Conejo Recreation & Park District

DATE: March 07, 2019

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, 2018, as prepared by the accounting firm of Moss, Levy and Hartzheim, CPAs.

DISCUSSION

Attached is the audit for FY 17-18, 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.

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

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CONEJO RECREATION AND PARK DISTRICT

THOUSAND OAKS, CALIFORNIA

BASIC FINANCIAL STATEMENTS

June 30, 2018

ATTACHMENT 1

Conejo Recreation and Park District
Basic Financial Statements
For the fiscal year ended June 30, 2018

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INDEPENDENT AUDITOR'S REPORT

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

Report on Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Conejo Recreation and Park District (the "District"), as of and for the fiscal year ended June 30, 2018, 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 21.84 percent, 25.64 percent, and 0.1 percent, respectively, of the assets, net position, and net revenues of the District. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Investment in Joint Venture for COSCA, is based solely on the report of the other auditors. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the Unites States. 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, 2018, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

OFFICES: BEVERLY HILLS · CULVER CITY · SANTA MARIA

Emphasis of Matter

As discussed in Note 1 to the financial statements effective July 1, 2017, the District adopted provisions of Governmental Accounting Standards Board (GASB) Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other than Pensions. 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 Pension Contributions – Last 10 Years, Schedule of Changes in Net OPEB Liability and Related Ratios, and Schedule of OPEB Contributions on pages 4 through 11, pages 57 through 61, page 62, page 63, page 64, and page 65 respectively, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

The combining financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, based on the audit procedures performed as described above, and the report of the other auditors, the information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our report dated January 29, 2019, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
January 29, 2019

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MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Conejo Recreation and Park District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2018.

FINANCIAL HIGHLIGHTS

- On June 30, 2018, District assets exceeded liabilities by $148.8 million (net position). Of this amount, $15.2 million may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's government-wide net position decreased $1.6 million during the fiscal year, which reflects revenues in excess of expenditures of $5.1 million, reduced by a prior period adjustment related to implementation of GASB 75 of $6.7 million.
- At the close of fiscal year 2017-18, District governmental funds report a combined ending fund balance of $40.2 million, a decrease of $0.5 million in comparison with the prior year. The prior period adjustment of $0.4 million reflects reclassification of part-time social security replacement plan funds formerly held in an agency fund. Approximately $33.9 million of fund balance, or 84.3 percent, is in the General Fund. Of this amount, $3.9 million is unassigned general fund balance.
- At the close of fiscal year 2017-18, the General Fund budget to actual report shows a $0.3 million increase in appropriation from original to final budget. Fund balance increased by $3.7 million rather than the budgeted $0.3 million decrease. Actual revenues were more than budgeted by $1.9 million and actual expenditures and transfers were less than budgeted by $2.0 million.
- As of June 30, 2018, the District's other governmental funds, excluding the general fund, reported combined ending fund balances of $6.3 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

The statement of net position presents information on all of the District's assets and liabilities, with the difference between the two reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

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

<u>Fund financial statements</u>

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 Fund, and Rancho Conejo Assessment District Special Revenue Fund, pages 58 to 61 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 - 55 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 56 - 65.

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 $148.8 million at June 30, 2018, as summarized below:

Statement of Net Position
June 30,

	2018	2017
Assets:		
Cash and investments	$41,043,850	$41,110,487
Receivables	1,567,276	709,974
Other assets	634,950	31,635
Investment in Joint Venture - COSCA	38,169,562	38,087,886
Capital assets (net of depreciation)	93,386,635	87,531,379
Total assets	174,802,273	167,471,361
Deferred Outflows of Resources:		
Pension Related	4,404,357	5,057,546
Total assets and deferred outflows of resources	179,206,630	172,528,907
Liabilities:		
Accounts payable	1,391,669	881,954
Other current liabilities	1,401,391	1,399,252
Noncurrent liabilities	26,113,324	17,190,466
Total liabilities	28,906,384	19,471,672
Deferred Inflows of Resources		
Pension Related	445,714	
OPEB Related	1,006,684	2,577,073
Total liabilities and deferred inflows of resources	$ 30,358,782	$ 22,048,745

Net position:		
Net Investment in capital assets	$ 93,386,635	$ 87,531,379
Restricted – Joint Venture	38,169,562	38,087,886
Restricted – Assessment Districts	2,056,208	6,784,672
Unrestricted	15,235,443	18,076,225
	$ 148,847,848	$ 150,480,162

The largest portion (62.7 percent) of the District's net position reflects its investment of $93.4 million in capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The District has no debt related to asset acquisition. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

$38.2 million (25.6 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 $38.2 million. These assets are not available for future spending. Another portion of the Districts net position, $2.1 million (1.4 percent) represents resources available in the District's three assessment districts. The remaining balance $15.2 million (10.3 percent) may be used to meet the District's ongoing obligation to citizens, employees and creditors and to meet District imposed designations for postemployment benefits other than pensions, and operating reserves.

The increase in noncurrent liabilities consists of an increase in the District's pension liability of $2.6 million and the fiscal year 2017-18 other Post Employment Benefit (OPEB) liability of $6.1 million as a result of GASB statements 68, 71 and 75. The District has $15.4 million of restricted general fund balance for pension and OPEB liabilities.

Statement of Activities

As shown in the table below, the District's change in net position due to FY 17-18 activity is an increase of $5.1 million. Charges for Services includes recreation fees, rent, and accounting services provided to the MRCA JPA. Operating Grants and Contributions include the operations share of assessment district revenues and COSCA. Capital Grants and Contributions include the capital share of the assessment district revenues, developer fees and grants. Property Tax increases reflect the increasing real estate valuations. Investment Income increased due to the rising interest rate market. Other revenue includes licenses/permits and miscellaneous. The increase in expenses is due primarily to capital activity, addressed elsewhere in this report. The prior period adjustment is due to new reporting requirements related to implementation of GASB 75, accounting and reporting for Post-employment Benefits Other Than Pension (OPEB).

Statement of Activities
June 30,

	2018	2017
Revenues:		
Program Revenues:		
Charges for Services	$ 5,595,747	$ 5,323,029
Operating Grants & Contributions	2,314,420	1,733,833
Capital Grants & Contributions	4,797,528	2,923,491
General Revenues:		
Property Taxes	16,880,043	15,955,220
Investment Income	736,812	491,819
Other	1,236,242	562,916
Total Revenues	$ 31,560,792	$ 26,999,308
Expenses:		
Parks & Recreation	$ 26,485,446	$ 24,230,439
Change in Net Position	5,075,346	2,768,869
Net Position – Beginning	150,480,162	147,978,630
Prior Period Adjustment	(6,707,660)	(267,337)
Net Position – Beginning, restated	143,772,502	147,711,293
Net Position - Ending	$ 148,847,848	$ 150,480,162

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 2017-18, District governmental funds reported a combined ending fund balance of $40.2 million, a decrease of $0.9 million offset by a $0.4 million prior period adjustment. Approximately $33.9 million or 84.3 percent is in the General Fund. Of this amount, $30.0 million is being held for specific purposes.

The following are the District's major funds:

General Fund

The General Fund is the District's primary operating fund. It showed an increase of $3.7 million in fund balance for the fiscal year ended June 30, 2018, consisting of $4.3 million of revenues exceeding expenses, offset by transfers to other funds of $0.7 million. There is also a pension related prior period adjustment of $0.4 million. At June 30, 2018, the unrestricted fund balance (which includes the *committed, assigned* and *unassigned* components of fund balance) was $18.4 million that is available for ongoing operations, or 96 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 $3.9 million or 20.3 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 decreased $4.1 million, to $1.7 million at June 30, 2018, as a result of capital project activity including development of Sapwi and Banyan Parks and upgrades at Thousand Oaks Community Park, Springmeadow Park, and Fiore Playfields.

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 decreased by $0.6 million, a result of a playground upgrade, storage building, entry improvements, and shade structures for a total fund balance of $0.3 million at June 30, 2018.

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 stayed essentially the same, leaving a balance of $0.02 million at June 30, 2018.

Capital Projects Fund

The Capital Projects Fund provides resources for construction of capital projects. Major projects include design of Conejo Creek Southwest and a transfer to the Sapwi Trails Park. Fund balance increased $0.1 million, for a total of $4.3 million at June 30, 2018.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund budget to actual report can be found on page 58 of this report. Increases between the original and final budget were $0.3 million due to Board approved budget adjustments.

Total actual revenues exceeded budget by $1.9 million. Property tax revenues, recreation fees, and interest exceeded budget by $1.0, $0.3 million and $0.5 million, respectively. Actual operating expenditures were less than budgeted by $1.6 million across all divisions. Actual revenues exceeded actual expenditures by $4.3 million. Anticipated net transfers out of the general fund of $0.6 million led to an increase in fund balance of $3.7 million.

Special Assessment District Special Revenue Fund

The budget to actual report for this fund can be found on page 59 of this report. Changes between the original and final budget include an increase in capital outlay, funded primarily by transfers in, for capital projects.

The positive variance in the Capital Outlay expenditure account and negative variance in the Other Revenue account reflect grant revenues and appropriations that will be carried into FY 18-19 to complete capital projects in progress primarily Sapwi Trails Park.

Dos Vientos Assessment District Special Revenue Fund

The budget to actual report for this fund can be found on page 60 of this report. The change from the original to final budgets reflects carryover of prior year capital project appropriation for the playground upgrade.

Rancho Conejo Assessment District Special Revenue Fund

The budget to actual report for this fund can be found on page 61 of this report. The change from the original to final budget reflects a carryover of appropriation for completion of pickleball courts.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

District investment in capital assets for its governmental activities as of June 30, 2018, totaled $93.4 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 2017-18 was $5.9 million, consisting of increases in buildings, improvements, equipment, and construction in progress, offset by depreciation in buildings, improvements and equipment. Additional information on the District's capital assets can be found on page 41 of this report.

Capital assets are summarized below:

Capital Assets (net of accumulated depreciation)
June 30,

	2018	2017
Land	$ 51,079,051	$ 51,079,051
Buildings	6,208,214	6,291,515
Improvements	25,898,542	23,967,243
Equipment	1,351,172	1,296,592
Construction in Progress	8,849,656	4,896,978
	$ 93,386.635	$ 87,531,379

Major capital asset events during the fiscal year included upgrades at Old Meadows, Dos Vientos, Northwood Neighborhood, Spring Meadow, Thousand Oaks and Fiore Parks, McCrea building rehabilitation, and development of Sapwi Trails Community and Banyan Parks.

Long-term debt

The District has no outstanding debt at June 30, 2018.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The focus of this annual report is the economic condition of the District as of June 30, 2018; however, national, state, and local issues have economic impacts on the District and are worthy of consideration.

The economy continued to do well in 2018, with local, statewide, and national economies all flourishing. Although it is anticipated that there will be slower growth both nationally and internationally, it appears unlikely that the U.S. economy will enter a recession during 2019. The State government remains fiscally sound, and, at least to date, the Federal administration's policies have not had a negative effect on the District's fiscal health. That said, as this has been the longest financial recovery in the nation's history, there remains discussion of recession, accordingly, staff anticipates only modest increases in property tax revenues.

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 has been replaced with mulch and installation of waterwise landscaping is occurring as resources become available. Resources otherwise programmed for water costs are being channeled into the waterwise landscape program. The District also connected two parks in the east end of the Conejo Valley to reclaimed water irrigation systems.

An ongoing challenge facing state and local government is pension funding. The District continues to meet its actuarily required contribution to California Public Employees Retirement System (CalPERS). The employer contribution rate has increased from 6.069 percent for fiscal year 2009-10 to a projected 19.115 percent for fiscal year 2019-20. In anticipation of increased costs, 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 reduce the Normal Cost contribution rates over the coming decades.

In addition to implementing pension benefit reform, the District set up and began funding a Pension Stabilization Fund to provide for its unfunded CalPERS liability ($13.5 million) and to temper large pension cost increases in future budgets. Additional funding for the Pension Stabilization Fund (currently funded at $6.9 million) will be provided each year from Salary and Benefit savings, along with discretionary transfers from unassigned fund balance as available.

The District is also actively managing its non-PERS post-retirement liabilities. In June 2018, the Board set up and authorized transfer of $4 million to a Section 401(a) trust for the general employee retiree stipend benefit. In November 2018, the Board set up and authorized transfer of $4.5 million to a Section 115 trust for retiree medical expenses (OPEB).

An additional challenge the District is addressing is the legislation increasing the California minimum wage from $10.00 per hour at June 30, 2016 to $15.00 per hour on January 1, 2022.

Locally, the District encompasses a community that has, for all intents and 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.

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

BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

Conejo Recreation and Park District
Statement of Net Position
June 30, 2018

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments (Note 2)	$ 41,043,850
Receivables (Note 3):	
Accounts	1,567,276
Interest	228,253
Taxes	131,671
Loans	235,751
Prepaids	39,275
Total current assets	43,246,076
Noncurrent assets:	
Investment in joint venture - COSCA (Note 11)	38,169,562
Capital assets (Note 5):	
Nondepreciable	59,928,707
Depreciable, net	33,457,928
Total capital assets, net	93,386,635
Total noncurrent assets	131,556,197
Total assets	174,802,273
DEFERRED OUTFLOWS OF RESOURCES	
Pension related (Note 7)	4,404,357
Total deferred outflows of resources	4,404,357
Total assets and deferred outflows of resources	179,206,630
LIABILITIES	
Current liabilities:	
Accounts payable	1,391,669
Payroll and related liabilities	234,801
Refundable deposits	30,370
Claims payable - due in less than one year (Note 9)	425,000
Compensated absences - due in less than one year	711,220
Total current liabilities	2,793,060
Noncurrent liabilities:	
Claims payable - due in more than one year (Note 9)	241,444
Compensated absences - due in more than one year	826,015
OPEB liability (Note 8)	10,836,108
Net pension liability (Note 7)	14,209,757
Total noncurrent liabilities	26,113,324
Total liabilities	28,906,384
DEFERRED INFLOWS OF RESOURCES	
Pension related (Note 7)	445,714
OPEB related (Note 8)	1,006,684
Total deferred inflows of resources	1,452,398
Total liabilities and deferred inflows of resources	30,358,782
NET POSITION	
Net investment in capital assets	93,386,635
Restricted for assessment districts	2,056,208
Restricted for parks and recreation open space - COSCA	38,169,562
Unrestricted	15,235,443
Total net position	$ 148,847,848

See Accompanying Notes to Basic Financial Statements.

Conejo Recreation and Park District
Statement of Activities
For the Fiscal Year Ended June 30, 2018

Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
Governmental activities:					
Parks and recreation	$ 26,485,446	$ 5,595,747	$ 2,314,420	$ 4,797,528	$ (13,777,751)
Total governmental activities	$ 26,485,446	$ 5,595,747	$ 2,314,420	$ 4,797,528	(13,777,751)

General Revenues:	
Taxes:	
Secured and unsecured property taxes	16,880,043
Investment income	736,812
Licenses and permits	521,318
Other	714,924
Total general revenues	18,853,097
Change in net position	5,075,346
Net position:	
Net Position - Beginning of fiscal year	150,480,162
Prior Period Adjustments (Note 13)	(6,707,660)
Net Position - Beginning of fiscal year, restated	143,772,502
Net Position - End of fiscal year	$ 148,847,848

See Accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

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Conejo Recreation and Park District
Balance Sheet
Governmental Funds
June 30, 2018

	Major Funds					
		Special Revenue Funds				
	General Fund	Districtwide Assessment District Fund	Dos Vientos Assessment District Fund	Rancho Conejo Assessment District Fund	Capital Projects Fund	Total Governmental Funds
ASSETS						
Cash and investments (Note 2)	$ 34,218,963	$ 2,289,233	$ 390,343	$ 30,480	$ 4,114,831	$ 41,043,850
Receivables (Note 3):						
Accounts	198,026					198,026
Interest	187,982	13,894	2,286	165	23,926	228,253
Taxes	78,558	39,943	11,902	1,268		131,671
Loans	1,646	89,105			145,000	235,751
Prepaid items	39,275					39,275
Total assets	$ 34,724,450	$ 2,432,175	$ 404,531	$ 31,913	$ 4,283,757	$ 41,876,826
LIABILITIES AND FUND BALANCES						
Liabilities:						
Accounts payable	$ 581,296	$ 737,835	$ 55,221	$ 8,738	$ 8,579	$ 1,391,669
Accrued expenditures	224,184	1,345	6,794	2,478		234,801
Refundable deposits	30,370					30,370
Total liabilities	835,850	739,180	62,015	11,216	8,579	1,656,840
Fund Balances:						
Nonspendable:						
Prepaid items	39,275					39,275
Long-term receivables	1,646					1,646
Restricted for:						
Assessment Districts		1,692,995	342,516	20,697		2,056,208
Pension	4,389,151					4,389,151
Other post employment benefits	11,014,560					11,014,560
Committed for:						
Claims	2,582,403					2,582,403
Operating reserve	6,000,000					6,000,000
Equipment replacement	4,302,679					4,302,679
Assigned for:						
Retirement	1,537,676					1,537,676
Capital projects					4,275,178	4,275,178
Other purposes	106,920					106,920
Unassigned	3,914,290					3,914,290
Total fund balances	33,888,600	1,692,995	342,516	20,697	4,275,178	40,219,986
Total liabilities and fund balances	$ 34,724,450	$ 2,432,175	$ 404,531	$ 31,913	$ 4,283,757	$ 41,876,826

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, 2018

Total Fund Balances - Total Governmental Funds		$ 40,219,986
Amounts reported for governmental activities in the Government-Wide Statement of Net Position were different because:		
In governmental funds, only current assets were reported. In the Statement of Net Position, all assets are reported, including capital assets and accumulated depreciation.		
Nondepreciable capital assets	$ 59,928,707	
Depreciable capital assets, net	33,457,928	93,386,635
Investment in joint venture - COSCA has not been included as a financial resource in the governmental funds.		38,169,562
Certain revenues are not recognized in the governmental funds because they were not collected within the prescribed time period after year-end. However, these revenues and associated receivables are included in the government-wide financial statements.		1,369,250
Long-term liabilities are not due and payable in the current period. Therefore, they are not reported in the governmental funds' Balance Sheet.		
Claims payable	$ (666,444)	
Compensated absences	(1,537,235)	
Net other post-employment benefits liability	(10,836,108)	
Net pension liability	(14,209,757)	(27,249,544)
Certain actuarially determined gains and losses, and current year payments to the net pension liability and net OPEB liability are deferred and are not reported on the governmental funds' Balance Sheet.		
Deferred inflow of resources - OPEB	$ (1,006,684)	
Deferred outflow of resources - pension	4,404,357	
Deferred inflow of resources - pension	(445,714)	2,951,959
Net position of governmental activities		$ 148,847,848

See Accompanying Notes to Basic Financial Statements.

Conejo Recreation and Park District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2018

	Major Funds					
		Special Revenue Funds				
	General Fund	Districtwide Assessment District Fund	Dos Vientos Assessment District Fund	Rancho Conejo Assessment District Fund	Capital Projects Fund	Total Governmental Funds
REVENUES:						
Property taxes	$ 16,880,043	$ -	$ -	$ -	$ -	$ 16,880,043
Assessments		1,807,801	639,563	113,331		2,560,695
Licenses and permits	11,385		69,832		440,101	521,318
Interest	553,155	45,940	5,554	324	50,163	655,136
Facilities rental	621,995					621,995
Other governmental agencies	659,678	2,500,000				3,159,678
Grants		45,000				45,000
Recreation fees	4,645,433					4,645,433
Other	190,105	317,644	8,000	44,572	483,216	1,043,537
Total revenues	23,561,794	4,716,385	722,949	158,227	973,480	30,132,835
EXPENDITURES:						
Current:						
Parks and recreation:						
District administration	2,834,961					2,834,961
Parks and planning	8,184,072	1,230,169	844,795	264,657		10,523,693
Recreation and community services	7,818,998					7,818,998
Capital outlay	399,048	8,671,665	669,463	46,063	88,733	9,874,972
Total expenditures	19,237,079	9,901,834	1,514,258	310,720	88,733	31,052,624
REVENUES OVER (UNDER) EXPENDITURES	4,324,715	(5,185,449)	(791,309)	(152,493)	884,747	(919,789)
OTHER FINANCING SOURCES (USES):						
Transfers in (Note 4)	132,851	1,098,000	271,555	164,083		1,666,489
Transfers out (Note 4)	(787,638)	(2,729)	(119,314)	(10,808)	(746,000)	(1,666,489)
Total other financing sources (uses)	(654,787)	1,095,271	152,241	153,275	(746,000)	
Net change in fund balances	3,669,928	(4,090,178)	(639,068)	782	138,747	(919,789)
FUND BALANCES:						
Beginning of fiscal year	29,786,007	5,783,173	981,584	19,915	4,136,431	40,707,110
Prior period adjustments (Note 13)	432,665					432,665
Beginning of fiscal year, restated	30,218,672	5,783,173	981,584	19,915	4,136,431	41,139,775
End of fiscal year	$ 33,888,600	$ 1,692,995	$ 342,516	$ 20,697	$ 4,275,178	$ 40,219,986

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, 2018

Net change in fund balance - total governmental funds:	$ (919,789)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Financial Statements, the cost of those assets was capitalized and depreciated over the estimated useful lives of the capital assets. The following capital assets were recorded in the current period:	
A portion ($1,272,788) of capital outlay expenditures was for current park and recreation expenditures and was not capitalized.	8,533,079
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.	(2,654,854)
Investment revenue earned from investment in joint venture - COSCA.	81,676
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.	4,387
Change in long-term compensated absences was reported in the Government-Wide Statement of Activities, but it did not require the use of current financial resources. Therefore, the increase in long-term compensated absences was not reported as an expenditure in the governmental funds.	(177,933)
Certain revenues are not recognized in the governmental funds because they were not collected within the prescribed time period after year-end. However, these revenues and associated receivables are included in the government-wide financial statements.	1,369,250
Pension contributions were reported as expenditures in the governmental funds. However, the Government-Wide Statement of Activities reports the cost of pension benefits earned net of employee contributions as pension expense.	(1,137,501)
Various capital assets were disposed of during the fiscal year. Loss on disposal of capital assets was reported in the Government-Wide Statement of Activities.	(22,969)
Change in net position of governmental activities	$ 5,075,346

See Accompanying Notes to Basic Financial Statements.

FIDUCIARY FUND
FINANCIAL STATEMENTS

Conejo Recreation and Park District
Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

	Agency Funds
ASSETS	
Cash and investments	$ 813,528
Interest receivable	4,745
Total assets	$ 818,273
LIABILITIES	
Deposits payable	$ 818,273
Total liabilities	$ 818,273

See Accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

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^{th} to 12^{th} 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.

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting and Measurement Focus (Continued)

Major Funds (Continued)

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

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

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

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

Fiduciary Fund Financial Statements

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

Fiduciary Funds

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

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.

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 XIIIA 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.

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.

Note 1 – Summary of Significant Accounting Policies (Continued)

K. Implemented Accounting Pronouncements

For the fiscal year ended June 30, 2018, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. The objective of this Statement is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (OPEB). It establishes standards for recognizing and measuring liabilities, deferred outflows of resources, deferred inflows of resources, and expense/expenditures. Implementation of GASB Statement No. 75 did have an impact on the District's financial statements for the fiscal year ended June 30, 2018. Please see Note 8 for more details.

L. Future Accounting Pronouncements

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

The provisions of Statement Number 83 "*Certain Asset Retirement Obligations*" are effective for fiscal years beginning after June 15, 2018.

The provisions of Statement Number 84 "*Fiduciary Activities*" are effective for fiscal years beginning after December 15, 2018.

The provisions of Statement Number 87 "*Leases*" are effective for fiscal years beginning after December 15, 2019.

The provisions of Statement Number 88 "*Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*" are effective for fiscal years beginning after June 15, 2018.

The provisions for Statement Number 89 "*Accounting for Interest Cost Incurred before the End of a Construction Period*" are effective for fiscal years beginning after December 15, 2019.

The provisions for Statement Number 90 "*Majority Equity Interests – an amendment of GASB Statements No. 14 and No. 61*" are effective for fiscal years beginning after December 15, 2018.

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, 2018:

	Government-Wide Statement Net Position Governmental Activities	Fiduciary Fund Statement of Net Position	Total
Cash and Investments	$ 41,043,850	$ 813,528	$ 41,857,378

Cash and investments comprised the following at June 30, 2018:

Cash and cash equivalents:	
Petty cash	$ 1,500
Cash on hand	20,054
Demand deposits	4,381,336
Total cash and cash equivalents	4,402,890
Investments:	
Local Agency Investment Fund	2,760,849
Ventura County Investment Pool	34,693,639
Total investments	37,454,488
Total cash and investments	$ 41,857,378

B. Cash Deposits

The carrying amounts of the District's demand deposits were $4,381,336 at June 30, 2018. Bank balances at June 30, 2018 were $4,726,489 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").

Note 2 – Cash and Investments (Continued)

C. *Investments*

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Local Agency Investment Fund (LAIF)	2 years	NONE	$65 Million
Ventura County Investment Pool	2 years	NONE	NONE

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, 2018 included 1.86% 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, 2018, the District had $2,760,849 invested in LAIF. The District valued its investments in LAIF as of June 30, 2018 by multiplying the account balance by a fair value factor determined by LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value resulting in a factor of 0.998126869.

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

Note 2 – Cash and Investments (Continued)

E. Investment in Ventura County Investment Pool

As of June 30, 2018, the District had $34,693,639 invested in the Ventura County Investment Pool (the "County Pool"). The District valued its investments in the County Pool as of June 30, 2018 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, 2018, the District had the following investment maturities:

Investment Type	Fair Value	Investment Maturities (In Years) Less than 1
Local Agency Investment Fund	$ 2,760,849	$ 2,760,849
Ventura County Investment Pool	34,693,639	34,693,639
	$ 37,454,488	$ 37,454,488

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

Investment Type	Moody's	Standard & Poors
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:

Investments	Amount Invested	Percentage of Investments
Local Agency Investment Pool	$ 2,760,849	7.37%
Ventura County Investment Pool	34,693,639	92.63%
	$ 37,454,488	100.00%

Note 2 – Cash and Investments (Continued)

F. Risk Disclosures (Continued)

Custodial Credit Risk

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

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

Fair Value Measurements

The District categorizes its fair value measurements within the fair value hierarchy establish by generally accepted accounting principles. These principles recognize a three tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable asset either directly or indirectly, which may include inputs in markets that are not considered active; and Level 3 – Investments reflect prices based upon unobservable sources. The District did not have any investments applicable to recurring fair value measurements as of June 30, 2018.

Note 3 – Receivables

A. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2018:

Agency	Accounts Receivable
Other government agencies	$ 161,931
Misc receivable	23,850
Play Conejo	661
Goebel Senior Center Commission	11,584
Governmental Funds Total	198,026
Grant receivable	1,369,250
Statement of Net Position Total	$ 1,567,276

Note 3 – Receivables (Continued)

B. Interest Receivable

Interest receivable consisted of the following at June 30, 2018:

Agency	Interest Receivable
Local Agency Investment Fund	$ 13,125
Ventura County Investment Pool	215,128
Total	$ 228,253

C. Taxes Receivable

Taxes receivable, due from the County of Ventura, consisted of the following at June 30, 2018:

Fund	Type	Amount
General Fund	Property taxes	$ 78,558
Districtwide Assessment District Special Revenue Fund	Assessments	39,943
Dos Vientos Assessment District Special Revenue Fund	Assessments	11,902
Rancho Conejo Assessment District Special Revenue Fund	Assessments	1,268
Total		$ 131,671

D. Loans Receivable

Summary of changes in loans receivable for the fiscal year ended June 30, 2018 is as follows:

	Balance July 1, 2017	Additions	Deletions	Balance June 30, 2018
Computers	$ 4,423	$ -	$ (2,777)	$ 1,646
CVUSC	30,000	69,105	(10,000)	89,105
AYSO	174,000		(29,000)	145,000
Total	$ 208,423	$ 69,105	$ (41,777)	$ 235,751

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.

Note 3 – Receivables (Continued)

D. Loans Receivable (Continued)

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

The District entered into an agreement on April 15, 2016 with the Conejo Valley United Soccer Club ("CVUSC") to advance a 5-year interest free loan to CVUSC payable in 5 equal installments of $10,000. The remaining balance of the loan as of June 30, 2018 was $20,000. The District entered into an agreement on May 4, 2017 for the construction of facilities at Los Cerritos Middle School. As part of the agreement, CVUSC agreed to pay the District a portion of the construction costs totaling $69,105 starting on July 1st of each year following the completion of the construction in installments of $10,000 until the loan has been paid off.

Note 4 – Interfund Transactions

Transfers In and Out

At June 30, 2018, the District had the following transfers in/out:

	Transfers In				
		Special Revenue Funds			
Transfers Out:	General Fund	Districtwide Assessment District Fund	Dos Vientos Assessment District Fund	Rancho Conejo Assessment District Fund	Total
General Fund	$ -	$ 352,000	$ 271,555	$ 164,083	$ 787,638
Districtwide Assessment District Fund	2,729				2,729
Dos Vientos Assessment District Fund	119,314				119,314
Rancho Conejo Assessment District Fund	10,808				10,808
Capital Project Fund		746,000			746,000
Total	$ 132,851	$ 1,098,000	$ 271,555	$ 164,083	$ 1,666,489

From General Fund: 1) $352,000 to the Districtwide Assessment District Fund to provide funding for Sapwi Park ($327,000) and Banyan Park ($25,000).

2) $271,555 to the Dos Vientos Assessment District Fund to provide property tax support.

3) $164,083 to the Rancho Conejo Assessment District Fund to provide property tax support.

From Capital Projects Fund: $746,000 to Districtwide Assessment District Fund to provide funding for Sapwi Park ($462,000) and the Wildwood Bridge ($284,000).

From the Assessment District Funds: Districtwide ($2,729), Dos Vientos ($119,314), Rancho Conejo ($10,808) to the General Fund to provide funding for the pension stabilization reserve.

Note 5 – Capital Assets

Summary of changes in the capital assets for the fiscal year ended June 30, 2018 is as follows:

	Balance as of July 1, 2017	Additions	Retirements	Transfers	Balance as of June 30, 2018
Capital assets not being depreciated:					
Land	$ 51,079,051	$ -	$ -	$ -	$ 51,079,051
Construction in progress	4,896,978	5,455,013		(1,502,335)	8,849,656
Total capital assets not being depreciated	55,976,029	5,455,013		(1,502,335)	59,928,707
Capital assets being depreciated:					
Buildings	10,066,093	24,904		162,744	10,253,741
Improvements	38,275,561	2,697,654		1,339,591	42,312,806
Equipment	3,532,722	355,508	(152,316)		3,735,914
Total capital assets, being depreciated	51,874,376	3,078,066	(152,316)	1,502,335	56,302,461
Less accumulated depreciation:					
Buildings	(3,774,578)	(270,949)			(4,045,527)
Improvements	(14,308,318)	(2,105,946)			(16,414,264)
Equipment	(2,236,130)	(277,959)	129,347		(2,384,742)
Total less accumulated depreciation	(20,319,026)	(2,654,854)	129,347		(22,844,533)
Net capital assets being depreciated	31,555,350	423,212	(22,969)	1,502,335	33,457,928
Capital assets, net	$ 87,531,379	$ 5,878,225	$ (22,969)	$ -	$ 93,386,635

Note 6 – Long-Term Liabilities

Changes in long-term liabilities for the fiscal year ended June 30, 2018 were as follows:

	Balance July 1, 2017	Additions	Deletions	Prior Period Adjustments	Balance June 30, 2018	Classification: Due Within One Year	Classification: Due in More than One Year
Compensated absences	$ 1,359,302	$ 924,222	$ (746,289)	$ -	$ 1,537,235	$ 711,220	$ 826,015
Claims and judgments	670,831	666,444	(670,831)		666,444	425,000	241,444
Net Pension Liability	11,594,086	6,471,737	(3,856,066)		14,209,757		14,209,757
Net OPEB liability	4,702,467			6,133,641	10,836,108		10,836,108
Total	$ 18,326,686	$ 8,062,403	$ (5,273,186)	$ 6,133,641	$ 27,249,544	$ 1,136,220	$ 26,113,324

Note 7 – Pension Plans

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

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

Note 7 – Pension Plans (Continued)

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

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

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

Part-time employees hired prior to July 1, 2013 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 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.

Part-time employees hired on or after July 1, 2013 are covered by an IRS sanctioned defined contribution Social Security replacement plan.

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.

Note 7 – Pension Plans (Continued)

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

Benefits Provided (Continued)

The Plans' provisions and benefits in effect at June 30, 2018, are summarized as follows:

	Prior to January 15, 2011	On or after January 15, 2011	On or after January 1, 2013
Benefit formula	2.0% @ 55	2.0% @ 60	2.0% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50+	50+	52+
Monthly benefits, as a % of eligible compensation	1.426% to 2.418%	1.092% to 2.418%	1.000% to 2.500%
Required employee contribution rates	7.00%	7.00%	5.75%
Required employer contribution rates	13.673%	13.673%	13.673%

Employees Covered

At June 30, 2018, the following employees were covered by the benefit terms for each Plan:

	2.0% at 55	2.0% at 60	2.0% at 62
Inactive employees or beneficiaries currently receiving benefits	103	18	
Inactive employees entitled to but not yet receiving benefits	194	33	46
Active employees	86	10	50
Total	383	61	96

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, 2018, the average employee contribution rate was 7.000%. The District's average contribution rate and required contribution for the fiscal year ended June 30, 2018 were 13.673% and $949,947, respectively. Actual contributions for the fiscal year equaled $949,947, or 100% of required contributions.

Note 7 – Pension Plans (Continued)

D. CalPERS Net Pension Liability

The District's net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2017, using an annual actuarial valuation as of June 30, 2016 rolled forward to June 30, 2017 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, 2017 actuarial valuations were determined using the following actuarial assumptions:

Valuation Date	June 30, 2016
Measurement Date	June 30, 2017
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.15%
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, 2017 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 7.15 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 7.15 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long-term expected discount rate of 7.15 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.

Note 7 – Pension Plans (Continued)

D. *CalPERS Net Pension Liability (Continued)*

Discount Rate (Continued)

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

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management review cycle that is scheduled has been 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 current fiscal year. CalPERS will continue to check the materiality of the difference in calculation until such time as they have changed their methodology.

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

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

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

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

Note 7 – Pension Plans (Continued)

E. Changes in the CalPERS Net Pension Liability

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

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability/(Asset) (c) = (a) – (b)
Balance at: 06/30/2016	**$56,757,227**	**$45,163,141**	**$11,594,086**
Changes Recognized for the Measurement Period:			
Service Cost	$1,238,730		$1,238,730
Interest on Total Pension Liability	4,267,104		4,267,104
Changes of Benefit Terms	0		0
Changes of Assumptions	3,442,359		3,442,359
Differences between Expected and Actual Experience	198,069		198,069
Net Plan to Plan Resource Movement		$0	0
Contributions – Employer		949,947	(949,947)
Contributions – Employees		655,663	(655,663)
Net Investment Income		4,991,661	(4,991,661)
Benefit Payments, including Refunds of Employee Contributions	(2,674,525)	(2,674,525)	0
Administrative Expense		(66,680)	66,680
Other Miscellaneous Income		0	0
Net Changes during 2016-17	**$6,471,737**	**$3,856,066**	**$2,615,671**
Balance at: 06/30/2017	**$63,228,964**	**$49,019,207**	**$14,209,757**

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 7.15 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 (6.15 percent) or 1 percentage-point higher (8.15 percent) than the current rate:

	Discount Rate -1% 6.15%	Current Discount Rate 7.15%	Discount Rate + 1% 8.15%
Plan's Net Pension Liability/(Asset)	$22,509,887	$14,209,757	$7,316,482

Plan Fiduciary Net Position

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

Note 7 – Pension Plans (Continued)

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

For the fiscal year ended June 30, 2018, the District recognized pension expense of $1,010,295. At June 30, 2018, 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
Changes of Assumptions	$2,399,220	$(133,204)
Differences between Expected and Actual Experience	138,048	(312,510)
Net Difference between Projected and Actual Earnings on Pension Plan Investments	687,977	0
Total	**$3,225,245**	**$(445,714)**

$1,179,112 is 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 fiscal year ended June 30, 2019. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in future pension expense as follows:

Measurement Periods Ended June 30:	Deferred Outflows/(Inflows) of Resources
2018	$709,298
2019	1,815,442
2020	615,685
2021	(360,894)
2022	0
Thereafter	0

Note 8 – Other Post-Employment Benefits ("OPEB")

Plan Description

The District provides, by resolution, an additional post-employment benefit to Length-of-Service retirees.

General Unit Employees
Employees who leave the District and apply for a CalPERS pension within 120 days are eligible to receive postemployment benefits. Eligible retirees who enroll in one of the CalPERS medical plans are credited with the CalPERS mandated minimum employer contribution. Surviving spouses will continue to be credited with the minimum employer contribution.

Managers
Managers who retire from the District with five or more years of service (but fewer than ten), and their surviving spouses, who enroll in one of the CalPERS medical plans are credited with the CalPERS minimum employer contribution. Managers who were hired prior to July 1, 2009, and who retire from the District with ten or more years of service are eligible to receive a lifetime postemployment benefit equal to the employee-only premium for the CalPERS medical plan the retiree is enrolled in for the 12 months prior to retirement including the CalPERS minimum employer contribution. The District also pays the Medicare Part B premium for the retiree. Surviving spouses will be credited with the CalPERS minimum employer contribution.

Note 8 – Other Post-Employment Benefits ("OPEB") (Continued)

Plan Description (Continued)

Executives

General Managers and Administrators who retire from the District with five or more years of service (but fewer than ten), and their surviving spouses, who enroll in one of the CalPERS medical plans are credited with the CalPERS minimum employer contribution. General Managers and Administrators, who were hired prior to July 1, 2009, that retire from the District with ten or more years of service are eligible to receive a lifetime postemployment benefit for themselves and their dependents equal to the CalPERS medical plan premium for the plan the retiree is enrolled in for the 12 months prior to retirement, including the CalPERS minimum employer contribution. The District also pays the Medicare Part B premium for the retiree.

Stipend

Eligible retirees who were hired prior to July 1, 2009 will receive the following monthly benefit from the District. This benefit will be paid to all eligible retirees, including those who do not enroll in one of the CalPERS medical plans. Employees hired after June 30, 2009 are not eligible for this benefit.

Retirement Date	Monthly Benefit	Additional Monthly Benefit Per Each Year of Service	Monthly Increase Per Year for Each Year in Retired Status
Prior to July 1, 1998	$34	$5	Lesser CPI or $2
July 1, 1998 to June 30, 2005	$50	$5	Lesser of CPI or $10
July 1, 2005 to June 30, 2006	$60	$10	Lesser of CPI or $10
July 1, 2006 and later	$75	$15	Lesser of CPI or $15

Eligibility

The table below presents a summary of the basic participant information for the active and retired participants covered under the terms of the Plan.

	Total
Actives	
Total Counts	89
Average Age	47
Average Service	11
Retirees	
Counts	
Under age 65	9
Age 65 and over	22
Total Counts	31
Average Age	72
Total Participants	120
Covered Dependents of Retirees	
Counts	
Spouses / Domestic Partners	11
Children	0
Total	11
Grand Total	131

Note 8 – Other Post-Employment Benefits ("OPEB") (Continued)

Annual OPEB Cost and Net OPEB Obligation

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

OPEB Liability

The District's OPEB liability was measured as of July 1, 2017, and the total OPEB liability used to calculate the OPEB liability was determined by an actuarial valuation as of July 1, 2017.

Actuarial Method and Assumptions

The total OPEB liability in the July 1, 2017 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

Discount Rate	3.58%, based on a yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better
Net Investment Return	3.58%, based on a yield for 20-year, tax-exempt general obligation municipal bonds with an average rating of AA/Aa or better
Inflation	We assumed 2.0% annual inflation.
Payroll increases	3.25% annual increases.

Health Care Trend

Year Beginning	Increase in Premium Rates Pre-65	Post-65
2019	4.86%	2.43%
2020	7.87%	4.62%
2021	7.62%	4.37%
2022	7.37%	4.25%
2023	7.12%	4.25%
2024	6.87%	4.25%
2025	6.62%	4.25%
2026	6.37%	4.25%
2027	6.12%	4.25%
2028	5.87%	4.25%
2029	5.62%	4.25%
2030	5.37%	4.25%
2031 and later	5.12%	4.25%

Plan Distribution for Calculating Baseline Cost

	Managers and Executives		Total Population	
Plan	Pre-Med.	Post-Med.	Pre-Med.	Post-Med.
Anthem HMO Select	0%	0%	6.78%	5.00%
Blue Shield	0%	0%	16.94%	12.50%
Kaiser	0%	0%	28.81%	27.50%
PERS Care	0%	0%	5.08%	7.50%
PERS Choice	100%	100%	28.81%	35.00%
PERS Select	0%	0%	8.47%	6.25%
United Healthcare	0%	0%	5.08%	6.25%
Total	100%	100%	100%	100%

Baseline Cost (Annual)

	Managers and Executives	Total population
Pre-Medicare:	$7,548	$7,452
Post-Medicare:	$4,198	$4,089

Note 8 – Other Post-Employment Benefits ("OPEB") (Continued)

OPEB Liability (Continued)

Actuarial Method and Assumptions (Continued)

Administrative Expenses	We assumed that there are no administrative fees other than those included in the premium rates.
Health Plan Participation	We assumed that 100% of eligible participants will participate.
Medicare Coverage	We assumed that all future retirees will be eligible for Medicare when they reach age 65.
Morbidity Factors	CalPERS 2013 study
Population for Curving	CalPERS 2013 study
Age-Weighted Claims Costs	

Age	Male	Female
50	$6,691	$7,804
55	$8,991	$8,944
60	$11,146	$9,833
65	$3,199	$3,023
70	$3,728	$3,562
75	$4,234	$4,178
80	$4,658	$4,683
85	$4,832	$4,911

Mortality

The mortality rates used in this valuation are those used in the most recent CalPERS valuations.

Pre-Retirement: CalPERS 2014 Mortality pre-retirement

Post-Retirement: CalPERS 2014 Mortality post-retirement

Sample Mortality Rates				
	Active Employees		Retired Employees	
Age	Male	Female	Male	Female
55	0.23%	0.14%	0.60%	0.42%
60	0.31%	0.18%	0.71%	0.44%
65	0.40%	0.26%	0.83%	0.59%
70	0.52%	0.37%	1.31%	0.99%
75	0.71%	0.53%	2.21%	1.72%
80	0.99%	0.81%	3.90%	2.90%
85	0.00%	0.00%	6.97%	5.24%
90	0.00%	0.00%	12.97%	9.89%

Disability	Because of the anticipated low incidence of disability retirements we did not value disability.
Percent Married	We assumed 60% of future eligible retirees would also cover a spouse.
Retirement	We used the retirement rates that were used in the most recent CalPERS experience study. CalPERS Public Agency Miscellaneous Employees: 2% @ 55 for actives hired before 7/1/09 2% @ 60 for actives hired between 7/1/09 and 12/31/12 2% @ 62 for actives hired on or after 1/1/13

Note 8 – Other Post-Employment Benefits ("OPEB") (Continued)

Net OPEB Liability (Continued)

Actuarial Method and Assumptions (Continued)

2% @ 55

	Years of Service				
Age	5	10	15	20	25
50	1.4%	1.8%	2.1%	2.5%	2.7%
55	4.8%	6.1%	7.4%	8.8%	10.0%
60	6.7%	8.6%	10.3%	12.3%	13.9%
65	15.5%	19.7%	23.8%	28.5%	32.5%
70	13.0%	16.5%	20.0%	24.0%	27.2%
75	100.0%	100.0%	100.0%	100.0%	100.0%

2% @ 60

	Years of Service				
Age	5	10	15	20	25
50	1.0%	1.3%	1.5%	1.8%	1.9%
55	2.2%	2.9%	3.5%	4.0%	4.5%
60	5.6%	7.7%	9.2%	10.5%	11.7%
65	15.0%	20.9%	25.5%	28.7%	32.1%
70	11.7%	16.2%	19.7%	22.2%	24.8%
75	100.0%	100.0%	100.0%	100.0%	100.0%

2% @ 62

	Years of Service				
Age	5	10	15	20	25
50	0.0%	0.0%	0.0%	0.0%	0.0%
55	4.4%	5.6%	6.8%	8.0%	9.2%
60	6.2%	7.8%	9.5%	11.2%	12.9%
65	12.9%	16.4%	19.9%	23.4%	26.9%
70	12.5%	16.0%	19.4%	22.8%	26.2%
75	100.0%	100.0%	100.0%	100.0%	100.0%

Withdrawal

We selected withdrawal rates that were used in the most recent CalPERS Public Agency Miscellaneous valuations.

	Years of Service				
Age	0	5	10	15	20
25	16.7%	8.7%	7.5%	0.0%	0.0%
30	16.1%	7.9%	6.7%	5.8%	0.0%
35	15.4%	7.1%	5.9%	5.0%	4.5%
40	14.7%	6.3%	5.1%	4.2%	3.7%
45	14.0%	5.5%	4.3%	3.5%	2.9%
50	13.3%	1.2%	0.7%	0.3%	0.2%

Actuarial Cost Method

Entry Age Normal

An actuarial cost method under which the Actuarial Present Value of the Projected Benefits of each individual included in the valuation is allocated on a level basis over the earnings or service of the individual between entry age and assumed exit age(s). The portion of this Actuarial Present Value allocated to a valuation year is called the Normal Cost.

Amortization Methodology

We used straight-line amortization. For assumption changes and experience gains/losses, we assumed Average Future Working Lifetime, averages over all actives and retirees (retirees are assumed to have no future working years). For asset gains and losses, we assumed 5 years.

Note 8 – Other Post-Employment Benefits ("OPEB") (Continued)

Net OPEB Liability (Continued)

Actuarial Method and Assumptions (Continued)

Financial and Census Data	The District provided the participant data, financial information and plan descriptions used in this valuation. The actuary has checked the data for reasonableness, but has not independently audited the data. The actuary has no reason to believe the data is not complete and accurate, and knows of no further information that is essential to the preparation of the actuarial valuation.
Plan Fiduciary Net Position	Market value of assets as of the measurement date
Measurement Date	June 30, 2017
Valuation Date	June 30, 2017
Funding Policy	The District intends to pay benefit cost as they occur.

Change in Net OPEB Liability

Total OPEB Liability	
Service cost	$351,224
Interest	336,056
Change of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions	(1,151,364)
Benefit payments, including refunds of employee contributions	(278,108)
Net change in Total OPEB Liability	($742,192)
Total OPEB Liability – beginning (a)	11,578,300
Total OPEB Liability – ending (b)	$10,836,108

There is sensitivity of the net OPEB liability due to changes in the discount rate and healthcare cost trend rates. The following presents the net OPEB liability of the District, as well as what the District's net OPEB liability would be if it were calculated using the discount and trend rate that were 1 percentage point lower or 1 percentage point higher than the current discount and trend rates.

	NOL	$ Change	% Change
Discount Rate			
+1%	$9,518,818	($1,317,290)	(12%)
Base	$10,836,108	-	-
-1%	$12,461,442	$1,625,334	15%
Trend Rate			
+1%	$11,727,207	$891,099	8%
Base	$10,836,108	-	-
-1%	$9,931,185	($904,923)	(8%)

Note 8 – Other Post-Employment Benefits ("OPEB") (Continued)

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

For the fiscal year ended June 30, 2018, the District recognized OPEB expense of $542,600. At June 30, 2018, the District reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience in the measurement of the TOL	$0	$0
Changes in assumptions	0	1,006,684
Net difference between projected and actual earnings of OPEB plan investments	0	0
Contribution to OPEB plan after measurement date[1]	0	0
Total	$0	$1,006,684

[1] To be determined as of the fiscal year ending 2018

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

Fiscal Year Ended June 30	Deferred Outflows/(Inflows) of Resources
2019	($144,680)
2020	(144,680)
2021	(144,680)
2022	(144,680)
2023	(144,680)
Thereafter	(283,284)
	($1,006,684)

Note 9 – Risk Management

The District participates via a joint powers agreement in the California Association for Park and Recreation Indemnity ("CAPRI") pool for property and liability coverage. The purpose of CAPRI is to arrange and administer programs of insurance and to purchase excess insurance coverage. CAPRI is governed by a board of directors which controls the operations of the pool, including selection of management and approval of the budget. At June 30, 2018, 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.

Note 9 – Risk Management (Continued)

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	2018
General Liability	$ 153,801
Worker's Compensation	512,643
	$ 666,444

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

	2018	2017	2016
Claims liability - beginning balance	$ 670,831	$ 495,668	$ 440,715
Incurred claims, representing the total of a provision for events of the current fiscal year and any change of prior fiscal years	666,444	633,984	258,444
Payments on claims attributable to events of both the current fiscal year and the prior fiscal years	(670,831)	(458,821)	(203,491)
Claims liability - ending balance	$ 666,444	$ 670,831	$ 495,668

Note 10 – Commitments and Contingencies

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

As of June 30, 2018, in the opinion of District management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the District.

Contract Commitments

The District had $1,533,500 in contract commitments for completion of ongoing capital improvements projects at June 30, 2018.

Note 11 – Investment in Joint Venture

Conejo Open Space Conservation Agency

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

Note 11 – Investment in Joint Venture

Conejo Open Space Conservation Agency (Continued)

The audited financial information for COSCA for the fiscal year ended June 30, 2018 is as follows:

	Joint Venture	District Portion
Total Assets	$ 76,374,295	$ 38,187,148
Total Liabilities	35,172	17,586
Net Position:	$ 76,339,123	$ 38,169,562
Net Investment in capital assets	$ 74,774,731	$ 37,387,366
Restricted	1,564,392	782,196
Total Net Position	$ 76,339,123	$ 38,169,562
Total Revenues	$ 1,730,240	$ 865,120
Total Expenses	1,566,888	783,444
Changes in net position	$ 163,352	$ 81,676

Note 12 – Jointly Governed Organization

Mountains Recreation and Conservation Authority

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

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

Note 13 – Prior Period Adjustments

A prior period adjustment of $432,665 was posted to the General Fund due to a reclassification of part-time pension funds previously accounted for in an agency fund.

A prior period adjustment of $(6,707,660) was posted on the Statement of Activities due to new reporting requirements related to the implementation of GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pension*. $(6,133,641) was an adjustment of the OPEB liability and $(1,006,684) was an adjustment of the deferred inflow related to OPEB for a total of $7,140,325, offset by $432,665 reclassification of part-time pension fund.

REQUIRED SUPPLEMENTARY INFORMATION

Note 1 – Budgets and Budgetary Accounting

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

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

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

Conejo Recreation and Park District
Required Supplementary Information (Continued)
For the fiscal year ended June 30, 2018

Note 1 - Budgets and Budgetary Accounting (Continued)

Budgetary Comparison Schedule, General Fund

	Budget Amounts			
	Original	Final	Actual Amounts	Variance with Final Budget
REVENUES:				
Property taxes	$ 15,915,000	$ 15,922,000	$ 16,880,043	$ 958,043
Licenses and permits	11,000	11,000	11,385	385
Interest	65,000	65,000	553,155	488,155
Facilities rental	655,000	655,000	621,995	(33,005)
Other governmental agencies	623,000	623,000	659,678	36,678
Recreation fees	4,323,000	4,323,000	4,645,433	322,433
Other	45,000	45,000	190,105	145,105
Total revenues	21,637,000	21,644,000	23,561,794	1,917,794
EXPENDITURES:				
Current:				
District administration	3,408,462	3,437,997	2,834,961	603,036
Parks and planning	8,380,053	8,476,231	8,184,072	292,159
Recreation and community services	8,412,363	8,503,112	7,818,998	684,114
Capital outlay	399,000	399,000	399,048	(48)
Total expenditures	20,599,878	20,816,340	19,237,079	1,579,261
REVENUES OVER (UNDER) EXPENDITURES	1,037,122	827,660	4,324,715	3,497,055
OTHER FINANCING SOURCES (USES):				
Transfers in			132,851	132,851
Transfers out	(994,122)	(1,096,122)	(787,638)	308,484
Total other financing sources (uses)	(994,122)	(1,096,122)	(654,787)	441,335
Changes in Fund Balance	$ 43,000	$ (268,462)	3,669,928	$ 3,938,390
FUND BALANCE:				
Beginning of fiscal year			29,786,007	
Prior period adjustment			432,665	
Beginning of fiscal year, as restated			30,218,672	
End of fiscal year			$ 33,888,600	

See Note to Required Supplementary Information

Conejo Recreation and Park District
Required Supplementary Information (Continued)
For the fiscal year ended June 30, 2018

Note 1 - Budgets and Budgetary Accounting (Continued)

Budgetary Comparison Districtwide Assessment District Special Revenue Fund

	Budget Amounts		Actual	Variance with
	Original	Final	Amounts	Final Budget
REVENUES:				
Assessments	$ 1,797,500	$ 1,797,500	$ 1,807,801	$ 10,301
Interest	10,000	10,000	45,940	35,940
Other governmental agencies	2,932,000	2,786,125	2,500,000	(286,125)
Grants	43,000	1,809,525	45,000	(1,764,525)
Other	2,370,000	610,000	317,644	(292,356)
Total revenues	7,152,500	7,013,150	4,716,385	(2,296,765)
EXPENDITURES:				
Current:				
Parks and planning	1,302,968	1,333,964	1,230,169	103,795
Capital outlay	9,828,000	11,588,400	8,671,665	2,916,735
Total expenditures	11,130,968	12,922,364	9,901,834	3,020,530
REVENUES OVER (UNDER) EXPENDITURES	(3,978,468)	(5,909,214)	(5,185,449)	723,765
OTHER FINANCING SOURCES (USES):				
Transfers in		848,000	1,098,000	250,000
Transfers out			(2,729)	(2,729)
Total other financing sources (uses)		848,000	1,095,271	247,271
Changes in Fund Balance	$ (3,978,468)	$ (5,061,214)	(4,090,178)	$ 971,036
FUND BALANCE:				
Beginning of fiscal year			5,783,173	
End of fiscal year			$ 1,692,995	

See Note to Required Supplementary Information

Conejo Recreation and Park District
Required Supplementary Information (Continued)
For the fiscal year ended June 30, 2018

Note 1 - Budgets and Budgetary Accounting (Continued)

Budgetary Comparison Schedule Dos Vientos Assessment District Special Revenue Fund

	Budget Amounts		Actual Amounts	Variance with Final Budget
	Original	Final		
REVENUES:				
Assessments	$ 637,800	$ 637,800	$ 639,563	$ 1,763
Licenses and permits	72,000	72,000	69,832	(2,168)
Interest	1,000	1,000	5,554	4,554
Other			8,000	8,000
Total revenues	710,800	710,800	722,949	12,149
EXPENDITURES:				
Current:				
Parks and planning	1,048,419	1,056,341	844,795	211,546
Capital outlay	600,000	669,500	669,463	37
Total expenditures	1,648,419	1,725,841	1,514,258	211,583
REVENUES OVER (UNDER) EXPENDITURES	(937,619)	(1,015,041)	(791,309)	223,732
OTHER FINANCING SOURCES (USES):				
Transfers in	271,555	271,555	271,555	
Transfers out			(119,314)	(119,314)
Total other financing sources (uses)	271,555	271,555	152,241	(119,314)
Changes in Fund Balance	$ (666,064)	$ (743,486)	(639,068)	$ 104,418
FUND BALANCE:				
Beginning of fiscal year			981,584	
End of fiscal year			$ 342,516	

See Note to Required Supplementary Information

Conejo Recreation and Park District
Required Supplementary Information (Continued)
For the fiscal year ended June 30, 2018

Note 1 - Budgets and Budgetary Accounting (Continued)

Budgetary Comparison Schedule Rancho Conejo Assessment District Special Revenue Fund

	Budget Amounts			
	Original	Final	Actual Amount	Variance with Final Budget
REVENUES :				
Assessments	$ 113,400	$ 113,400	$ 113,331	$ (69)
Interest			324	324
Other			44,572	44,572
Total revenues	113,400	113,400	158,227	44,827
EXPENDITURES:				
Current:				
Parks and planning	277,483	279,650	264,657	14,993
Capital outlay		47,000	46,063	937
Total expenditures	277,483	326,650	310,720	15,930
REVENUES OVER (UNDER) EXPENDITURES	(164,083)	(213,250)	(152,493)	60,757
OTHER FINANCING SOURCES (USES):				
Transfers in	164,083	164,083	164,083	
Transfers out			(10,808)	(10,808)
Total other financing sources (uses)	164,083	164,083	153,275	(10,808)
Changes in Fund Balance	$ -	$ (49,167)	782	$ 49,949
FUND BALANCE:				
Beginning of fiscal year			19,915	
End of fiscal year			$ 20,697	

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

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

Measurement Period	2017	2016	2015	2014
TOTAL PENSION LIABILITY:				
Service Cost	$1,238,730	$1,058,819	$1,091,703	$1,106,207
Interest on Total Pension Liability	4,267,104	4,081,150	3,924,233	3,735,515
Changes of Benefit Terms	0	0	0	0
Changes of Assumptions	3,442,359	0	(932,422)	0
Difference between Expected and Actual Experience	198,069	(667,664)	(346,433)	0
Benefit Payments, Including Refunds of Employee Contributions	(2,674,525)	(2,403,391)	(2,157,836)	(1,972,811)
Net Change in Total Pension Liability	**$6,471,737**	**$2,068,914**	**$1,579,245**	**$2,868,911**
Total Pension Liability – Beginning	56,757,227	54,688,313	53,109,068	50,240,157
Total Pension Liability – Ending (a)	**$63,228,964**	**$56,757,227**	**$54,688,313**	**$53,109,068**
PLAN FIDUCIARY NET POSITION				
Contributions – Employer	$949,947	$867,310	$720,174	$628,613
Contributions – Employee	655,663	532,633	586,481	557,540
Net Investment Income	4,991,661	245,746	1,027,875	6,859,039
Benefit Payments, Including Refunds of Employee Contributions	(2,674,525)	(2,403,391)	(2,157,836)	(1,972,811)
Net Plan to Plan Resource Movement	0	0	0	0
Administrative Expense	(66,680)	(28,003)	(51,707)	0
Other Miscellaneous Income	0	0	0	0
Net Change in Fiduciary Net Position	**$3,856,066**	**$(785,705)**	**$124,987**	**$6,072,381**
Plan Fiduciary Net Position – Beginning	$45,163,141	$45,948,846	$45,823,859	$39,751,478
Plan Fiduciary Net Position – Ending (b)	49,019,207	45,163,141	45,948,846	45,823,859
Plan Net Pension Liability/(Asset) – (a)-(b)	**$14,209,757**	**$11,594,086**	**$8,739,467**	**$7,285,209**
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.53%	79.57%	84.02%	86.28%
Covered Payroll	$8,208,402	$7,822,246	$7,948,909	$7,661,774
Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll	173.11%	148.22%	109.95%	95.09%

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 2016 valuation date. This applies for voluntary benefit changes as well as any offers of Two Years Additional Service Credit (a.k.a. Golden Handshakes).

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

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

Schedule of Contributions – Last 10 Years*

Schedule of Plan Contributions for the Fiscal Years Ended June 30[1]

Employer Fiscal Year End	2017	2016	2015	2014
Actuarially Determined Contribution[2]	$949,947	$867,310	$720,174	$628,613
Contributions in Relation to the Actuarially Determined Contribution[2]	(949,947)	(867,310)	(720,174)	(628,613)
Contribution Deficiency (Excess)	$0	$0	$0	$0
Covered Payroll[3]	$8,208,402	$7,822,246	$7,948,909	$7,661,774
Contributions as a Percentage of Covered Payroll[3]	11.57%	11.09%	9.06%	8.20%

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

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

[3] Includes one year's payroll growth using 3.00 percent payroll assumption.

Notes to Schedule

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2016-17 were derived from the June 30, 2014 funding valuation report.

Actuarial Cost Method	Entry Age Normal
Amortization Method/Period	For details, see June 30, 2014 Funding Valuation Report.
Asset Valuation Method	Market Value of Assets. For details, see June 30, 2014 Funding Valuation Report.
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Payroll Growth	3.00%
Investment Rate of Return	7.50% Net of Pension Plan Investment and Administrative Expenses; includes Inflation.
Retirement Age	The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011.
Mortality	The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries.

Changes of Assumptions: In 2017, the accounting discount rate reduced from 7.65 percent to 7.15 percent. In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (net of administrative expense) to 7.65 percent (without a reduction for pension plan administrative expense.) In 2014, amounts reported were based on the 7.5 percent discount rate.

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

Schedule of Changes in OPEB Liability and Related Ratios - Last 10 Years*

	2017
Total OPEB Liability	
Service cost	$351,224
Interest	336,056
Change of benefit terms	0
Differences between expected and actual experience	0
Changes of assumptions	(1,151,364)
Benefit payments, including refunds of employee contributions	(278,108)
Net change in Total OPEB Liability	($742,192)
Total OPEB Liability – beginning (a)	11,578,300
Total OPEB Liability – ending (b)	$10,836,108
Plan Fiduciary Net Position as a percentage of the Total OPEB Liability	0%
Covered employee payroll(1)	N/A
Plan Net OPEB Liability as percentage of covered employee payroll(1)	N/A

[1] Covered payroll not available

*Fiscal year 2018 was the first year of implementation, therefore only one year is shown.

Schedule of OPEB Contributions - Last 10 Years*

	2017
Contributions – employer	$278,108
Contributions – employee	0
Net investment income	0
Benefit payments, including refunds of employee contributions	(278,108)
Administrative expense	0
Other	0
Net change in Plan Fiduciary Net Position	**$0**
Plan Fiduciary Net Position – beginning (c)	**$0**
Plan Fiduciary Net Position – ending (d)	**$0**

*Fiscal year 2018 was the first year of implementation, therefore only one year is shown.

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SUPPLEMENTARY INFORMATION

FIDUCIARY FUNDS

Conejo Recreation and Park District
Combining Statement of Fiduciary Assets and Liabilities
Agency Funds
June 30, 2018

	Agency Funds							
	Farland House Revolving Fund	Wildwood Flood Repair Fund	Goebel Adult Community Center Fund	Fireworks Trust Fund	CSVP Advisory Council Fund	Therapeutic Advisory Council Fund	Teen Advisory Council Fund	Totals
ASSETS								
Cash and investments	$ 98,620	$ 377,245	$ 45,138	$ -	$ 160,188	$ 109,908	$ 22,429	$ 813,528
Interest receivable	544	2,209	264	-	935	640	153	4,745
Total assets	$ 99,164	$ 379,454	$ 45,402	$ -	$ 161,123	$ 110,548	$ 22,582	$ 818,273
LIABILITIES								
Deposits payable	$ 99,164	$ 379,454	$ 45,402	$ -	$ 161,123	$ 110,548	22,582	$ 818,273
Total liabilities	$ 99,164	$ 379,454	$ 45,402	$ -	$ 161,123	$ 110,548	$ 22,582	$ 818,273

Conejo Recreation and Park District
Combining Statement of Changes in Fiduciary Assets and Liabilities
Agency Funds
For the fiscal year ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
Farland House Revolving Fund				
Assets:				
Cash and investments	$ 62,101	$ 36,519	$ -	$ 98,620
Interest receivable	182	544	(182)	544
Total assets	$ 62,283	$ 37,063	$ (182)	$ 99,164
Liabilities:				
Deposits payable	$ 62,283	$ 37,063	$ (182)	$ 99,164
Total liabilities	$ 62,283	$ 37,063	$ (182)	$ 99,164
Wildwood Flood Repair Fund				
Assets:				
Cash and investments	$ 373,546	$ 3,699	$ -	$ 377,245
Interest receivable	1,126	2,209	(1,126)	2,209
Total assets	$ 374,672	$ 5,908	$ (1,126)	$ 379,454
Liabilities:				
Deposits payable	$ 374,672	$ 5,908	$ (1,126)	$ 379,454
Total liabilities	$ 374,672	$ 5,908	$ (1,126)	$ 379,454
Goebel Adult Community Center Fund				
Assets:				
Cash and investments	$ 44,695	$ 443	$ -	$ 45,138
Interest receivable	135	264	(135)	264
Total assets	$ 44,830	$ 707	$ (135)	$ 45,402
Liabilities:				
Deposits payable	$ 44,830	$ 707	$ (135)	$ 45,402
Total liabilities	$ 44,830	$ 707	$ (135)	$ 45,402
Fireworks Trust Fund				
Assets:				
Cash and investments	$ 15,260	$ -	$ (15,260)	$ -
Interest receivable	14		(14)	-
Total assets	$ 15,274	$ -	$ (15,274)	$ -
Liabilities:				
Deposits payable	$ 15,274	$ -	$ (15,274)	$ -
Total liabilities	$ 15,274	$ -	$ (15,274)	$ -

(Continued)

Conejo Recreation and Park District
Combining Statement of Changes in Fiduciary Assets and Liabilities (Continued)
Agency Funds
For the fiscal year ended June 30, 2018

	Balance June 30, 2017	Additions	Deletions	Balance June 30, 2018
CSVP Advisory Council Fund				
Assets:				
Cash and investments	$ 154,733	$ 34,180	$ (28,725)	$ 160,188
Interest receivable	469	935	(469)	935
Total assets	$ 155,202	$ 35,115	$ (29,194)	$ 161,123
Liabilities:				
Deposits payable	$ 155,202	$ 35,115	$ (29,194)	$ 161,123
Total liabilities	$ 155,202	$ 35,115	$ (29,194)	$ 161,123
Therapeutic Advisory Council Fund				
Assets:				
Cash and investments	$ 102,565	$ 7,343	$ -	$ 109,908
Interest receivable	302	640	(302)	640
Total assets	$ 102,867	$ 7,983	$ (302)	$ 110,548
Liabilities:				
Deposits payable	$ 102,867	$ 7,983	$ (302)	$ 110,548
Total liabilities	$ 102,867	$ 7,983	$ (302)	$ 110,548
Teen Center Advisory Council Fund				
Assets:				
Cash and investments	$ 40,715	$ 69,265	$ (87,551)	$ 22,429
Interest receivable	130	153	(130)	153
Total assets	$ 40,845	$ 69,418	$ (87,681)	$ 22,582
Liabilities:				
Deposits payable	$ 40,845	$ 69,418	$ (87,681)	$ 22,582
Total liabilities	$ 40,845	$ 69,418	$ (87,681)	$ 22,582
Total All Agency Funds				
Assets:				
Cash and investments	$ 752,900	$ 151,449	$ (131,536)	$ 813,528
Interest receivable	2,228	4,745	(196)	4,745
Total assets	$ 755,128	$ 156,194	$ (131,732)	$ 818,273
Liabilities:				
Deposits payable	$ 795,973	$ 156,194	$ (133,894)	$ 818,273
Total liabilities	$ 795,973	$ 156,194	$ (133,894)	$ 818,273

CONEJO RECREATION AND PARK DISTRICT

MANAGEMENT REPORT
AND
AUDITOR'S COMMUNICATION LETTER

June 30, 2018

ATTACHMENT 2

CONEJO RECREATION AND PARK DISTRICT
June 30, 2018

TABLE OF CONTENTS

MOSS, LEVY & HARTZHEIM LLP
CERTIFIED PUBLIC ACCOUNTANTS

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January 29, 2019

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

In planning and performing our audit of the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Conejo Recreation and Park District, California (District), as of and for the fiscal year ended June 30, 2018, in accordance with auditing standards generally accepted in the United States of America, we considered the District's internal control over financial reporting (internal control) as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, we do not express an opinion on the effectiveness of the District's internal control.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies, and therefore, material weaknesses or significant deficiencies may exist that were not identified. However, as discussed below, we identified certain other matters related to internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A material weakness is a deficiency or combination of deficiencies in internal control, such that there is a reasonable possibility that a material misstatement of the District's financial statements will not be prevented, or detected and corrected on a timely basis. We did not identify any deficiencies in internal control that we consider to be material weaknesses.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

We have included in this letter a summary of communication with the District Board of Directors as required by professional auditing standards. We would like to thank the District's management and staff for the courtesy and cooperation extended to us during the course of our engagement.

The accompanying communications and recommendations are intended solely for the information and use of management, the members of the District, and others within the District, and is not intended to be and should not be used by anyone other these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California

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January 29, 2019

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

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Conejo Recreation and Park District (District) as of and for the fiscal year ended June 30, 2018. Professional standards require that we provide you with the information about our responsibilities under auditing standards generally accepted in the United States of America and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated June 11, 2018. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the District are described in Note 1 to the financial statements. We noted no transactions entered into by the District during the fiscal year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ significantly from those expected.

The most sensitive estimates affecting the financial statements were the estimates of investment fair market value, depreciation on capital assets, and claims payable. Management's estimate of the investment fair market value is based on information provided by the State of California for its investment in the Local Agency Investment Fund and the County of Ventura for its investment in the Ventura County Investment Pool. Depreciation on capital assets is based on the industry standard and past experience on actual useful life of the asset groups and claims payable is based on historical loss rates, claims paid and analysis of open claims. We evaluated the key factors and assumptions used to develop these estimates and determined that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The most sensitive disclosures affecting the financial statements were Note 1 – Summary of Significant Accounting Policies, Note 7 – Pension Plans, Note 8 – Other Post-Employment Benefits ("OPEB") and Note 11 – Investment in Joint Venture.

The financial statement disclosures are neutral, consistent, and clear.

Difficulties Encountered in Performing the Audit

We encountered no difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be a significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated January 29, 2019.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the District's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the District's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content, and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

This information is intended solely for the use of management, the audit committee, the members of District, and others within the District, and is not intended to be, and should not be, used by anyone other these specified parties.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California

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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Conejo Recreation and Park District, California (District), as of and for the fiscal year ended June 30, 2018, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated January 29, 2019.

Internal Control Over Financial Reporting

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

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

Purpose of this Report

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

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
January 29, 2019

CURRENT YEAR RECOMMENDATIONS

None noted.

STATUS OF PRIOR YEAR RECOMMENDATIONS

None noted.