



# Conejo Recreation & Park District

**GENERAL MANAGER**  
Jim Friedl

**BOARD OF DIRECTORS**

George M. Lange, Chair  
Doug Nickles, Vice-Chair  
Chuck Huffer, Director  
Nellie Cusworth, Director  
Marissa Buss, Director

**GENERAL MANAGER EMERITUS**  
Tex Ward

**DATE:** February 15, 2024

**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, 2023, as prepared by the accounting firm of Moss, Levy & Hartzheim CPAs, LLP.

## DISCUSSION

Attached is the audit for FY 22-23, which consists of financial statements, Independent Auditor's Report and Management's Discussion and Analysis. 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.

## 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,

Melissa Smith, Administrator  
Management Services

Attachment

## ADMINISTRATIVE OFFICES

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**CONEJO RECREATION AND PARK DISTRICT  
THOUSAND OAKS, CALIFORNIA  
BASIC FINANCIAL STATEMENTS  
June 30, 2023**

**Conejo Recreation and Park District**  
**Basic Financial Statements**  
**For the fiscal year ended June 30, 2023**

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MOSS, LEVY & HARTZHEIM LLP

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**INDEPENDENT AUDITOR'S REPORT**

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

**Report on Financial Statements**

***Opinion***

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund of the Conejo Recreation and Park District (District) as of and for the fiscal year ended June 30, 2023, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the business type activities and the fiduciary fund financial statements of the the District as of June 30, 2023, 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 and State Controller's Minimum Audit Requirements for California Special Districts.

***Basis for Opinion***

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

***Responsibilities of Management for the Financial Statements***

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

### ***Change in Accounting Principle***

For the fiscal year ending June 30, 2023, the District has implemented Government Accounting Standards Board Statement No. 96, *Subscription-based Information Technology Arrangements*. The change has no material impact on financial statements.

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, and schedules as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

### ***Supplementary 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 accompanying supplementary information listed in the table of contents are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The accompanying supplementary information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the supplementary 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 December 20, 2023, 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Plan's internal control over financial reporting and compliance.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
December 20, 2023

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

As management of the Conejo Recreation and Park District (the 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, 2023.

### **FINANCIAL HIGHLIGHTS**

- On June 30, 2023, the District assets and deferred outflows exceeded liabilities and deferred inflows by \$187 million (net position). Of this amount, \$31.9 million (unrestricted net position) may be used to meet the District's ongoing obligations to citizens and creditors.
- The District's government-wide net position increased \$12.5 million during the fiscal year.
- At the close of fiscal year 2022/23, the District governmental funds reports a combined ending fund balance of \$49.8 million, an increase of \$4 million from the prior year primarily due to investment income in the District's 115 Trust. Approximately \$44 million of fund balance, or 88% percent, is in the General Fund. Of this amount, \$9.3 million is unassigned General Fund balance.
- At the close of fiscal year 2022/23, the General Fund budget to actual report shows a \$1.6 million increase in appropriation. Actual revenues exceeded budgeted amounts by \$6 million, primarily due to conservative budget amounts and the sale of the Farland House. In addition, the District contributed a large amount of general fund unassigned fund balance to capital projects as a match for state funds received. As a result, the general fund balance increased by \$4.5 million rather than the budgeted decrease of \$1.6 million.
- As of June 30, 2023, the District's other governmental funds, excluding the General Fund, reported combined ending fund balances of \$5.8 million.
- The District continues to actively manage its retiree liabilities. The Board set up a Reserve Policy and various funds to offset the District's CalPERS unfunded liability and to temper increased future pension and retiree costs. After years of dedication and contributions per the Reserve Policy; the District has identified funding to address 100% of these liabilities.
- As the District's known liabilities are nearly fully funded, the District will need to address and prioritize anticipated future capital needs such as deferred repair and replacement of aging infrastructure, wildfire response, property acquisition to maintain a sufficient parks-to-population ratio, structure hardening and other resiliency improvements.

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

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

### **Fund financial statements**

Fund financial statements are designed to report information about groupings of related accounts used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. District funds can be divided into two categories: governmental funds and fiduciary funds.

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

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

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

The District adopts a biennial appropriated budget. Budgetary comparison statements have been provided to demonstrate compliance with the General Fund, Special Assessment District Special Revenue Fund, Dos Vientos Assessment District Special Revenue Funds, and Rancho Conejo Assessment District Special Revenue Fund, pages 66-69 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 26-27 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 28-64 of this report.

### **Required Supplementary 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 65-76.

## **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 and deferred outflows of resources exceed liabilities and deferred inflows of resources by \$187 million at June 30, 2023, as summarized below:

### **June 30, 2023**

|   | <u>Governmental<br/>Activities</u> |
|---|------------------------------------|
| <b>ASSETS</b>                                 |                                    |
| Current assets:                               |                                    |
| Cash and investments (Note 2)                 | \$ 37,597,735                      |
| Receivables (Note 3):                         |                                    |
| Accounts                                      | 208,180                            |
| Interest                                      | 415,489                            |
| Taxes   | 274,471                            |
| Loans   | 109,247                            |
| Leases  | 5,750,456                          |
| Prepays                                       | 81,027                             |
| Total current assets                          | <u>44,436,605</u>                  |
| Noncurrent assets:                            |                                    |
| Restricted cash and investments (Note 2)      | 12,958,611                         |
| Investment in joint venture - COSCA (Note 11) | 48,691,476                         |
| Net OPEB asset (Note 8)                       | 773,475                            |
| Capital assets (Note 5):                      |                                    |
| Nondepreciable                                | 60,981,195                         |
| Depreciable, net                              | <u>42,504,436</u>                  |
| Total capital assets, net                     | <u>103,485,631</u>                 |
| Total noncurrent assets                       | <u>165,909,193</u>                 |
| <b>Total assets</b>                           | <u>210,345,798</u>                 |

|  |                              |
|--|------------------------------|
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                              |
| Pension related (Note 7)                                   | 7,616,071                    |
| OPEB related (Note 8)                                      | 1,175,948                    |
| <b>Total deferred outflows of resources</b>                | <u>8,792,019</u>             |
| <b>Total assets and deferred outflows of resources</b>     | <u>219,137,817</u>           |
| <b>LIABILITIES</b>   |                              |
| Current liabilities:                                       |                              |
| Accounts payable   | 1,286,403                    |
| Payroll and related liabilities                            | 704,959                      |
| Refundable deposits  | 73,404                       |
| Claims payable - due in less than one year (Note 9)        | 168,430                      |
| Compensated absences - due in less than one year           | 1,196,648                    |
| <b>Total current liabilities</b>                           | <u>3,429,844</u>             |
| Noncurrent liabilities:                                    |                              |
| Claims payable - due in more than one year (Note 9)        | 269,340                      |
| Compensated absences - due in more than one year           | 228,651                      |
| Net pension liability (Note 7)                             | 19,827,068                   |
| <b>Total noncurrent liabilities</b>                        | <u>20,325,059</u>            |
| <b>Total liabilities</b>                                   | <u>23,754,903</u>            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                              |
| Leases related (Note 3)                                    | 5,533,389                    |
| Pension related (Note 7)                                   | 576,075                      |
| OPEB related (Note 8)                                      | 2,272,782                    |
| <b>Total deferred inflows of resources</b>                 | <u>8,382,246</u>             |
| <b>Total liabilities and deferred inflows of resources</b> | <u>32,137,149</u>            |
| <b>NET POSITION</b>  |                              |
| Net investment in capital assets                           | 103,485,631                  |
| Restricted for assessment districts                        | 3,127,787                    |
| Restricted for parks and recreation open space - COSCA     | 48,691,476                   |
| Unrestricted   | 31,695,774                   |
| <b>Total net position</b>                                  | <u><u>\$ 187,000,668</u></u> |

The largest portion (55%) of the District's net position reflects its investment of \$103.5 million in capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The District has no debt related to asset acquisition. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

\$48.7 million (26%) 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). These assets are not available for future spending. Another portion of the District's net position, \$3.1 million (2%) represents resources available in the District's three assessment districts. The remaining balance \$31.7 million (17%) may be used to meet the District's ongoing obligations to

Cash remained stable throughout the year. There was significant changes in the restricted funds for the District's 115 trust, the deferred outflows and inflows of resources and the noncurrent liabilities reflect the District's ongoing management of retiree liabilities due to the market performance period ending June 30, 2023.

As shown in the table below, the District's change in net position due to FY 2022-23 activity is an increase of \$12.5 million. Charges for services includes recreation fees, rent, accounting services provided to the MRCA JPA. Operating grants and contributions include the operations share of assessment district revenues. 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 by over \$6.3 million, due to market performance as of June 30, 2023 in to investments to address retiree liabilities. Other revenue includes licenses/permits and miscellaneous.



**Net position:**

|   |                      |
|---|----------------------|
| Net Position - Beginning of fiscal year | <u>174,672,552</u>   |
| Net Position - End of fiscal year       | <u>\$187,000,668</u> |

## **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 2022/23, District governmental funds reported a combined ending fund balance of \$50 million, an increase of \$4.1 million over the prior year. Approximately \$44 million (88%) is in the General Fund.

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 \$4.5 million in fund balance for the year ended June 30, 2023, which consists of operating revenues exceeding operating expenditures and other financing sources/uses. At June 30, 2023, the unrestricted fund balance (which includes the *committed*, *assigned* and *unassigned* components of fund balance) was \$30.9 million that is available for ongoing operations.

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

The Districtwide Assessment District Fund accounts for a district-wide assessment for park maintenance and capital projects. The fund balance remained stable at \$2.4 million at June 30, 2023 primarily as a result of outside funding for capital projects.

### **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 \$0.09 million, for a total fund balance of \$0.41 million at June 30, 2023.

### **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 \$0.25 million at June 30, 2023.

### **Capital Projects Fund**

The Capital Projects Fund provides resources for construction of capital projects. Major projects include design and construction of Paige Lane Neighborhood Park as well as Goebel and Teen Center Expansions. Fund balance decreased \$0.54 million, for a total of \$2.8 million at June 30, 2023.

## **BUDGETARY HIGHLIGHTS**

### **General Fund**

The General Fund budget to actual report can be found on page 66 of this report. Increases between the original and final budget were minimal. Actual revenues exceeded budgeted amounts by \$6 million, primarily due to market performance for investments to address retiree liabilities and the sale of the Farland house. Actual operating expenditures were less than budgeted by \$1.7 million across all divisions largely due to conservative budgeting and capital project timing.

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

The budget to actual report for this fund can be found on page 67 of this report. Changes between the original and final budget in capital outlay are due to the timing of various projects as well as the unpredictable timing for the receipt of grant revenues.

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

The budget to actual report for this fund can be found on page 68 of this report. There was no change from the original to final budgets. Actual expenditures were \$0.35 million less than budgeted, primarily due to delays in projects that will be carried into FY 23-24.

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

The budget to actual report for this fund can be found on page 69 of this report. There was no change from the original to final budgets. Actual expenditures ending the year at less than budgeted is primarily driven by savings in salaries and water expenditures.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

District investment in capital assets for its governmental activities as of June 30, 2023, totaled \$103.5 million (net of accumulated depreciation). Capital assets include land, buildings,

improvements, equipment, and construction in progress. The total increase in capital assets for fiscal year 2022/23 was \$4.2 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 in Note 5 of this report.

Capital assets are summarized below:

|  | Balance as of<br>July 1, 2022 | Additions    | Retirements | Transfers   | Balance as of<br>June 30, 2023 |
|--|-------------------------------|--------------|-------------|-------------|--------------------------------|
| Capital assets not being depreciated:      |                               |              |             |             |                                |
| Land                                       | \$ 52,097,314                 | \$ -         | \$ (17,947) | \$ -        | \$ 52,079,367                  |
| Construction in progress                   | 7,641,799                     | 4,732,802    |             | (3,472,773) | 8,901,828                      |
| Total capital assets not being depreciated | 59,739,113                    | 4,732,802    | (17,947)    | (3,472,773) | 60,981,195                     |
| Capital assets being depreciated:          |                               |              |             |             |                                |
| Buildings                                  | 10,675,695                    | 2,240,768    | (9,500)     | 2,601,599   | 15,508,562                     |
| Improvements                               | 59,833,135                    | 320,961      |             | 871,174     | 61,025,270                     |
| Equipment                                  | 4,730,631                     | 761,862      | (176,573)   |             | 5,315,920                      |
| Total capital assets, being depreciated    | 75,239,461                    | 3,323,591    | (186,073)   | 3,472,773   | 81,849,752                     |
| Less accumulated depreciation:             |                               |              |             |             |                                |
| Buildings                                  | (5,161,807)                   | (400,625)    | 9,500       |             | (5,552,932)                    |
| Improvements                               | (27,438,698)                  | (3,091,560)  |             |             | (30,530,258)                   |
| Equipment                                  | (3,095,806)                   | (336,353)    | 170,033     |             | (3,262,126)                    |
| Total less accumulated depreciation        | (35,696,311)                  | (3,828,538)  | 179,533     |             | (39,345,316)                   |
| Net capital assets being depreciated       | 39,543,150                    |              |             |             | 42,504,436                     |
| Capital assets, net                        | \$ 99,282,263                 | \$ 4,227,855 | \$ (24,487) | \$ -        | \$ 103,485,631                 |

Major capital asset events during the fiscal year include multiple play area renovations, as well as design and construction work for Paige Lane Neighborhood Park, Goebel Center and Teen Center Expansion.

### Long-term debt

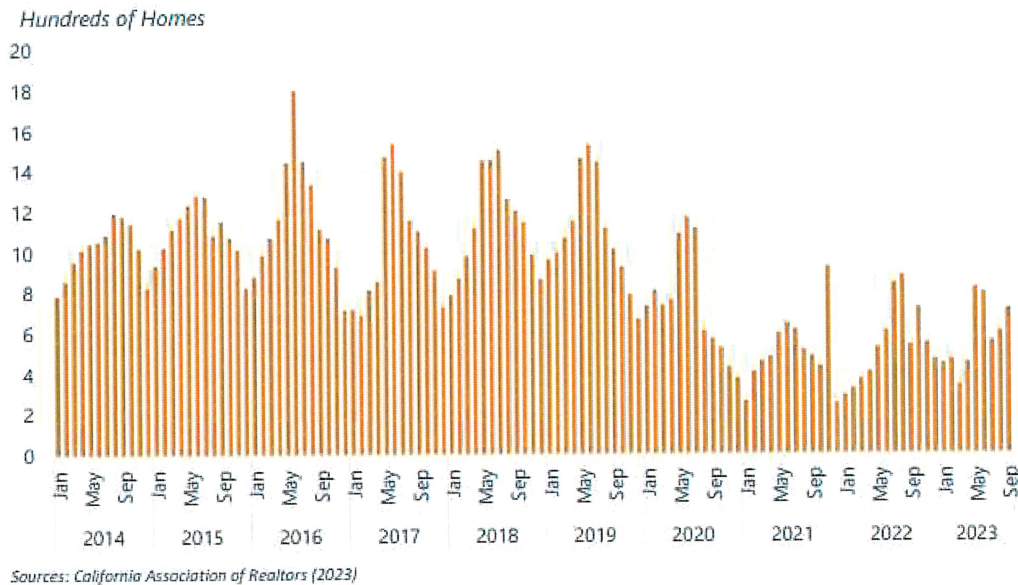
The District has no outstanding debt at June 30, 2023.

## ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The focus of this annual report is the economic condition of the District as of June 30, 2023; however, national, state and local issues have economic impacts on the District and are worthy of consideration. Ventura County was recently described by the Southern California Association of Governments (SCAG) as the most sluggish economy in the region. Specifically, the high cost of living, housing shortages and a shrinking population are obstacles to the County's economic growth.

While a recession is less likely to occur than when the FY 2023-24 budget was adopted, the County is still anticipated to have slow growth through 2025 largely due to the labor market. The County's labor market has not been able to generate as much growth as other regional counties due to the reduction in labor force participation after the pandemic. SCAG has reported that despite optimistic signs in March of 2023, there was no progress in restoring the labor force as of September 2023 with a recent acceleration of out-migration from the County. Additionally, inflation is anticipated to remain at levels that exceed the Federal Reserve's goals which may trigger further rate hikes in 2024.

The District is not isolated from these Countywide concerns. The primary source of operating revenue for the District is Property Tax. Even with the estimated increase in property tax revenue, which is estimated to be greater than 4% from prior year, it is unlikely that any increase in property tax could absorb the projected needs of the District as the housing inventory declines (SCAG's data on Ventura County housing inventory below).



The District will need to adjust long-term financial planning for capital projects as well as recreation fees to address the projected increase in operating expenses.

### **State Budget**

At the outset of the Covid-19 pandemic, the District took immediate preventative measures to address the projected financial impacts by reducing expenses while also providing critical services to the community. In recognition of the services provided by the District, the State budget for FY 2021-22 allocated \$3.3 million for deferred maintenance and operational assistance. The District is using these funds to address deferred capital maintenance and other capital improvements such as the Teen and Goebel Center improvements and multiple play area improvements throughout the District.

The Governor's budget for fiscal year 2023-24 reported a \$37.9 billion projected deficit, while the Legislative Analyst's Offices projection is \$68 billion. The Governor's has proposed to declare a budget emergency to allow the state to dip into its rainy-day reserves. For the District, this means it is unlikely that the recent increase in state funding for the District's capital projects will continue and the District must take action to ensure committed funds are not re-claimed by the state.

### ***Retiree Liabilities***

An ongoing challenge facing state and local government is pension funding. The District continues to meet its actuarially required contribution to California Public Employees Retirement System (CalPERS). In December 2009, in anticipation of increased costs, 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 December 31, 2012.

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. The employer contribution rate has increased from 6.069 percent for fiscal year 2009-10 to 24.75 percent for fiscal year 2023-24. However, highest projected contribution rate is 29.3 percent for fiscal year 2028-29 according to the most recent CalPERS actuarial report for the District provided in July of 2023 based on June 30, 2022 data. This report included a recovery from the negative net investment return for the fiscal year 2021-22.

In addition to implementing pension benefit reform, the District established and began funding a pension stabilization fund to begin to tackle its unfunded CalPERS liability (\$10.9 million at June 30, 2021) and to temper large pension cost increases in future budgets. Over several years, the District was able to set aside funds and send them to a Section 115 trust. In June 2022, the Section 115 trust for pension stabilization currently had a balance of \$9.2 million. Due to investment volatility discussed above, the District contributed an additional \$3 million to the 115 trust in October of 2022. Additional funding for the pension stabilization fund will be invested in accordance with the District's Reserve Policy.

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. Currently, the 401(a) trust balance is \$3 million. In November 2018, the Board set up and authorized transfer of \$4.5 million to a Section 115 trust for retiree medical expenses (OPEB). Currently, the balance of the OPEB Section 115 trust is \$5.5 million. Additional funding will be provided by annual actuarially determined normal cost contributions, along with discretionary transfers from unassigned fund balance as available.

After years of savings and commitment, the District has set aside funding for 100% of the various retiree-related liabilities. As these liabilities are now largely funded, the District will focus future budgets to address other needs, primarily stabilizing the operating needs of the District in light of a potential recession.

### ***Capital Improvements***

In order to provide a clearer vision of the next ten years and beyond, the District has developed (and annually updates) a Ten-Year Capital Improvement Plan. Improvements include Districtwide

Emergency Preparedness, Resiliency and Irrigation Improvements, Play Area Renovations, Restrooms, Lighting, Accessibility and other improvements to aging infrastructure as. In the most recent update of the ten-year plan, the District identified over \$53 million in unfunded Capital need. In addition, the District recognizes that new properties and facilities will need to be acquired and develop in order to meet the District's parks-per-person ratio.

The funds for capital improvement projects have historically come from Park Dedication Fees (Quimby). Locally, the District encompasses a community that has, for all intents and purposes, reached build out of large tracts of homes, thus fees from residential developers (Quimby Fees) cannot be counted on for future park development. The FY 2023-24 budget does not assume Quimby Fees associated with the developments, as timing of such funds is difficult to predict.

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. However, stronger state laws and policies may increase housing in the coming years. New state laws and policies are encouraging, and in some cases, forcing cities to increase housing. Should this result in more housing in Thousand Oaks (perhaps along the Thousand Oaks Boulevard corridor), there could be additional Quimby Fees associated with new multi-family housing construction in that area. It may also be worth noting that Quimby Fees for small residential additions (aka "accessory dwelling units" or "granny flats") have been eliminated by state law if the new addition is under 750 square feet. Another source of capital funding for park improvements has been federal and state grants and state park bond funds. Funds for many grant programs have been curtailed due to the struggling state budget, and other state funds are specifically designed for urban, economically disadvantaged and critically underserved (by parks) communities. Essentially, the District must look at other alternatives to find funding for capital replacement and improvement projects.

Since it was approved by the voters in 2000, the Districtwide Assessment has been the single most significant source of funds. However, as new capital projects have been completed, the Districtwide Assessment must now be used to off-set the increasing operational costs of the new parks and facilities added during the past two decades.

The District will continue to prioritize capital improvement funding, but without new funding sources, the District will not be able to keep up with the goals of the District and the needs of the community.

## **REQUESTS FOR INFORMATION**

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

**Conejo Recreation and Park District**  
**Statement of Net Position**  
**June 30, 2023**

|  | Governmental<br>Activities |
|--|----------------------------|
| <b>ASSETS</b>  |                            |
| Current assets:  |                            |
| Cash and investments (Note 2)                              | \$ 37,597,735              |
| Receivables (Note 3):                                      |                            |
| Accounts   | 208,180                    |
| Interest   | 415,489                    |
| Taxes  | 274,471                    |
| Loans  | 109,247                    |
| Leases   | 5,750,456                  |
| Prepays  | 81,027                     |
| Total current assets                                       | <u>44,436,605</u>          |
| Noncurrent assets:   |                            |
| Restricted cash and investments (Note 2)                   | 12,958,611                 |
| Investment in joint venture - COSCA (Note 11)              | 48,691,476                 |
| Net OPEB asset (Note 8)                                    | 773,475                    |
| Capital assets (Note 5):                                   |                            |
| Nondepreciable   | 60,981,195                 |
| Depreciable, net   | <u>42,504,436</u>          |
| Total capital assets, net                                  | <u>103,485,631</u>         |
| Total noncurrent assets                                    | <u>165,909,193</u>         |
| <b>Total assets</b>  | <u>210,345,798</u>         |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                      |                            |
| Pension related (Note 7)                                   | 7,616,071                  |
| OPEB related (Note 8)                                      | <u>1,175,948</u>           |
| <b>Total deferred outflows of resources</b>                | <u>8,792,019</u>           |
| <b>Total assets and deferred outflows of resources</b>     | <u>219,137,817</u>         |
| <b>LIABILITIES</b>   |                            |
| Current liabilities:                                       |                            |
| Accounts payable   | 1,286,403                  |
| Payroll and related liabilities                            | 704,959                    |
| Refundable deposits  | 73,404                     |
| Claims payable - due in less than one year (Note 9)        | 168,430                    |
| Compensated absences - due in less than one year           | <u>1,196,648</u>           |
| Total current liabilities                                  | <u>3,429,844</u>           |
| Noncurrent liabilities:                                    |                            |
| Claims payable - due in more than one year (Note 9)        | 269,340                    |
| Compensated absences - due in more than one year           | 228,651                    |
| Net pension liability (Note 7)                             | <u>19,827,068</u>          |
| Total noncurrent liabilities                               | <u>20,325,059</u>          |
| <b>Total liabilities</b>                                   | <u>23,754,903</u>          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                       |                            |
| Leases related (Note 3)                                    | 5,533,389                  |
| Pension related (Note 7)                                   | 576,075                    |
| OPEB related (Note 8)                                      | <u>2,272,782</u>           |
| <b>Total deferred inflows of resources</b>                 | <u>8,382,246</u>           |
| <b>Total liabilities and deferred inflows of resources</b> | <u>32,137,149</u>          |
| <b>NET POSITION</b>  |                            |
| Net investment in capital assets                           | 103,485,631                |
| Restricted for assessment districts                        | 3,127,787                  |
| Restricted for parks and recreation open space - COSCA     | 48,691,476                 |
| Unrestricted   | <u>31,695,774</u>          |
| <b>Total net position</b>                                  | <u>\$ 187,000,668</u>      |

See Accompanying Notes to Basic Financial Statements.

**Conejo Recreation and Park District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2023**

| Functions/Programs                      | Expenses             | Program Revenues        |  |  | Net (Expense)<br>Revenue and<br>Changes in<br>Net Position |
|---|----------------------|-------------------------|--|--|--|
|   |                      | Charges for<br>Services | Operating<br>Grants and<br>Contributions | Capital<br>Grants and<br>Contributions |  |
| <b>Governmental activities:</b>         |                      |                         |  |  |  |
| Parks and recreation                    | \$ 30,745,712        | \$ 7,852,184            | \$ 2,935,243                             | \$ 3,671,754                           | \$ (16,286,531)  |
| <b>Total governmental activities</b>    | <u>\$ 30,745,712</u> | <u>\$ 7,852,184</u>     | <u>\$ 2,935,243</u>                      | <u>\$ 3,671,754</u>                    | <u>(16,286,531)</u>  |
| <b>General Revenues:</b>                |                      |                         |  |  |  |
| Taxes:                                  |                      |                         |  |  |  |
| Secured and unsecured property taxes    |                      |                         |  |  | 21,355,625   |
| Investment income                       |                      |                         |  |  | 6,154,619  |
| Licenses and permits                    |                      |                         |  |  | 192,252  |
| Other                                   |                      |                         |  |  | <u>912,151</u>   |
| <b>Total general revenues</b>           |                      |                         |  |  | <u>28,614,647</u>  |
| <b>Change in net position</b>           |                      |                         |  |  | 12,328,116   |
| <b>Net position:</b>                    |                      |                         |  |  |  |
| Net Position - Beginning of fiscal year |                      |                         |  |  | <u>174,672,552</u>   |
| Net Position - End of fiscal year       |                      |                         |  |  | <u>\$ 187,000,668</u>                                      |



**Conejo Recreation and Park District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2023**

|   | Major Funds           |                             |                             |                             |                     |                                |
|---|-----------------------|-----------------------------|-----------------------------|-----------------------------|---------------------|--------------------------------|
|   | Special Revenue Funds |                             |                             |                             |                     | Total<br>Governmental<br>Funds |
|   | General<br>Fund       | Districtwide                | Dos Vientos                 | Rancho Conejo               | Capital             |                                |
|   |                       | Assessment<br>District Fund | Assessment<br>District Fund | Assessment<br>District Fund | Projects<br>Fund    |                                |
| <b>ASSETS</b>   |                       |                             |                             |                             |                     |                                |
| Cash and investments (Note 2)   | \$ 42,530,238         | \$ 2,343,138                | \$ 721,524                  | \$ 259,780                  | \$ 4,701,666        | \$ 50,556,346                  |
| Cash with fiscal agent  |                       |                             |                             |                             |                     |                                |
| Receivables (Note 3):   |                       |                             |                             |                             |                     |                                |
| Accounts  | 208,180               |                             |                             |                             |                     | 208,180                        |
| Interest  | 323,141               | 26,721                      | 8,800                       | 3,335                       | 53,492              | 415,489                        |
| Taxes   | 197,157               | 54,490                      | 20,602                      | 2,222                       |                     | 274,471                        |
| Loans   | 330                   | 108,917                     |                             |                             |                     | 109,247                        |
| Leases  |                       |                             | 1,566,764                   |                             | 4,183,692           | 5,750,456                      |
| Due from other funds  | 2,158,139             |                             |                             |                             |                     | 2,158,139                      |
| Prepaid expenses  | 81,027                |                             |                             |                             |                     | 81,027                         |
| <b>Total assets</b>   | <b>45,498,212</b>     | <b>2,533,266</b>            | <b>2,317,690</b>            | <b>265,337</b>              | <b>8,938,850</b>    | <b>59,553,355</b>              |
| <b>LIABILITIES, DEFERRED INFLOWS<br/>OF RESOURCES AND FUND BALANCES</b>       |                       |                             |                             |                             |                     |                                |
| <b>Liabilities:</b>   |                       |                             |                             |                             |                     |                                |
| Accounts payable  | 798,418               | 79,893                      | 394,171                     | 10,932                      | 2,989               | 1,286,403                      |
| Accrued expenditures  | 677,259               | 6,060                       | 14,129                      | 7,511                       |                     | 704,959                        |
| Refundable deposits   | 73,404                |                             |                             |                             |                     | 73,404                         |
| Due to other funds  |                       |                             |                             |                             | 2,158,139           | 2,158,139                      |
| <b>Total liabilities</b>  | <b>1,549,081</b>      | <b>85,953</b>               | <b>408,300</b>              | <b>18,443</b>               | <b>2,161,128</b>    | <b>4,222,905</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |                       |                             |                             |                             |                     |                                |
| Leases  |                       |                             | 1,498,370                   |                             | 4,035,019           | 5,533,389                      |
| <b>Total deferred inflows of resources</b>                                    |                       |                             | <b>1,498,370</b>            |                             | <b>4,035,019</b>    | <b>5,533,389</b>               |
| <b>Fund Balances:</b>   |                       |                             |                             |                             |                     |                                |
| Nonspendable:   |                       |                             |                             |                             |                     |                                |
| Prepaid expense   | 81,027                |                             |                             |                             |                     | 81,027                         |
| Long-term receivables   | 330                   |                             |                             |                             |                     | 330                            |
| Restricted for:   |                       |                             |                             |                             |                     |                                |
| Assessment Districts  |                       | 2,447,313                   | 411,020                     | 246,894                     | 2,742,703           | 5,847,930                      |
| Investment in Section 115 Trust   | 12,958,611            |                             |                             |                             |                     | 12,958,611                     |
| Committed for:  |                       |                             |                             |                             |                     |                                |
| Pension   | 5,544,125             |                             |                             |                             |                     | 5,544,125                      |
| Claims  | 2,501,962             |                             |                             |                             |                     | 2,501,962                      |
| Operating reserve   | 6,400,000             |                             |                             |                             |                     | 6,400,000                      |
| Equipment replacement   | 4,924,752             |                             |                             |                             |                     | 4,924,752                      |
| Assigned for:   |                       |                             |                             |                             |                     |                                |
| Compensated absences  | 1,657,550             |                             |                             |                             |                     | 1,657,550                      |
| Capital projects  | 535,259               |                             |                             |                             |                     | 535,259                        |
| Unassigned  | 9,345,515             |                             |                             |                             |                     | 9,345,515                      |
| <b>Total fund balances</b>  | <b>43,949,131</b>     | <b>2,447,313</b>            | <b>411,020</b>              | <b>246,894</b>              | <b>2,742,703</b>    | <b>49,797,061</b>              |
| <b>Total liabilities, deferred inflows of resources<br/>and fund balances</b> | <b>\$ 45,498,212</b>  | <b>\$ 2,533,266</b>         | <b>\$ 2,317,690</b>         | <b>\$ 265,337</b>           | <b>\$ 8,938,850</b> | <b>\$ 54,019,966</b>           |

See Accompanying Notes to Basic Financial Statements.

**Conejo Recreation and Park District**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**to the Government-Wide Statement of Net Position**  
**June 30, 2023**

|   |               |
|---|---------------|
| <b>Total Fund Balances - Total Governmental Funds</b> | \$ 49,797,061 |
|---|---------------|

Amounts reported for governmental activities in the Government-Wide Statement of Net Position were different, all assets are reported, including capital assets and accumulated depreciation.

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   | \$ 60,981,195 |             |
| Depreciable capital assets, net | 42,504,436    | 103,485,631 |

|   |            |
|---|------------|
| Investment in joint venture has not been included as a financial resource in the government funds | 48,691,476 |
|---|------------|

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                           | \$ (437,770) |              |
| Compensated absences                     | (1,425,299)  |              |
| Net other post-employment benefits asset | 773,475      |              |
| Net pension liability                    | (19,827,068) | (20,916,662) |

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

|   |              |           |
|---|--------------|-----------|
| Deferred inflow of resources - pension  | \$ (576,075) |           |
| Deferred outflow of resources - pension | 7,616,071    |           |
| Deferred inflow of resources - OPEB     | (2,272,782)  |           |
| Deferred outflow of resources - OPEB    | 1,175,948    | 5,943,162 |

|  |                       |
|--|-----------------------|
| <b>Net position of governmental activities</b> | <b>\$ 187,000,668</b> |
|--|-----------------------|

**Conejo Recreation and Park District**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Fiscal Year Ended June 30, 2023**

|  | Major Funds           |                             |                             |                             |                             |                                |
|--|-----------------------|-----------------------------|-----------------------------|-----------------------------|-----------------------------|--------------------------------|
|  | Special Revenue Funds |                             |                             |                             | Capital<br>Projects<br>Fund | Total<br>Governmental<br>Funds |
|  | General               | Districtwide                | Dos Vientos                 | Rancho Conejo               |                             |                                |
|  | Fund                  | Assessment<br>District Fund | Assessment<br>District Fund | Assessment<br>District Fund |                             |                                |
| <b>REVENUES:</b>   |                       |                             |                             |                             |                             |                                |
| Property taxes   | \$ 21,355,625         | \$ -                        | \$ -                        | \$ -                        | \$ -                        | \$ 21,355,625                  |
| Assessments  |                       | 2,088,301                   | 718,297                     | 128,645                     |                             | 2,935,243                      |
| Licenses and permits   | 24,124                |                             |                             |                             | 168,128                     | 192,252                        |
| Investment income (loss)   | 2,003,135             | 60,369                      | 40,418                      | 5,950                       | 415,517                     | 2,525,389                      |
| Facilities rental  | 932,550               |                             | 178,988                     |                             |                             | 1,111,538                      |
| Other governmental agencies                                      | 937,528               |                             |                             |                             | 1,781,759                   | 2,719,287                      |
| Grants   | 118,948               | 833,519                     |                             |                             |                             | 952,467                        |
| Recreation fees  | 6,735,871             |                             |                             |                             | 4,775                       | 6,740,646                      |
| Other  | 815,807               | 10,088                      |                             |                             | 110,743                     | 936,638                        |
| <b>Total revenues</b>  | <b>32,923,588</b>     | <b>2,992,277</b>            | <b>937,703</b>              | <b>134,595</b>              | <b>2,480,922</b>            | <b>39,469,085</b>              |
| <b>EXPENDITURES:</b>   |                       |                             |                             |                             |                             |                                |
| Current:   |                       |                             |                             |                             |                             |                                |
| Parks and recreation:  |                       |                             |                             |                             |                             |                                |
| District administration  | 4,270,107             |                             |                             |                             | 8,185                       | 4,278,292                      |
| Parks and planning   | 10,255,029            | 939,724                     | 922,638                     | 290,336                     |                             | 12,407,727                     |
| Recreation and community services                                | 10,502,579            |                             |                             |                             |                             | 10,502,579                     |
| Capital outlay   | 888,821               | 3,156,092                   | 870,368                     | 32,714                      | 3,397,073                   | 8,345,068                      |
| <b>Total expenditures</b>  | <b>25,916,536</b>     | <b>4,095,816</b>            | <b>1,793,006</b>            | <b>323,050</b>              | <b>3,405,258</b>            | <b>35,533,666</b>              |
| <b>Excess (deficiency) of revenues over (under) expenditures</b> | <b>7,007,052</b>      | <b>(1,103,539)</b>          | <b>(855,303)</b>            | <b>(188,455)</b>            | <b>(924,336)</b>            | <b>3,935,419</b>               |
| <b>OTHER FINANCING SOURCES (USES):</b>                           |                       |                             |                             |                             |                             |                                |
| Transfers in   | 108,842               | 1,137,600                   | 832,400                     | 255,811                     | 350,000                     | 2,684,653                      |
| Transfers out  | (2,575,811)           | (15,225)                    | (73,822)                    | (19,795)                    |                             | (2,684,653)                    |
| <b>Total other financing sources (uses)</b>                      | <b>(2,466,969)</b>    | <b>1,122,375</b>            | <b>758,578</b>              | <b>236,016</b>              | <b>350,000</b>              |                                |
| <b>Net change in fund balances</b>                               | <b>4,540,083</b>      | <b>18,836</b>               | <b>(96,725)</b>             | <b>47,561</b>               | <b>(574,336)</b>            | <b>3,935,419</b>               |
| Fund balances, beginning of fiscal year                          | 39,409,048            | 2,428,477                   | 507,745                     | 199,333                     | 3,317,039                   | 45,861,642                     |
| Fund Balances, End of fiscal year                                | \$ 43,949,131         | \$ 2,447,313                | \$ 411,020                  | \$ 246,894                  | \$ 2,742,703                | \$ 49,797,061                  |

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, 2023**

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Net change in fund balance - total governmental funds: \$ 3,935,419

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:

Total additions of \$8,031,906, net of dispositions / Transfer of \$3,472,773 8,031,906

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. (3,828,538)

Investment revenue earned from investment in joint venture - COSCA. 3,629,230

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. (16,695)

Change in long-term compensated absences were 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. 84,375

Net other post-employment benefits obligation (OPEB) was reported in the government-wide statement of activities, but it did not require the use of current financial resources. Therefore, the increase in long-term net other post employment benefits obligation was not reported as an expenditure in the governmental funds. 635,536

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. (143,117)

**Change in net position of governmental activities \$ 12,328,116**

**Conejo Recreation and Park District**  
**Statement of Fiduciary Net Position**  
**June 30, 2023**

|  | <u>Custodial Funds</u>   |
|--|--------------------------|
| <b>ASSETS</b>                                    |                          |
| Cash and investments                             | \$ 390,213               |
| Interest Receivable                              | 4,440                    |
| Accounts Receivable                              | <u>500</u>               |
| Total assets                                     | <u>395,153</u>           |
| <b>LIABILITIES</b>                               |                          |
| Accounts payable                                 | <u>2,007</u>             |
| Total liabilities                                | <u>2,007</u>             |
| <b>Net position</b>                              |                          |
| Restricted for:                                  |                          |
| Individuals, organizations and other governments | <u>393,146</u>           |
| Total net position                               | <u><u>\$ 393,146</u></u> |

**Conejo Recreation and Park District**  
**Statement of Changes in Fiduciary Net Position**  
**For the fiscal year ended June 30, 2023**

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|                                   | <u>Custodial Funds</u>   |
|-----------------------------------|--------------------------|
| <b>ADDITIONS</b>                  |                          |
| Investment Income                 | \$ 8,670                 |
| Recreation fees                   | 55,183                   |
| Other rev                         | <u>27,399</u>            |
| Total additions                   | <u>91,252</u>            |
| <b>DEDUCTIONS</b>                 |                          |
| Parks and planning                | 302                      |
| Recreation and community services | <u>30,566</u>            |
| Total deductions                  | <u>30,868</u>            |
| Change in net position            | 60,384                   |
| Net position, beginning of year   | <u>332,762</u>           |
| Net position, end of year         | <u><u>\$ 393,146</u></u> |

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## **NOTES TO BASIC FINANCIAL STATEMENTS**

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**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements**  
**June 30, 2023**

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

**A. Reporting Entity**

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

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

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

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

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

*Government-Wide Financial Statements*

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

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

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

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

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



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

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

*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.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

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

*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 custodial funds. Fiduciary fund types are accounted for according to the nature of the fund. Custodial funds are accounted for using the accrual basis of accounting.

*Fiduciary Funds*

*Custodial Funds* – These funds account for the assets of others for which the District acts as an agent. The District maintains five custodial funds: Goebel Adult Community Center, Fireworks Trust, CSVP Advisory Council, Therapeutic Advisory Council, Teen Center Advisory Council Fund and the Conejo Coalition for Youth & Family 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. The cost of prepaid items recorded is an expenditure/expense when consumed rather than when purchased.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***E. Capital Assets***

Capital assets (including infrastructure) are recorded at cost where historical records are available and at an estimated original cost where no historical records exist. Donated or contributed capital assets are stated at acquisition 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<br>(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 the 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, because of employee resignations and retirements.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***H. Property Taxes***

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

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

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

Tax Levy Dates – are attached annually on January 1 preceding the fiscal year for which the taxes are levied.

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

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

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

***I. Net Position and Fund Balances***

*Government-Wide Financial Statements*

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

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

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

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

*Government-Wide Financial Statements (Continued)*

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

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

*Use of Restricted and Unrestricted Net Position*

When expenses are incurred for purposes for which both restricted and unrestricted 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 a portion of the 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 a portion of the 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 a portion of the fund balance which is constrained by the District's intent it be used for specific purposes, but is neither restricted nor committed. The Board of Directors has designated the General Manager the authority to assign fund balances.

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

*Use of Restricted and Unrestricted Fund Balances*

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

**J. Use of Estimates**

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

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

**K. Future Accounting Pronouncements**

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

Statement No. 91: Conduit Debt Obligations (GASB Statement No. 91) - is effective for fiscal year ending June 30, 2023.

Statement No. 93: Replacement of Interbank Offered Rates (GASB Statement No. 93) - is effective for fiscal year ending June 30, 2023.

Statement No. 94: Public-Private and Public-Public Partnerships and Availability Payment Arrangements (GASB Statement No. 94) - is effective for fiscal year ending June 30, 2023.

Statement No. 99: Omnibus 2022 (GASB Statement No. 99) - is effective for fiscal years ending June 30, 2023.

Statement No. 100: "Accounting Changes and Errors Correction – An amendment of GASB Statements No. 62" (GASB Statement No. 100) - is effective for fiscal years ending June 30, 2023.

**L. Implementation of New Pronouncement**

In May 2020, GASB issued Statement No. 96: Subscription Based Information Technology Arrangements (GASB Statement No.96). This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87: Leases, as amended. A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. The implementation of this pronouncement did not have an impact on the District's financial statements for the fiscal year ended June 30, 2023.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

**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.

*Investments authorized by the California Government Code and the District's investment policy.*

The District's investment policy authorizes investment in any investment authorized by Government Code Section 53600. The policy does not contain any specific provisions intended to limit the District's exposure to interest rate risk, credit risk, and concentration of credit risk.

The following is a summary of cash and investments on June 30, 2023:

|   | Government-Wide<br>Statement<br>Net Position<br>Governmental<br>Activities | Fiduciary Fund<br>Statement of<br>Net Position | Total                |
|---|--|--|----------------------|
| Cash and Investments                                | \$ 37,597,735  | \$ 390,213                                     | \$ 37,987,948        |
| Restricted Cash and Investments (Section 115 Trust) | 12,958,611   |  | 12,958,611           |
| Total   | <u>\$ 50,556,346</u>   | <u>\$ 390,213</u>                              | <u>\$ 50,946,559</u> |

**A. Summary of cash and investments**

Cash and investments comprised the following on June 30, 2023:

|                                   |                             |
|-----------------------------------|-----------------------------|
| Petty cash                        | \$ 1,500                    |
| Cash on hand                      | 20,054                      |
| Demand deposits                   | <u>2,082,766</u>            |
| Total cash and cash equivalents   | <u>2,104,320</u>            |
| <b>Investments:</b>               |                             |
| Local Agency Investment Fund      | 2,933,607                   |
| Ventura County Investment Pool    | 33,058,057                  |
| <b>Restricted investments:</b>    |                             |
| Mutual funds                      | 4,081,298                   |
| Exchange traded funds             | <u>8,769,277</u>            |
| Total investments                 | <u>48,842,239</u>           |
| <b>Total cash and investments</b> | <u><u>\$ 50,946,559</u></u> |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***B. Cash Deposits***

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

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

***C. Investments***

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

| Authorized<br>Investment Type       | Maximum<br>Maturity | Maximum Percentage<br>of Portfolio | Maximum Investment<br>in One Issuer |
|-------------------------------------|---------------------|------------------------------------|-------------------------------------|
| US Government Securities            | 2 years             | 10%                                | 10%                                 |
| Bankers acceptances                 | 2 years             | 10%                                | 10%                                 |
| Commercial paper                    | 2 years             | 10%                                | 10%                                 |
| Negotiable certificates of deposit  | 2 years             | 10%                                | 10%                                 |
| Repurchase agreements               | 2 years             | 10%                                | 10%                                 |
| Certificates of deposit             | 2 years             | 10%                                | 10%                                 |
| Local Agency Investment Fund (LAIF) | 2 years             | None                               | \$75m                               |
| County Agency Investment Fund       | 2 years             | None                               | None                                |
| Savings deposits                    | 2 years             | 10%                                | 10%                                 |

Restricted cash and investments in a 115 Trust are irrevocably committed for the government function specific in the applicable trust agreement. Additionally, monies held in such trusts can be invested in accordance with the rules governing those trusts, which are different than the investment rules for the District's pooled investments. Investment restrictions that apply to the general fund of a District (California Government Code Section 53601) do not apply to the assets held in an Irrevocable Section 115 Trust, thus allowing for more flexibility in the investment strategy.

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

The District is a voluntary participant 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 changes in interest rates.



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. Investment in Local Agency Investment Fund (Continued)***

Currently, LAIF does not have an investment rating. LAIF has a minimum \$5,000 transaction amount increments of \$1,000 with a maximum of 15 transactions (combination of deposits and withdrawals) per month. LAIF requires a one-day prior notice for deposits and withdrawals of \$10 million or more.

The District's investments with LAIF at June 30, 2023 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, 2023, the District had \$2,933,607 invested in LAIF. The District valued its investments in LAIF as of June 30, 2023 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 0.984828499.

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

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

As of June 30, 2023, the District had \$33,058,57 invested in the Ventura County Investment Pool (the "County Pool"). The District valued its investments in the County Pool as of June 30, 2023 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.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

**F. Risk Disclosures (Continued)**

On June 30, 2023, the District had the following investment maturities:

| <u>Investment Type</u>                   | <u>Fair Value</u>    | <u>Investment Maturity</u><br><u>Less than 1 year</u> |
|--|----------------------|---|
| <b>Investments:</b>                      |                      |   |
| Local Agency Investment Fund             | \$ 2,933,607         | \$ 2,933,607  |
| Ventura County Investment Pool           | 33,058,057           | 33,058,057  |
| <b>Restricted investments (Sec 115):</b> |                      |   |
| Mutual funds                             | 4,081,298            | 4,081,298   |
| Exchange traded funds                    | 8,769,277            | 8,769,277   |
| <b>Total Investments</b>                 | <b>\$ 48,842,239</b> | <b>\$ 48,842,239</b>                                  |

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

| <u>Investment Type</u>                   | <u>Moody's</u> | <u>Standard<br/>&amp; Poors</u> |
|--|----------------|---------------------------------|
| <b>Investments:</b>                      |                |                                 |
| Local Agency Investment Fund             | Not Rated      | Not Rated                       |
| Ventura County Investment Fund           | Not Available  | AAAf                            |
| <b>Restricted Investments (Sec 115):</b> |                |                                 |
| Mutual Funds                             | Not Rated      | Not Rated                       |
| Exchange Traded Funds                    | Not Rated      | Not Rated                       |

*Concentration of Credit Risk*

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. As of June 30, 2023, there were no investments in any one issuer (other than US Treasury securities, external investment pools and money market funds) that represent 5% or more of total District investments.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

**F. Risk Disclosures (Continued)**

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

**Concentration of Credit Risk**

The following is a chart of the District's Investment portfolio:

| <u>Investment Type</u>                   | <u>Amount</u><br><u>Invested</u> | <u>Percentage of</u><br><u>Investments</u> |
|--|----------------------------------|--|
| <b>Investments:</b>                      |                                  |  |
| Local Agency Investment Fund             | \$ 2,933,607                     | 6.01%                                      |
| Ventura County Investment Fund           | 33,058,057                       | 67.68%                                     |
| <b>Restricted Investments (Sec 115):</b> |                                  |  |
| Mutual Funds                             | 4,081,298                        | 8.36%                                      |
| Exchange Traded Funds                    | 8,769,277                        | 17.95%                                     |
|  | <u>\$ 48,842,239</u>             | <u>100.00%</u>                             |

*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 investment 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 and 2C.

*Fair Value Measurements*

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. These principles recognize a three-tiered fair value hierarchy as follows: Level 1 – Investments reflect prices quoted in active markets; Level 2 – Investments reflect prices that are based on similar observable 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's investments in both the Local Agency Investment Fund and Ventura County Investments Pool are both not subject to recurring fair value measurements requirements. The District's restricted investments held in irrevocable trust accounts under Section 115 of the IRS code are valued using Level 1 fair market value measurement.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 3 – Receivables**

**A. Accounts Receivable**

Accounts receivable consisted of the following on June 30, 2023:

| <u>Agency</u>                   | <u>Accounts<br/>Receivable</u> |
|---------------------------------|--------------------------------|
| Other government agencies       | \$ 193,664                     |
| Goebel Senior Center Commission | <u>14,516</u>                  |
| Governmental Funds Total        | <u>208,180</u>                 |
| Statement of Net Position Total | <u><u>\$ 208,180</u></u>       |

**B. Interest Receivable**

Interest receivable consisted of the following on June 30, 2023:

| <u>Agency</u>                  | <u>Interest<br/>Receivable</u> |
|--------------------------------|--------------------------------|
| Local Agency Investment Fund   | \$ 23,388                      |
| Ventura County Investment Pool | <u>392,101</u>                 |
| Total                          | <u><u>\$ 415,489</u></u>       |

**C. Taxes Receivable**

Taxes receivable, due from the County of Ventura, consisted of the following on June 30, 2023:

| <u>Fund</u>  | <u>Type</u>    | <u>Amount</u>            |
|--|----------------|--------------------------|
| General Fund   | Property taxes | \$ 197,157               |
| Districtwide Assessment District Special Revenue Fund  | Assessments    | 54,490                   |
| Dos Vientos Assessment District Special Revenue Fund   | Assessments    | 20,602                   |
| Rancho Conejo Assessment District Special Revenue Fund | Assessments    | <u>2,222</u>             |
| Total  |                | <u><u>\$ 274,471</u></u> |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

**Note 3 – Receivables (Continued)**

**D. Loans Receivable (Continued)**

Summary of changes in loans receivable for the fiscal year ended June 30, 2023, is as follows:

|           | Balance<br>July 1, 2022 | Additions   | Deletions         | Balance<br>June 30, 2023 |
|-----------|-------------------------|-------------|-------------------|--------------------------|
| Computers | \$ 1,074                | \$ -        | \$ (131)          | \$ 943                   |
| CVUSC     | 49,105                  |             |                   | 49,105                   |
| AYSO      | 66,599                  |             | (7,400)           | 59,199                   |
| Total     | <u>\$ 116,778</u>       | <u>\$ -</u> | <u>\$ (7,531)</u> | <u>\$ 109,247</u>        |

The District provides interest-free loans to all regular full-time District employees for the purchase of computers.

The District will pay for the computers and the employees will reimburse the District through payroll deductions over a payback period not exceeding two years. The District's Employee Computer Purchase Plan allows employees to purchase computers not to exceed \$3,000.

The District entered into an agreement on March 9, 2022 with the American Youth Soccer Organization ("AYSO") to advance a 10-year interest free loan to AYSO payable in 10 equal installments of \$7,400, 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 1<sup>st</sup> of each year following the completion of the construction in installments of \$10,000 until the loan has been paid off.

**E. Lease receivable**

For the year ended June 30, 2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources. For additional information, refer to the disclosures below.

On September 4, 2008, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms as Lessor for the use of BOP Verizon Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$546,436. As of June 30, 2023, the value of the lease receivable is \$475,691. The lessee is required to make monthly payments of \$2,500 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,654. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 3 – Receivables (Continued)**

***E. Lease receivable (Continued)***

resources as of June 30, 2023, was \$456,611, and the District recognized lease revenue of \$44,913 during the fiscal year.

On October 5, 2012, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of CCP Verizon Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$938,478. As of June 30, 2023, the value of the lease receivable is \$871,819. The lessee is required to make monthly variable principal and interest payments of \$3,000 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,800. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$837,067, and the District recognized lease revenue of \$50,706 during the fiscal year.

On August 1, 2022, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of Paige Lane Park Verizon Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$516,680. As of June 30, 2023, the value of the lease receivable is \$503,073. The lessee is required to make a one time payment of \$90,000 then monthly variable principal and interest payments of \$1,739 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$1,739. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$494,127, and the District recognized lease revenue of \$22,556 during the fiscal year.

On February 18, 2005, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of DVC ATT Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$389,060. As of June 30, 2023, the value of the lease receivable is \$311,454. The lessee is required to make monthly variable principal and interest payments of \$2,000 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,615. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$298,901, and the District recognized lease revenue of \$45,079 during the fiscal year.

On March 23, 2006, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of DVC Sprint Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$392,702. As of June 30, 2023, the value of the lease receivable is \$324,990. The lessee is required to make monthly variable principal and interest payments of \$2,000 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,209. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$311,964, and the District recognized lease revenue of \$40,369 during the fiscal year.

On October 29, 2012, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of DVC T-Mobile vertical bridge. An initial lease receivable and deferred inflows was recorded in the amount of \$783,878. As of June 30, 2023, the value of the lease receivable is \$716,460. The lessee is required to make monthly variable principal and interest payments of \$3,470.66 to be increased annually by three percent (3%) starting in year 8. The rent escalation is compounded on the rent amount.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 3 – Receivables (Continued)**

***E. Lease receivable (Continued)***

from the previous year. The monthly payment as of June 30, 2023, was \$3,673. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$687,860, and the District recognized lease revenue of \$48,009 during the fiscal year.

On September 17, 2009, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of DVC Verizon Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$601,512. As of June 30, 2023, the value of the lease receivable is \$531,753. The lessee is required to make monthly variable principal and interest payments of \$2,500 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,564. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$510,451, and the District recognized lease revenue of \$45,531 during the fiscal year.

On September 16, 2008, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of NRP T-Mobile Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$431,762. As of June 30, 2023, the value of the lease receivable is \$368,407. The lessee is required to make monthly variable principal and interest payments of \$2,000 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,116. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$353,615, and the District recognized lease revenue of \$39,073 during the fiscal year.

On September 7, 2012, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of NRP Verizon Cell tower. An initial lease receivable and deferred inflows was recorded in the amount of \$806,050. As of June 30, 2023, the value of the lease receivable is \$735,827. The lessee is required to make monthly variable principal and interest payments of \$3,000 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,914. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$706,435, and the District recognized lease revenue of \$49,807 during the fiscal year.

On October 5, 2012, the District entered a 60-month (5-year) lease, with automatic renewal for 4 additional 5-year terms, as Lessor for the use of WFP Verizon Cell tower. On January 4, 2015, an option was executed extending the term to 2040. An initial lease receivable and deferred inflows was recorded in the amount of \$935,955. As of June 30, 2023, the value of the lease receivable is \$869,458. The lessee is required to make monthly variable principal and interest payments of \$3,000 to be increased annually by three percent (3%). The rent escalation is compounded on the rent amount from the previous year. The monthly payment as of June 30, 2023, was \$3,800. As the lease does not specify the principal and interest rate portions of the payments, the District used an implicit interest rate (1.3%) for GASB 87 implementation. The value of the deferred inflow of resources as of June 30, 2023, was \$834,832, and the District recognized lease revenue of \$50,562 during the fiscal year.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

**Note 4 – Interfund Transactions**

*Transfers In and Out*

On June 30, 2023, the District had the following transfers in/out:

|  |              | Transfers In                                |  |   |                             |              |
|--|--------------|---|--|---|-----------------------------|--------------|
|  |              | Special Revenue Funds                       |  |   |                             | Total        |
|  |              | Districtwide<br>Assessment<br>District Fund | Dos Vientos<br>Assessment<br>District Fund | Rancho<br>Conejo<br>Assessment<br>District Fund | Capital<br>Projects<br>Fund |              |
| Transfers Out:                         | General Fund |   |  |   |                             |              |
| General Fund                           |              | \$ 1,137,600                                | \$ 832,400                                 | \$ 255,811                                      | \$ 350,000                  | \$ 2,575,811 |
| Districtwide Assessment District Fund  | 15,225       |   |  |   |                             | 15,225       |
| Dos Vientos Assessment District Fund   | 73,822       |   |  |   |                             | 73,822       |
| Rancho Conejo Assessment District Fund | 19,795       |   |  |   |                             | 19,795       |
| Total                                  | \$ 108,842   | \$ 1,137,600                                | \$ 832,400                                 | \$ 255,811                                      | \$ 350,000                  | \$ 2,684,653 |

From General Fund:

- 1) \$1,137,600 to the Districtwide Assessment District Fund to provide funding for:
  - a. Sycamore Neighborhood Park Project (\$91,300)
  - b. Banyon Park Project (\$114,800)
  - c. Newbury Gateway Park Project (\$72,100)
  - d. Suburbia Park Project (\$143,800)
  - e. Wildflower Playfield Project (\$89,200)
  - f. Conejo Creek North Park Project (\$402,600)
  - g. Russel Park Project (113,800)
  - h. Thousand Oaks Community Park Project (\$60,000)
  - i. Matching CIP Grant Program (\$50,000)
- 2) \$832,400 to the Dos Vientos Assessment District Fund for:
  - a. Dos Vientos Community Park Project (\$532,400)
  - b. to provide property tax support (\$300,000)
- 3) \$255,811 to the Rancho Conejo Assessment District Fund to provide property tax support.
- 4) \$350,000 to Capital Projects Fund was for general fund support for capital projects.

To General Fund:

\$108,842 to the General Fund from the special revenue funds for pension reserve funding.

*Due To/Due from Other Funds*

The Due from in the General Fund to the Capital Projects Fund in the amount of \$2,158,139 is an interfund loan for Construction of Park Improvements on Conejo Creek Southwest.



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

**Note 5 – Capital Assets**

Summary of changes in the capital assets for the fiscal year ended June 30, 2023, is as follows:

|  | Balance as of<br>July 1, 2022 | Additions    | Retirements | Transfers   | Balance as of<br>June 30, 2023 |
|--|-------------------------------|--------------|-------------|-------------|--------------------------------|
| Capital assets not being depreciated:      |                               |              |             |             |                                |
| Land                                       | \$ 52,097,314                 | \$ -         | \$ (17,947) | \$ -        | \$ 52,079,367                  |
| Construction in progress                   | 7,641,799                     | 4,732,802    |             | (3,472,773) | 8,901,828                      |
| Total capital assets not being depreciated | 59,739,113                    | 4,732,802    | (17,947)    | (3,472,773) | 60,981,195                     |
| Capital assets being depreciated:          |                               |              |             |             |                                |
| Buildings                                  | 10,675,695                    | 2,240,768    | (9,500)     | 2,601,599   | 15,508,562                     |
| Improvements                               | 59,833,135                    | 320,961      |             | 871,174     | 61,025,270                     |
| Equipment                                  | 4,730,631                     | 761,862      | (176,573)   |             | 5,315,920                      |
| Total capital assets, being depreciated    | 75,239,461                    | 3,323,591    | (186,073)   | 3,472,773   | 81,849,752                     |
| Less accumulated depreciation:             |                               |              |             |             |                                |
| Buildings                                  | (5,161,807)                   | (400,625)    | 9,500       |             | (5,552,932)                    |
| Improvements                               | (27,438,698)                  | (3,091,560)  |             |             | (30,530,258)                   |
| Equipment                                  | (3,095,806)                   | (336,353)    | 170,033     |             | (3,262,126)                    |
| Total less accumulated depreciation        | (35,696,311)                  | (3,828,538)  | 179,533     |             | (39,345,316)                   |
| Net capital assets being depreciated       | 39,543,150                    |              |             |             | 42,504,436                     |
| Capital assets, net                        | \$ 99,282,263                 | \$ 4,227,855 | \$ (24,487) | \$ -        | \$ 103,485,631                 |

Depreciation expense of \$3,828,538 is charged to the parks and recreation function in the Statement of Activities.

**Note 6 – Long-Term Liabilities**

Changes in long-term liabilities for the fiscal year ended June 30, 2023, is as follows:

|                      | Balance<br>July 1, 2022 | Additions    | Deletions     | Balance<br>June 30, 2023 | Due Within<br>One Year |
|----------------------|-------------------------|--------------|---------------|--------------------------|------------------------|
| Compensated absences | \$ 1,509,674            | \$ 1,112,273 | \$(1,196,648) | \$ 1,425,299             | \$ 1,196,648           |
| Claims and judgments | 421,075                 | 16,695       |               | 437,770                  | 168,430                |
| Total                | \$ 1,930,749            | \$ 1,128,968 | \$(1,196,648) | \$ 1,863,069             | \$ 1,365,078           |

These liabilities will be paid in future years from future resources primarily from the General Fund.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 7 – Pension Plans**

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

The District offers its 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.

The District 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 cover any loss which may result from such investments. All deferred amounts are held in an irrevocable trust, not controlled by the District and not subject to the creditors of the District. Accordingly, the plan assets are not included in the accompanying basic financial statements.

***B. 457 Social Security Replacement Plan***

Part-time employees who do not qualify for PERS are covered by a deferred compensation plan (the plan) in accordance with Internal Revenue Code Section 457. The plan is a nonelective deferred compensation arrangement for the benefit of employees who are not covered by another retirement system maintained by the District. Under the plan, the employee and District each contribute 3.75% and benefits are immediately vested. Distributions from the plan are made only when the participant has separated from service and the participant's accrued benefits are nonforfeitable.

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).

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. All deferred amounts are held in an irrevocable trust, not controlled by the District and not subject to the creditors of the District. Accordingly, the plan assets are not included in the accompanying basic financial statements.

***C. Summary of defined benefit pension/OPEB plans***

|                        | Net Pension/OPEB<br>Liability/(Asset) | Outflows of<br>Resources | Inflows of<br>Resources |
|------------------------|---------------------------------------|--------------------------|-------------------------|
| CalPERS                | \$ 19,103,242                         | \$ 4,632,062             | \$ 205,332              |
| Retirement Enhancement | 723,826                               | 558,242                  | 370,743                 |
| Total Pension          | <u>\$ 19,827,068</u>                  | <u>\$ 5,190,304</u>      | <u>\$ 576,075</u>       |
| OPEB                   | <u>\$ (773,475)</u>                   | <u>\$ 1,175,948</u>      | <u>\$ 2,272,782</u>     |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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**Note 7 – Pension Plans**

***D. California Public Employees' Retirement System (CalPERS) Pension Plan***

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

|                         |                                |
|-------------------------|--------------------------------|
| Valuation Date (VD)     | June 30, 2021                  |
| Measurement Date (MD)   | June 30, 2022                  |
| Measurement Period (MP) | July 1, 2021, to June 30, 2022 |

*Plan description*

The Plan is an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). A full description of the pension plan regarding number of employees covered, benefit provisions, assumptions (for funding, but not accounting purposes), and membership information are listed in the plan's June 30, 2021, Annual Actuarial Valuation Report (funding valuation). Details of the benefits provided can be obtained in Appendix B of the actuarial valuation report. This report and CalPERS' audited financial statements are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov).

*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 5 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost-of-living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan operates under the provisions of the California Public Employees' Retirement Law (PERL), the California Public Employees' Pension Reform Act of 2013 (PEPRA), and the regulations, procedures and policies adopted by the CalPERS Board of Administration. The Plan's authority to establish and amend the benefit terms are set by the PERL and PEPRA and may be amended by the California state legislature and in some cases require approval by the CalPERS Board.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)***

*Benefits provided (Continued)*

The plan's provisions and benefits in effect on June 30, 2023, are summarized as follows:

|   | Prior to December 4,<br>2009 | On or after December<br>4, 2009 | On or after<br>January 1, 2023 |
|---|------------------------------|---------------------------------|--------------------------------|
| Benefit formula                                   | 2% @ 55                      | 2% @ 60                         | 2% @ 62                        |
| Benefit vesting Schedule                          | 5 years                      | 5 years                         | 5 years                        |
| Benefit payments                                  | Monthly for life             | Monthly for life                | Monthly for life               |
| Retirement age                                    | 50+                          | 50+                             | 50+                            |
| Monthly benefits, as a % of eligible compensation | 1.426% to 2.418%             | 1.092% to 2.418%                | 1% to 2.5%                     |
| Required employer contribution rate (FY 2022)     | 8.70%                        | 8.70%                           | 8.70%                          |

*Employees Covered by Benefit Terms*

On June 30, 2022 (the measurement date), the benefit terms covered the following employees:

|  | Miscellaneous |
|--|---------------|
| Inactive employees or beneficiaries currently receiving benefits | 129           |
| Inactive employees entitled to but not yet receiving benefits    | 249           |
| Active employees   | 150           |
|  | <u>528</u>    |

*Contributions*

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through CalPERS' annual actuarial valuation process. 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 employer is required to contribute the difference between the actuarially determined rate and the contribution rate of employees. Employer contribution rates may change if plan contracts are amended. Payments made by the employer to satisfy contribution requirements that are identified by the pension plan terms as plan member contribution requirements are classified as plan member contributions. Employer Contributions to the Plan for the fiscal year ended June 30, 2023, were \$2,425,767.

*Net Pension Liability*

The District's total pension liability was measured as of June 30, 2022, and was used to calculate the net pension liability measured as of June 30, 2022.

*Actuarial Assumptions*

The total pension liability in the June 30, 2021, actuarial valuations were determined using the following actuarial assumptions:

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)***

*Actuarial Assumptions (Continued)*

| Actuarial Cost Method             | Entry Age Actuarial Cost Method  |
|-----------------------------------|--|
| Actuarial Assumptions             |  |
| Discount Rate                     | 6.90%  |
| Inflation                         | 2.30%  |
| Salary Increases                  | Varies by entry age and service  |
| Mortality Rate Table <sup>1</sup> | Derived using CalPERS' membership data for all funds   |
| Post Retirement Benefit Increase  | The lesser of contract COLA or 2.30% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.30% thereafter |

<sup>1</sup> The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2021 CalPERS Experience Study for the period from 2001 to 2019. Pre-retirement and Post-retirement mortality rates include generational mortality improvement using 80% of Scale MP-2020 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from November 2021 that can be found on the CalPERS website.

*Discount Rate*

The discount rate used to measure the total pension liability was 6.90 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Long-term expected rate of return*

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

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. 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+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)***

*Long-term expected rate of return (Continued)*

The expected rates of return by asset class are as follows:

| <b>Asset class<sup>1</sup></b>   | <b>Assumed<br/>asset<br/>allocation</b> | <b>Real return<sup>1,2</sup></b> |
|----------------------------------|---|----------------------------------|
| Global Equity - Cap-weighted     | 30.00 %                                 | 4.54 %                           |
| Global Equity - Non-Cap-weighted | 12.00                                   | 3.84                             |
| Private Equity                   | 13.00                                   | 7.28                             |
| Treasury                         | 5.00                                    | 0.27                             |
| Mortgage-backed Securities       | 5.00                                    | 0.50                             |
| Investment Grade Corporates      | 10.00                                   | 1.56                             |
| High Yield                       | 5.00                                    | 2.27                             |
| Emerging Market Debt             | 5.00                                    | 2.48                             |
| Private Debt                     | 5.00                                    | 3.57                             |
| Real Assets                      | 15.00                                   | 3.21                             |
| Leverage                         | (5.00)                                  | (0.59)                           |

(1) An expected inflation of 2.30% used for this period.

(2) Figures are based on the 2021 Asset Liability Management study.

*Expected Average Remaining Service Lives (EARSL)*

The EARSL for the Plan for the measurement period ending June 30, 2022, is 3.1 years, which was obtained by dividing the total service years of 1,735 (the sum of remaining service lifetimes of the active employees) by 553 (the total number of participants: active, inactive, and retired). Inactive employees and retirees have remaining service lifetimes equal to 0. Total future service is based on the members' probability of decrementing due to an event other than receiving a cash refund.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)***

*Changes in CalPERS Net Pension Liability (Continued)*

The following table shows the changes in net pension liability recognized over the measurement period.

|  | Increase (Decrease)         |                                    |   |
|--|-----------------------------|------------------------------------|---|
|  | Total OPEB Liability<br>(a) | Plan Fiduciary Net Position<br>(b) | Net OPEB Liability/(Asset)<br>(c) = (a) - (b) |
| <b>Balance, June 30, 2021 (MD)</b>                 | <b>\$ 74,754,372</b>        | <b>\$ 66,661,636</b>               | <b>\$ 8,092,736</b>                           |
| Changes for the Year:                              |                             |                                    |   |
| Service  | 1,466,018                   |                                    | 1,466,018                                     |
| Interest   | 5,205,211                   |                                    | 5,205,211                                     |
| Changes of Benefit Terms                           |                             |                                    |   |
| Differences between Expected and Actual Experience | (303,109)                   |                                    | (303,109)                                     |
| Changes of Assumptions                             | 2,211,471                   |                                    | 2,211,471                                     |
| Contributions                                      |                             |                                    |   |
| Employer - District's Contributions                |                             | 2,010,923                          | (2,010,923)                                   |
| Employer - Implicit Subsidy                        |                             | 615,218                            | (615,218)                                     |
| Net Investment Income                              |                             | (5,015,530)                        | 5,015,530                                     |
| Benefit Payments                                   | (3,915,805)                 | (3,915,805)                        |   |
| Implicit Subsidy Credit                            |                             | (41,526)                           | 41,526  |
| Administrative Expense                             |                             |                                    |   |
| <b>Net Changes</b>                                 | <b>4,663,786</b>            | <b>(6,346,720)</b>                 | <b>11,010,506</b>                             |
| <b>Balance as of Report Date June 30, 2022</b>     | <b>\$ 79,418,158</b>        | <b>\$ 60,314,916</b>               | <b>\$ 19,103,242</b>                          |

*Sensitivity of Liabilities to Changes in the Discount Rate*

Sensitivity of the total and net pension liability to changes in the discount rate. The total and net pension liability of the District, as well as what the District's total and net pension liability would be if they were calculated using a discount rate that is one percentage point lower (5.90%) or one percentage point higher (7.90%) follows:

|                              | 5.90%         | 6.90%         | 7.90%         |
|------------------------------|---------------|---------------|---------------|
| Plan's Net Pension Liability | \$ 29,194,073 | \$ 19,103,242 | \$ 10,727,746 |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)***

*Changes of assumptions*

The discount rate has decreased from 7.15% to 6.90%.

*Subsequent Events*

On July 12, 2021, CalPERS reported a preliminary 21.3% net return on investments for fiscal year 2020-21. Based on the thresholds specified in CalPERS Funding Risk Mitigation policy, the excess return of 14.3% prescribes a reduction in investment volatility that corresponds to a reduction in the discount rate used for funding purposes of 0.20%, from 7.00% to 6.80%. Since CalPERS was in the final stages of the four-year Asset Liability Management (ALM) cycle, the board elected to defer any changes to the asset allocation until the ALM process concluded, and the board could make its final decision on the asset allocation in November 2021.

On November 17, 2021, the board adopted a new strategic asset allocation. The new asset allocation along with the new capital market assumptions, economic assumptions and administrative expense assumption support a discount rate of 6.90% (net of investment expense but without a reduction for administrative expense) for financial reporting purposes. This includes a reduction in the price inflation assumption from 2.50% to 2.30% as recommended in the November 2021 CalPERS Experience Study and Review of Actuarial Assumptions. This study also recommended modifications to retirement rates, termination rates, mortality rates and rates of salary increases that were adopted by the board. These new assumptions will be reflected in the GASB 68 accounting valuation reports for the June 30, 2022, measurement date.

*Plan fiduciary net position*

Information about the pension plan's assets, deferred outflows of resources, liabilities, deferred inflows of resources, and fiduciary net position are presented in CalPERS' audited financial statements, which are publicly available reports that can be obtained at CalPERS' website, at [www.calpers.ca.gov](http://www.calpers.ca.gov). The plan's fiduciary net position and additions to/deductions from the plan's fiduciary net position have been determined on the same basis used by the pension plan, which is the economic resources measurement focus and the accrual basis of accounting. Benefits and refunds are recognized when due and payable in accordance with the terms of the plan. Investments are reported at fair value.

The plan fiduciary net position disclosed in the GASB 68 accounting valuation report may differ from the plan assets reported in the funding actuarial valuation report due to several reasons. First, for the accounting valuations, CalPERS must keep items such as deficiency reserves, fiduciary self-insurance, and Other Post-Employment Benefits (OPEB) expense included as assets. These amounts are excluded for rate setting purposes in the funding actuarial valuation. In addition, differences may result from early Comprehensive Annual Financial Report closing and final reconciled reserves.

*Amortization of Deferred Outflows and Deferred Inflows of Resources*

Under GASB 68, gains and losses related to changes in total pension liability and fiduciary net position are recognized in pension expense systematically over time.



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)***

The first amortized amounts are recognized in pension expense for the year the gain or loss occurs. The remaining amounts are categorized as deferred outflows and deferred inflows of resources related to pensions and are to be recognized in future pension expenses.

The amortization period differs depending on the source of the gain or loss:

|  |  |
|--|--|
| Net Difference between projected and actual earnings on pension plan investments | 5 year straight-line amortization  |
| All other amounts  | Straight-line amortization over the expected average remaining service lifetime (EARS�) of all members that are provided with benefits (active, inactive, and retired) as of the beginning of the measurement period |

***Pension Expense and Deferred Outflows and Deferred Inflows of Resources Related to Pensions***

As of the start of the measurement period (July 1, 2021), the District's net pension liability was \$8,092,736. For the measurement period ending June 30, 2022 (the measurement date), the District incurred a pension expense of \$2,675,089. A complete breakdown of the pension expense is as follows:

| <b>Description</b>   | <b>Amount</b>       |
|--|---------------------|
| Service Cost   | \$ 1,466,018        |
| Interest on Total Pension Liability  | 5,205,211           |
| Changes of Benefit Terms   |                     |
| Recognized Changes of Assumptions  | 713,378             |
| Recognized Differences Between Expected and Actual Experience                    | 50,259              |
| Net Plan to Plan Resource Movement   |                     |
| Employee Contributions   | (615,218)           |
| Projected Earnings on Pension Plan Investments                                   | (4,549,231)         |
| Recognized Differences Between Projected and Actual Earnings on Plan Investments | 363,146             |
| Administrative Expense   | 41,526              |
| Other Miscellaneous (Income)/Expense   |                     |
| <b>Total Pension Expense/(Income)</b>  | <b>\$ 2,675,089</b> |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. California Public Employees' Retirement System (CalPERS) Pension Plan (Continued)***

As of June 30, 2023, the District has deferred outflows and deferred inflows of resources related to pensions as follows:

|  | Deferred<br>Outflows of<br>Resources | Deferred<br>Inflows of<br>Resources |
|--|--------------------------------------|-------------------------------------|
| Pension contributions subsequent to measurement date                                 | \$ 2,425,767                         | \$ -                                |
| Changes of assumptions   | 1,498,093                            |                                     |
| Net differences between projected and actual earnings<br>on pension plan investments | 3,041,233                            |                                     |
| Differences between expected and actual experiences                                  | 92,736                               | (205,332)                           |
| Total  | <u>\$ 7,057,829</u>                  | <u>\$ (205,332)</u>                 |

These amounts are net of outflows and inflows recognized in the 2021-22 measurement period expense. Contributions subsequent to the measurement date of \$2,425,767 reported with deferred outflows of resources will be recognized as a reduction of the net pension liability in the upcoming fiscal year. Other amounts reported as deferred outflows and inflows of resources related to this plan will be recognized in future pension expense as follows:

| Measurement Periods<br>Ended June 30, | Deferred<br>Outflows/(Inflows)<br>of Resources |
|---------------------------------------|--|
| 2023                                  | \$ 1,196,027                                   |
| 2024                                  | 1,048,389                                      |
| 2025                                  | 269,361  |
| 2026                                  | 1,912,953                                      |

***E. Retirement Enhancement Pension Plan***

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

|                         |                                |
|-------------------------|--------------------------------|
| Valuation Date (VD)     | June 30, 2021                  |
| Measurement Date (MD)   | June 30, 2022                  |
| Measurement Period (MP) | July 1, 2021, to June 30, 2022 |

***Plan description – full-time employees***

The District provides a Stipend benefit to a closed group of participants. Select members listed in the plan document who were hired prior to July 1, 2009, are eligible for a monthly stipend if they retire and commence their CalPERS benefit within 120 days of separation. The amount of the stipend varies based on years of service and date of retirement. Select part-time members listed in the plan document who were hired prior to July 1, 2013, are eligible for a monthly pension benefit at their normal retirement date based on their years of service and compensation earned during their employment.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***E. Retirement Enhancement Pension Plan (Continued)***

The Plans' provisions and benefits in effect at June 30, 2023 are summarized as follows:

| <b>Retirement Date</b>        | <b>Monthly Benefit</b> | <b>Additional Monthly Benefit Per Each Year of Service</b> | <b>Annual Cost of Living Cap</b> |
|-------------------------------|------------------------|--|----------------------------------|
| Prior to July 1, 1998         | \$ 34                  | \$ 5   | 2                                |
| July 1, 1998 to June 30, 2005 | 50                     | 5  | 10                               |
| July 1, 2005 to June 30, 2006 | 60                     | 10   | 10                               |
| July 1, 2006 and later        | 75                     | 15   | 15                               |

*Plan description – part-time employees*

The District provides a pension benefit to a closed group of part-time employees. Eligible retirees who were hired prior to July 1, 2013, will receive a benefit equal to 2.0% x Average Annual Compensation x Years of Service (up to 30 years).

Years of Service means a Plan Year beginning on or after January 1, 1992, during which the participant earns an hour of service as an employee. Average Annual Compensation means average compensation over all the Plan Years in which a participant earned a Year of Service under the Plan.

The normal form of payment is a single life annuity. Optionally, a participant can elect to receive their benefit in the form of a lump sum. There is automatic cash out if the lump sum of the accrued benefit is less than \$1,000.

If a participant dies while an employee, a death benefit will be provided to their beneficiary equal to the lump sum value of the accrued benefit. There are no other death benefits.

*Employees Covered*

On June 30, 2023, the following employees were covered by the benefit terms for the Plan:

| <b>Category</b>   | <b>Count</b> |
|---|--------------|
| Inactive employees, spouses, or beneficiaries currently receiving benefit payments: | 41           |
| Inactive employees entitled to but not yet receiving benefit payments:              | 0            |
| Active employees:   | 44           |
| <b>Total</b>  | <b>85</b>    |

*Contributions*

The total plan contributions are determined through an annual actuarial valuation process. 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 Retirement Enhancement pension plan is entirely District funded. Employer Contributions to the Plan for the fiscal year ended June 30, 2023, were \$272,798.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. Retirement Enhancement Pension Plan (Continued)***

*Retirement Enhancement net pension liability (total 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, 2022, using an annual actuarial valuation as of June 30, 2022.

*Actuarial assumptions*

The total pension liability in the June 30, 2022, actuarial valuation was determined using the following actuarial assumptions:

|                           |                             |
|---------------------------|-----------------------------|
| <b>Measurement Date:</b>  | <u><b>June 30, 2022</b></u> |
| Discount Rate             | 5.39%                       |
| Investment Rate of Return | 5.39%                       |
| Inflation                 | 2.50%                       |
| Salary Increases          | 2.75%                       |

*Discount Rate*

GASB 68 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the Plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20-year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total pension liability is 5.39%.

*Long-term expected rate of return*

The long-term expected rate of return is determined using the long-term rates of return developed by Highmark Capital Management in their report dated July 22, 2021.

| <u>Asset Class</u>          | <u>Target Allocation</u> | <u>Compound</u> |
|-----------------------------|--------------------------|-----------------|
| <b>Equity</b>               |                          |                 |
| Large Cap Core              | 26.50%                   | 6.80%           |
| Mid Cap Core                | 5.00%                    | 7.10%           |
| Small Cap Core              | 7.50%                    | 7.90%           |
| Real Estate                 | 1.75%                    | 6.60%           |
| International               | 6.00%                    | 7.30%           |
| Emerging Markets            | 3.25%                    | 7.30%           |
| <b>Fixed Income</b>         |                          |                 |
| Short Term                  | 10.00%                   | 3.30%           |
| Intermediate Term           | 33.50%                   | 3.90%           |
| High Yield                  | 1.50%                    | 6.10%           |
| Cash                        | 5.00%                    | 2.40%           |
| Total/Average               | <u>100.00%</u>           |                 |
| Expected Return             |                          | 5.89%           |
| Expected Volatility         |                          | 8.24%           |
| Expected Return Net of Fees |                          | 5.39%           |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***D. Retirement Enhancement Pension Plan (Continued)***

*Expected Average Remaining Service Lives (EARSL)*

The effects on the total pension liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in pension expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the pension plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARSL) for the current period follows. Note, however, that for calculation purposes, we use 1.0 when calculating amortizations if the EARSL is less than 1 year.

EARSL: 4.4 years

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

|  | <i>Increase/(Decrease)</i> |                                |                          |
|--|----------------------------|--------------------------------|--------------------------|
|  | Total Pension<br>Liability | Plan Fiduciary<br>Net Position | Net Pension<br>Liability |
|  | (a)                        | (b)                            | (c) = (a) – (b)          |
| Balance as of Report Date June 30, 2022            | \$ 3,684,183               | \$ 3,694,815                   | \$ (10,632)              |
| Changes for the Year:                              |                            |                                |                          |
| Service Cost                                       | 74,355                     |                                | 74,355                   |
| Interest   | 195,233                    |                                | 195,233                  |
| Changes of Benefit Terms                           |                            |                                |                          |
| Differences Between Expected and Actual Experience | (29,121)                   |                                | (29,121)                 |
| Changes of Assumptions                             | (3,009)                    |                                | (3,009)                  |
| Employer Contributions                             |                            |                                |                          |
| Net Investment Income                              |                            | (455,816)                      | 455,816                  |
| Benefit Payments                                   | (272,798)                  | (272,798)                      |                          |
| Administrative Expense                             |                            | (41,184)                       | 41,184                   |
| Other Miscellaneous Income/(Expense)               |                            |                                |                          |
| Net Changes  | <u>(35,340)</u>            | <u>(769,798)</u>               | <u>734,458</u>           |
| Balance as of Report Date June 30, 2023            | <u>\$ 3,648,843</u>        | <u>\$ 2,925,017</u>            | <u>\$ 723,826</u>        |

*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 5.39 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 (4.39 percent) or 1 percentage-point higher (6.39 percent) than the current rate:

|                               | 1% Decrease<br>4.39% | Current Rate<br>5.39% | 1% Increase<br>6.39% |
|-------------------------------|----------------------|-----------------------|----------------------|
| Net Pension Liability (Asset) | \$ 1,055,133         | \$ 723,826            | \$ 448,489           |
| Increase (Decrease)           | 331,307              |                       | (275,337)            |
| % Change                      | 45.8%                |                       | -38.0%               |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

***E. Retirement Enhancement Pension Plan (Continued)***

*Subsequent events*

There were no subsequent events that would materially affect the results presented in this disclosure.

*Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension*

For the report year ended June 30, 2023, the District recognized a pension income of \$(3,200).

***E. Retirement Enhancement Pension Plan (Continued)***

*Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension (Continued)*

The District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---|-----------------------------------|----------------------------------|
| Differences Between Actual and Expected Experience                                  | \$ -                              | \$ (142,984)                     |
| Changes of Assumptions  | 223,011                           | (227,759)                        |
| Net Difference Between Projected and Actual Earnings on<br>Pension Plan Investments | 232,404                           |                                  |
| Contributions Subsequent to the Measurement Date                                    | 102,827                           |                                  |
| <b>Total</b>  | <b>558,242</b>                    | <b>(370,743)</b>                 |

*Pension Expense and Deferred Inflows and Outflows of Resources Related to Pension*

Amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in the pension expense as follows:

| Report Year Ending June 30: | Amount       |
|-----------------------------|--------------|
| 2024                        | \$ (122,171) |
| 2025                        | 36,204       |
| 2026                        | 44,034       |
| 2027                        | 126,605      |
| 2028                        |              |
| Remaining                   |              |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

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

|                         |                                |
|-------------------------|--------------------------------|
| Valuation Date (VD)     | June 30, 2021                  |
| Measurement Date (MD)   | June 30, 2022                  |
| Measurement Period (MP) | July 1, 2021, to June 30, 2022 |

*Plan description*

The District administers a single-employer defined-benefit post-employment healthcare plan (the Plan). Dependents are eligible to enroll, and benefits continue to surviving spouses.

*Benefits Provided*

Eligibility for retiree health benefits requires retirement from the City on or after age 50 (age 52 for PEPR New hires) with at least five years of CalPERS service. All employees who meet these criteria receive at least the PEMHCA Minimum Benefit. Eligible General Employees who were hired prior to July 1, 2009, receive \$75+ \$15/year of service per month, increasing each full year retired by the lesser of the CPI or \$15. Management Group employees with at least 10 years of service are eligible to receive 100% of employee-only medical premium contributions, and Administrators and General Managers with at least 10 years of service are eligible to receive 100% of employee + family medical premium contributions. The District maintains the authority to establish or amend retiree health benefits.

*Employees Covered by Benefit Terms*

On June 30, 2021 (the census date), the benefit terms covered the following employees:

| <b>Category</b>   | <b>Count</b> |
|---|--------------|
| Inactive employees, spouses, or beneficiaries currently receiving benefit payments: | 54           |
| Inactive employees entitled to but not yet receiving benefit payments:              | 0            |
| Active employees:   | 92           |
| <b>Total</b>  | <b>146</b>   |

*Contributions*

The District makes contributions based on actuarially determined rate.

|                                 |   |
|---------------------------------|---|
| Contribution rate:              | 2.40% for 15 years,<br>2.40% thereafter,      |
| Reporting period contributions: | \$147,219 (includes implicit subsidy credit.) |

*Net OPEB Liability*

The District's OPEB liability was valued as of June 30, 2021, and was used to calculate the net OPEB liability measured as of June 30, 2022.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

*Actuarial Assumptions*

The total OPEB liability in the June 30, 2021, actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| Measurement Date:           | June 30, 2021           | June 30, 2022 |
|-----------------------------|-------------------------|---------------|
| Discount Rate               | 5.39%                   | 5.39%         |
| Investment Rate of Return   | 5.39%                   | 5.39%         |
| Inflation                   | 5.50%                   | 2.30%         |
| Healthcare Cost Trend Rates |                         |               |
| Pre-Medicare                | 7.00%                   | 6.50%         |
| Medicare                    | 6.00%                   | 5.50%         |
| Salary Increases            | 2.75%                   | 2.80%         |
| Mortality Rates             | Based on CalPERS Tables |               |

*Discount Rate*

GASB 75 allows the use of a discount rate that is up to the expected long-term rate of return on the assets in the Trust set aside to pay benefits, if the plan sponsor makes regular contributions to the Trust such that the assets are not depleted at any point in the future. If the Plans' actuary determines that contributions are not sufficient to keep the Trust funded, a blend of the long-term rate of return and the yield or index rate for 20- year, tax-exempt municipal bonds will be used for the periods when the Trust funds are not sufficient to cover benefit payments. Based on this requirement, and with the approval of the plan sponsor, the discount rate used to measure the total OPEB liability is 5.39%.



**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

*Long-term expected rate of return (Continued)*

The long-term expected rate of return is determined using the long-term rates of return developed by PARS and HighMark Capital Management as of June 30, 2021.

|  |                  | Asset Class<br>Expected<br>Return |
|--|------------------|-----------------------------------|
| Asset Class                            | Asset Allocation |                                   |
| Equity - Large Cap                     | 27%              | 6.80%                             |
| Equity - Mid Cap                       | 5%               | 7.10%                             |
| Equity - Small Cap                     | 8%               | 7.90%                             |
| Equity - Real Estate                   | 2%               | 6.60%                             |
| Equity - International                 | 6%               | 7.30%                             |
| Equity - Emerging Markets              | 3%               | 7.30%                             |
| Fixed Income - Short-Term              | 10%              | 3.30%                             |
| Fixed Income - Intermediate-Term       | 34%              | 3.90%                             |
| Fixed Income - High Yield              | 2%               | 6.10%                             |
| Cash                                   | 5%               | 2.40%                             |
| Total/Average                          | 100%             |                                   |
| Expected Long-Term Return              |                  | 5.89%                             |
| Expected Volatility                    |                  | 8.24%                             |
| Expected Long-Term Return, Net of Fees |                  | 5.39%                             |

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

*Expected Average Remaining Service Lives (EARS�)*

The effects on the total OPEB liability of (1) changes of economic and demographic assumptions or of other inputs and (2) differences between expected and actual experience are required to be included in the OPEB expense in a systematic and rational manner over a closed period equal to the average of the expected remaining service lives of all employees that are provided with benefits through the OPEB plan (active employees and inactive employees), beginning in the current period. The expected average remaining service lives (EARS�) for the current period follows. Note, however, that for calculation purposes, we use 1 when calculating amortizations if the EARS� is less than 1 year.

EARS�: 7.5 years

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

*Changes in the Net OPEB Liability*

|   | Increase (Decrease)            |                                    |  |
|---|--------------------------------|------------------------------------|--|
|   | Total OPEB<br>Liability<br>(a) | Plan Fiduciary<br>Net Position (b) | Net OPEB<br>Liability/(Asset)<br>(c) = (a) - (b) |
| <b>Balance, June 30, 2020 (MD)</b>                    | <b>\$ 4,267,152</b>            | <b>\$ 6,100,935</b>                | <b>\$ (1,833,783)</b>                            |
| Changes for the Year:                                 |                                |                                    |  |
| Service   | 133,423                        |                                    | 133,423  |
| Interest  | 231,805                        |                                    | 231,805  |
| Changes of Benefit Terms                              |                                |                                    | -  |
| Differences between Expected<br>and Actual Experience | 4,361                          |                                    | 4,361  |
| Changes of Assumptions                                | 35,772                         |                                    | 35,772   |
| Contributions   |                                |                                    |  |
| Employer - District's Contributions                   |                                | 71,230                             | (71,230)   |
| Employer - Implicit Subsidy                           |                                | 75,989                             | (75,989)   |
| Net Investment Income                                 |                                | (776,120)                          | 776,120  |
| Benefit Payments                                      | (123,824)                      | (123,824)                          |  |
| Implicit Subsidy Credit                               | (75,989)                       | (75,989)                           |  |
| Administrative Expense                                |                                | (29,046)                           | 29,046   |
| <b>Net Changes</b>                                    | <b>205,548</b>                 | <b>(857,760)</b>                   | <b>1,063,308</b>                                 |
| <b>Balance as of Report Date June 30, 2023</b>        | <b>\$ 4,472,700</b>            | <b>\$ 5,243,175</b>                | <b>\$ (770,475)</b>                              |

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

*Sensitivity of Liabilities to Changes in the Discount Rate and Healthcare Cost Trend Rate*

Sensitivity of the total and net OPEB liability to changes in the discount rate. The total and net OPEB liability of the District, as well as what the District's total and net OPEB liability would be if they were calculated using a discount rate that is one percentage point lower (4.39%) or one percentage point higher (6.39%) follows:

|                                     | <b>1% Decrease</b> |                  | <b>Discount Rate</b> |                  | <b>1% Increase</b>  |
|-------------------------------------|--------------------|------------------|----------------------|------------------|---------------------|
|                                     | <b>4.39%</b>       |                  | <b>5.39%</b>         |                  | <b>6.39%</b>        |
| <b>Total OPEB Liability (Asset)</b> | <b>\$</b>          | <b>5,024,867</b> | <b>\$</b>            | <b>4,472,700</b> | <b>\$ 4,018,730</b> |
| Increase (Decrease)                 |                    | 552,167          |                      |                  | (453,970)           |
| % Change                            |                    | 12.3%            |                      |                  | -10.1%              |
| <b>Net OPEB Liability (Asset)</b>   | <b>\$</b>          | <b>(218,308)</b> | <b>\$</b>            | <b>(770,475)</b> | <b>(1,224,445)</b>  |
| Increase (Decrease)                 |                    | 552,167          |                      |                  | (453,970)           |
| % Change                            |                    | -71.7%           |                      |                  | 58.9%               |

*Sensitivity of the total OPEB liability to changes in the healthcare cost trend rates*

The healthcare trend for this valuation started at 6.50% and decreased to 4.04% over 55 years. The total OPEB liability of the District, as well as what the District's total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.50%) or one percentage point higher (7.50%) than current healthcare cost trend rates follows:

|                                     | <b>1% Decrease</b> |                    | <b>Discount Rate</b> |                  | <b>1% Increase</b>  |
|-------------------------------------|--------------------|--------------------|----------------------|------------------|---------------------|
|                                     | <b>4.39%</b>       |                    | <b>5.39%</b>         |                  | <b>6.39%</b>        |
| <b>Total OPEB Liability (Asset)</b> | <b>\$</b>          | <b>3,891,892</b>   | <b>\$</b>            | <b>4,472,700</b> | <b>\$ 5,187,275</b> |
| Increase (Decrease)                 |                    | (580,808)          |                      |                  | 714,575             |
| % Change                            |                    | -13.0%             |                      |                  | 16.0%               |
| <b>Net OPEB Liability (Asset)</b>   | <b>\$</b>          | <b>(1,351,283)</b> | <b>\$</b>            | <b>(770,475)</b> | <b>(55,900)</b>     |
| Increase (Decrease)                 |                    | (580,808)          |                      |                  | 714,575             |
| % Change                            |                    | 75.4%              |                      |                  | -92.7%              |

*Subsequent events*

There were no subsequent events that would materially affect the results presented in this disclosure.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

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

*OPEB expense and deferred outflows/inflows of resources related to OPEB*

For the report year ended June 30, 2023, the District recognized an OPEB expense of \$(330,239).

As of fiscal year June 30, 2023, the District reported deferred outflows of resources related to OPEB from the following sources:

|  | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|--|-----------------------------------|----------------------------------|
| Differences Between Actual and Expected Experience                               | \$ 407,251                        | \$ (63,549)                      |
| Changes of Assumptions   | 31,002                            | (2,209,233)                      |
| Net Difference Between Projected and Actual Earnings on<br>OPEB Plan Investments | 435,398                           |                                  |
| Contributions Subsequent to the Measurement Date                                 | 302,297                           |                                  |
| <b>Total</b>   | <b>\$ 1,175,948</b>               | <b>\$ (2,272,782)</b>            |

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

| <u>Report Year Ending June 30:</u> | <u>Amount</u> |
|------------------------------------|---------------|
| 2024 \$                            | (397,869)     |
| 2025                               | (381,123)     |
| 2026                               | (264,543)     |
| 2027                               | (51,152)      |
| 2028                               | (260,753)     |
| Remaining                          | (43,691)      |

**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. On June 30, 2023, 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 an 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.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

**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.

| <u>Claims Payable</u> | <u>2023</u>       |
|-----------------------|-------------------|
| General Liability     | \$ -              |
| Worker's Compensation | <u>437,770</u>    |
|                       | <u>\$ 437,770</u> |

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

|   | <u>2021</u>       | <u>2022</u>       | <u>2023</u>       |
|---|-------------------|-------------------|-------------------|
| Claims liability - beginning balance  | \$ 727,400        | \$ 822,904        | \$ 670,949        |
| Incurred claims, representing the total of a provision for events of the current fiscal year and any change of prior fiscal years | 352,806           | 141,826           | 25,345            |
| Payments on claims attributable to events of both the current fiscal year and the prior fiscal years                              | <u>(257,302)</u>  | <u>(293,781)</u>  | <u>(258,524)</u>  |
| Claims liability - ending balance   | <u>\$ 822,904</u> | <u>\$ 670,949</u> | <u>\$ 437,770</u> |

**Note 10 – Commitments and Contingencies**

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

As of June 30, 2023, 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 \$4,636,500 in contract commitments for completion of ongoing capital improvements projects at June 30, 2023.

**Conejo Recreation and Park District**  
**Notes to Basic Financial Statements (Continued)**  
**June 30, 2023**

**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.

The audited financial information for COSCA for the fiscal year ended June 30, 2023, is as follows:

|                                  | <u>Joint Venture</u> | <u>District Portion</u> |
|----------------------------------|----------------------|-------------------------|
| Total Assets                     | \$ 97,402,525        | \$ 48,701,263           |
| Total Liabilities                | <u>19,573</u>        | <u>9,787</u>            |
| Net Position:                    | <u>\$ 97,382,952</u> | <u>\$ 48,691,476</u>    |
|                                  |                      |                         |
| Net Investment in capital assets | \$ 87,214,508        | \$ 43,607,254           |
| Restricted                       | <u>10,168,444</u>    | <u>5,084,222</u>        |
| <b>Total Net Position</b>        | <u>\$ 97,382,952</u> | <u>\$ 48,691,476</u>    |
|                                  |                      |                         |
| Total Revenues                   | \$ 10,154,075        | \$ 5,077,038            |
| Total Expenses                   | <u>2,871,420</u>     | <u>1,435,710</u>        |
| Changes in net position          | <u>\$ 7,282,655</u>  | <u>\$ 3,641,328</u>     |

**Note 12 – Jointly Governed Organization**

*Mountains Recreation and Conservation Authority*

The Mountains Recreation and Conservation Authority (“MRCA”) was established on June 27, 1985, under a joint powers’ agreement entered 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.

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**REQUIRED  
SUPPLEMENTARY INFORMATION**

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**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

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**Note 1 – Budgets and Budgetary Accounting**

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

The Board of Directors may amend the budget by motion during each fiscal year. The General Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditure 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, 2023**

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

Budgetary Comparison Schedule, General Fund

|   | Budget Amounts |                |                | Variance with |
|---|----------------|----------------|----------------|---------------|
|   | Original       | Final          | Actual Amounts | Final Budget  |
| <b>REVENUES:</b>  |                |                |                |               |
| Property taxes  | \$ 19,311,500  | \$ 19,713,500  | \$ 21,355,625  | \$ 1,642,125  |
| Assessments   |                |                |                |               |
| Licenses and permits                                      | 6,000          | 6,000          | 24,124         | 18,124        |
| Investment income (loss)                                  | 130,000        | 130,000        | 2,003,135      | 1,873,135     |
| Facilities rental   | 666,800        | 666,800        | 932,550        | 265,750       |
| Other governmental agencies                               | 900,000        | 900,000        | 937,528        | 37,528        |
| Grants  | 101,000        | 101,000        | 118,948        |               |
| Recreation fees   | 5,203,855      | 5,233,855      | 6,735,871      | 1,502,016     |
| Other   | 99,450         | 99,450         | 815,807        | 716,357       |
| Total revenues  | 26,418,605     | 26,850,605     | 32,923,588     | 6,055,035     |
| <b>EXPENDITURES:</b>                                      |                |                |                |               |
| Current:  |                |                |                |               |
| Parks and Recreation:                                     |                |                |                |               |
| District administration                                   | 4,780,002      | 4,842,002      | 4,270,107      | 571,895       |
| Parks and planning  | 10,696,913     | 10,845,913     | 10,255,029     | 590,884       |
| Recreation and community services                         | 10,819,747     | 11,215,747     | 10,502,579     | 713,168       |
| Capital outlay  | 708,000        | 708,000        | 888,821        | (180,821)     |
| Total expenditures  | 27,004,662     | 27,611,662     | 25,916,536     | 1,695,126     |
| Excess (deficiency) of revenues over (under) expenditures | (586,057)      | (761,057)      | 7,007,052      | 7,750,161     |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |                |                |                |               |
| Transfers in  |                |                | 108,842        | 108,842       |
| Transfers out   | (1,030,811)    | (2,575,811)    | (2,575,811)    | -             |
| Total other financing sources (uses)                      | (1,030,811)    | (2,575,811)    | (2,466,969)    | 108,842       |
| Net Changes in Fund Balance                               | \$ (1,616,868) | \$ (3,336,868) | 4,540,083      | \$ 7,859,003  |
| <b>FUND BALANCE:</b>                                      |                |                |                |               |
| Beginning of fiscal year                                  |                |                | 39,409,048     |               |
| End of fiscal year  |                |                | \$ 43,949,131  |               |

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2023**

**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  |
| <b>REVENUES:</b>  |                |                |              |               |
| Assessments   | \$ 2,088,258   | \$ 2,088,258   | \$ 2,088,301 | \$ 43         |
| Investment income (loss)                                  | 30,000         | 30,000         | 60,369       |               |
| Other governmental agencies                               | 70,000         | 70,000         |              |               |
| Grants  | 2,055,000      | 2,302,000      | 833,519      | (1,468,481)   |
| Other   |                |                | 10,088       | 10,088        |
| Total revenues  | 4,243,258      | 4,390,258      | 2,992,277    | (1,458,350)   |
| <b>EXPENDITURES:</b>                                      |                |                |              |               |
| Current:  |                |                |              |               |
| Parks and Recreation:                                     |                |                |              |               |
| Parks and planning  | 1,042,187      | 1,168,187      | 1,058,836    | 109,351       |
| Capital outlay  | 3,452,000      | 6,590,600      | 3,036,980    | 3,553,620     |
| Total expenditures  | 4,494,187      | 7,758,787      | 4,095,816    | 3,662,971     |
| Excess (deficiency) of revenues over (under) expenditures | (250,929)      | (3,368,529)    | (1,103,539)  | 2,204,621     |
| <b>OTHER FINANCING SOURCES (USES):</b>                    |                |                |              |               |
| Transfers in  | 50,000         | 1,137,600      | 1,137,600    |               |
| Transfers out   |                |                | (15,225)     | (15,225)      |
| Total other financing sources (uses)                      | 50,000         | 1,137,600      | 1,122,375    | (15,225)      |
| Changes in Fund Balance                                   | \$ (200,929)   | \$ (2,230,929) | \$ 18,836.00 | \$ 2,249,765  |
| <b>FUND BALANCE:</b>                                      |                |                |              |               |
| Beginning of fiscal year                                  |                |                | 2,428,477    |               |
| End of fiscal year  |                |                | \$ 2,447,313 |               |

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2023**

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

Budgetary Comparison Schedule Dos Vientos Assessment District Special Revenue Fund

|                                      | Budget       |              | Actual<br>Amounts | Variance with<br>Final Budget |
|--------------------------------------|--------------|--------------|-------------------|-------------------------------|
|                                      | Original     | Final        |                   |                               |
| REVENUES:                            |              |              |                   |                               |
| Assessments                          | \$ 715,088   | \$ 715,088   | \$ 718,297        | \$ 3,209                      |
| Licenses and permits                 | 72,000       | 72,000       |                   | (72,000)                      |
| Investment Income                    |              |              | 40,418            |                               |
| Interest                             | 1,000        | 1,000        |                   | (1,000)                       |
| Facilities Rental                    |              |              | 178,988           | 178,988                       |
| Total revenues                       | 788,088      | 788,088      | 937,703           | 109,197                       |
| EXPENDITURES:                        |              |              |                   |                               |
| Current:                             |              |              |                   |                               |
| Parks and planning                   | 1,111,651    | 1,111,651    | 922,638           | 189,013                       |
| Capital outlay                       | 1,027,400    | 1,027,400    | 870,368           | 157,032                       |
| Total expenditures                   | 2,139,051    | 2,139,051    | 1,793,006         | 346,045                       |
| REVENUES OVER (UNDER) EXPENDITURES   | (1,350,963)  | (1,350,963)  | (855,303)         | 455,242                       |
| OTHER FINANCING SOURCES (USES):      |              |              |                   |                               |
| Transfers in                         | 832,400      | 832,400      | 832,400           |                               |
| Transfers out                        |              |              | (73,822)          | (73,822)                      |
| Total other financing sources (uses) | 832,400      | 832,400      | 758,578           | (73,822)                      |
| Changes in Fund Balance              | \$ (518,563) | \$ (518,563) | (96,725)          | \$ 421,838                    |
| FUND BALANCE:                        |              |              |                   |                               |
| Beginning of fiscal year             |              |              | 507,745           |                               |
| End of fiscal year                   |              |              | \$ 411,020        |                               |

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information (Continued)**  
**For the fiscal year ended June 30, 2023**

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

Budgetary Comparison Schedule Rancho Conejo Assessment District Special Revenue Fund

|   | Budget Amounts |              |               | Variance with |
|---|----------------|--------------|---------------|---------------|
|   | Original       | Final        | Actual Amount | Final Budget  |
| REVENUES :  |                |              |               |               |
| Assessments   | \$ 127,763     | \$ 127,763   | \$ 128,645    | \$ 882        |
| Interest  | 1,000          | 1,000        | 5,950         | 4,950         |
| Total revenues  | 128,763        | 128,763      | 134,595       | 134,595       |
| EXPENDITURES:   |                |              |               |               |
| Current:  |                |              |               |               |
| Parks and Recreation:                                     |                |              |               |               |
| Parks and planning  | 367,042        | 367,042      | 290,336       | 76,706        |
| Capital outlay  | 30,000         | 30,000       | 32,714        | (2,714)       |
| Total expenditures  | 397,042        | 397,042      | 323,050       | 73,992        |
| Excess (deficiency) of revenues over (under) expenditures | (268,279)      | (397,042)    | (188,455)     | 208,587       |
| OTHER FINANCING SOURCES (USES):                           |                |              |               |               |
| Transfers in  | 255,811        | 255,811      | 255,811       |               |
| Transfers out   | -              | -            | (19,795)      | (19,795)      |
| Total other financing sources (uses)                      | 255,811        | 255,811      | 236,016       |               |
| Net Changes in Fund Balance                               | \$ (12,468)    | \$ (141,231) | \$ 47,561.00  | \$ 188,792    |
| FUND BALANCE:   |                |              |               |               |
| Beginning of fiscal year                                  |                |              | 199,333       |               |
| End of fiscal year  |                |              | \$ 246,894    |               |

See Note to Required Supplementary Information

**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

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

| Measurement Period  | 2022                 | 2021                | 2020                | 2019                | 2018                |
|---|----------------------|---------------------|---------------------|---------------------|---------------------|
| <b>TOTAL PENSION LIABILITY:</b>   |                      |                     |                     |                     |                     |
| Service Cost  | \$1,466,018          | \$1,274,986         | \$1,283,826         | \$1,256,364         | \$1,258,713         |
| Interest on Total Pension Liability   | 5,205,211            | 5,066,162           | 4,860,453           | 4,649,861           | 4,449,322           |
| Changes of Benefit Terms  | 0                    | 0                   | 0                   | 0                   | 0                   |
| Changes of Assumptions  | 2,211,471            | 0                   | 0                   | 0                   | (331,396)           |
| Difference Between Expected and Actual Experience                                     | (303,109)            | 236,487             | 222,518             | (10,227)            | 90,705              |
| Benefit Payments, Including Refunds of Employee Contributions                         | (3,915,805)          | (3,609,389)         | (3,389,185)         | (3,005,095)         | (2,778,697)         |
| <b>Net Change in Total Pension Liability</b>  | <b>\$4,663,786</b>   | <b>\$2,968,246</b>  | <b>\$2,977,612</b>  | <b>\$2,890,903</b>  | <b>\$2,688,647</b>  |
| Total Pension Liability – Beginning   | 74,754,372           | 71,786,126          | 68,808,514          | 65,917,611          | 63,228,964          |
| <b>Total Pension Liability – Ending (a)</b>   | <b>\$79,418,158</b>  | <b>\$74,754,372</b> | <b>\$71,786,126</b> | <b>\$68,808,514</b> | <b>\$65,917,611</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                      |                     |                     |                     |                     |
| Contributions – Employer  | \$2,010,923          | \$1,798,690         | \$1,612,293         | \$1,361,193         | \$1,113,988         |
| Contributions – Employee  | 615,218              | 597,810             | 559,197             | 585,995             | 587,402             |
| Net Investment Income   | (5,015,530)          | 12,442,794          | 2,691,044           | 3,385,151           | 4,079,327           |
| Benefit Payments, Including Refunds of Employee Contributions                         | (3,915,805)          | (3,609,389)         | (3,389,185)         | (3,005,095)         | (2,778,697)         |
| Net Plan to Plan Resource Movement  | 0                    | 0                   | 0                   | 0                   | (120)               |
| Administrative Expense  | (41,526)             | (55,428)            | (76,254)            | (36,965)            | (76,385)            |
| Other Miscellaneous Income/(Expense) <sup>1</sup>                                     | 0                    | 0                   | 0                   | 120                 | (145,057)           |
| <b>Net Change in Fiduciary Net Position</b>   | <b>\$(6,346,720)</b> | <b>\$11,174,477</b> | <b>\$1,397,095</b>  | <b>\$2,290,399</b>  | <b>\$2,780,458</b>  |
| Plan Fiduciary Net Position – Beginning <sup>2</sup>                                  | \$66,661,636         | \$55,487,159        | \$54,090,064        | \$51,799,665        | \$49,019,207        |
| Plan Fiduciary Net Position – Ending (b)  | 60,314,916           | 66,661,636          | 55,487,159          | 54,090,064          | 51,799,665          |
| <b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>                                   | <b>\$19,103,242</b>  | <b>\$8,092,736</b>  | <b>\$16,298,967</b> | <b>\$14,718,450</b> | <b>\$14,117,946</b> |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>     | <b>75.95%</b>        | <b>89.17%</b>       | <b>77.30%</b>       | <b>78.61%</b>       | <b>78.58%</b>       |
| Covered Payroll <sup>3</sup>  | \$8,858,114          | \$8,591,551         | \$8,547,443         | \$8,249,270         | \$8,276,649         |
| <b>Plan Net Pension Liability/(Asset) as a Percentage of Covered-Employee Payroll</b> | <b>215.66%</b>       | <b>94.19%</b>       | <b>190.69%</b>      | <b>178.42%</b>      | <b>170.58%</b>      |

<sup>1</sup> During Fiscal Year 2017-18, as a result of Governmental Accounting Standards Board Statement (GASB) No. 75, Accounting and Financial Reporting for Postemployment Benefit Plans Other than Pensions (GASB 75), CalPERS reported its proportionate share of activity related to postemployment benefits for participation in the State of California's agent OPEB plan. Accordingly, CalPERS recorded a one-time expense as a result of the adoption of GASB 75.

Additionally, CalPERS employees participate in various State of California agent pension plans and during Fiscal Year 2017-18, CalPERS recorded a correction to previously reported financial statements to properly reflect its proportionate share of activity related to pensions in accordance with GASB Statement No. 68, Accounting and Financial Reporting for Pensions (GASB 68).

<sup>2</sup> Includes any beginning of year adjustment.

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

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

**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

*Schedule of Changes in the Net Pension Liability and Related Ratios, CalPERS Plan – Last 10 Years\**  
(Continued)

| Measurement Period  | 2017                | 2016                | 2015                | 2014                |
|---|---------------------|---------------------|---------------------|---------------------|
| <b>TOTAL PENSION LIABILITY:</b>   |                     |                     |                     |                     |
| 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)         |
| <b>Net Change in Total Pension Liability</b>                                      | <b>\$6,471,737</b>  | <b>\$2,068,914</b>  | <b>\$1,579,245</b>  | <b>\$2,868,911</b>  |
| Total Pension Liability – Beginning   | 56,757,227          | 54,688,313          | 53,109,068          | 50,240,157          |
| <b>Total Pension Liability – Ending (a)</b>                                       | <b>\$63,228,964</b> | <b>\$56,757,227</b> | <b>\$54,688,313</b> | <b>\$53,109,068</b> |
| <b>PLAN FIDUCIARY NET POSITION</b>  |                     |                     |                     |                     |
| 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                   |
| <b>Net Change in Fiduciary Net Position</b>                                       | <b>\$3,856,066</b>  | <b>\$(785,705)</b>  | <b>\$124,987</b>    | <b>\$6,072,381</b>  |
| 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          |
| <b>Plan Net Pension Liability/(Asset) – (a)-(b)</b>                               | <b>\$14,209,757</b> | <b>\$11,594,086</b> | <b>\$8,739,467</b>  | <b>\$7,285,209</b>  |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b> |                     |                     |                     |                     |
| Covered Payroll   | \$8,208,402         | \$7,822,246         | \$7,948,909         | \$7,661,774         |
| <b>Plan Net Pension Liability/(Asset) as a Percentage of Covered Payroll</b>      | <b>173.11%</b>      | <b>148.22%</b>      | <b>109.95%</b>      | <b>95.09%</b>       |

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

Benefit Changes: The figures above do not include any liability impact that may have resulted from plan changes which occurred after the June 30, 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 nine years are shown.

**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

*Schedule of Contributions, CalPERS Plan – Last 10 Years\**

| Employer Fiscal Year End  | 2022        | 2021        | 2020        | 2019        | 2018        |
|---|-------------|-------------|-------------|-------------|-------------|
| Actuarially Determined Contribution <sup>2</sup>                                  | \$2,010,923 | \$1,798,690 | \$1,612,293 | \$1,361,193 | \$1,113,988 |
| Contributions in Relation to the Actuarially Determined Contribution <sup>2</sup> | (2,010,923) | (1,798,690) | (1,612,293) | (1,361,193) | (1,113,988) |
| Contribution Deficiency (Excess)  | \$0         | \$0         | \$0         | \$0         | \$0         |
| Covered Payroll <sup>3</sup>  | \$8,858,114 | \$8,591,551 | \$8,547,443 | \$8,249,270 | \$8,276,649 |
| Contributions as a Percentage of Covered Payroll <sup>3</sup>                     | 22.70%      | 20.94%      | 18.86%      | 16.50%      | 13.46%      |

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

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

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

<sup>3</sup> Includes one year's payroll growth using 2.80% payroll growth assumption for fiscal year ended June 30, 2022; 2.75% payroll growth assumption for fiscal years ended June 30, 2018-21; 3.00% payroll growth assumption for fiscal years ended June 30, 2014-17.

*Notes to Schedule*

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2021-22 were derived from the June 30, 2019 funding valuation report.

|                            |  |
|----------------------------|--|
| Actuarial Cost Method      | Entry Age Actuarial Cost Method  |
| Amortization Method/Period | For details, see June 30, 2019 Funding Valuation Report.   |
| Asset Valuation Method     | Fair Value of Assets. For details, see June 30, 2019 Funding Valuation Report.   |
| Inflation                  | 2.5%   |
| Salary Increases           | Varies by entry age and service  |
| Payroll Growth             | 2.75%  |
| Investment Rate of Return  | 7.00% net of pension plan investment and administrative expenses; includes inflation.  |
| Retirement Age             | The probabilities of retirement are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015.   |
| Mortality                  | The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. |

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



**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

*Schedule of Changes in the Net Pension Liability and Related Ratios, Retirement Enhancement Plan – Last 10 Years\**

|   |              |              |              |              |
|---|--------------|--------------|--------------|--------------|
| Measurement Date (June 30):   | 2019         | 2020         | 2021         | 2022         |
| Report Date (June 30):  | 2020         | 2021         | 2022         | 2023         |
| <b><u>Total Pension Liability</u></b>   |              |              |              |              |
| Service Cost  | \$ 74,003    | \$ 42,475    | \$ 46,048    | \$ 74,355    |
| Interest  | 181,199      | 209,539      | 208,132      | 195,233      |
| Changes of Benefit Terms  | -            | -            | -            | -            |
| Differences Between Expected and Actual Experience                                  | (104,240)    | (39,615)     | (142,237)    | (29,121)     |
| Changes of Assumptions:   | (915,222)    | -            | 408,855      | (3,009)      |
| Benefit Payments  | (831,066)    | (232,036)    | (241,370)    | (272,798)    |
| Net Change in Total Pension Liability   | (1,595,326)  | (19,637)     | 279,428      | (35,340)     |
| Total Pension Liability – Beginning   | 5,019,718    | 3,424,392    | 3,404,755    | 3,684,183    |
| Total Pension Liability – Ending (a)  | \$ 3,424,392 | \$ 3,404,755 | \$ 3,684,183 | \$ 3,648,843 |
| <b><u>Plan Fiduciary Net Position</u></b>   |              |              |              |              |
| Net Investment Income   | \$ 222,780   | \$ 102,634   | \$ 695,463   | \$ (455,816) |
| Employer Contributions  | 4,000,000    | 54,504       | 46,244       | -            |
| Benefit Payments  | (831,066)    | (232,036)    | (241,370)    | (272,798)    |
| Administrative Expense  | (42,311)     | (39,650)     | (40,377)     | (41,184)     |
| Other Miscellaneous Income/ (Expense)   | -            | -            | -            | -            |
| Net Change in Plan Fiduciary Net Position   | 3,349,403    | (114,548)    | 459,960      | (769,798)    |
| Plan Fiduciary Net Position – Beginning   | -            | 3,349,403    | 3,234,855    | 3,694,815    |
| Plan Fiduciary Net Position – Ending (b)  | \$ 3,349,403 | \$ 3,234,855 | \$ 3,694,815 | \$ 2,925,017 |
| <b><u>Net Pension Liability</u></b>   |              |              |              |              |
| District's Net Pension Liability – Ending = (a) – (b)                               | \$ 3,424,392 | \$ 55,352    | \$ 449,328   | \$ (45,972)  |
| <b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>   |              |              |              |              |
|   | 0.0%         | 98.4%        | 87.8%        | 101.3%       |
| <b>Covered-Employee Payroll</b>   |              |              |              |              |
|   | \$ 3,635,097 | \$ 4,038,302 | \$ 3,234,277 | \$ 3,234,277 |
| <b>District's Net Pension Liability as a Percentage of Covered-Employee Payroll</b> |              |              |              |              |
|   | 94.2%        | 1.4%         | 13.9%        | -1.4%        |

\*Fiscal year 2020 was the first year of plan adoption, therefore only four years are shown.

**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

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*Schedule of Contributions, Retirement Enhancement Plan – Last 10 Years\**

|   |              |              |              |
|---|--------------|--------------|--------------|
| Measurement Period:                                       | 2019-2020    | 2020-2021    | 2021-2022    |
| Reporting Period:   | 2020-2021    | 2021-2022    | 2022-2023    |
| Report Date (June 30):                                    | 2021         | 2022         | 2023         |
| Actuarially Determined Contribution (ADC)                 | \$ 54,504    | \$ 46,244    | \$ 75,691    |
| Less: Contributions Made in Relation to the ADC           | 54,504       | 46,244       | -            |
| Contribution Deficiency (Excess)                          | -            | -            | 75,691       |
| Covered-Employee Payroll                                  | \$ 4,038,302 | \$ 3,234,277 | \$ 3,234,277 |
| Contributions as a Percentage of Covered-Employee Payroll | 1.35%        | 1.43%        | 0.00%        |

**Notes to Schedule:**

**Assumptions and Methods**

|                           |  |
|---------------------------|--|
| Actuarial Cost Method:    | Entry-age normal, level percent of pay |
| Amortization Method:      | Closed period, level percent of pay    |
| Amortization Period:      | 4.4 years                              |
| Inflation:                | 2.30%                                  |
| Assumed Payroll Growth:   | 2.800%                                 |
| Rate of Return on Assets: | 5.39%                                  |
| Mortality Rate:           | CalPERS Rates.                         |
| Retirement Rates:         | CalPERS Rates.                         |

\*Fiscal year 2021 was the first year of available information, therefore only three years are shown.

**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

*Schedule of Changes in the Net OPEB Liability and Related Ratios – Last 10 years\**

| Measurement Date (June 30):  | 2017          | 2018          | 2019         | 2020         | 2021           | 2022         |
|--|---------------|---------------|--------------|--------------|----------------|--------------|
| Report Date (June 30):   | 2018          | 2019          | 2020         | 2021         | 2022           | 2023         |
| <b>Total OPEB Liability</b>  |               |               |              |              |                |              |
| Service Cost \$  | 351,224       | \$ 290,499    | \$ 211,498   | \$ 127,069   | \$ 133,423     | \$ 133,423   |
| Interest   | 336,056       | 393,222       | 229,949      | 288,108      | 303,366        | 233,749      |
| Changes of Benefit Terms   | -             | -             | -            | -            | -              | -            |
| Differences Between Expected and Actual Experience                             | -             | (165,612)     | (3,608)      | 5,040        | 545,895        | 4,361        |
| Changes of Assumptions   | (1,151,364)   | (264,829)     | (1,524,648)  | -            | (1,344,313)    | 35,772       |
| Benefit Payments   | (278,108)     | (288,044)     | (109,605)    | (178,905)    | (123,207)      | (123,824)    |
| Implicit Subsidy Credit  | -             | -             | (34,575)     | -            | (60,071)       | (75,989)     |
| Net Change in Total OPEB Liability   | (742,192)     | (34,764)      | (1,230,989)  | 241,312      | (544,907)      | 207,492      |
| Total OPEB Liability – Beginning   | 11,578,300    | 10,836,108    | 5,801,736    | 4,570,747    | 4,812,059      | 4,267,152    |
| Total OPEB Liability – Ending (a)  | \$ 10,836,108 | \$ 10,801,344 | \$ 4,570,747 | \$ 4,812,059 | \$ 4,267,152   | \$ 4,474,644 |
| <b>Plan Fiduciary Net Position</b>   |               |               |              |              |                |              |
| Net Investment Income \$   | -             | \$ -          | \$ 191,632   | \$ 173,735   | \$ 1,117,923   | \$ (776,120) |
| Employer – District's Contributions  | 278,108       | 288,044       | 4,605,417    | 269,463      | 196,036        | 71,230       |
| Employer – Implicit Subsidy  | -             | -             | 34,575       | -            | 60,071         | 75,989       |
| Benefit Payments   | (278,108)     | (288,044)     | (109,605)    | (178,905)    | (123,207)      | (123,824)    |
| Implicit Subsidy Credit  | -             | -             | (34,575)     | -            | (60,071)       | (75,989)     |
| Administrative Expense   | -             | -             | (2,398)      | (11,865)     | (27,291)       | (29,046)     |
| Other Miscellaneous Income/(Expense)   | -             | -             | -            | -            | -              | -            |
| Net Change in Plan Fiduciary Net Position                                      | -             | -             | 4,685,046    | 252,428      | 1,163,461      | (857,760)    |
| Plan Fiduciary Net Position – Beginning  | -             | -             | -            | 4,685,046    | 4,937,474      | 6,100,935    |
| Plan Fiduciary Net Position – Ending (b)                                       | \$ -          | \$ -          | \$ 4,685,046 | \$ 4,937,474 | \$ 6,100,935   | \$ 5,243,175 |
| <b>Net OPEB Liability</b>  |               |               |              |              |                |              |
| District's Net OPEB Liability – Ending = (a) – (b)                             | \$ 10,836,108 | \$ 10,801,344 | \$ (114,299) | \$ (125,415) | \$ (1,833,783) | \$ (768,531) |
| <b>Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability</b> | 0.0%          | 0.0%          | 102.5%       | 102.6%       | 143.0%         | 117.2%       |
| Covered Payroll \$   | -             | \$ 7,223,666  | \$ 7,122,600 | \$ 8,552,308 | \$ 7,444,703   | \$ 7,812,572 |
| <b>District's Net OPEB Liability as a Percentage of Covered Payroll</b>        | n/a           | 149.5%        | -1.6%        | -1.5%        | -24.6%         | -9.8%        |

\*Fiscal year 2018 was the first year of implementation, therefore only six years are shown.

**Conejo Recreation and Park District**  
**Required Supplementary Information**  
**June 30, 2023**

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*Schedule of OPEB Contributions - Last 10 Years\**

|  |              |              |              |              |
|--|--------------|--------------|--------------|--------------|
| Measurement Period:                              | 2018-2019    | 2019-2020    | 2020-2021    | 2021-2022    |
| Reporting Period:                                | 2019-2020    | 2020-2021    | 2021-2022    | 2022-2023    |
| Report Date (June 30):                           | 2020         | 2021         | 2022         | 2023         |
| Actuarially Determined Contribution (ADC)        | \$ 139,992   | \$ 269,463   | \$ 256,107   | \$ 147,219   |
| Less: Contributions Made in Relation to the ADC  | 4,639,992    | 269,463      | 256,107      | 147,219      |
| Contribution Deficiency (Excess)                 | (4,500,000)  | -            | -            | -            |
| Covered Payroll                                  | \$ 7,122,600 | \$ 8,552,308 | \$ 7,444,703 | \$ 7,812,572 |
| Contributions as a Percentage of Covered Payroll | 65.14%       | 3.15%        | 3.44%        | 1.88%        |

**Notes to Schedule:**

**Assumptions and Methods**

|                           |  |
|---------------------------|--|
| Actuarial Cost Method:    | Entry-age normal, level percent of pay |
| Amortization Method:      | Closed period, level percent of pay    |
| Amortization Period:      | 20 years                               |
| Inflation:                | 2.30%                                  |
| Assumed Payroll Growth:   | 2.800%                                 |
| Healthcare Trend Rates:   | 7.00%, trending down to 4.04%          |
| Rate of Return on Assets: | 5.39%                                  |
| Mortality Rate:           | CalPERS Rates.                         |
| Retirement Rates:         | CalPERS Rates.                         |

\*Fiscal year 2020 was the first year of available information, therefore only four years are shown.

**Conejo Recreation and Park District**  
**Combining Statement of Fiduciary Net Position**  
**Custodial Funds**  
**June 30, 2023**

|  | Custodial Funds                              |   |                                     |  |                                     |                   |
|--|--|---|-------------------------------------|--|-------------------------------------|-------------------|
|  | Conejo<br>Coalition<br>for Youth &<br>Family | Goebel Adult<br>Community<br>Center<br>Fund | CSVP<br>Advisory<br>Council<br>Fund | Therapeutic<br>Advisory<br>Council<br>Fund | Teen<br>Advisory<br>Council<br>Fund | Totals            |
| <b>ASSETS</b>                                    |  |   |                                     |  |                                     |                   |
| Cash and investments                             | \$ 2,543                                     | \$ 387                                      | \$ 150,958                          | \$ 162,511                                 | \$ 73,814                           | \$ 390,213        |
| Interest Receivable                              |  |   | 1,728                               | 1,859                                      | 853                                 | 4,440             |
| Accounts Receivable                              |  |   |                                     |  | 500                                 | 500               |
| Total assets                                     | <u>2,543</u>                                 | <u>387</u>                                  | <u>152,686</u>                      | <u>164,370</u>                             | <u>75,167</u>                       | <u>395,153</u>    |
| <b>LIABILITIES</b>                               |  |   |                                     |  |                                     |                   |
| Accounts payable                                 | 100  |   | 941                                 |  | 966                                 | 2,007             |
| Total liabilities                                | <u>100</u>                                   |   | <u>941</u>                          |  | <u>966</u>                          | <u>2,007</u>      |
| <b>Net position</b>                              |  |   |                                     |  |                                     |                   |
| Restricted for:                                  |  |   |                                     |  |                                     |                   |
| Individuals, organizations and other governments | 2,443  | 387   | 151,745                             | 164,370                                    | 74,201                              | 393,146           |
| Total net position                               | <u>\$ 2,443</u>                              | <u>\$ 387</u>                               | <u>\$ 151,745</u>                   | <u>\$ 164,370</u>                          | <u>\$ 74,201</u>                    | <u>\$ 393,146</u> |

**Conejo Recreation and Park District**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Custodial Funds**  
**For the Fiscal Year Ended June 30, 2023**

|                                   | Custodial Funds                              |   |                                     |  |                                     |            |
|-----------------------------------|--|---|-------------------------------------|--|-------------------------------------|------------|
|                                   | Conejo<br>Coalition<br>for Youth &<br>Family | Goebel Adult<br>Community<br>Center<br>Fund | CSVP<br>Advisory<br>Council<br>Fund | Therapeutic<br>Advisory<br>Council<br>Fund | Teen<br>Advisory<br>Council<br>Fund | Totals     |
| <b>ADDITIONS</b>                  |  |   |                                     |  |                                     |            |
| Investment Income                 | \$ 10  | \$ -  | \$ 3,406                            | \$ 3,630                                   | \$ 1,624                            | \$ 8,670   |
| Recreation fees                   |  |   | 31,954                              |  | 23,229                              | 55,183     |
| Other rev                         |  |   |                                     | 27,399                                     |                                     | 27,399     |
| Total additions                   | 10   |   | 35,360                              | 31,029                                     | 24,853                              | 91,252     |
| <b>DEDUCTIONS</b>                 |  |   |                                     |  |                                     |            |
| Parks and planning                | 302  |   |                                     |  |                                     | 302        |
| Recreation and community services |  |   | 25,755                              |  | 4,811                               | 30,566     |
| Total deductions                  | 302  |   | 25,755                              |  | 4,811                               | 30,868     |
| Change in net position            | (292)  |   | 9,605                               | 31,029                                     | 20,042                              | 60,384     |
| Net position, beginning of year   | 2,735  | 387   | 142,140                             | 133,341                                    | 54,159                              | 332,762    |
| Net position, end of year         | \$ 2,443                                     | \$ 387                                      | \$ 151,745                          | \$ 164,370                                 | \$ 74,201                           | \$ 393,146 |