maintains seven agency funds: Farland House Revolving, Wildwood Flood Repair, Goebel Adult Community Center, Fireworks Trust, CSVP Advisory Council, Therapeutic Advisory Council, Teen Center Advisory Council and the Part-Time Pension Fund.

***C. Cash, Cash Equivalents and Investments***

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

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

***D. Prepaid Items***

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***E. Capital Assets***

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and estimated useful life of three years or more.

The District depreciates all capital assets over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

	Useful Lives (In Years)
Equipment	3-10
Improvements	5-20
Structures	20

Major outlays for capital assets and improvements are capitalized in construction in progress as projects are constructed.

***F. Long-Term Debt***

Government-Wide Financial Statements - Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Fund Financial Statements - The fund financial statements do not present long-term debt. Long-term debt is shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Position.

***G. Compensated Absences***

The District accrues accumulated vacation leave and then expenses the cost as paid in the General Fund. It is policy of the District to pay all accumulated vacation leave when an employee retires or is otherwise terminated.

Sick leave costs are expensed as paid in the General Fund. Employees have vested rights in half of their accumulated unpaid sick leave upon retirement after ten years of service.

Sick and vacation pay is accrued when incurred in the Government-Wide Financial Statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

**H. Property Taxes**

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and practices relating to property taxes:

Property Valuations – are established by the Assessor of the County of Ventura for the secured and unsecured property tax rolls; the utility property tax roll is valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

Tax Levies – are limited to 1% of fair value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

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 fiscal 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.

Tax Collections – are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls which constitute a lien against the property, may be paid in two installments: The first is due on 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 taxes become 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 payments.

Tax Levy Apportionments – due to the nature of the County-wide maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under State Legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total County-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees – The State of California FY1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes.

**I. Net Position and Fund Balances**

**Government-Wide Financial Statements**

Net position represents the difference between all other elements in the statement of net position and should be displayed in the following three components:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of those assets.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 1 – Summary of Significant Accounting Policies (Continued)**

***I. Net Position and Fund Balances (Continued)***

**Government-Wide Financial Statements (Continued)**

Restricted – This component of net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets.

Unrestricted – This component of net position is the amount of the assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

**Use of Restricted and Unrestricted Net Position**

When expenses are incurred for purposes for which both restricted and unrestricted components of net position are available, the District's policy is to apply the restricted component of net position first, then the unrestricted component of net position as needed.

**Fund Financial Statements**

Nonspendable Fund Balance – This amount indicates that portion of fund balance which cannot be spent because it is either not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance – This amount indicates that portion of fund balance which has been restricted to specific purposes by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance – This amount indicates that portion of fund balance which can only be used for specific purposes pursuant to formal action of the District's Board of Directors.

Assigned Fund Balance – This amount indicates that portion of fund balance which is constrained by the District's intent it be used for specific purposes, but is neither restricted nor committed. The Board of Directors has designated the General Manager the authority to assign fund balances.

Unassigned Fund Balance – This amount indicates the residual portion of fund balance.

**Use of Restricted and Unrestricted Fund Balances**

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed. When expenditures are incurred for purposes for which unrestricted fund balances are available, the District uses the unrestricted resources in the following order: committed, assigned, and unassigned.

***J. Use of Estimates***

The preparation of the basic financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions. These estimates and assumptions affect certain reported amounts and disclosures. Accordingly, actual results could differ from these estimates and assumptions.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 1 – Summary of Significant Accounting Policies (Continued)**

**K. Future Accounting Pronouncements**

GASB Statements listed below will be implemented in future financial statements.

Statement No. 75	"Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 81	"Irrevocable Split-Interest Agreements"	The provision of this statement is effective for fiscal years beginning after December 15, 2016.
Statement No. 82	"Pension Issues-an amendment of GASB Statements No. 67, No. 68, and No. 73"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 83	"Certain Asset Retirement Obligations"	The provision of this statement is effective for fiscal years beginning after June 15, 2018.
Statement No. 84	"Fiduciary Activities"	The provision of this statement is effective for fiscal years beginning after December 15, 2018.
Statement No. 85	"Omnibus 2017"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 86	"Certain Debt Extinguishment Issues"	The provision of this statement is effective for fiscal years beginning after June 15, 2017.
Statement No. 87	"Leases"	The provision of this statement is effective for fiscal years beginning after December 15, 2019.

**Note 2 – Cash and Investments**

The District maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested by the District to enhance earnings. The pooled interest earned is allocated to the funds based on the average month-end cash balances of the various funds.

**A. Summary of Cash and Investments**

The following is a summary of cash and investments at June 30, 2017:

	Government-Wide Statement Net Position Governmental Activities	Fiduciary Fund Statement of Net Position	Total
Cash and Investments	\$ 41,110,487	\$ 1,225,170	\$ 42,335,657

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 2 – Cash and Investments (Continued)**

**A. Summary of Cash and Investments (Continued)**

Cash and investments comprised the following at June 30, 2017:

**Cash and cash equivalents:**

Petty cash	\$ 1,500
Cash on hand	15,584
Demand deposits	<u>1,175,846</u>
Total cash and cash equivalents	<u>1,192,930</u>

**Investments:**

Local Agency Investment Fund	2,730,828
Ventura County Investment Pool	<u>38,411,899</u>
Total investments	<u>41,142,727</u>
<b>Total cash and investments</b>	<u><u>\$ 42,335,657</u></u>

**B. Cash Deposits**

The carrying amounts of the District's demand deposits were \$1,175,846 at June 30, 2017. Bank balances at June 30, 2017 were \$1,191,430 which were fully insured or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

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

The fair market value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District has waived collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation ("FDIC").

**C. Investments**

Under the provisions of the District's investment policy, and in accordance with California Government Code Section 53601, the District is authorized to invest or deposit in the following:

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	2 years	NONE	NONE
Ventura County Investment Pool	2 years	NONE	NONE

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 2 – Cash and Investments (Continued)**

***D. Investment in Local Agency Investment Fund***

The District participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (“LAIF”) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF’s investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

The District’s investments with LAIF at June 30, 2017 included 2.32% of the pooled funds invested in structured notes and asset-backed securities. These investments included the following:

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

*Asset-Backed Securities:* generally mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

As of June 30, 2017, the District had \$2,730,828 invested in LAIF. The District valued its investments in LAIF as of June 30, 2017 by multiplying the account balance by a fair value factor determined by LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. This fair value factor was determined by dividing all LAIF participants’ total aggregate amortized cost by total aggregate fair value resulting in a factor of 0.998940671.

LAIF is overseen by the Local Agency Investment Advisory Board, which consists of five members, in accordance with State statute.



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 2 – Cash and Investments (Continued)**

***E. Investment in Ventura County Investment Pool***

As of June 30, 2017, the District had \$38,411,899 invested in the Ventura County Investment Pool (the “County Pool”). The District valued its investments in the County Pool as of June 30, 2017 at fair value as determined by the County Pool. The County Pool determines fair value based on values provided by the County Pool’s investment custodians.

***F. Risk Disclosures***

**Interest Rate Risk**

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District’s investment policy (“Policy”) limits investments to a maximum maturity of two years from date of purchase. The weighted average days to maturity of the total portfolio shall not exceed the District’s anticipated liquidity needs for the next six (6) months. The District is in compliance with this provision of the Policy. At June 30, 2017, the District had the following investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years) Less than 1</u>
Local Agency Investment Fund	\$ 2,730,828	\$ 2,730,828
Ventura County Investment Pool	38,411,899	38,411,899
	<u>\$ 41,142,727</u>	<u>\$ 41,142,727</u>

The District’s investments are rated by the nationally recognized statistical rating organizations as follows:

<u>Investment Type</u>	<u>Moody's</u>	<u>Standard &amp; Poores</u>
Local Agency Investment Fund	Not Rated	Not Rated
Ventura County Investment Fund	Not Available	AAAf

**Concentration of Credit Risk**

The following is a chart of the District’s investment portfolio:

<u>Investments</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Local Agency Investment Pool	\$ 2,730,828	6.64%
Ventura County Investment Pool	38,411,899	93.36%
	<u>\$ 41,142,727</u>	<u>100.00%</u>

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 2 – Cash and Investments (Continued)**

***F. Risk Disclosures (Continued)***

**Custodial Credit Risk**

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in Note 2B.

**Fair Value Measurements**

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable assets either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The District did not have any investments applicable to recurring fair value measurements as of June 30, 2017.

**Note 3 – Receivables**

***A. Accounts Receivable***

Accounts receivable consisted of the following at June 30, 2017:

<u>Agency</u>	<u>Accounts Receivable</u>
Other government agencies	\$ 179,967
Misc receivable	30,662
Play Conejo	2,259
Goebel Senior Center Commission	3,571
Total	<u>\$ 216,459</u>

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 3 – Receivables (Continued)**

**B. Interest Receivable**

Interest receivable consisted of the following at June 30, 2017:

<u>Agency</u>	<u>Interest Receivable</u>
Local Agency Investment Fund	\$ 6,295
Ventura County Investment Pool	<u>113,777</u>
Total	<u>\$ 120,072</u>

**C. Taxes Receivable**

Taxes receivable, due from the County of Ventura, consisted of the following at June 30, 2017:

<u>Fund</u>	<u>Type</u>	<u>Amount</u>
General Fund	Property taxes	\$ 91,263
Districtwide Assessment District Special Revenue Fund	Assessments	52,208
Dos Vientos Assessment District Special Revenue Fund	Assessments	19,737
Rancho Conejo Assessment District Special Revenue Fund	Assessments	<u>1,812</u>
Total		<u>\$ 165,020</u>

**D. Loans Receivable**

Summary of changes in loans receivable for the year ended June 30, 2017 is as follows:

	<u>Balance July 1, 2016</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2017</u>
Computers	\$ 7,470	\$ 724	\$ (3,771)	\$ 4,423
CVUSC	40,000		(10,000)	30,000
AYSO	<u>203,000</u>		<u>(29,000)</u>	<u>174,000</u>
Total	<u>\$ 250,470</u>	<u>\$ 724</u>	<u>\$ (42,771)</u>	<u>\$ 208,423</u>

The District provides interest-free loans to all regular full-time District employees for the purchase of computers. The District will pay for the computers and the employees will reimburse the District through payroll deductions over a payback period not to exceed two years. The District's Employee Computer Purchase Plan allows employees to purchase computers not to exceed \$3,000.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 3 – Receivables (Continued)**

The District entered into an agreement on April 25, 2013 with the American Youth Soccer Organization (“AYSO”) to advance a 10-year interest free loan to AYSO payable in 10 equal installments of \$29,000, due by April 1.

The District entered into an agreement on April 15, 2016 with the Conejo Valley United Soccer Club (“CVUSC”) to advance a 5-year interest free loan to CVUSC payable in 5 equal installments of \$10,000. The first installment was due by July 1, 2016 but was paid earlier than required, during the fiscal year ended June 30, 2016.

**Note 4 – Interfund Transactions**

***Transfers In and Out***

At June 30, 2017, the District had the following transfers in/out:

Transfers Out:	Transfers In						
	General Fund	Special Revenue Funds				Capital Projects Fund	Total
		Districtwide Assessment	Dos Vientos Assessment	Rancho Conejo Assessment			
		District Fund	District Fund	District Fund			
General Fund	\$ -	\$ 1,203,000	\$ 816,555	\$ 448,890	\$ 478,508	\$ 2,946,953	
Capital Project Fund		299,000		40,000		339,000	
Total	\$ -	\$ 1,502,000	\$ 816,555	\$ 488,890	\$ 478,508	\$ 3,285,953	

From General Fund: 1) \$1,203,000 to the Districtwide Assessment District Fund to provide funding for Northwood Neighborhood Park Phase III (\$425,000), Old Meadows Interior Remodel (\$278,000), Sapwi Park (\$250,000), Old Meadows Playground (\$100,000), Waverly Park Upgrade (\$50,000), and a Therapeutics Needs Assessment (\$100,000).

2) \$816,555 to the Dos Vientos Assessment District Fund to provide funding for the Dos Vientos Community Park Upgrades (\$545,000) and property tax support (\$271,555).

3) \$448,890 to the Rancho Conejo Assessment District Fund to provide funding for Pickleball Courts (\$325,000) and property tax support (\$123,890).

4) \$478,508 to the Capital Projects Fund to provide funding for Drought Response (\$303,508), Triunfo Community Park Reclaimed Water (\$95,000), and Walnut Grove Play Area Renovation (\$80,000).

From the Capital Projects Fund: 1) \$299,000 to the Districtwide Assessment District Fund for Northwood Neighborhood Park Phase III and 2) \$40,000 to the Rancho Conejo Assessment District Fund for Pickleball Courts.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 5 – Capital Assets**

Summary of changes in the capital assets for the fiscal year ended June 30, 2017 is as follows:

	Balance as of July 1, 2016	Additions	Retirements	Transfers	Balance as of June 30, 2017
Capital assets not being depreciated:					
Land	\$ 51,079,051	\$ -	\$ -	\$ -	\$ 51,079,051
Construction in progress	3,987,516	1,532,373		(622,911)	4,896,978
Total capital assets not being depreciated	55,066,567	1,532,373		(622,911)	55,976,029
Capital assets being depreciated:					
Buildings	10,057,093	9,000			10,066,093
Improvements	35,089,224	2,563,426		622,911	38,275,561
Equipment	3,522,078	259,951	(249,307)		3,532,722
Total capital assets, being depreciated	48,668,395	2,832,377	(249,307)	622,911	51,874,376
Less accumulated depreciation:					
Buildings	(3,509,503)	(265,075)			(3,774,578)
Improvements	(12,420,973)	(1,887,345)			(14,308,318)
Equipment	(2,207,455)	(264,233)	235,558		(2,236,130)
Total less accumulated depreciation	(18,137,931)	(2,416,653)	235,558		(20,319,026)
Net capital assets being depreciated	30,530,464	415,724	(13,749)	622,911	31,555,350
Capital assets, net	\$ 85,597,031	\$ 1,948,097	\$ (13,749)	\$ -	\$ 87,531,379

**Note 6 – Long-Term Liabilities**

Changes in long-term liabilities for the fiscal year ended June 30, 2017 were as follows:

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017	Classification	
					Due Within One Year	Due in More than One Year
Compensated absences	\$ 1,256,514	\$ 924,222	\$ (821,434)	\$ 1,359,302	\$ 711,220	\$ 648,082
Claims and judgments	495,668	633,984	(458,821)	670,831	425,000	245,831
Net Pension Liability	8,739,467	5,167,972	(2,313,353)	11,594,086		11,594,086
Net OPEB liability	4,266,134	714,441	(278,108)	4,702,467		4,702,467
Total	\$ 14,757,783	\$ 7,440,619	\$ (3,871,716)	\$ 18,326,686	\$ 1,136,220	\$ 17,190,466

**Note 7 – Pension Plans**

**A. Employee Deferred Compensation Plan (Full Time Employees)**

The District offers its full time employees from the start of employment a deferred compensation plan (the “plan”) created in accordance with federal and state laws. Employees participating in the program may defer income tax recognition on contributions to the plan, up to specified amounts, and on earnings resulting from the investment of these contributions. Funds may be withdrawn from the plan upon retirement, disability, or separation from the District’s employment by the participant and, at that time, such funds become subject to income tax.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 7 – Pension Plans (Continued)**

**A. Employee Deferred Compensation Plan (Full Time Employees) (Continued)**

It is the District's position that it has no fiduciary obligation in the management of the plan's resources and is not responsible for any loss due to the investment or failure of investment funds and assets of the plan, nor shall the District be required to replace any loss which may result from such investments. The plan assets are not included in the accompanying basic financial statements.

**B. Employee Deferred Compensation Plan (Part-Time Employees)**

Part-time employees are covered by a deferred compensation plan (the "plan") in accordance with Internal Revenue Code Section 457. The plan is a non-elective deferred compensation arrangement for the benefit of employees who are not covered by another retirement system maintained by the District. Under the plan, an eligible participant accrues a monthly benefit that is equal to one-twelfth (1/12) of an amount equal to 2% of the participant's average annual compensation times years of service up to 30 years. Distributions from the plan are made only when the participant has separated from service and the participant's accrued benefits are non-forfeitable.

With certain limitations, a participant may elect that time and manner which his or her deferred amounts will be distributed. The election must be made prior to the date any such amounts become payable to the participant. If the participant fails to make a timely election concerning distribution of the deferred amounts, the amounts shall be paid in a lump sum distribution as prescribed by the plan. The manner and time of benefit payout must meet the distribution requirements of the Internal Revenue Code Sections 401(a) and 457(d)(2). The plan assets are included in the accompanying financial statements as a fiduciary fund.

The plan provides that all amounts deferred under the plan, all property and rights purchased with such amounts, and all income attributable to such amounts, or rights will remain (until made available to the participant) solely the property and rights of the District, subject only to claims of such District's general creditors. The rights of any participant or beneficiary to payments pursuant to the plan are nonassignable, and their interest in benefits under the plan is not subject to attachment, garnishment or other legal process.

**C. General Information about the California Public Employees' Retirement System (CalPERS) Pension Plan**

**Plan Description**

All qualified employees are eligible to participate in the District's Miscellaneous Employee Pension Plan, an agent multiple employer defined benefit pension plan administered by the California Public Employees Retirement System (CalPERS). Benefit provisions under the Plan are established by State statute and District resolution. CalPERS issues publicly available report that include a full description of the pension plans 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 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 7 – Pension Plans (Continued)**

**C. General Information about the California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)**

**Benefits Provided (Continued)**

The Plans' provisions and benefits in effect at June 30, 2017, are summarized as follows:

	<u>Miscellaneous</u>
Benefit formula	2.0% @ 55
Benefit vesting schedule	5 years service
Benefit payments	monthly for life
Retirement age	50-63
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%
Required employee contribution rates	7.00%
Required employer contribution rates	12.234%

**Employees Covered**

At June 30, 2017, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	103
Inactive employees entitled to but not yet receiving benefits	230
Active employees	153
Total	<u>486</u>

**Contributions**

Section 20814 (c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employees 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 Plans are determined annually on an actuarial basis 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.

Employee contributions are based on the employee's annual covered salary. For the fiscal year ended June 30, 2017, the average employee contribution rate was 7.000%. The District's average contribution rate and required contribution for the fiscal year ended June 30, 2017 were 12.234% and \$1,010,295, respectively. Actual contributions for the fiscal year equaled \$1,010,295, or 100% of required contributions.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 7 – Pension Plans (Continued)**

***D. CalPERS Net Pension Liability***

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures. A summary of principal assumptions and methods used to determine the net pension liability is shown below.

**Actuarial Assumptions**

The total pension liability in the June 30, 2016 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.000%
Projected Salary Increase	Varies (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds

(1) Depending on age, service and type of employment

(2) Net of pension plan investment expenses, including inflation

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2016 valuation were based on the results of a January 2015 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

**Discount Rate**

The discount rate used to measure the total pension liability was 7.65 percent. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.65 percent is applied to all plans in the Public Employees Retirement Fund. The stress test results are presented in a detailed report called "GASB Crossover Testing Report" that can be obtained at CalPERS' website under the GASB 68 section.



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 7 – Pension Plans (Continued)**

***D. CalPERS Net Pension Liability (Continued)***

*Discount Rate (Continued)*

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher total pension liability and net pension liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach. For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

In determining the long-term expected rate of return, staff took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Such cash flows were developed assuming that both members and employers will make their required contributions on time and as scheduled in all future years. Using historical returns of all the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	20.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	1.00%	-0.55%	-1.05%
Total	100.00%		

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 7 – Pension Plans (Continued)**

**E. Changes in the CalPERS Net Pension Liability**

The changes in the Net Pension Liability for the Plan follows:

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
<b>Balance at: 06/30/2015</b>	<b>\$54,688,313</b>	<b>\$45,948,846</b>	<b>\$8,739,467</b>
<b>Changes Recognized for the Measurement Period:</b>			
Service Cost	\$1,058,819		\$1,058,819
Interest on Total Pension Liability	4,081,150		4,081,150
Changes of Benefit Terms	0		0
Changes of Assumptions	0		0
Differences between Expected and Actual Experience	(667,664)		(667,664)
Plan to Plan Resource Movement		\$0	0
Contributions – Employer		867,310	(867,310)
Contributions – Employees		532,633	(532,633)
Net Investment Income		245,746	(245,746)
Benefit Payments, including Refunds of Employee Contributions	(2,403,391)	(2,403,391)	0
Administrative Expense		(28,003)	28,003
Other Miscellaneous Income	0	0	0
<b>Net Changes during 2015-16</b>	<b>\$2,068,914</b>	<b>\$(785,705)</b>	<b>\$2,854,619</b>
<b>Balance at: 06/30/2016</b>	<b>\$56,757,227</b>	<b>\$45,163,141</b>	<b>\$11,594,086</b>

*Sensitivity of the Net Pension Liability to Changes in the Discount Rate*

The following presents the net pension liability/(asset) of the Plan as of the measurement date, calculated using the discount rate of 7.65 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount Rate -1% 6.65%	Current Discount Rate 7.65%	Discount Rate + 1% 8.65%
Plan's Net Pension Liability/(Asset)	\$18,831,587	\$11,594,086	\$5,560,411

*Plan Fiduciary Net Position*

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

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 7 – Pension Plans (Continued)**

**F. CalPERS Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions**

For the fiscal year ended June 30, 2017, the District recognized pension expense of \$872,218. At June 30, 2017, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of <u>Resources</u>	Deferred Inflows of <u>Resources</u>
Pension contributions subsequent to measurement date	\$ 1,010,295	\$ -
Changes of assumptions		(399,610)
Net differences between projected and actual earnings on pension plan investments	4,047,251	(1,563,650)
Differences between expected and actual experiences		(613,813)
<b>Total</b>	<u>\$5,057,546</u>	<u>\$(2,577,073)</u>

\$1,010,295 reported as deferred outflows of resources is related to contributions subsequent to the measurement date and will be recognized as a reduction of the net pension liability in the year ended June 30, 2018. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2017	\$(215,661)
2018	(32,968)
2019	1,073,176
2020	645,631
2021	0
Thereafter	0

**Note 8 – Other Post-Employment Benefits (“OPEB”)**

The District provides, by resolution, an additional post-employment benefit to Length-of-Service retirees. The District pays for 100 percent of this benefit on a pay-as-you-go-basis. General employees hired before July 1, 2009, with 5 or more years of service that leave the District and apply for a CalPERS pension within 120 days are eligible to receive OPEB benefits. The general manager, administrators, and managers who retire from the District with 10 or more years of service are eligible for OPEB premium benefits.

For the fiscal year ended June 30, 2017, the total contribution made was \$278,108. Forty-nine retired employees received OPEB benefits during the fiscal year.

**Annual OPEB Cost and Net OPEB Obligation**

The District’s annual OPEB cost (expense) is calculated based on the *Annual Required Contribution of the Employer* (“ARC”), an amount actuarially determined. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal costs each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 8 – Other Post-Employment Benefits (“OPEB”) (Continued)**

*Annual OPEB Cost and Net OPEB Obligation (Continued)*

The following table shows the components of the District’s annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the plan:

	<u>Total</u>
Annual required contribution	\$ 735,059
Interest on net OPEB obligation	191,977
Adjustment to annual required contribution	<u>(212,595)</u>
Annual OPEB cost (expenses)	714,441
Contributions made	<u>(278,108)</u>
Increase in net OPEB obligation	436,333
Net OPEB obligation - beginning of fiscal year	4,266,134
Net OPEB obligation - end of fiscal year	<u>\$4,702,467</u>

The annual OPEB cost, percentage of annual OPEB cost contributed, and net OPEB obligation for the past three fiscal years is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Contribution</u>	<u>% of annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
June 30, 2015	\$ 719,125	\$ 213,585	29.7%	\$ 3,802,442
June 30, 2016	716,681	252,989	35.3%	4,266,134
June 30, 2017	735,059	278,108	37.8%	4,702,467

*Funded Status and Funding Progress*

Based on the most recent actuarial valuation dated July 1, 2014, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$8,396,562, and the actuarial value of assets was \$0, resulting in an Unfunded Actuarial Accrued Liability (“UAAL”) of \$8,396,562. The covered payroll (annual payroll of active employees covered by the plan) was \$6,278,200 and the ratio of UAAL to the covered payroll was 133.74%. The schedule of funding progress, presented as required supplementary information following the notes to the basic financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time related to the actuarial liability.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts, and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan, and the annual required contributions of the employer, are subject to continual revision, as actual results are compared with past expectations and new estimates are made about the future.

The District has committed \$9,314,119 in the General Fund towards the OPEB liability.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 8 – Other Post-Employment Benefits (“OPEB”) (Continued)**

*Actuarial Methods and Assumptions*

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

In the July 1, 2014 actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.50% investment rate of return which is based on the expected return on funds invested by the District, and an annual healthcare cost trend rate of 6.7% initially and reduced to an ultimate rate of 5.0% thereafter. An aggregate payroll increase of 3.25% was used in the actuarial valuation. The UAAL is being amortized as a level percentage of projected payroll over a 30 year closed period. The remaining amortization period at July 1, 2014 was 24 years.

**Note 9 – Risk Management**

The District participates via a joint powers agreement in the California Association for Park and Recreation Indemnity (“CAPRI”) pool for property and liability coverage. The purpose of CAPRI is to arrange and administer programs of insurance and to purchase excess insurance coverage. CAPRI is governed by a board of directors which controls the operations of the pool, including selection of management and approval of the budget. At June 30, 2016, the District’s coverage was as follows:

General and auto liability coverage have a \$1,000,000 limit per occurrence, and public officials and employee liability coverage have a \$25 million annual aggregate limit per member district. CAPRI has an excess policy for these coverages with limits of \$24 million in excess of \$1,000,000. The District has a \$100,000 deductible for this program. All-risk property loss coverage has an annual aggregate limit of \$1,000,000,000 shared by the membership and is subjected to a \$2,000 deductible per occurrence payable by the District.

Flood and earthquake coverage have annual aggregate limit of \$10,000,000 and \$5,000,000, respectively, for all member districts. The deductible for all loss or damage arising from the risks of flood and/or earthquake is \$50,000 per occurrence or 5% of the value of the building, contents and/or structure damaged, whichever is greater.

The District is effectively self-insured for its workers’ compensation insurance coverage.

During the past three fiscal (claims) years, none of the above programs of protection have had settlement or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

<u>Claims Payable</u>	<u>2017</u>
General Liability	\$ 148,000
Worker's Compensation	<u>522,831</u>
	<u>\$ 670,831</u>

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

**Note 9 – Risk Management (Continued)**

A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior two fiscal years is as follows:

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Claims liability - beginning balance	\$ 495,668	\$ 440,715	\$ 661,703
Incurred claims, representing the total of a provision for events of the current fiscal year and any change of prior fiscal years	633,984	258,444	40,700
Payments on claims attributable to events of both the current fiscal year and the prior fiscal years	<u>(458,821)</u>	<u>(203,491)</u>	<u>(261,688)</u>
Claims liability - ending balance	<u>\$ 670,831</u>	<u>\$ 495,668</u>	<u>\$ 440,715</u>

**Note 10 – Commitments and Contingencies**

The District is a defendant in certain other legal actions arising in the normal course of operations. In the opinion of management and legal counsel, any liability resulting from these actions will not result in a material adverse effect on the District's financial position.

As of June 30, 2017, in the opinion of District management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the District.

**Contract Commitments**

The District had \$1,145,640 in contract commitments for completion of ongoing capital improvements projects at June 30, 2017.

**Note 11 – Investment in Joint Venture**

**Conejo Open Space Conservation Agency**

In 1977, the District entered into a Joint Powers Agreement with the City of Thousand Oaks ("City") to form the Conejo Open Space Conservation Agency ("COSCA"). COSCA is governed by a five-member board consisting of two City Council members, two District Board members, and one private citizen of the City. Expenditures of COSCA are shared equally between the District and the City. The City is responsible for the fiscal management of COSCA activities. Separate audited financial statements for COSCA are available from the City of Thousand Oaks' Finance Department at 2100 Thousand Oaks Blvd., Thousand Oaks, CA 91362.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2017**

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**Note 11 – Investment in Joint Venture (Continued)**

**Conejo Open Space Conservation Agency (Continued)**

The audited financial information for COSCA for the fiscal year ended June 30, 2017 is as follows:

	<u>Joint Venture</u>	<u>District Portion</u>
Total Assets	\$ 76,211,994	\$ 38,105,997
Total Liabilities	<u>36,223</u>	<u>18,111</u>
Net Position:	<u>\$ 76,175,771</u>	<u>\$ 38,087,886</u>
Net Investment in capital assets	\$ 74,802,247	\$ 37,401,124
Restricted	<u>1,373,524</u>	<u>686,762</u>
<b>Total Net Position</b>	<u><b>\$ 76,175,771</b></u>	<u><b>\$ 38,087,886</b></u>
Total Revenues	\$ 1,789,143	\$ 894,572
Total Expenses	<u>1,289,712</u>	<u>644,856</u>
Changes in net position	<u><u>\$ 499,431</u></u>	<u><u>\$ 249,716</u></u>

**Note 12 – Jointly Governed Organization**

**Mountains Recreation and Conservation Authority**

The Mountains Recreation and Conservation Authority (“MRCA”) was established on June 27, 1985, under a joint powers agreement entered into by the District and the Santa Monica Mountains Conservancy (the “Conservancy”) for and with the purpose of acquiring, developing, and conserving additional park and green space land with special emphasis on water-oriented recreation and conservation projects within both the Santa Monica Mountains Zone and the District’s boundaries. On August 3, 1987, the Rancho Simi Recreation and Park District (“Rancho District”) became a party to the joint powers agreement and a member of MRCA. There was no contribution made by the District to MRCA.

MRCA is governed by a four-member board consisting of one member of the District, one member of the Conservancy, the General Manager of the Rancho Simi District, and one at-large member. Separate audited financial statements for MRCA are available at 570 West Avenue 26, Suite 100, Los Angeles, CA 90065.

**Note 13 – Prior Period Adjustments**

Prior period adjustments of \$(256,488), \$(883), \$(8,114) and \$(1,852) were posted to the General Fund, Districtwide Assessment District Fund, Dos Vientos Assessment District Fund, and Rancho Conejo Assessment District Fund respectively due to an understatement of accrued liabilities in the prior fiscal year.

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# **REQUIRED SUPPLEMENTARY INFORMATION**

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**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2017**

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**Note 1 – Budgets and Budgetary Accounting**

The District adopts an annual budget on or before August 30. From the effective date of the budget, the amounts stated as proposed expenditures become appropriations to the various District departments.

The Board of Directors may amend the budget by motion during each fiscal year. The General Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors. The original and revised budgets are presented for the General Fund, Districtwide Assessment District Special Revenue Fund, Dos Vientos Assessment District Special Revenue Fund, and Rancho Conejo Assessment District Special Revenue Fund in the required supplementary information.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended.

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2017**

**Note 1 - Budgets and Budgetary Accounting (Continued)**

Budgetary Comparison Schedule, General Fund

	Budget Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
REVENUES:				
Property taxes	\$ 15,325,000	\$ 15,493,000	\$ 15,955,220	\$ 462,220
Licenses and permits	11,000	11,000	14,271	3,271
Interest	44,500	44,500	161,822	117,322
Facilities rental	636,500	636,500	571,950	(64,550)
Other governmental agencies	520,144	520,144	510,563	(9,581)
Recreation fees	4,074,285	4,074,285	4,372,124	297,839
Other	76,000	76,000	158,253	82,253
Total revenues	20,687,429	20,855,429	21,744,203	888,774
EXPENDITURES:				
Current:				
District administration	3,200,877	3,327,877	2,933,288	394,589
Parks and planning	7,843,485	7,909,485	7,607,151	302,334
Recreation and community services	8,072,670	8,078,670	7,391,129	687,541
Capital outlay	287,800	313,500	230,831	82,669
Total expenditures	19,404,832	19,629,532	18,162,399	1,467,133
REVENUES OVER (UNDER) EXPENDITURES	1,282,597	1,225,897	3,581,804	2,355,907
OTHER FINANCING SOURCES (USES):				
Transfers out	(1,666,397)	(2,974,097)	(2,946,953)	27,144
Total other financing sources (uses)	(1,666,397)	(2,974,097)	(2,946,953)	27,144
Changes in Fund Balance	\$ (383,800)	\$ (1,748,200)	634,851	\$ 2,383,051
FUND BALANCE:				
Beginning of fiscal year			29,407,644	
Prior period adjustment			(256,488)	
Beginning of fiscal year, as restated			29,151,156	
End of fiscal year			\$ 29,786,007	

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2017**

**Note 1 - Budgets and Budgetary Accounting (Continued)**

*Budgetary Comparison Districtwide Assessment District Special Revenue Fund*

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Assessments	\$ 1,758,949	\$ 1,758,949	\$ 1,770,972	\$ 12,023
Interest	1,000	1,000	45,695	44,695
Other governmental agencies	70,000	70,000	55,298	(14,702)
Other	4,500,000	4,566,000	20,882	(4,545,118)
Total revenues	6,329,949	6,395,949	1,892,847	(4,503,102)
EXPENDITURES:				
Current:				
Parks and planning	1,224,251	1,184,251	955,302	228,949
Capital outlay	9,790,000	10,694,500	2,344,674	8,349,826
Total expenditures	11,014,251	11,878,751	3,299,976	8,578,775
REVENUES OVER (UNDER) EXPENDITURES	(4,684,302)	(5,482,802)	(1,407,129)	4,075,673
OTHER FINANCING SOURCES (USES):				
Transfers in	700,000	1,502,000	1,502,000	-
Total other financing sources (uses)	700,000	1,502,000	1,502,000	-
Changes in Fund Balance	\$ (3,984,302)	\$ (3,980,802)	94,871	\$ 4,075,673
FUND BALANCE:				
Beginning of fiscal year			5,689,185	
Prior period adjustment			(883)	
Beginning of fiscal year, restated			5,688,302	
End of fiscal year			\$ 5,783,173	

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2017**

**Note 1 - Budgets and Budgetary Accounting (Continued)**

*Budgetary Comparison Schedule Dos Vientos Assessment District Special Revenue Fund*

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Assessments	\$ 617,460	\$ 617,460	\$ 619,766	\$ 2,306
Licenses and permits	61,000	61,000	72,231	11,231
Interest	1,000	1,000	6,474	5,474
Total revenues	679,460	679,460	698,471	19,011
EXPENDITURES:				
Current:				
Parks and planning	1,060,992	1,060,992	959,541	101,451
Capital outlay	815,000	860,000	200,224	659,776
Total expenditures	1,875,992	1,920,992	1,159,765	761,227
REVENUES OVER (UNDER) EXPENDITURES	(1,196,532)	(1,241,532)	(461,294)	780,238
OTHER FINANCING SOURCES (USES):				
Transfers in	771,555	816,555	816,555	
Total other financing sources (uses)	771,555	816,555	816,555	
Changes in Fund Balance	\$ (424,977)	\$ (424,977)	355,261	\$ 780,238
FUND BALANCE:				
Beginning of fiscal year			634,437	
Prior period adjustment			(8,114)	
Beginning of fiscal year, restated			626,323	
End of fiscal year			\$ 981,584	

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2017**

**Note 1 - Budgets and Budgetary Accounting (Continued)**

*Budgetary Comparison Schedule Rancho Conejo Assessment District Special Revenue Fund*

	Budget Amounts			Variance with
	Original	Final	Actual Amount	Final Budget
REVENUES :				
Assessments	\$ 104,196	\$ 104,196	\$ 104,241	\$ 45
Interest			2,249	2,249
Other		50,000	5,084	(44,916)
Total revenues	104,196	154,196	111,574	(42,622)
EXPENDITURES:				
Current:				
Parks and planning	276,762	276,762	203,152	73,610
Capital outlay	150,000	565,000	531,612	33,388
Total expenditures	426,762	841,762	734,764	106,998
REVENUES OVER (UNDER) EXPENDITURES	(322,566)	(687,566)	(623,190)	64,376
OTHER FINANCING SOURCES (USES):				
Transfers in	135,566	500,566	488,890	(11,676)
Total other financing sources (uses)	135,566	500,566	488,890	(11,676)
Changes in Fund Balance	\$ (187,000)	\$ (187,000)	(134,300)	\$ 52,700
FUND BALANCE:				
Beginning of fiscal year			156,067	
Prior period adjustment			(1,852)	
Beginning of fiscal year, restated			154,215	
End of fiscal year			\$ 19,915	

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**June 30, 2017**

**Prepared for the Conejo Recreation and Park District, an Agent Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2017**

**Note 2 – Schedule of Changes in the Net Pension Liability and Related Ratios – Last 10 Years\***

Measurement Period	2016	2015	2014
<b>TOTAL PENSION LIABILITY:</b>			
Service Cost	\$1,058,819	\$1,091,703	\$1,106,207
Interest on Total Pension Liability	4,081,150	3,924,233	3,735,515
Changes of Benefit Terms	0	0	0
Changes of Assumptions	0	(932,422)	0
Difference between Expected and Actual Experience	(667,664)	(346,433)	0
Benefit Payments, Including Refunds of Employee Contributions	(2,403,391)	(2,157,836)	(1,972,811)
<b>Net Change In Total Pension Liability</b>	<b>\$2,068,914</b>	<b>\$1,579,245</b>	<b>\$2,868,911</b>
Total Pension Liability – Beginning	54,688,313	53,109,068	50,240,157
<b>Total Pension Liability – Ending (a)</b>	<b>\$56,757,227</b>	<b>\$54,688,313</b>	<b>\$53,109,068</b>
<b>PLAN FIDUCIARY NET POSITION</b>			
Contributions – Employer	\$867,310	\$720,174	\$628,613
Contributions – Employee	532,633	586,481	557,540
Net Investment Income	245,746	1,027,875	6,859,039
Benefit Payments, Including Refunds of Employee Contributions	(2,403,391)	(2,157,836)	(1,972,811)
Net Plan to Plan Resource Movement	0	0	0
Administrative Expense	(28,003)	(51,707)	0
Other Miscellaneous Income	0	0	0
<b>Net Change In Fiduciary Net Position</b>	<b>\$(785,705)</b>	<b>\$124,987</b>	<b>\$6,072,381</b>
Plan Fiduciary Net Position – Beginning	\$45,948,846	\$45,823,859	\$39,751,478
Plan Fiduciary Net Position – Ending (b)	45,163,141	45,948,846	45,823,859
<b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>	<b>\$11,594,086</b>	<b>\$8,739,467</b>	<b>\$7,285,209</b>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	79.57%	84.02%	86.28%
Covered Payroll	\$7,822,246	\$7,948,909	\$7,661,774
<b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>	<b>148.22%</b>	<b>109.95%</b>	<b>95.09%</b>

**Notes to Schedule of Changes in Net Pension Liability and Related Ratios:**

**Benefit Changes:** The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2015 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

**Changes of Assumptions:** 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.

\*Fiscal year 2015 was the first year of implementation, therefore only three years are shown.



**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**June 30, 2017**

**Prepared for the Conejo Recreation and Park District, an Agent Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2017**

**Note 3 – Schedule of Contributions – Last 10 Years\***

Employer Fiscal Year End	2016	2015	2014
Actuarially Determined Contribution <sup>2</sup>	\$867,310	\$720,174	\$628,613
Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup>	(867,310)	(720,174)	(628,613)
Contribution Deficiency (Excess)	\$0	\$0	\$0
Covered Payroll <sup>3</sup>	\$7,822,246	\$7,948,909	\$7,661,774
Contributions as a Percentage of Covered Payroll <sup>3</sup>	11.09%	9.06%	8.20%

<sup>1</sup> As prescribed in GASB 68, paragraph 46, the information presented in the Schedule of Plan Contributions should also be presented as of the employer's most recent fiscal year-end. The employer is responsible for determining this information as prescribed by the standard as this data is not available to CalPERS.

<sup>2</sup> Employers are assumed to make contributions equal to the actuarially determined contributions. However, some employers may choose to make additional contributions towards their unfunded liability. Employer contributions for such plans exceed the actuarially determined contributions.

<sup>3</sup> Includes one year's payroll growth using 3.00 percent payroll assumption.

**Notes to Schedule**

**Notes to Schedule of Plan Contributions:**

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2015-16 were derived from the June 30, 2013 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2013 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2013 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50 Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007.
Mortality	The probabilities of mortality are based on the 2010 CalPERS Experience Study for the period from 1997 to 2007. Pre-retirement and Post-retirement mortality rates include 5 years of projected mortality improvement using Scale AA published by the Society of Actuaries.

**Other Information:**

For changes to previous year's information, refer to past GASB 68 reports.

\*Fiscal year 2015 was the first year of implementation, therefore only three years are shown.

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**June 30, 2017**

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**Note 4 – Schedule of Funding Progress**

**Other Post-Employment Benefits**

<u>Actuarial Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability Entry Age</u>	<u>Unfunded Actuarial Accrued Liability</u>	<u>Funded Ratio</u>	<u>Covered Payroll</u>	<u>Unfunded Actuarial Liability as a Percentage of Covered Payroll</u>
July 1, 2008	\$ -	\$6,119,659	\$(6,119,659)	0.00%	\$6,451,938	94.85%
July 1, 2011	-	7,503,813	(7,503,813)	0.00%	6,853,931	109.48%
July 1, 2014	-	8,396,562	(8,396,562)	0.00%	6,278,200	133.74%

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## **SUPPLEMENTARY INFORMATION**

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## FIDUCIARY FUNDS

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**Conejo Recreation and Park District**  
**Combining Statement of Fiduciary Assets and Liabilities**  
**Agency Funds**  
**June 30, 2017**

	Agency Funds								
	Farland House Revolving Fund	Wildwood Flood Repair Fund	Goebel Adult Community Center Fund	Fireworks Trust Fund	CSVP Advisory Council Fund	Therapeutic Advisory Council Fund	Teen Advisory Council Fund	Part - Time Employee Pension Reserve Fund	Totals
<b>ASSETS</b>									
Cash and investments	\$ 62,101	\$ 373,546	\$ 44,695	\$ 15,260	\$ 154,733	\$ 102,565	\$ 40,715	\$ 431,555	\$ 1,225,170
Interest receivable	182	1,126	135	14	469	302	130	1,110	3,468
<b>Total assets</b>	<b>\$ 62,283</b>	<b>\$ 374,672</b>	<b>\$ 44,830</b>	<b>\$ 15,274</b>	<b>\$ 155,202</b>	<b>\$ 102,867</b>	<b>\$ 40,845</b>	<b>\$ 432,665</b>	<b>\$ 1,228,638</b>
<b>LIABILITIES</b>									
Deposits payable	\$ 62,283	\$ 374,672	\$ 44,830	\$ 15,274	\$ 155,202	\$ 102,867	40,845	\$ 432,665	\$ 795,973
Part-time pensions payable								432,665	432,665
<b>Total liabilities</b>	<b>\$ 62,283</b>	<b>\$ 374,672</b>	<b>\$ 44,830</b>	<b>\$ 15,274</b>	<b>\$ 155,202</b>	<b>\$ 102,867</b>	<b>\$ 40,845</b>	<b>\$ 432,665</b>	<b>\$ 1,228,638</b>

**Conejo Recreation and Park District**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the fiscal year ended June 30, 2017**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b><u>Farland House Revolving Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 38,699	\$ 23,402	\$ -	\$ 62,101
Interest receivable	299		(117)	182
<b>Total assets</b>	<u>\$ 38,998</u>	<u>\$ 23,402</u>	<u>\$ (117)</u>	<u>\$ 62,283</u>
<b>Liabilities:</b>				
Deposits payable	\$ 38,998	\$ 23,402	\$ (117)	\$ 62,283
<b>Total liabilities</b>	<u>\$ 38,998</u>	<u>\$ 23,402</u>	<u>\$ (117)</u>	<u>\$ 62,283</u>
<b><u>Wildwood Flood Repair Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 371,011	\$ 2,535	\$ -	\$ 373,546
Interest receivable	854	272		1,126
<b>Total assets</b>	<u>\$ 371,865</u>	<u>\$ 2,807</u>	<u>\$ -</u>	<u>\$ 374,672</u>
<b>Liabilities:</b>				
Deposits payable	\$ 371,865	\$ 2,807	\$ -	\$ 374,672
<b>Total liabilities</b>	<u>\$ 371,865</u>	<u>\$ 2,807</u>	<u>\$ -</u>	<u>\$ 374,672</u>
<b><u>Goebel Adult Community Center Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 44,392	\$ 303	\$ -	\$ 44,695
Interest receivable	102	33		135
<b>Total assets</b>	<u>\$ 44,494</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ 44,830</u>
<b>Liabilities:</b>				
Deposits payable	\$ 44,494	\$ 336	\$ -	\$ 44,830
<b>Total liabilities</b>	<u>\$ 44,494</u>	<u>\$ 336</u>	<u>\$ -</u>	<u>\$ 44,830</u>
<b><u>Fireworks Trust Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 19,149	\$ 111	\$ (4,000)	\$ 15,260
Interest receivable	43		(29)	14
<b>Total assets</b>	<u>\$ 19,192</u>	<u>\$ 111</u>	<u>\$ (4,029)</u>	<u>\$ 15,274</u>
<b>Liabilities:</b>				
Deposits payable	\$ 19,192	\$ 111	\$ (4,029)	\$ 15,274
<b>Total liabilities</b>	<u>\$ 19,192</u>	<u>\$ 111</u>	<u>\$ (4,029)</u>	<u>\$ 15,274</u>



**Conejo Recreation and Park District**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)**  
**Agency Funds**  
**For the fiscal year ended June 30, 2017**

	Balance July 1, 2016	Additions	Deletions	Balance June 30, 2017
<b><u>CSVP Advisory Council Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 153,100	\$ 39,821	\$ (38,188)	\$ 154,733
Interest receivable	357	112		469
<b>Total assets</b>	<u>\$ 153,457</u>	<u>\$ 39,933</u>	<u>\$ (38,188)</u>	<u>\$ 155,202</u>
<b>Liabilities:</b>				
Deposits payable	\$ 153,457	\$ 39,933	\$ (38,188)	\$ 155,202
<b>Total liabilities</b>	<u>\$ 153,457</u>	<u>\$ 39,933</u>	<u>\$ (38,188)</u>	<u>\$ 155,202</u>
<b><u>Therapeutic Advisory Council Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 91,543	\$ 11,022	\$ -	\$ 102,565
Interest receivable	210	92		302
<b>Total assets</b>	<u>\$ 91,753</u>	<u>\$ 11,114</u>	<u>\$ -</u>	<u>\$ 102,867</u>
<b>Liabilities:</b>				
Deposits payable	\$ 91,753	\$ 11,114	\$ -	\$ 102,867
<b>Total liabilities</b>	<u>\$ 91,753</u>	<u>\$ 11,114</u>	<u>\$ -</u>	<u>\$ 102,867</u>
<b><u>Part-Time Pension Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 428,626	\$ 2,929	\$ -	\$ 431,555
Interest receivable	796	314		1,110
<b>Total assets</b>	<u>\$ 429,422</u>	<u>\$ 3,243</u>	<u>\$ -</u>	<u>\$ 432,665</u>
<b>Liabilities:</b>				
Part-time pensions payable	\$ 429,422	\$ 3,243	\$ -	\$ 432,665
<b>Total liabilities</b>	<u>\$ 429,422</u>	<u>\$ 3,243</u>	<u>\$ -</u>	<u>\$ 432,665</u>
<b><u>Teen Center Advisory Council Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ -	\$ 78,220	\$ (37,505)	\$ 40,715
Interest receivable		130		130
<b>Total assets</b>	<u>\$ -</u>	<u>\$ 78,350</u>	<u>\$ (37,505)</u>	<u>\$ 40,845</u>
<b>Liabilities:</b>				
Deposits payable	\$ -	\$ 78,350	\$ (37,505)	\$ 40,845
<b>Total liabilities</b>	<u>\$ -</u>	<u>\$ 78,350</u>	<u>\$ (37,505)</u>	<u>\$ 40,845</u>
<b><u>Total All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,146,520	\$ 158,343	\$ (79,693)	\$ 1,225,170
Interest receivable	2,661	953	(146)	3,468
<b>Total assets</b>	<u>\$ 1,149,181</u>	<u>\$ 159,296</u>	<u>\$ (79,839)</u>	<u>\$ 1,228,638</u>
<b>Liabilities:</b>				
Deposits payable	\$ 719,759	\$ 156,053	\$ (79,839)	\$ 795,973
Part-time pensions payable	429,422	3,243		432,665
<b>Total liabilities</b>	<u>\$ 1,149,181</u>	<u>\$ 159,296</u>	<u>\$ (79,839)</u>	<u>\$ 1,228,638</u>

