



# Conejo Recreation & Park District

**GENERAL MANAGER**  
Jim Friedl

**BOARD OF DIRECTORS**  
Chuck Huffer, Chair  
George M. Lange, Vice Chair  
Susan L. Holt, Director  
Joe Gibson, Director  
Ed Jones, Director

**GENERAL MANAGER EMERITUS**  
Tex Ward

**DATE:** March 3, 2016

**TO:** Board of Directors

**FROM:** Jim Friedl, General Manager

**SUBJECT:** Annual Audit Report

## RECOMMENDATION

Accept the audit for the fiscal year (FY) ending June 30, 2015, as prepared by the accounting firm of Moss, Levy and Hartzheim, CPAs.

## DISCUSSION

Attached is the audit for FY 14-15, which consists of financial statements (Attachment 1), and Management Report and Auditor's Communication Letters (Attachment 2). The financial statements represent management's assertions concerning the government's financial position, results of operations and cash flows. The auditor's role is strictly limited to providing users of the financial statements with an independent basis for relying on management's assertions.

Consistent with prior years, the auditors have issued an unqualified or "clean" opinion, which means they can state, without reservation, that the financial statements are fairly presented in conformity with generally accepted accounting principles.

The Management Report and Auditor's Communication Letters discuss the audit process, report on internal controls, and provide current year recommendations and status of prior year recommendations.

## STRATEGIC PLAN COMPLIANCE

Meets Strategic Plan Vision Statement: In order to continue to serve our community and be recognized as a top recreation and park district in the nation, we must be financially stable.

Respectfully submitted,

Sheryl Lewanda, Administrator  
Management Services

Attachments

## ADMINISTRATIVE OFFICES

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**CONEJO RECREATION AND PARK DISTRICT  
THOUSAND OAKS, CALIFORNIA  
BASIC FINANCIAL STATEMENTS  
June 30, 2015**

**Conejo Recreation and Park District**  
**Basic Financial Statements**  
**For the fiscal year ended June 30, 2015**

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MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITORS' 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, 2015, 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 24.1 percent, 26.9 percent, and 0.2 percent, respectively, of the assets, net position, and 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, 2015, and the respective changes in financial position thereof for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

### *Change in Accounting Principles*

As discussed in note 1 of the notes to the basic financial statements effective July 1, 2014, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. Our opinion is not modified with respect to this matter.

## **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 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.

The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on it.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
February 17, 2016

# 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, 2015.

## FINANCIAL HIGHLIGHTS

On June 30, 2015, District assets exceeded liabilities by \$142.4 million (net position). Of this amount, \$15.5 million may be used to meet the District's ongoing obligations to citizens and creditors.

The District implemented Governmental Accounting Standards Board (GASB) Statements No. 68 and 71, during FY 14-15, resulting in the recording of a net pension liability of \$7.3 million and deferred outflows and inflows of resources of \$0.7 million and \$3.1 million respectively (see Summary of Significant Accounting Policies Note 1, Section K).

The District's government-wide net position increased \$0.4 million during the fiscal year, which primarily reflects a prior period adjustment to increase capital assets by \$10.7 million and \$0.2 million in investment in joint venture, offset by expenditures in excess of revenues of \$0.4 million, and the recognition of net pension liability of \$9.8 million, as discussed above.

- At the close of fiscal year 2014-15, District governmental funds reports a combined ending fund balance of \$36.0 million, an increase of \$4.4 million in comparison with the prior year. Approximately \$26.4 million or 73.5 percent is in the General Fund. Of this amount, \$4.0 million is unassigned general fund balance.
- At the close of fiscal year 2014-15, the General Fund budget to actual report shows a \$3.6 million increase in appropriation from original to final budget. Fund balance decreased by \$0.5 million rather than the budgeted \$0.1 million increase. Actual revenues were more than budgeted by \$1.5 million and actual expenditures and transfers were less than budgeted by \$1.3 million.
- As of June 30, 2015, the District's other governmental funds, excluding the general fund, reported combined ending fund balances of \$9.5 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 assets presents information on all of the District's assets and liabilities, with the difference between the two reported as net assets. Over time, increases or decreases in net assets 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 54 - 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 \$142.4 million at June 30, 2015, as summarized below:

Statement of Net Position		
June 30,		
	2015	2014
Assets:		
Cash and investments	\$ 35,947,874	\$ 32,237,764
Receivables	1,099,699	490,281
Contributions receivable		1,024,070
Other assets	16,901	14,511
Investment in Joint Venture	37,819,101	37,622,227
Capital assets (net of depreciation)	83,716,455	76,903,050
Total assets	<u>158,600,030</u>	<u>148,291,903</u>
Deferred Outflows of Resources:		
Contribution to pension subsequent to measurement date	720,175	
Total assets and deferred outflows of resources	<u>\$ 159,320,205</u>	<u>\$ 148,291,903</u>
Liabilities:		
Accounts payable	663,370	\$ 670,980
Other current liabilities	1,170,845	1,205,565
Noncurrent liabilities	<u>12,006,007</u>	<u>4,423,324</u>
Total liabilities	13,840,222	6,299,869
Deferred Inflows of Resources		
Differences between projected and actual earnings on pension plan investments	<u>3,127,300</u>	
Total liabilities and deferred inflows of resources	<u>\$ 16,967,522</u>	<u>\$ 6,299,869</u>
Net position:		
Invested in capital assets	83,716,455	\$ 76,903,050
Restricted – Joint Venture	37,819,101	37,622,227
Restricted – Assessment Districts	5,321,420	2,676,084
Unrestricted	<u>15,495,707</u>	<u>24,790,673</u>
	<u>\$ 142,352,683</u>	<u>\$ 141,992,034</u>

The largest portion (59.0 percent) of the District's net position reflects its investment of \$83.7 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.

\$37.8 million (26.6 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 \$37.8 million. These assets are not available for future spending. Another portion of the District's net position, \$5.3 million (3.7 percent) represents resources available in the District's three assessment districts. The remaining balance \$15.5 million (10.9 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 recognition of the District's pension liability of \$7.3 million as a result of GASB statements 68 and 71 and the fiscal year 2014-15 Other Post Employment Benefit (OPEB) liability of \$0.5 million. The District has \$9.0 million of committed general fund balance for OPEB costs.

### Statement of Activities

As shown in the table below, the District's net position increased \$0.4 million, consisting of a decrease of \$0.5 million due to FY 14-15 activity and a \$0.8 million prior period adjustment, which reflects a \$10.7 million increase to capital assets offset by \$9.9 million increase in pension liabilities. The Other Revenue increased as a result of donations for capital projects of \$0.2 million, turf reduction rebates of \$0.3 million, and \$0.2 miscellaneous increases. Expenses have increased primarily due to the write off of \$3.1 million in capital projects, discussed later in this document.

	Statement of Activities June 30,	
	2015	2014
Revenues:		
Program Revenues:		
Charges for Services	\$ 4,849,946	\$ 4,620,200
Operating Grants & Contributions	2,109,267	2,252,676
Capital Grants & Contributions	2,117,224	1,375,896
General Revenues:		
Property Taxes	14,641,686	14,146,949
Investment Income	150,905	117,079
Other	1,346,126	657,668
Total Revenues	\$ 25,215,154	\$ 23,170,468
Expenses:		
Parks & Recreation	\$ 25,703,675	\$ 22,185,238
Change in Net Position	(488,521)	985,230
Net Position - Beginning	141,992,034	140,594,242
Prior Period Adjustment	849,170	412,562
Net Position - Beginning, restated	142,841,204	141,006,804
Net Position - Ending	\$ 142,352,683	\$ 141,992,034

## 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 2014-15, District governmental funds reported a combined ending fund balance of \$36.0 million, an increase of \$4.4 million in comparison with the prior year. Approximately \$26.4 million or 73.5 percent is in the General Fund. Of this amount, \$22.5 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 a decrease of \$0.5 million in fund balance for the year ended June 30, 2015, consisting of \$3.2 million of revenues exceeding expenses, offset by transfers to other funds of \$3.7 million. At June 30, 2015, the unrestricted fund balance (which includes the *committed*, *assigned* and *unassigned* components of fund balance) was \$26.4 million that is available for ongoing operations, or 154.1 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 \$4.0 million or 15.0 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 \$2.6 million, to \$4.6 million at June 30, 2015, as a result of a \$2.5 million transfer from the general fund for future projects and \$0.1 million in general operations.

#### **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 \$0.05 million, leaving a balance of \$0.6 million at June 30, 2015.

#### **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 \$0.01 million, leaving a balance of \$0.05 million at June 30, 2015.

#### **Capital Projects Fund**

The Capital Projects Fund provides resources for construction of capital projects. Major projects include districtwide turf reductions in response to the drought, trailhead parking and restroom at Rancho Potrero, and Play Area Renovation at El Parque de la Paz Park. Fund balance increased \$2.2 million, due to a transfer from general fund (\$0.9 million), development impact fees (\$0.8 million), cell tower revenues (\$0.3 million), and net waterwise rebates (\$0.2 million), for a total of \$4.2 million at June 30, 2015.

## **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 \$3.4 million due to Board approved budget adjustments, primarily providing additional appropriation for transfers of unrestricted general fund balance to various funds for capital projects.

Total actual revenues exceeded budget by \$1.5 million - Property tax revenues, facilities rental and payment on contribution receivable exceeded budget by \$0.9 million, \$0.3 million and \$0.2 million, respectively. Actual operating expenditures were less than budgeted by \$1.1 million across all divisions. Actual revenues exceeded actual expenditures by \$3.2 million. Anticipated net transfers out of the general fund of \$3.7 million led to a decrease in fund balance of \$0.5 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 decreases in Other Revenue and Capital Outlay to adjust for appropriate accounting of the Dreamcatcher inclusive playground project. There are also increases in the Capital Outlay expenditure account reflecting carryover of appropriation available at the end of FY 13-14 for projects in progress at the end of that year.

The positive variance in the Capital Outlay expenditure account primarily reflects appropriation that will be carried into FY 15-16 to complete capital projects in progress.

### **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 change from the original to final budgets.

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

The budget to actual report for this fund can be found on page 57 of this report. There was no change from the original to final budgets. Other revenue of \$0.02 million reflects refund of prior overcharges for water.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

District investment in capital assets for its governmental activities as of June 30, 2015, totaled \$83.7 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 2014-15 was \$6.8 million. A comprehensive review of the District's assets was completed in FY 14-15, resulting in a \$10.7 million prior period increase for land purchased in prior years, offset by \$3.0 million in land no longer held by the District, and \$0.8 of depreciation expense in excess of FY 14-15 capital additions. 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,		
	2015	2014
Land	\$ 49,167,062	\$ 41,498,102
Buildings	6,568,774	7,000,656
Improvements	23,658,208	24,284,111
Equipment	1,322,932	1,464,163
Construction in Progress	2,999,479	2,656,018
	<u>\$ 83,716,455</u>	<u>\$ 76,903,050</u>

Major capital asset events during the fiscal year included parking and restroom at Rancho Potrero Trailhead, construction of Dreamcatcher inclusive playground, play equipment renovation at El Parque de la Paz park, districtwide turf reduction in response to the drought and renovation at Borchard Park.

#### Long-term debt

The District has no outstanding debt at June 30, 2015.

### ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The focus of this annual report is the economic condition of the District as of June 30, 2015, 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 2014-15 to fiscal year 2015-16, reflecting some recovery in the local real estate market. Managing district resources in an environment of projected modest property tax revenue increases coupled with rising costs is one of the challenges 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 woodchips until such time resources are available to install waterwise landscaping. Resources otherwise programmed for water costs will be channeled into the waterwise landscape program. The District is also undertaking a project to connect parks in the east end of the Conejo Valley to recycled water.

An additional challenge facing state and local government continues to be pension funding. The value of the California public employees' retirement systems (CalPERS) investment portfolio declined 23.4 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 and 2.4 percent for the FY ending June 2015. 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% of salary. In addition to that 7%, the District is responsible for the annually adjusted employer contribution rate. The employer contribution rate increased from 6.609% for fiscal year 2009-10, to 9.751% for fiscal year 2014-15.

Using the updated actuarial assumptions and projected portfolio returns, the preliminary estimated employer's share of the pension cost for fiscal years 2015-16, 2016-17, and 2017-18 is 11.359%, 12.234% and 13.600% respectively. Due to these increasing pension costs and the Public Employee Pension Reform Act (PEPRA), the District and employees reached an agreement whereby the employees will pay the full 7% of the employee contribution by July, 2014. Thus, even though the total cost of employee pensions is escalating, by transferring 7% to the employees, the District's expense for pensions is projected to remain generally stable through FY 16/17.

In addition, effective in December, 2009, the District implemented 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 drive contribution rates down over the coming decades.

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 is currently projecting budget surpluses for the next several fiscal years. Although the surpluses result, at least in part, from tax increases approved by the people of the State and from the State's elimination of local Redevelopment Agencies, there is no current discussion of returning any of the surpluses to local government. The State's historical use of local resources to balance its budget remains of significant 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, 2015**

	Governmental Activities
<b>ASSETS</b>	
Current assets:	
Cash and investments (Note 2)	\$ 35,947,874
Receivables (Note 3):	
Accounts	716,296
Interest	30,623
Taxes	114,616
Loans	238,164
Prepays	16,901
Total current assets	37,064,474
Noncurrent assets:	
Investment in joint venture (Note 12)	37,819,101
Capital assets (Note 6):	
Nondepreciable	52,166,541
Depreciable, net	31,549,914
Total capital assets, net	83,716,455
Total noncurrent assets	121,535,556
<b>Total assets</b>	<b>158,600,030</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
District's contributions to pension subsequent to measurement date	720,175
<b>Total assets and deferred outflows of resources</b>	<b>159,320,205</b>
<b>LIABILITIES</b>	
Current liabilities:	
Accounts payable	663,370
Payroll and related liabilities	419,202
Refundable deposits	18,064
Claims payable - due in less than one year (Note 10)	233,579
Compensated absences - due in less than one year	500,000
Total current liabilities	1,834,215
Noncurrent liabilities:	
Claims payable - due in more than one year (Note 10)	207,136
Compensated absences - due in more than one year	711,220
Net other post employment benefits obligation (Note 9)	3,802,442
Net pension liability (Note 8)	7,285,209
Total noncurrent liabilities	12,006,007
<b>Total liabilities</b>	<b>13,840,222</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Differences between projected and actual earnings on pension plan investments	3,127,300
<b>Total liabilities and deferred inflows of resources</b>	<b>16,967,522</b>
<b>NET POSITION</b>	
Net investment in capital assets	83,716,455
Restricted for assessment districts	5,321,420
Restricted for parks and recreation open space - COSCA	37,819,101
Unrestricted	15,495,707
<b>Total net position</b>	<b>\$ 142,352,683</b>

See accompanying Notes to Basic Financial Statements.

**Conejo Recreation and Park District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2015**

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	\$ 25,703,675	\$ 4,849,946	\$ 2,109,267	\$ 2,117,224	\$ (16,627,238)
<b>Total governmental activities</b>	<u>\$ 25,703,675</u>	<u>\$ 4,849,946</u>	<u>\$ 2,109,267</u>	<u>\$ 2,117,224</u>	<u>\$ (16,627,238)</u>

**General Revenues (Expenditures):**

Taxes:

Secured and unsecured property taxes	14,641,686
Investment income	150,905
Licenses and permits	399,267
Other	946,859

<b>Total general revenues</b>	<u>16,138,717</u>
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<b>Changes in net position</b>	<u>(488,521)</u>
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**Net position:**

Net Position - Beginning of fiscal year	141,992,034
Prior Period Adjustments (Note 11)	<u>849,170</u>
Net Position - Beginning of fiscal year, restated	<u>142,841,204</u>
Net Position - End of fiscal year	<u>\$ 142,352,683</u>

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## **FUND FINANCIAL STATEMENTS**

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**Conejo Recreation and Park District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2015**

	Major Funds					
	Special Revenue Funds					Total Governmental Funds
	General	Districtwide Assessment	Dos Vientos Assessment	Rancho Conejo Assessment	Capital Projects	
	Fund	District Fund	District Fund	District Fund	Fund	
ASSETS						
Cash and investments (Note 2)	\$ 27,180,346	\$ 4,660,052	\$ 679,905	\$ 59,225	\$ 3,368,346	\$ 35,947,874
Receivables:						
Accounts	74,234				642,062	716,296
Interest	23,236	3,958	580	53	2,796	30,623
Taxes	69,069	30,986	13,421	1,140		114,616
Loans	6,164				232,000	238,164
Prepaid items	16,901					16,901
<b>Total assets</b>	<b>\$ 27,369,950</b>	<b>\$ 4,694,996</b>	<b>\$ 693,906</b>	<b>\$ 60,418</b>	<b>\$ 4,245,204</b>	<b>\$ 37,064,474</b>
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	\$ 513,669	\$ 59,086	\$ 47,939	\$ 5,737	\$ 36,939	663,370
Accrued expenditures	404,064	1,197	11,554	2,387		419,202
Refundable deposits	18,064					18,064
<b>Total liabilities</b>	<b>935,797</b>	<b>60,283</b>	<b>59,493</b>	<b>8,124</b>	<b>36,939</b>	<b>1,100,636</b>
Fund Balances:						
Nonspendable:						
Prepaid items	16,901					16,901
Long-term receivables	6,164				232,000	238,164
Restricted for:						
Assessment Districts		4,634,713	634,413	52,294		5,321,420
Committed for:						
Other post employment benefits	8,984,979					8,984,979
Claims	2,695,685					2,695,685
Operating reserve	5,500,000					5,500,000
Equipment replacement	3,912,614					3,912,614
Assigned for:						
Retirement	1,250,968					1,250,968
Capital projects					3,976,265	3,976,265
Other purposes	96,211					96,211
Unassigned	3,970,631					3,970,631
<b>Total fund balances</b>	<b>26,434,153</b>	<b>4,634,713</b>	<b>634,413</b>	<b>52,294</b>	<b>4,208,265</b>	<b>35,963,838</b>
<b>Total liabilities and fund balances</b>	<b>\$ 27,369,950</b>	<b>\$ 4,694,996</b>	<b>\$ 693,906</b>	<b>\$ 60,418</b>	<b>\$ 4,245,204</b>	<b>\$ 37,064,474</b>

See accompanying Notes to Basic Financial Statements.

**Conejo Recreation and Park District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2015**

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<b>Total Fund Balances - Total Governmental Funds</b>	<b>\$ 35,963,838</b>
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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 were reported, including capital assets and accumulated depreciation.

Nondepreciable capital assets	\$ 52,166,541	
Depreciable capital assets, net	<u>31,549,914</u>	83,716,455

Investment in joint venture has not been included as financial resources in the governmental funds.	37,819,101
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Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the governmental funds' Balance Sheet.

Claims payable	\$ (440,715)	
Compensated absences	(1,211,220)	
Net other post-employment benefits obligation	(3,802,442)	
Net pension liability	<u>(7,285,209)</u>	(12,739,586)

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	\$ 720,175	
Deferred inflow of resources - pension	<u>(3,127,300)</u>	<u>(2,407,125)</u>

<b>Net position of governmental activities</b>	<b><u>\$ 142,352,683</u></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, 2015**

	Major Funds					
	Special Revenue Funds					
	Districtwide	Dos Vientos	Rancho Conejo	Capital	Total	
General	Assessment	Assessment	Assessment	Projects	Governmental	
Fund	District Fund	District Fund	District Fund	Fund	Funds	
<b>REVENUES:</b>						
Property taxes	\$ 14,641,686	\$ -	\$ -	\$ -	\$ -	\$ 14,641,686
Assessments		1,714,174	614,141	85,463		2,413,778
Licenses and permits	5,848		70,216		323,203	399,267
Interest	109,322	12,426	5,006	340	5,272	132,366
Facilities rental	688,175					688,175
Other governmental agencies	466,942	9,679			528,238	1,004,859
Recreation fees	4,221,670					4,221,670
Other	232,718	1,000		21,813	1,439,283	1,694,814
<b>Total revenues</b>	<b>20,366,361</b>	<b>1,737,279</b>	<b>689,363</b>	<b>107,616</b>	<b>2,295,996</b>	<b>25,196,615</b>
<b>EXPENDITURES:</b>						
Current:						
Parks and recreation:						
District administration	2,769,313					2,769,313
Parks and planning	7,162,247	803,393	912,554	239,489		9,117,683
Recreation and community services	7,020,034					7,020,034
Capital outlay	205,607	987,386			749,764	1,942,757
<b>Total expenditures</b>	<b>17,157,201</b>	<b>1,790,779</b>	<b>912,554</b>	<b>239,489</b>	<b>749,764</b>	<b>20,849,787</b>
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>3,209,160</b>	<b>(53,500)</b>	<b>(223,191)</b>	<b>(131,873)</b>	<b>1,546,232</b>	<b>4,346,828</b>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers in		2,728,700	272,019	124,181	891,000	4,015,900
Transfers out	(3,716,200)	(71,000)			(228,700)	(4,015,900)
<b>Total other financing sources (uses)</b>	<b>(3,716,200)</b>	<b>2,657,700</b>	<b>272,019</b>	<b>124,181</b>	<b>662,300</b>	
<b>Net change in fund balances</b>	<b>(507,040)</b>	<b>2,604,200</b>	<b>48,828</b>	<b>(7,692)</b>	<b>2,208,532</b>	<b>4,346,828</b>
<b>FUND BALANCES:</b>						
Beginning of fiscal year	26,941,193	2,030,513	585,585	59,986	1,999,733	31,617,010
End of fiscal year	\$ 26,434,153	\$ 4,634,713	\$ 634,413	\$ 52,294	\$ 4,208,265	\$ 35,963,838

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, 2015**

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**Net change in fund balance - total governmental funds:** **\$ 4,346,828**

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:

Capital outlay (\$351,759) of capital outlay expenditures was for current park and recreation expenditures and was not capitalized. 1,590,998

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. (2,415,934)

Investment revenue earned from investment in joint venture - COSCA. 196,874

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 decrease in claims payable was not reported as an expenditure in the governmental funds. 220,988

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 decrease in long-term compensated absences was not reported as an expenditure in the governmental funds. 4,499

Adjustment to revenues in the Government-Wide Statement of Activities related to payments received and interest earned (McCrea). (178,335)

McCrea contribution receivable was previously recognized as income in the Government-Wide Statement of Activities, but was not recognized as income in the governmental funds. Therefore, the decrease in the McCrea contribution receivable was not reported as an expenditure in the governmental funds (845,735)

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. (505,540)

Pension contributions was 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. 167,732

Various capital assets were disposed of during the fiscal year. Loss on disposal of capital assets was not reported in the Government-Wide Statement of Activities. (3,070,896)

**Change in net position of governmental activities** **\$ (488,521)**

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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, 2015**

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	<u>Agency Funds</u>
<b>ASSETS</b>	
Cash and investments	\$ 1,424,263
Interest receivable	<u>1,023</u>
<b>Total assets</b>	<u><u>\$ 1,425,286</u></u>
<b>LIABILITIES</b>	
Deposits payable	\$ 998,068
Part-time pensions payable	<u>427,218</u>
<b>Total liabilities</b>	<u><u>\$ 1,425,286</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, 2015**

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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, 2015**

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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, 2015**

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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 Senior Center, Fireworks Trust, CSVP Advisory Council, Therapeutic 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, 2015**

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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, 2015**

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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, 2015**

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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, 2015**

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

**K. Accounting Changes**

Governmental Accounting Standards Board Statement No. 68

For the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting and Financial Reporting for Pensions*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers* as well as the requirements of Statement No. 50, *Pension Disclosures*. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses related to pensions. Implementation of GASB Statement No. 68 did have an impact on the District's financial statements for the fiscal year ended June 30, 2015, see Note 8C.

Governmental Accounting Standards Board Statement No. 71

For the fiscal year ended June 30, 2015, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. This Statement is effective for periods beginning after June 15, 2014. The objective of this Statement is to address an issue regarding application of the transition of GASB Statement No. 68 Accounting and Financial Reporting for Pensions. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or non-employer contributing entity to a defined benefit pension plan after the measurement date of the government's beginning net pension liability. This statement will eliminate the source of potential significant understatement of restated beginning net position and expense in the first year of implementation of GASB Statement No. 68 in the accrual-basis financial statements of employers and non-employer contributing entities. Implementation of the GASB Statement No. 71 did have an impact on the District's financial statements for the fiscal year ended June 30, 2015, see Note 8C.

**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, 2015:

	Government-Wide Statement Net Position	Fiduciary Fund Statement of	
	Governmental	Net Position	Total
	Activities		
Cash and Investments	\$ 35,947,874	\$ 1,424,263	\$ 37,372,137

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

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

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

Cash and investments comprised the following at June 30, 2015:

<b>Cash and cash equivalents:</b>	
Petty cash	\$ 1,500
Cash on hand	13,513
Demand deposits	<u>1,530,873</u>
Total cash and cash equivalents	<u>1,545,886</u>
<b>Investments:</b>	
Local Agency Investment Fund	2,707,321
Ventura County Investment Pool	<u>33,118,930</u>
Total investments	<u>35,826,251</u>
<b>Total cash and investments</b>	<u><u>\$ 37,372,137</u></u>

**B. Cash Deposits**

The carrying amounts of the District's demand deposits were \$1,530,873 at June 30, 2015. Bank balances at June 30, 2015 were \$1,800,182 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:

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
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, 2015**

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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, 2015 included 1.96% 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, 2015, the District had \$2,707,321 invested in LAIF. The District valued its investments in LAIF as of June 30, 2015 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 1.0003760.

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, 2015**

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

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

As of June 30, 2015, the District had \$33,118,930 invested in the Ventura County Investment Pool (the “County Pool”). The District valued its investments in the County Pool as of June 30, 2015 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, 2015, 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	\$ 2,707,321	\$ 2,707,321
Ventura County Investment Pool	33,118,930	33,118,930
	<u>\$ 35,826,251</u>	<u>\$ 35,826,251</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; Poors</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:

**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	\$ 2,707,321	7.56%
Ventura County Investment Pool	33,118,930	92.44%
	<u>\$ 35,826,251</u>	<u>100.00%</u>

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

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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.

**Note 3 – Receivables**

***A. Accounts Receivable***

Accounts receivable consisted of the following at June 30, 2015:

<u>Agency</u>	<u>Accounts Receivable</u>
Other government agencies	\$ 399,469
Deposits receivable	4,881
Arts Council of the Conejo Valley	10,637
Play Conejo	229,652
OakHeart Country Music Festival	11,281
Conejo Valley Days	57,489
Goebel Senior Center Commission	2,887
Total	<u>\$ 716,296</u>

***B. Interest Receivable***

Interest receivable consisted of the following at June 30, 2015:

<u>Agency</u>	<u>Interest Receivable</u>
Local Agency Investment Fund	\$ 1,842
Ventura County Investment Pool	28,781
Total	<u>\$ 30,623</u>

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

**Note 3 – Receivables (Continued)**

**C. Taxes Receivable**

Taxes receivable, due from the County of Ventura, consisted of the following at June 30, 2015:

<u>Fund</u>	<u>Type</u>	<u>Amount</u>
General Fund	Property taxes	\$ 69,069
Special Assessment District Special Revenue Fund	Assessments	30,986
Dos Vientos Assessment District Special Revenue Fund	Assessments	13,421
Rancho Conejo Assessment District Special Revenue Fund	Assessments	1,140
Total		<u>\$ 114,616</u>

**D. Loans Receivable**

Summary of changes in loans receivable for the year ended June 30, 2015 is as follows:

	<u>Balance July 1, 2014</u>	<u>Additions</u>	<u>Deletions</u>	<u>Balance June 30, 2015</u>
Computers	\$ 8,516	\$ 4,883	\$ (7,235)	\$ 6,164
AYSO	261,000		(29,000)	232,000
Total	<u>\$ 269,516</u>	<u>\$ 4,883</u>	<u>\$ (36,235)</u>	<u>\$ 238,164</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.

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. The first installment was due by April 1, 2014.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

**Note 4 – Interfund Transactions**

***Transfers In and Out***

At June 30, 2015, the District had the following transfers in/out:

Transfers Out:	Transfers In					Total
	Special Revenue Funds					
	General	Special	Dos Vientos	Rancho	Capital	
	Fund	Assessment	Assessment	Conejo	Projects	
	District	District	District	District	Fund	
	Fund	Fund	Fund	Fund		
General Fund	\$ -	\$ 2,500,000	\$ 272,019	\$ 124,181	\$ 820,000	\$ 3,716,200
Special Assessment						
District Fund					71,000	71,000
Capital Project Fund		228,700				228,700
Total	\$ -	\$ 2,728,700	\$ 272,019	\$ 124,181	\$ 891,000	\$ 4,015,900

From General Fund: 1) to provide \$2,500,000 in funding to the Special Assessment District for various projects; and \$820,000 to the Capital Projects Fund for various projects, and 2) to provide property tax support for the Dos Vientos and Rancho Conejo Assessment Districts in the amount of \$272,019 and \$124,181, respectively.

From the Special Assessment District Fund to the Capital Projects Fund to provide \$228,700 in funding for the Rancho Potrero trailhead.

From the Capital Projects Fund to the Special Assessment District Fund to provide \$71,000 in funding for the playground at Old Meadows Park.

**Note 5 – Contribution Receivable**

On June 15, 1995, the District acquired 300 acres of land in Thousand Oaks, commonly known as the McCrea Ranch, for \$1,950,000. Provisions of the transaction included that the McCrea Charitable Trusts named the District as irrevocable beneficiary of portions of the corpus of the trusts totaling \$1,800,000 and a “personal guarantee” from a private party (unrelated to the McCrea family). The District received \$775,929 in previous fiscal years and \$178,336 in fiscal year 2014-15 from the McCrea Charitable Trusts, exhausting all of the assets of the trusts while leaving a balance due from the personal guarantor of \$845,735. In 2015, the personal guarantor passed away with insufficient assets to pay the remaining balance, thus it has been written off.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

**Note 6 – Capital Assets**

Summary of changes in the capital assets for the year ended June 30, 2015 is as follows:

	Balance as of July 1, 2014	Additions	Retirements	Prior period Adjustments	Balance as of June 30, 2015
Capital assets not being depreciated:					
Land	\$ 41,498,102	\$ -	\$ (3,044,040)	\$ 10,713,000	\$ 49,167,062
Construction in progress	2,656,018	343,461			2,999,479
Total capital assets not being depreciated	44,154,120	343,461	(3,044,040)	10,713,000	52,166,541
Capital assets being depreciated:					
Buildings	9,830,373		(11,100)		9,819,273
Improvements	38,433,918	1,078,331		(5,194,130)	34,318,119
Equipment	5,965,602	169,206	(2,287,136)	(274,628)	3,573,044
Total capital assets, being depreciated	54,229,893	1,247,537	(2,298,236)	(5,468,758)	47,710,436
Less accumulated depreciation:					
Buildings	(2,829,717)	(428,119)	11,100	(3,763)	(3,250,499)
Improvements	(14,149,807)	(1,704,234)		5,194,130	(10,659,911)
Equipment	(4,501,439)	(283,581)	2,260,280	274,628	(2,250,112)
Total less accumulated depreciation	(21,480,963)	(2,415,934)	2,271,380	5,464,995	(16,160,522)
Net capital assets being depreciated	32,748,930	(1,168,397)	(26,856)	(3,763)	31,549,914
Capital assets, net	\$ 76,903,050	\$ (824,936)	\$ (3,070,896)	\$ 10,709,237	\$ 83,716,455

**Note 7 – Long-Term Liabilities**

Changes in long-term liabilities for the fiscal year ended June 30, 2015 were as follows:

	Balance July 1, 2014	Additions	Deletions	Prior Period Adjustments	Balance June 30, 2015	Classification	
						Due Within One Year	Due in More than One Year
Compensated absences	\$ 1,215,719	\$ 588,147	\$ (592,646)	\$ -	\$ 1,211,220	\$ 500,000	\$ 711,220
Claims and judgments	661,703	40,700	(261,688)		440,715	233,579	207,136
Net Pension Liability		4,841,722	(8,045,192)	10,488,679	7,285,209		7,285,209
Net OPEB liability	3,296,902	719,125	(213,585)		3,802,442		3,802,442
Total	\$ 5,174,324	\$ 6,189,694	\$ (9,113,111)	\$ 10,488,679	\$ 12,739,586	\$ 733,579	\$ 12,006,007

**Note 8 – 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, 2015**

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**Note 8 – 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, 2015**

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**Note 8 – 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, 2015, 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	9.751%

Employees Covered

At June 30, 2015, the following employees were covered by the benefit terms for each Plan:

	<u>Miscellaneous</u>
Inactive employees or beneficiaries currently receiving benefits	90
Inactive employees entitled to but not yet receiving benefits	220
Active employees	157
Total	<u>467</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, 2015, the average employee contribution rate was 7.000%. The District's average contribution rate and required contribution for the year ended June 30, 2015 were 9.751% and \$720,175, respectively. Actual contributions for the year equaled \$720,175, or 100% of required contributions.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

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**Note 8 – 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, 2014, using an annual actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 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, 2013 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
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, 2013 valuation were based on the results of a January 2014 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 7.50 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 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.50 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, 2015**

**Note 8 – 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 Years 1 - 10 <sup>1</sup>	Real Return Years 11+ <sup>2</sup>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

<sup>1</sup>An expected inflation of 2.5% used for this period

<sup>2</sup>An expected inflation of 3.0% used for this period

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

**Note 8 – 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, June 30, 2013 (Valuation Date)</b>	<b>\$ 50,240,157</b>	<b>\$ 39,751,478</b>	<b>\$ 10,488,679</b>
Changes in Recognized for the Measurement Period:			
Service Cost	1,106,207		1,106,207
Interest on the Total Pension Liability	3,735,515		3,735,515
Contributions from the Employer		628,613	(628,613)
Contributions from Employees		557,540	(557,540)
Net Investment Income <sup>2</sup>		6,859,039	(6,859,039)
Benefit Payments, including Refunds of Employee Contributions	(1,972,811)	(1,972,811)	
<b>Net Changes during 2013-14</b>	<b>2,868,911</b>	<b>6,072,381</b>	<b>(3,203,470)</b>
<b>Balance, June 30, 2014 (Measurement Date) <sup>1</sup></b>	<b>\$ 53,109,068</b>	<b>\$ 45,823,859</b>	<b>\$ 7,285,209</b>

<sup>1</sup> The fiduciary net position includes receivables for employee service buybacks, deficiency reserves, fiduciary self-insurance and OPEB expense. This may differ from the plan assets reported in the funding actuarial valuation report.

<sup>2</sup> Net of administrative expenses.

**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 7.50 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 (6.50 percent) or 1 percentage-point higher (8.50 percent) than the current rate:

	Discount Rate – 1% (6.50%)	Current Discount Rate (7.50%)	Discount Rate + 1% (8.50%)
Plan's Net Pension Liability/(Asset)	\$ 13,987,684	\$ 7,285,209	\$ 1,677,142

**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, 2015**

**Note 8 – Pension Plans (Continued)**

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

For the fiscal year ended June 30, 2015, the District recognized pension expense of \$552,443. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 720,175	\$ -
Net differences between projected and actual earnings on pension plan investments		(3,127,300)
Total	<u>\$ 720,175</u>	<u>\$ (3,127,300)</u>

\$720,175 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, 2016. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Fiscal Year Ended June 30,	Deferred Outflows/(Inflows) of Resources
2015	(781,825)
2016	(781,825)
2017	(781,825)
2018	(781,825)

**Note 9 – 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, 2015, the total contribution made was \$213,585. Forty-five 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, 2015**

**Note 9 – 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 year, the amount actually contributed to the plan, and changes in the District’s net OPEB obligation to the plan:

	<u><b>Total</b></u>
Annual required contribution	\$ 735,059
Interest on net OPEB obligation	148,361
Adjustment to annual required contribution	<u>(164,295)</u>
Annual OPEB cost (expenses)	719,125
Contributions made	<u>(213,585)</u>
Increase in net OPEB obligation	505,540
Net OPEB obligation - beginning of fiscal year	3,296,902
Net OPEB obligation - end of fiscal year	<u><u>\$3,802,442</u></u>

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

Fiscal Year <u>Ended</u>	Annual OPEB Cost	Annual Contribution	% of annual OPEB Cost Contributed	Net OPEB Obligation
June 30, 2013	709,888	189,255	26.7%	2,737,702
June 30, 2014	758,325	199,125	26.3%	3,296,902
June 30, 2015	719,125	213,585	29.7%	3,802,442

*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 \$8,984,979 in the General Fund towards the OPEB liability.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

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**Note 9 – 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 10 – 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, 2015, 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.

Claims Payable:	2015
General Liability	\$ 108,276
Worker's Compensation	332,439
	<u>\$ 440,715</u>

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2015**

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**Note 10 – 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:

	2015	2014	2013
Claims liability - beginning balance	\$ 661,703	\$ 422,550	\$ 555,612
Incurring claims, representing the total of a provision for events of the current fiscal year and any change of prior fiscal years	40,700	357,496	130,290
Payments on claims attributable to events of both the current fiscal year and the prior fiscal years	(261,688)	(118,343)	(263,352)
Claims liability - ending balance	<u>\$ 440,715</u>	<u>\$ 661,703</u>	<u>\$ 422,550</u>

**Note 11 – 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, 2015, 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 no outstanding contract commitments for completion of ongoing capital improvements projects at June 30, 2015.

**Prior Period Adjustments**

The prior period adjustments of \$849,170 reflected in the Statement of Activities consisted of \$10,709,237 of capital asset adjustments mainly to bring the books and records up-to-date, and (\$9,860,066) for an understatement of net pension liability of (\$10,488,679) in the prior fiscal year and an understatement of deferred outflow of resources – pension of \$628,613. This was the result of the implementation of GASB Statement No. 68.

**Note 12 – 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, 2015**

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**Note 12 – Investment in Joint Venture (Continued)**

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

The audited financial information for COSCA for the fiscal year ended June 30, 2015 is as follows:

	<u>Joint Venture</u>	<u>District Portion</u>
Total Assets	\$ 75,675,425	\$ 37,837,713
Total Liabilities	<u>37,223</u>	<u>18,612</u>
Net Position:	<u>\$ 75,638,202</u>	<u>\$ 37,819,101</u>
Net Investment in capital assets	\$ 74,442,535	\$ 37,221,267
Restricted	<u>1,195,667</u>	<u>597,834</u>
<b>Total Net Position</b>	<u><b>\$ 75,638,202</b></u>	<u><b>\$ 37,819,101</b></u>
Total Revenues	\$ 1,459,008	\$ 729,504
Total Expenses	<u>1,391,464</u>	<u>695,732</u>
Changes in net position	<u><u>\$ 67,544</u></u>	<u><u>\$ 33,772</u></u>

**Note 13 – 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 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.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

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**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2015**

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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, Special 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, 2015**

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

*Budgetary Comparison Schedule, General Fund*

	Budget Amounts			Variance with
	Original	Final	Actual Amounts	Final Budget
<b>REVENUES:</b>				
Property taxes	\$ 13,542,000	\$ 13,762,000	\$ 14,641,686	\$ 879,686
Licenses and permits	14,000	14,000	5,848	(8,152)
Interest	65,000	65,000	109,322	44,322
Facilities rental	616,500	616,500	688,175	71,675
Other governmental agencies	474,000	474,000	466,942	(7,058)
Recreation fees	3,895,702	3,907,702	4,221,670	313,968
Other	31,000	31,000	232,718	201,718
Total revenues	18,638,202	18,870,202	20,366,361	1,496,159
<b>EXPENDITURES:</b>				
Current:				
District administration	2,925,101	3,160,601	2,769,313	391,288
Parks and planning	7,387,414	7,412,414	7,162,247	250,167
Recreation and community services	7,333,395	7,405,395	7,020,034	385,361
Capital outlay	275,500	275,500	205,607	69,893
Total expenditures	17,921,410	18,253,910	17,157,201	1,096,709
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	716,792	616,292	3,209,160	2,592,868
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers out	(607,292)	(3,927,292)	(3,716,200)	211,092
Total other financing sources (uses)	(607,292)	(3,927,292)	(3,716,200)	211,092
Changes in Fund Balance	\$ 109,500	\$ (3,311,000)	(507,040)	\$ 2,803,960
<b>FUND BALANCE:</b>				
Beginning of fiscal year			26,941,193	
End of fiscal year			\$ 26,434,153	

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2015**

**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		
<b>REVENUES:</b>				
Assessments	\$ 1,707,766	\$ 1,707,766	\$ 1,714,174	\$ 6,408
Interest	1,000	1,000	12,426	11,426
Other governmental agencies	70,000	70,000	9,679	(60,321)
Other	425,000		1,000	1,000
Total revenues	2,203,766	1,778,766	1,737,279	(41,487)
<b>EXPENDITURES:</b>				
Current:				
Parks and planning	834,326	834,326	803,393	30,933
Capital outlay	1,842,000	1,764,700	987,386	777,314
Total expenditures	2,676,326	2,599,026	1,790,779	808,247
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(472,560)	(820,260)	(53,500)	766,760
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in		2,728,700	2,728,700	
Transfers out		(71,000)	(71,000)	
Total other financing sources (uses)		2,657,700	2,657,700	
Changes in Fund Balance	\$ (472,560)	\$ 1,837,440	2,604,200	\$ 766,760
<b>FUND BALANCE:</b>				
Beginning of fiscal year			2,030,513	
End of fiscal year			\$ 4,634,713	

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2015**

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

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

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
<b>REVENUES:</b>				
Assessments	\$ 611,157	\$ 611,157	\$ 614,141	\$ 2,984
Licenses and permits	61,000	61,000	70,216	9,216
Interest	1,000	1,000	5,006	4,006
Total revenues	673,157	673,157	689,363	16,206
<b>EXPENDITURES:</b>				
Current:				
Parks and planning	1,038,911	1,038,911	912,554	126,357
Total expenditures	1,038,911	1,038,911	912,554	126,357
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	<b>(365,754)</b>	<b>(365,754)</b>	<b>(223,191)</b>	<b>142,563</b>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	272,019	272,019	272,019	
Total other financing sources (uses)	272,019	272,019	272,019	
Changes in Fund Balance	\$ (93,735)	\$ (93,735)	48,828	\$ 142,563
<b>FUND BALANCE:</b>				
Beginning of fiscal year			585,585	
End of fiscal year			\$ 634,413	

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2015**

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

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

	Budget Amounts		Actual Amount	Variance with Final Budget
	Original	Final		
<b>REVENUES :</b>				
Assessments	\$ 85,236	\$ 85,236	\$ 85,463	\$ 227
Interest			340	340
Other			21,813	21,813
Total revenues	85,236	85,236	107,616	22,380
<b>EXPENDITURES:</b>				
Current:				
Parks and planning	277,646	277,646	239,489	38,157
Total expenditures	277,646	277,646	239,489	38,157
<b>REVENUES OVER (UNDER) EXPENDITURES</b>	(192,410)	(192,410)	(131,873)	60,537
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers in	192,410	192,410	124,181	(68,229)
Total other financing sources (uses)	192,410	192,410	124,181	(68,229)
Changes in Fund Balance	\$ -	\$ -	(7,692)	\$ (7,692)
<b>FUND BALANCE:</b>				
Beginning of fiscal year			59,986	
End of fiscal year			\$ 52,294	

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**June 30, 2015**

**Prepared for the Conejo Recreation and Parks District, an Agent Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2015**

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

	<u>2015</u>
Measurement Period	2013-2014 <sup>1</sup>
<b>Total Pension Liability</b>	
Service Cost	\$ 1,106,207
Interest on total pension liability	3,735,515
Benefit payments, including refunds of employee contributions	<u>(1,972,811)</u>
<b>Net change in total pension liability</b>	2,868,911
<b>Total pension liability - beginning</b>	<u>50,240,157</u>
<b>Total pension liability - ending (a)</b>	<u>53,109,068</u>
 Plan fiduciary net position	
Contributions - employer	628,613
Contributions - employee	557,540
Net investment income	6,859,039
Benefit payments	<u>(1,972,811)</u>
<b>Net change in plan fiduciary net position</b>	6,072,381
<b>Plan fiduciary net position - beginning</b>	<u>39,751,478</u>
<b>Plan fiduciary net position - ending (b)</b>	<u>45,823,859</u>
 <b>Net pension liability - ending (a) - (b)</b>	 <b>\$ 7,285,209</b>
 Plan fiduciary net position as a percentage of the total pension liability	 86.28%
 Covered - employee payroll	 7,661,774
 Net pension liability as a percentage of covered - employee payroll	 95.09%

<sup>1</sup> Historical information is required only for measurement periods for which GASB 68 is applicable.

**Notes to Schedule**

*Benefit Changes:*

The figures above do not include any liability impact that may have resulted from plan changes which occurred after June 30, 2013. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

*Changes in Assumptions:*

There were no changes in assumptions.

\*Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**June 30, 2015**

**Prepared for the Conejo Recreation and Parks District, an Agent Multiple-Employer Defined Benefit Pension Plan**  
**As of June 30, 2015**

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

	<u>Fiscal Year 2014-2015</u>
Actuarially determined contribution	\$ 720,175
Contributions in relation to the actuarially determined contributions	<u>(720,175)</u>
Contribution deficiency (excess)	<u>\$ -</u>
 Covered-employee payroll	 \$ 7,303,450
 Contributions as a percentage of covered- employee payroll	  9.86%

**Notes to Schedule**

Valuation Date: June 30, 2012

Methods and assumptions used to determine contribution rates:

Actuarial Cost Method	Entry-Age Normal Cost Method
Amortization Method	Level Percent of Payroll
Remaining Period	20 Years as of the Valuation Date
Asset Valuation Method	15 Year Smoothed Market
Inflation	2.75%
Salary Increases	3.30% to 14.20% depending on age, service, and type of employment
Investment Rate of Return	7.50%, net of pension plan investment and administrative expenses; includes inflation
Mortality Rate Table <sup>(1)</sup>	Derived using CalPERS' Membership Data for all Funds

<sup>(1)</sup>The mortality table was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the 2014 experience study report.

\*Fiscal year 2015 was the first year of implementation, therefore only one year is shown.

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**June 30, 2015**

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**Note 4 – Schedule of Funding Progress**

**Other Post-Employment Benefits**

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as a Percentage of Covered Payroll
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, 2015**

	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	Part - Time Employee Pension Reserve Fund	Totals
<b>ASSETS</b>								
Cash and investments	\$ 315,568	\$ 369,643	\$ 44,228	\$ 21,356	\$ 157,801	\$ 88,622	\$ 427,045	\$ 1,424,263
Interest receivable	269	315	38	18	134	76	173	1,023
<b>Total assets</b>	<u>\$ 315,837</u>	<u>\$ 369,958</u>	<u>\$ 44,266</u>	<u>\$ 21,374</u>	<u>\$ 157,935</u>	<u>\$ 88,698</u>	<u>\$ 427,218</u>	<u>\$ 1,425,286</u>
<b>LIABILITIES</b>								
Deposits payable	\$ 315,837	\$ 369,958	\$ 44,266	\$ 21,374	\$ 157,935	\$ 88,698	\$ -	\$ 998,068
Part-time pensions payable							427,218	427,218
<b>Total liabilities</b>	<u>\$ 315,837</u>	<u>\$ 369,958</u>	<u>\$ 44,266</u>	<u>\$ 21,374</u>	<u>\$ 157,935</u>	<u>\$ 88,698</u>	<u>\$ 427,218</u>	<u>\$ 1,425,286</u>

**Conejo Recreation and Park District**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities**  
**Agency Funds**  
**For the fiscal year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b><u>Farland House Revolving Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 293,425	\$ 22,143	\$ -	\$ 315,568
Interest receivable	110	269	(110)	269
<b>Total assets</b>	<b>\$ 293,535</b>	<b>\$ 22,412</b>	<b>\$ (110)</b>	<b>\$ 315,837</b>
<b>Liabilities:</b>				
Deposits payable	\$ 293,535	\$ 22,412	\$ (110)	\$ 315,837
<b>Total liabilities</b>	<b>\$ 293,535</b>	<b>\$ 22,412</b>	<b>\$ (110)</b>	<b>\$ 315,837</b>
<b><u>Wildwood Flood Repair Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 368,862	\$ 781	\$ -	\$ 369,643
Interest receivable	147	315	(147)	315
<b>Total assets</b>	<b>\$ 369,009</b>	<b>\$ 1,096</b>	<b>\$ (147)</b>	<b>\$ 369,958</b>
<b>Liabilities:</b>				
Deposits payable	\$ 369,009	\$ 1,096	\$ (147)	\$ 369,958
<b>Total liabilities</b>	<b>\$ 369,009</b>	<b>\$ 1,096</b>	<b>\$ (147)</b>	<b>\$ 369,958</b>
<b><u>Goebel Adult Community Center Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 44,135	\$ 93	\$ -	\$ 44,228
Interest receivable	17	38	(17)	38
<b>Total assets</b>	<b>\$ 44,152</b>	<b>\$ 131</b>	<b>\$ (17)</b>	<b>\$ 44,266</b>
<b>Liabilities:</b>				
Deposits payable	\$ 44,152	\$ 131	\$ (17)	\$ 44,266
<b>Total liabilities</b>	<b>\$ 44,152</b>	<b>\$ 131</b>	<b>\$ (17)</b>	<b>\$ 44,266</b>
<b><u>Fireworks Trust Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 24,685	\$ 671	\$ (4,000)	\$ 21,356
Interest receivable	22	24	(28)	18
<b>Total assets</b>	<b>\$ 24,707</b>	<b>\$ 695</b>	<b>\$ (4,028)</b>	<b>\$ 21,374</b>
<b>Liabilities:</b>				
Deposits payable	\$ 24,707	\$ 695	\$ (4,028)	\$ 21,374
<b>Total liabilities</b>	<b>\$ 24,707</b>	<b>\$ 695</b>	<b>\$ (4,028)</b>	<b>\$ 21,374</b>

**Conejo Recreation and Park District**  
**Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)**  
**Agency Funds**  
**For the fiscal year ended June 30, 2015**

	Balance July 1, 2014	Additions	Deletions	Balance June 30, 2015
<b><u>CSVP Advisory Council Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 140,322	\$ 34,911	\$ (17,432)	\$ 157,801
Interest receivable	75	175	(116)	134
<b>Total assets</b>	<u>\$ 140,397</u>	<u>\$ 35,086</u>	<u>\$ (17,548)</u>	<u>\$ 157,935</u>
<b>Liabilities:</b>				
Deposits payable	\$ 140,397	\$ 35,086	\$ (17,548)	\$ 157,935
<b>Total liabilities</b>	<u>\$ 140,397</u>	<u>\$ 35,086</u>	<u>\$ (17,548)</u>	<u>\$ 157,935</u>
<b><u>Therapeutic Advisory Council Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 86,713	\$ 3,126	\$ (1,217)	\$ 88,622
Interest receivable	42	132	(98)	76
<b>Total assets</b>	<u>\$ 86,755</u>	<u>\$ 3,258</u>	<u>\$ (1,315)</u>	<u>\$ 88,698</u>
<b>Liabilities:</b>				
Accounts payable	\$ 1,250	\$ -	\$ (1,250)	\$ -
Deposits payable	85,505	3,258	(65)	88,698
<b>Total liabilities</b>	<u>\$ 86,755</u>	<u>\$ 3,258</u>	<u>\$ (1,315)</u>	<u>\$ 88,698</u>
<b><u>Part-Time Pension Fund</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 426,143	\$ 902	\$ -	\$ 427,045
Interest receivable		527	(354)	173
<b>Total assets</b>	<u>\$ 426,143</u>	<u>\$ 1,429</u>	<u>\$ (354)</u>	<u>\$ 427,218</u>
<b>Liabilities:</b>				
Accounts payable	\$ 21	\$ -	\$ (21)	\$ -
Part-time pensions payable	426,122	1,429	(333)	427,218
<b>Total liabilities</b>	<u>\$ 426,143</u>	<u>\$ 1,429</u>	<u>\$ (354)</u>	<u>\$ 427,218</u>
<b><u>Total All Agency Funds</u></b>				
<b>Assets:</b>				
Cash and investments	\$ 1,384,285	\$ 62,627	\$ (22,649)	\$ 1,424,263
Interest receivable	413	1,480	(870)	1,023
<b>Total assets</b>	<u>\$ 1,384,698</u>	<u>\$ 64,107</u>	<u>\$ (23,519)</u>	<u>\$ 1,425,286</u>
<b>Liabilities:</b>				
Accounts payable	\$ 1,271	\$ -	\$ (1,271)	\$ -
Deposits payable	957,305	62,678	(21,915)	998,068
Part-time pensions payable	426,122	1,429	(333)	427,218
<b>Total liabilities</b>	<u>\$ 1,384,698</u>	<u>\$ 64,107</u>	<u>\$ (23,519)</u>	<u>\$ 1,425,286</u>

**ATTACHMENT 2 WILL BE AVAILABLE SHORTLY**

**ATTACHMENT 2**