

RANCHO SIMI RECREATION AND PARK DISTRICT

BASIC FINANCIAL STATEMENTS

JUNE 30, 2016

RANCHO SIMI RECREATION AND PARK DISTRICT
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INDEPENDENT AUDITOR'S REPORT

Board of Directors
Rancho Simi Recreation and Park District
Simi Valley, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rancho Simi Recreation and Park District, California (District) as of and for the fiscal year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Rancho Simi Recreation and Park District, California, as of June 30, 2016, and the respective changes in financial position and where applicable, cash flows thereof, for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

As discussed in Note 1 to the financial statements, effective July 1, 2015, the District adopted the provisions of Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. Our opinion is not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 4 through 9, the Schedule of Funding Progress for Postemployment Benefits on page 49, the Schedule of Changes in the Net Pension Liability and Related Ratios on page 50, the Schedule of Pension Contributions on page 51, the budgetary comparison schedules of the General Fund on page 52, and the Park Dedication Fees Special Revenue Fund on page 53 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The Capital Outlay Capital Projects Fund budgetary comparison schedule, the Capital Outlay Grants Capital Projects Fund budgetary comparison schedule, the combining nonmajor fund financial statements, and combining nonmajor fund budgetary comparison schedules are presented for purposes of additional analysis and are not required parts of the basic financial statements. The Capital Outlay Capital Projects Fund budgetary comparison schedule, the Capital Outlay Grants Capital Projects Fund budgetary comparison schedule, the combining nonmajor fund financial statements and combining nonmajor fund budgetary comparison schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the 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 April 14, 2017, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Moss, Levy & Hartzheim

Moss, Levy & Hartzheim, LLP
Culver City, California
April 14, 2017

RANCHO SIMI RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

This section of the Simi Valley Recreation and Park District's (the "District") basic financial statements presents management's discussion and analysis of the District's financial performance during the fiscal years ended June 30, 2016. Management's discussion and analysis is intended to serve as an overview of the District's required financial statements and should be read in conjunction with the audited financial statements and accompanying notes to the financial statements which follow this section.

Financial Highlights

The District's financial highlights for the fiscal years presented are listed below. These results are discussed in more detail later in this report.

- Total net position increased by approximately \$1.35 million, or 1.3% in Fiscal Year (FY) 2015/16. The current year increase includes prior period adjustments of \$1.5 million.
- Total revenues increased by approximately \$0.3 million or 1.4% from the prior fiscal year, with \$22.8 million recognized in FY 2015/16, versus \$22.5 million in FY 2014/15.
- Comparing FY 2014/15 to FY 2015/16, total operating expenses increased by \$0.2 million or 0.9%.

Overview of the Financial Statements

This annual report includes management's discussion and analysis report, the independent auditors' report, and the basic financial statements of the District. The financial statements also include notes that explain information in the financial statements in more detail, required supplementary information which provides additional disclosures on post-employment health insurance benefits and pension liabilities, and other supplemental information which includes budgetary comparison schedules of revenues and operating expenses for Capital Outlay Capital Projects and Capital Outlay Grants Capital Projects, as well as the combining balance sheet for Nonmajor Governmental Funds.

Required Financial Statements

The financial statements of the District report information about the District using accounting methods similar to those used by private sector companies. These statements offer short and long-term financial information about the District's activities.

As the District is a special enterprise district of the State of California, the format of the District's financial statements are presented in accordance with the business-type activities of enterprise fund. Enterprise funds are self-supporting funds that charge fees to users to cover the costs of operation, maintenance, and recurring capital replacement similar to the accounting used by private sector companies. Enterprise funds also report on the accrual basis of accounting, recognizing all assets, liabilities, revenues, and expenses applicable as of the financial statement date.

The Statement of Net Position includes all of the District's assets, liabilities, and deferred inflows/outflows and provides information about the nature and amount of investment resources (assets) and obligations (liabilities).

The Statement of Revenues, Expenses and Changes in Net Position reports the District's operating and non-operating revenues by major sources along with operating and non-operating expenses by categories and capital contributions.

The Statement of Cash Flows reports the District's cash flows (cash receipts and payments) from operating activities, capital and non-capital, and investing activities.

RANCHO SIMI RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Financial Statement Analysis

The following table shows the condensed statements of net position of the District for the past two fiscal years:

	Condensed Statement of Net Position						Total % Change
	Governmental Activities		Business Type Activities		Total Primary Government		
	2015	2016	2015	2016	2015	2016	
Assets							
Current and Other Assets	\$ 12,771,479	\$ 9,518,221	\$ 5,786,941	\$ 4,650,512	\$ 18,558,420	\$ 14,168,733	-23.7%
Capital Assets	98,056,972	111,378,426	3,688,119	3,803,686	101,745,091	115,182,112	13.2%
Total Assets	110,828,451	120,896,647	9,475,060	8,454,198	120,303,511	129,350,845	7.5%
Deferred Outflows of Resources							
Pension	1,150,765	1,342,620	129,679	278,117	1,280,444	1,620,737	26.6%
Total Deferred Outflows of Resources	1,150,765	1,342,620	129,679	278,117	1,280,444	1,620,737	26.6%
Liabilities							
Current and Other Liabilities	1,683,608	1,940,186	294,034	275,022	1,977,642	2,215,208	12.0%
Long-term Liabilities	8,718,427	18,019,921	722,202	972,040	9,440,629	18,991,961	101.2%
Total Liabilities	10,402,035	19,960,107	1,016,236	1,247,062	11,418,271	21,207,169	85.7%
Deferred Inflows of Resources							
Pension	2,486,093	797,013	280,155	213,842	2,766,248	1,010,855	-63.5%
Total Deferred Inflows of Resources	2,486,093	797,013	280,155	213,842	2,766,248	1,010,855	-63.5%
Net Position							
Net Investment in capital assets	98,056,972	104,151,702	3,688,119	3,803,686	101,745,091	107,955,388	6.1%
Restricted	4,889,931	2,753,532			4,889,931	2,753,532	-43.7%
Unrestricted	(3,855,815)	(5,423,087)	4,620,229	3,467,725	764,414	(1,955,362)	-355.8%
Total Net Position	\$ 99,091,088	\$ 101,482,147	\$ 8,308,348	\$ 7,271,411	\$ 107,399,436	\$ 108,753,558	1.3%

The District's combined Net Position for the fiscal year ended June 30, 2016, totaled \$108.7 million, an increase of \$1.3 million from the prior fiscal year. The current year increase includes prior period adjustments of \$1.5 million.

There was a decrease of (\$4.4 million) in current assets during FY 2015/16, primarily as a result of cash paid for the Rancho Simi Community Park phase 1 & 2 + lagoon project (\$1.6 million), the Runkle Park project (\$1.4 million), the Chumash Park project (\$0.5 million,) and the Guardian office project (\$1.3 million), offset by related revenues of \$1.2 million. This activity mostly relates to the Park Dedication Fees and Capital Outlay Funds. In addition, Other Receivables were reduced by (\$0.6 million) due mostly to a deposit previously paid being applied to the Guardian office purchase price.

Current liabilities increased \$0.2 million during FY 2015/16, mostly due to an increase in accrued payroll, as there were more accrued work days in FY 2015/16 than in FY 2014/2015 (10 in FY15/16 vs. 7 in FY14/15)

Long-term liabilities increased \$9.6 million during FY 2015/16, primarily due to the lease payable related to the Guardian building of \$7.2 million. In addition Pension and Other Post-Employment benefits rose by \$2.4 million. Due to the implementation of GASB 68, the District is required to record the CalPERS retirement pension liability. Note that in FY 2014/15, the pension liability balance was \$6.7 million, which was the first year recording this transaction. The balance of pension liability in FY 2013/14 was \$0.

RANCHO SIMI RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Condensed Statements of Revenues, Expenses and Changes in Net Position

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2015	2016	2015	2016	2015	2016	
Revenues							
Program Revenues							
Charges for Services	\$ 5,519,740	\$ 6,028,920	\$ 3,328,100	\$ 3,287,819	\$ 8,847,840	\$ 9,316,739	5.3%
Capital Contributions and Grants	707,357	292,618			707,357	292,618	-58.6%
General Revenues							
Secured/Unsecured Property Tax	12,894,315	13,122,244			12,894,315	13,122,244	1.8%
Investment Income	20,640	33,293	21,348	25,407	41,988	58,700	39.8%
Other	40,930	58,700			40,930	58,700	43.4%
Total Revenue	19,182,982	19,535,775	3,349,448	3,313,226	22,532,430	22,849,001	1.4%
Expenses							
Parks and Recreation	20,054,305	20,387,529			20,054,305	20,387,529	1.7%
Golf Courses			2,801,056	2,673,163	2,801,056	2,673,163	-4.6%
Total Expenses	20,054,305	20,387,529	2,801,056	2,673,163	22,855,361	23,060,692	0.9%
Transfers	2,853,145	1,677,000	(2,853,145)	(1,677,000)			N/A
Changes in Net Position	1,981,822	825,246	(2,304,753)	(1,036,937)	(322,931)	(211,691)	-34.4%
Net Position-Beginning	104,362,261	99,091,088	11,430,433	8,308,348	115,792,694	107,399,436	-7.2%
Prior Period Adjustments	(7,252,995)	1,565,813	(817,332)		(8,070,327)	1,565,813	-119.4%
Net Position-Beginning Restated	97,109,266	100,656,901	10,613,101	8,308,348	107,722,367	108,965,249	1.2%
Net Position-Ending	\$ 99,091,088	\$ 101,482,147	\$ 8,308,348	\$ 7,271,411	\$ 107,399,436	\$ 108,753,558	1.3%

The District's net operating loss was approximately (\$0.2) million for FY 2015/16. The net operating losses are primarily due to an increase in wages and benefits of \$0.6 million, an increase in marketing expense of \$0.1 million, offset by a reduction in depreciation of (\$0.2 million) and a reduction in utilities expense of (\$0.2 million).

Net operating revenue increased by approximately \$0.3 million or 1.4% in FY 2015/16.

The main changes in operating revenue during FY 2015/16 were:

- Charges for services increased by \$469K from the previous fiscal year. The increase was derived primarily from the District's Before/After School Care and Summer Camp programs \$320K, Seniors program \$89K, and facility and field rentals \$55K
- Capital contributions and grants decreased by (\$414K).
- Secured/unsecured property tax increased by \$228K.

Net operating expenses increased by \$0.2 million or 0.9% in FY 2015/16

The main changes in operating expenses during FY 2014/15 were:

- Full Time Wages increased \$232K due mainly to a cost of living increase of 3% granted to all positions.
- Part Time Wages increased \$290K due mainly to a cost of living increase of 3% granted to all positions, and an increase in part time employees in the Administration and Recreation departments.
- Marketing expenses increased \$109K due mainly to higher costs related to the District's Simi Valley and Oak Park Summer and Winter Reporter brochures.
- Building depreciation expense decreased by (\$248K).
- Electricity utility expense decreased by (\$152K) and water utility decreased by (\$90K) due to conservation and increased efficiency efforts.

RANCHO SIMI RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Capital Assets Summary

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2015	2016	2015	2016	2015	2016	
Land	\$ 67,187,599	\$ 69,806,509	\$ -	\$ -	\$ 67,187,599	\$ 69,806,509	3.9%
Construction in Progress	1,079,181	12,310,979	2,635,913	2,707,286	3,715,094	15,018,265	304.2%
Land Improvements	2,901,326	2,901,326			2,901,326	2,901,326	0.0%
Buildings and Improvements	63,766,324	64,821,095	5,968,170	6,066,576	69,734,494	70,887,671	1.7%
Equipment	2,562,483	2,808,350	904,130	967,780	3,466,613	3,776,130	8.9%
Total Capital Assets	137,496,913	152,648,258	9,508,214	9,741,642	147,005,127	162,389,901	10.5%
Less Accumulated Depreciation	(39,439,941)	(41,269,832)	(5,820,094)	(5,937,956)	(45,260,035)	(47,207,788)	
Total Capital Assets, Net of Accumulated Depreciation	\$ 98,056,972	\$ 111,378,426	\$ 3,688,119	\$ 3,803,686	\$ 101,745,091	\$ 115,182,112	13.2%

The District's investment in capital assets as of June 30, 2016 totaled approximately \$115.1 million, net of accumulated depreciation. The investment in capital assets includes land, construction in progress, land improvements, building and improvements, and equipment. The net increase in capital assets was approximately \$13.4 million, which includes the following:

- Runkle Park land acquisition (prior period adjustment- Land)- \$1.5 million
- Guardian Office land portion (Land)- \$1.0 million
- Guardian Office building portion (CIP)- \$7.6 million
- Rancho Simi Community Park Lagoon (CIP)- \$1.7 million
- Runkle Canyon Park (CIP)- \$1.7 million
- Rancho Simi Community Park Pool (Buildings and Improvement)- \$0.2 million
- Various equipment purchases (Equipment)- \$0.3 million

Detailed information on Capital Assets can be found in Note 6 to the basic financial statements.

Long-Term Liabilities

The District has the following outstanding debt as of June 30, 2016:

	Governmental Activities		Business Type Activities		Total Primary Government		Total % Change
	2015	2016	2015	2016	2015	2016	
Other Postemployment Benefits	\$ 2,029,719	\$ 2,339,355	\$ -	\$ -	\$ 2,029,719	\$ 2,339,355	15.3%
Guardian building lease payable		7,226,724				7,226,724	N/A
Net Pension Liability	5,986,857	7,809,523	674,653	920,002	6,661,510	8,729,525	31.0%
Compensated Absences	701,851	644,319	47,549	52,038	749,400	696,357	-7.1%
Total Long-Term Liabilities	\$ 8,718,427	\$ 18,019,921	\$ 722,202	\$ 972,040	\$ 9,440,629	\$ 18,991,961	101.2%

During the FY 2014/15, the District implemented GASB Statement Nos. 68 and 71, which required the recording of pension liabilities in the financial statements. The liability amount of \$8.7 million is recorded in the governmental activities and is detailed in Notes 8 and 14 to the basic financial statements.

Detailed information on long term obligations can be found in Note 7 to the basic financial statements.

RANCHO SIMI RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

Economic and Other Factors

The District's budget for fiscal year 2016/17 was adopted by the board of directors in October, 2016. This includes a Capital Improvement Program (CIP) of \$13.3million. The CIP incorporates a 3-Year Capital Improvement Program which was approved in October 2016.

Personnel costs continue to be a significant portion of operations and maintenance costs. There are a few important known variables included in these personnel costs. Health insurance premiums have caused healthcare to become a leading personnel cost. Based on premiums negotiated and set by CalPERS healthcare costs will remain stable for FY 2016/17 and there will be a nominal increase in costs.

The District, like most local government agencies, has encountered a number of financial challenges over the years. In 1992, the State of California's Budget crisis led to the creation of an Educational Revenue Augmentation Fund ("ERAF"). In short, the State shifted local government tax revenue to meet its educational funding requirements "without raising taxes". Not surprisingly, most of the government agencies that experienced the diversion were forced to reduce services, increase prices, and implement assessments to offset their loss of income. Since 1992 a total of approximately \$35.9 million has been diverted from the park district at an annual rate today of over \$2 million. The California State Legislature increased the amount of this diversion by approximately \$750,000 for each of fiscal years 2004-05 and 2005-06, due to another California State budget crisis, increasing the amount diverted to over \$37.4 million.

Put another way, since 1992 approximately 20% of the District's local tax revenue receipts have been diverted to the State. During this same time the resident population served by the District substantially increased, many of the District's older parks began to require substantial infrastructure repairs, and the cost of construction increased significantly. To help offset the loss of revenue and increasing facility demands the District implemented a voter approved assessment, increased activity participation fees and facility rentals, restructured its operations and staffing levels, streamlined its operational processes, reduced its expenses and assumed operational control of both its Sinaloa and Simi Hills Golf Courses, among many other things.

The California State budget is currently balanced, and so the threat of additional diversions for that reason is now low. The Federal Government budget seems less sound, and it is unclear what if any impact current deficits and monetary policy will have on the economy and in turn on the District. Employment rate reports and the level of pay for the positions that are being created are difficult to reconcile with our observations and seem inadequate to result in an improvement in property values and spending. Like so many, District employees are experiencing increasing financial pressure from rising prices despite statistical measures indicating inflation is low. The District has fairly consistently adjusted employee wages to match price increases measured by the generally accepted criteria, but less reliance is now being placed upon that criteria due to its apparent failure to adequately measure the actual rising cost of living.

The District has increased the hourly rate for nearly every part-time employee while implementing the two recent minimum wage increases. The District has now also implemented sick leave for part-time employees and health benefits for eligible part-time employees under the Affordable Care Act. Pension reform requires eligible part-time and full-time District employees hired on or after January 1, 2013, to pay approximately 6.25% of their wages towards their pension benefit. Over time this should decrease the District's pension expenses, provided the PERS investment return (which is largely dependent upon the stock market) increases with stability at expected rates. District employees that are Classic members of PERS are to assume 3% of the cost of their pension benefit beginning January 1, 2018.

RANCHO SIMI RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
For the Fiscal Year Ended June 30, 2016

The District, like other government agencies, has an essential obligation of serving the public interest at the highest level possible for the least cost, given a limited budget. It has always taken that obligation seriously. The substantial financial impacts and areas of concern are outside of its authority to resolve. Therefore, the District will continue to make every effort to anticipate and overcome the obstacles as they are created. The state of the economy and the performance of the stock market will be closely monitored. Both can effect wages, purchasing power, unemployment, property values and property taxes, participation in recreation activities, and the need to increase contributions to maintain PERS funding levels. The District remains hopeful the current trends will improve.

Accounting System and Budgetary Control

The District's operations, park maintenance and recreation activities, are largely funded through the General Fund. In addition to the General Fund, the District maintains eight (8) other funds. These other funds provide a separate accounting of monies that are segregated for legal or other reasons. As a special district, charges to customers are made only to those who receive services. The District's account structure, insofar as is practical and in accordance with generally accepted accounting principles.

The District's Board adopts a non-appropriated budget to serve as its approved financial plan. Increases in service charges are approved by the Board after conducting a public protest hearing. The budget is used as a key control device: (1) to ensure Board approval for amounts set for operations and capital improvements; (2) to monitor expenses and projected progress; and (3) as compliance that approved spending levels have not been exceeded. All operating and capital activities of the District are included within the approved budget.

Requests for Information

This report is designed to assist interested parties in understanding the Park District's state of financial affairs and related considerations. Further questions can also be directed telephonically at 805-584-4400 to the District Manager, Larry Peterson (or by e-mail at larry@rsrpd.us), or to the District's Director of Administration, Theresa Pennington (or by e-mail at theresa@rsrpd.us).

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BASIC FINANCIAL STATEMENTS

RANCHO SIMI RECREATION AND PARK DISTRICT
STATEMENT OF NET POSITION
June 30, 2016

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and investments	\$ 8,582,368	\$ 5,102,097	\$ 13,684,465
Receivables:			
Interest	11,914	6,237	18,151
Other	418,218		418,218
Prepaid items	2,635		2,635
Inventory		45,264	45,264
Internal balances	503,086	(503,086)	
Capital assets:			
Nondepreciable	82,117,486	2,707,286	84,824,772
Depreciable, net	29,260,940	1,096,400	30,357,340
 Total assets	 <u>120,896,647</u>	 <u>8,454,198</u>	 <u>129,350,845</u>
DEFERRED OUTFLOWS OF RESOURCES			
Pension	<u>1,342,620</u>	<u>278,117</u>	<u>1,620,737</u>
 Total deferred outflows of resources	 <u>1,342,620</u>	 <u>278,117</u>	 <u>1,620,737</u>
LIABILITIES			
Accounts payable	772,139	131,675	903,814
Accrued wages	500,082	51,161	551,243
Unearned revenue	625,142	80,668	705,810
Refundable deposits	42,823	11,518	54,341
Long-term debt:			
Due in one year	433,482	10,408	443,890
Due in more than one year	17,586,439	961,632	18,548,071
 Total liabilities	 <u>19,960,107</u>	 <u>1,247,062</u>	 <u>21,207,169</u>
DEFERRED INFLOWS OF RESOURCES			
Pension	<u>797,013</u>	<u>213,842</u>	<u>1,010,855</u>
 Total deferred inflows of resources	 <u>797,013</u>	 <u>213,842</u>	 <u>1,010,855</u>
NET POSITION			
Net investment in capital assets	104,151,702	3,803,686	107,955,388
Restricted for:			
Debt service	532,642		532,642
Parks and facilities	2,127,357		2,127,357
Community development	93,533		93,533
Unrestricted	<u>(5,423,087)</u>	<u>3,467,725</u>	<u>(1,955,362)</u>
 Total net position	 <u>\$ 101,482,147</u>	 <u>\$ 7,271,411</u>	 <u>\$ 108,753,558</u>

The notes to basic financial statements are an integral part of this statement.

RANCHO SIMI RECREATION AND PARK DISTRICT
STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenue Operating Contributions and Grants</u>
Governmental activities:			
Parks and recreation	\$ 20,387,529	\$ 6,028,920	\$ -
Total governmental activities	<u>20,387,529</u>	<u>6,028,920</u>	
Business-type activities:			
Golf course	<u>2,673,163</u>	<u>3,287,819</u>	
Total business-type activities	<u>2,673,163</u>	<u>3,287,819</u>	
Total primary government	<u>\$ 23,060,692</u>	<u>\$ 9,316,739</u>	<u>\$ -</u>

General revenues:

Taxes:

 Secured and unsecured property taxes

 Investment income

 Other

Transfers

 Total general revenues and transfers

 Change in net position

 Net position at beginning of fiscal year

 Prior period adjustments

 Net position at beginning of fiscal year, restated

 Net position at end of fiscal year

The notes to basic financial statements are an integral part of this statement.

Capital Contributions and Grants	Net (Expense) Revenue and Changes in Net Position		
	Governmental Activities	Business-type Activities	Total
\$ 292,618	\$ (14,065,991)	\$ -	\$ (14,065,991)
292,618	(14,065,991)		(14,065,991)
		614,656	614,656
		614,656	614,656
\$ 292,618	(14,065,991)	614,656	(13,451,335)
	13,122,244		13,122,244
	33,293	25,407	58,700
	58,700		58,700
	1,677,000	(1,677,000)	
	14,891,237	(1,651,593)	13,239,644
	825,246	(1,036,937)	(211,691)
	99,091,088	8,308,348	107,399,436
	1,565,813		1,565,813
	100,656,901	8,308,348	108,965,249
\$	101,482,147	\$ 7,271,411	\$ 108,753,558

The notes to basic financial statements are an integral part of this statement.

RANCHO SIMI RECREATION AND PARK DISTRICT
GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2016

	<u>General</u>	<u>Park Dedication Fees Special Revenue Fund</u>
ASSETS		
Cash and investments	\$ 5,163,800	\$ 1,992,629
Receivables:		
Interest	6,300	4,313
Other	352,854	45,244
Prepaid items	2,635	
Due from other funds	<u>687,729</u>	<u>539,677</u>
 Total assets	 <u><u>\$ 6,213,318</u></u>	 <u><u>\$ 2,581,863</u></u>
 LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 462,594	\$ 114,195
Accrued wages	449,737	
Unearned revenue	625,142	
Refundable deposits	42,823	
Due to other funds	<u>308,609</u>	<u>446,092</u>
 Total liabilities	 <u>1,888,905</u>	 <u>560,287</u>
 Fund Balances:		
Nonspendable:		
Prepaid items	2,635	
Restricted:		
Parks and facilities		2,021,576
Debt service		
Community development		
Assigned		
Unassigned	<u>4,321,778</u>	
 Total fund balances	 <u>4,324,413</u>	 <u>2,021,576</u>
 Total liabilities and fund balances	 <u><u>\$ 6,213,318</u></u>	 <u><u>\$ 2,581,863</u></u>

The notes to basic financial statements are an integral part of this statement.

Capital Outlay Capital Projects Fund	Capital Outlay Grants Capital Projects Fund	Other Governmental Funds	Totals
\$ 404,604	\$ 126,725	\$ 894,610	\$ 8,582,368
127	210	964	11,914
		20,120	418,218
66,553	128,459	22,279	2,635
<u>\$ 471,284</u>	<u>\$ 255,394</u>	<u>\$ 937,973</u>	<u>\$ 10,459,832</u>
\$ 116,481	\$ 30,516	\$ 48,353	\$ 772,139
		50,345	500,082
	79,591	107,319	625,142
			42,823
			941,611
<u>116,481</u>	<u>110,107</u>	<u>206,017</u>	<u>2,881,797</u>
			2,635
		105,781	2,127,357
		532,642	532,642
		93,533	93,533
354,803	145,287		500,090
			4,321,778
<u>354,803</u>	<u>145,287</u>	<u>731,956</u>	<u>7,578,035</u>
<u>\$ 471,284</u>	<u>\$ 255,394</u>	<u>\$ 937,973</u>	<u>\$ 10,459,832</u>

The notes to basic financial statements are an integral part of this statement.

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RANCHO SIMI RECREATION AND PARK DISTRICT
RECONCILIATION OF THE GOVERNMENTAL
FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
June 30, 2016

Total fund balances - governmental funds	\$	7,578,035
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Amounts reported for governmental activities in the statement of net position are different because:

In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and depreciation.

Capital assets at historical cost	\$	152,648,255
Accumulated depreciation		<u>(41,269,829)</u>

Net		111,378,426
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Deferred outflows and inflows of resources relating to pensions: In governmental funds, deferred outflows and inflows of resources relating to pensions are not reported because they are applicable to future periods. In the statement of net position, deferred outflows and inflows of resources relating to pensions are reported.

Deferred outflows related to net pension liability		2,360,822
Deferred inflows related to net pension liability		(1,815,215)

Long-term liabilities have not been included in governmental funds:

Other postemployment benefits		(2,339,355)
Capital lease payable		(7,226,724)
Net pension liability		(7,809,523)
Compensated absences		<u>(644,319)</u>

Total net position - governmental activities	\$	<u>101,482,147</u>
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The notes to basic financial statements are an integral part of this statement.

RANCHO SIMI RECREATION AND PARK DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2016

	General	Park Dedication Fees Special Revenue Fund
Revenues:		
Taxes, penalties, and interest	\$ 11,459,202	\$ -
Intergovernmental		
Charges for services	6,028,920	
Developer fees		289,961
Investment income	10,620	14,593
Other revenues	57,316	597
	<u>17,556,058</u>	<u>305,151</u>
Total revenues		
Expenditures:		
Current:		
Salaries and benefits	10,856,526	
Services and supplies	3,618,265	
Insurance	825,176	
Utilities	1,574,926	
Other	1,139	
Capital outlay	13,687	2,701,345
Debt service:		
Principal retirement		
Interest and fiscal charges		
	<u>16,889,719</u>	<u>2,701,345</u>
Total expenditures		
Excess of revenues over (under) expenditures	<u>666,339</u>	<u>(2,396,194)</u>
Other Financing Sources (Uses):		
Proceeds from issuance of long-term debt		
Transfers in	69,996	100,000
Transfers out		
	<u>69,996</u>	<u>100,000</u>
Total other financing sources (uses)		
Net changes in fund balances	736,335	(2,296,194)
Fund balances - July 1, 2015	<u>3,588,078</u>	<u>4,317,770</u>
Fund balances - June 30, 2016	<u>\$ 4,324,413</u>	<u>\$ 2,021,576</u>

The notes to basic financial statements are an integral part of this statement.

Capital Outlay Capital Projects Fund	Capital Outlay Grants Capital Projects Fund	Other Governmental Funds	Totals
\$ -	\$ -	\$ 1,905,723	\$ 13,364,925
	2,657		2,657
			6,028,920
			289,961
3,571		4,509	33,293
	787		58,700
<u>3,571</u>	<u>3,444</u>	<u>1,910,232</u>	<u>19,778,456</u>
		888,759	11,745,285
		140,643	3,758,908
			825,176
		244,775	1,819,701
	218		1,357
2,555,877	100,427	8,284,982	13,656,318
		123,276	123,276
		142,590	142,590
<u>2,555,877</u>	<u>100,645</u>	<u>9,825,025</u>	<u>32,072,611</u>
<u>(2,552,306)</u>	<u>(97,201)</u>	<u>(7,914,793)</u>	<u>(12,294,155)</u>
		7,350,000	7,350,000
779,000		798,000	1,746,996
		(69,996)	(69,996)
<u>779,000</u>	<u></u>	<u>8,078,004</u>	<u>9,027,000</u>
(1,773,306)	(97,201)	163,211	(3,267,155)
<u>2,128,109</u>	<u>242,488</u>	<u>568,745</u>	<u>10,845,190</u>
<u>\$ 354,803</u>	<u>\$ 145,287</u>	<u>\$ 731,956</u>	<u>\$ 7,578,035</u>

The notes to basic financial statements are an integral part of this statement.

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RANCHO SIMI RECREATION AND PARK DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF
REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
TO THE STATEMENT OF ACTIVITIES
For the Fiscal Year Ended June 30, 2016

Net change in fund balances - total governmental funds	\$ (3,267,155)
Amounts reported for governmental activities in the statement of activities are different because:	
Property tax revenue is not recognized as a revenue in governmental funds because the revenue was not available within 60 days of close of fiscal year. This is the net change for the current period:	(242,681)
Long-term debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position. Repayment of long-term debt principal is an expenditure in the governmental funds, but in the statement of net position the repayment reduces long-term liabilities.	(7,226,724)
In the statement of activities, compensated absences are measured by the amounts earned during the fiscal year. In governmental funds, however, expenditures for these items are measured by the amount of financial resources used (essentially the amounts paid). This fiscal year, the amount used for vacation exceeded the vacation earned by:	57,532
Other postemployment benefits (OPEB) expenditures reported in the statement of activities do not require the use of current financial resources and therefore, are not reported as expenditures in government funds. This is the net change in OPEB for the current period:	(309,636)
In governmental funds, pension costs are recognized when employer contributions are made. In the statement of activities, pension costs are recognized on the accrual basis. This fiscal year, the difference between accrual-basis pension costs and actual employer contributions was:	58,269
Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of those capital assets are allocated over their estimated useful lives as depreciation expense.	
Capital outlay expenditures added back to fund balances	13,622,232
Depreciation expense not reported in governmental funds	<u>(1,866,591)</u>
Change in net position - governmental activities	<u>\$ 825,246</u>

The notes to basic financial statements are an integral part of this statement.

RANCHO SIMI RECREATION AND PARK DISTRICT
PROPRIETARY FUND
STATEMENT OF NET POSITION
June 30, 2016

	Enterprise Fund
	Golf Course Fund
ASSETS	
Current assets:	
Cash and investments	\$ 5,102,097
Receivables:	
Interest	6,237
Inventory	45,264
Total current assets	<u>5,153,598</u>
Noncurrent assets:	
Capital assets, net of accumulated depreciation	<u>3,803,686</u>
Total noncurrent assets	<u>3,803,686</u>
Total assets	<u>8,957,284</u>
DEFERRED OUTFLOWS OF RESOURCES	
Deferred outflow of resources- pension	<u>278,117</u>
Total deferred outflows of resources	<u>278,117</u>
Total assets and deferred outflows of resources	<u>9,235,401</u>
LIABILITIES	
Current liabilities:	
Accounts payable	131,675
Accrued wages	51,161
Unearned revenue	80,668
Refundable deposits	11,518
Due to other funds	503,086
Long term liabilities, due within one year	10,408
Total current liabilities	<u>788,516</u>
Long-term liabilities:	
Due in more than one year	<u>961,632</u>
Total long-term liabilities	<u>961,632</u>
Total liabilities	<u>1,750,148</u>
DEFERRED INFLOWS OF RESOURCES	
Deferred inflow of resources- pension	<u>213,842</u>
Total deferred inflows of resources	<u>213,842</u>
Total liabilities and deferred inflows of resources	<u>1,963,990</u>
NET POSITION	
Net investment in capital assets	3,803,686
Unrestricted	<u>3,467,725</u>
Total net position	<u>\$ 7,271,411</u>

The notes to basic financial statements are an integral part of this statement.

RANCHO SIMI RECREATION AND PARK DISTRICT
PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
For the Fiscal Year Ended June 30, 2016

	Enterprise Fund
	Golf Course Fund
Operating Revenues:	
Golf course revenues	\$ 3,074,856
Pro shop sales/club rentals	152,446
Food and beverage	60,517
	<hr/>
Total operating revenues	3,287,819
	<hr/>
Operating Expenses:	
Salaries and benefits	1,292,990
Services and supplies	583,493
Utilities	667,249
Depreciation	117,862
Repairs and maintenance	11,569
	<hr/>
Total operating expenses	2,673,163
	<hr/>
Operating income	614,656
	<hr/>
Non-Operating Revenues:	
Investment income	25,407
	<hr/>
Total non-operating revenues	25,407
	<hr/>
Transfers:	
Transfers out	(1,677,000)
	<hr/>
Net transfers	(1,677,000)
	<hr/>
Change in net position	(1,036,937)
	<hr/>
Net position, beginning of fiscal year	8,308,348
	<hr/>
Net position, end of fiscal year	\$ 7,271,411
	<hr/> <hr/>

The notes to basic financial statements are an integral part of this statement.

RANCHO SIMI RECREATION AND PARK DISTRICT
 PROPRIETARY FUND
 STATEMENT OF CASH FLOWS
 For the Fiscal Year Ended June 30, 2016

	Enterprise Fund
	Golf Course Fund
Cash Flows From Operating Activities	
Receipts from customers	\$ 3,296,608
Payments to suppliers for goods and services	(823,904)
Payments for salaries and benefits	(1,271,597)
Net cash provided by operating activities	<u>1,201,107</u>
Cash Flows From Capital and Related Financing Activities	
Acquisition of capital assets	(233,429)
Net cash used by capital and related financing activities	<u>(233,429)</u>
Cash Flows From Non-Capital Financing Activities	
Transfers out	(1,677,000)
Net cash used by non-capital financing activities	<u>(1,677,000)</u>
Cash Flows From Investing Activities	
Interest received	24,522
Net cash provided by investing activities	<u>24,522</u>
Net decrease in cash and cash equivalents	(684,800)
Cash and cash equivalents - beginning of fiscal year	<u>5,786,897</u>
Cash and cash equivalents - end of fiscal year	<u>\$ 5,102,097</u>
Reconciliation of cash and cash equivalents to amounts reported on the statement of net position:	
Reported on the Statement of Net Position:	
Cash and investments	\$ <u>5,102,097</u>
Cash and cash equivalents - June 30, 2016	<u>\$ 5,102,097</u>
Reconciliation of operating income to net cash provided by operating activities:	
Operating income	\$ 614,656
Adjustments to reconcile operating income to net cash provided by operating activities:	
Depreciation expense	117,862
Change in assets and liabilities:	
Decrease (increase) in inventory	(158)
Decrease (increase) in deferred outflows of resources - pension	(148,438)
Increase (decrease) in accounts payable	(44,705)
Increase (decrease) in accrued wages	16,904
Increase (decrease) in accrued compensation	4,489
Increase (decrease) in unearned revenue	7,385
Increase (decrease) in refundable deposits	1,404
Increase (decrease) in due to other funds	452,672
Increase (decrease) in net pension liability	245,349
Increase (decrease) in deferred inflows of resources - pension	(66,313)
Net cash provided by operating activities	<u>\$ 1,201,107</u>

The notes to basic financial statements are an integral part of this statement.

RANCHO SIMI RECREATION AND PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Rancho Simi Recreation and Park District (the District), situated in the County of Ventura, California, was duly organized under the Recreation and Park District Law (Chapter 4, Division 5, Public Resource Code) on October 3, 1961.

B. Reporting Entity

The District's basic financial statements include the operations of which the District's Board of Directors exercises oversight responsibility. There are no component units that should be included within the District's reporting entity, as set forth in the Governmental Accounting Standards Board (GASB) Statement No. 14, as amended by GASB Statement No. 39 and GASB Statement No. 61.

C. Basis of Accounting, Measurement Focus, and Financial Statement Presentation

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

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental activities of the primary government. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the District.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transaction are recognized in accordance with the requirements of GASB Statement No. 33.

Program revenues include charges for services, special assessments, and payments made by parties outside of the reporting government's citizenry if that money is restricted to a particular program. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

RANCHO SIMI RECREATION AND PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (Continued)

Fund Financial Statements

The underlying accounting system of the District is organized and operated on the basis of separate funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues and expenditures or expenses, as appropriate. Governmental resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled.

Fund financial statements for the primary government are presented after the government-wide financial statements. These statements display information about major funds individually and nonmajor funds in the aggregate for governmental and enterprise funds.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified - accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current assets. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. Revenue recognition is subject to the measurable and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance (net current assets) is considered to be a measure of “available spendable resources.” Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Accordingly, they are said to present a summary of sources and uses of “available spendable resources” during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered “available spendable resources,” since they do not represent net current assets. Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Non-current portions of other long-term receivables are offset by fund balance reserve accounts. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net current assets, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

RANCHO SIMI RECREATION AND PARK DISTRICT

NOTES TO BASIC FINANCIAL STATEMENTS

June 30, 2016

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (Continued)

Governmental Funds (Continued)

Amounts expended to acquire capital assets are recorded as *expenditures* in the fiscal year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenditures/expense are considered to be paid first from restricted resources, and then from unrestricted resources.

The District reports the following major governmental funds:

- The General Fund is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- The Park Dedication Fees Fund is used to account for dedication fees received from development to be expended in the geographical area.
- The Capital Outlay Capital Projects Fund is used used to account for funds budgeted for capital improvements.
- The Capital Outlay Grants Capital Projects Fund is used for grant funding that are legally restricted to expenditures for specific purposes.

The District reports the following major proprietary fund:

The Golf Course Fund accounts for the activities of the District's golf course operations at the Sinaloa Golf Course and Simi Hills Golf Course.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of taxes.

Proprietary funds distinguish *operating* revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with proprietary fund's principal ongoing operations. The principal operating revenues of the Sinaloa Golf Course Fund and Simi Hills Golf Course are charges for golf course usage. Operating expenses for the Sinaloa Golf Course Fund and Simi Hills Golf Course include non-capital expenditures and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

D. Investments

Investments are stated at fair value.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

E. Encumbrances

Encumbrance accounting, under which purchase orders, contracts, and other commitments for the expenditure of monies are recorded in order to reserve that portion of the applicable appropriation, is employed as an extension of formal budgetary integration in the governmental fund types. Such amounts represent contracts for capital projects that were underway as of the balance sheet date.

F. Capital Assets

Capital assets (including infrastructure) are recorded at cost where historical records are available and at estimated original cost where no historical records exist. Contributed capital assets are valued at their estimated fair value at the date of the contribution. Capital assets are defined by the District as assets with an initial, individual cost of more than \$50,000 for infrastructure and more than \$5,000 for equipment.

Capital assets used in operations are depreciated over their estimated useful lives using the straight-line method in the applicable governmental or business-type activity column in the government-wide financial statements. Depreciation is charged as an expense against operations and accumulated depreciation is reported on the respective statement of net position. The estimated useful lives are as follows:

Equipment	3 to 10 years
Improvements	20 to 30 years
Structures	20 to 30 years

G. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

H. Long-term Obligations

In the government-wide financial statements and proprietary fund type in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities fund type statement of net position. In the fund financial statements, governmental fund types report the face amount of debt issued as other financing sources.

I. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused annual leave, which may be used for vacation and/or sick pay benefits. The District's policies on compensated absences as of June 30, 2016, are as follows:

- District employees are entitled to use their annual leave after a six month probation period.
- All employees may accrue up to 800 hours of annual leave.

Annual leave pay is accrued when incurred in the government-wide and proprietary fund financial statements. A liability for these amounts is reported in the governmental funds only if they have matured, for example, as a result of employee resignations and retirements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

J. Fund Balances

Fund balance is divided into five classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources in the governmental funds. The classifications are as follows:

- Nonspendable fund balance – amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance – amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.
- Committed fund balance – amounts that can only be used for specific purposes determined by formal action of the District’s highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance – amounts that are constrained by the District’s *intent* to be used for specific purposes. The intent can be established at either the highest level of decision making, or by a body or an official designated for that purpose.
- Unassigned fund balance – the residual classification for the District’s funds that include amounts not contained in other classifications.

K. Interfund Transactions

Quasi-external transactions are accounted for as revenues and expenditures. Transactions that constitute reimbursements to a fund for expenditures initially made from it that are properly applicable to another fund, are recorded as expenditures in the reimbursing fund and as reductions of expenditures in the fund that is reimbursed.

All other interfund transactions except quasi-external transactions and reimbursements are reported as transfers.

L. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

M. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 65 the District recognizes deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. Refer Note 8 for a detailed listing of the deferred outflows of resources that the District has recognized.

Pursuant to GASB Statement No. 65 the District recognizes deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of fund balance by the government that is applicable to a future reporting period. Refer to Note 8 for a detailed listing of the deferred inflows of resources that the District has recognized.

N. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 72

For the fiscal year ended June 30, 2016, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Applications*. This Statement is effective for periods beginning after June 15, 2015. The objective of this Statement is to improve financial reporting by clarifying the definition of fair value for financial reporting purposes, establishing general principles for measuring fair value, providing additional fair value application guidance, and enhancing disclosures about fair value measurements. Implementation of GASB Statement No. 72 did have an impact on the District's financial statements for the fiscal year ended June 30, 2016, see Note 3.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Control and Accounting

The District follows these procedures in establishing the budgetary data reflected in these financial statements:

1. The General Manager submits to the Board of Directors a proposed operating budget for the fiscal year commencing the following July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A public hearing is conducted to obtain taxpayer comments.
3. The budget is legally enacted through the passage of a resolution.
4. Formal budgetary integration is employed as a management control device during the fiscal year for the General, Special Revenue, Debt Service, and Capital Projects Funds.

The budget is reported on the same basis as the fund types and on a basis consistent with accounting principles generally accepted in the United States of America. Additional appropriations or other changes during the fiscal year may be submitted by the department for Board review and approval.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (CONTINUED)

B. Excess Expenditures over Appropriations

Excess of expenditures over appropriations in individual funds are as follows:

Major Funds:

General Fund:

Salaries and benefits	\$ 329,534
Services and supplies	15,300
Other	1,139

Capital Outlay Grants Capital Projects Fund:

Other	218
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Non-major Special Revenue Funds:

Oak Park Special Zone Tax Fund:

Services and supplies	26,941
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Simi Valley Assessment Special Revenue Fund:

Services and supplies	33,377
Utilities	144,775

NOTE 3 – CASH AND INVESTMENTS

The District pools idle cash from all funds for the purpose of increasing income through investments. Earnings from such investments are allocated to the respective funds on the basis of applicable cash balances of each fund. On June 30, 2016, the District had the following cash and investments on hand:

Cash on hand	\$ 13,035
Cash in banks	(230,564)
Investments	<u>13,901,994</u>
Total cash and investments	<u><u>\$ 13,684,465</u></u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Cash and investments, statement of net position	<u><u>\$ 13,684,465</u></u>
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Investments Authorized by the California Government Code and the District’s Investment Policy

The table below identifies the investment types that are authorized for the District’s investment policy. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk.

RANCHO SIMI RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
Savings Accounts	N/A	None	None
U.S. Treasury Obligations	3 years	10%	None
U.S. Agency Securities	3 years	10%	None
Commercial Paper	180 days	10%	None
Certificates of Deposit	365 days	30%	None
Repurchase Agreements	1 year	10%	None
Local Agency Investment Fund (LAIF)	N/A	None	\$ 50,000,000

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. The District manages its exposure to interest rate risk is by investing in the Local Agency Investment Fund (“LAIF”). This fund is managed by the State Treasurer. District investment may be made or withdrawn from LAIF with several hours advanced notice. LAIF investments are made on concentration of investments in accordance with applicable law and include diversified maturity dates.

Information about the sensitivity of the fair values of the District’s investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District’s investments by maturity:

<u>Investment Type</u>	Carrying Amount	Remaining Maturity (in Months)					
		12 Months or Less	13-24 Months	25-60 Months	36-48 Months	49-60 Months	More than 60 Months
LAIF	\$ 13,842,597	\$ 13,842,597	\$ -	\$ -	\$ -	\$ -	\$ -
Certificates of deposits	59,397	59,397					
Total	\$ 13,901,994	\$ 13,901,994	\$ -				

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by the California Government Code and the District’s investment policy, and the actual rating as of fiscal year end for each investment type.

<u>Investment type</u>	Carrying Amount	Minimum Legal Rating	Exempt From Disclosure	Rating as of Fiscal Year End		
				AAA	AA	Not Rated
LAIF	\$ 13,842,597	N/A	\$ -	\$ -	\$ -	\$ 13,842,597
Certificates of deposits	59,397	N/A				59,397 *
Total	\$ 13,901,994		\$ -	\$ -	\$ -	\$ 13,901,994

*Covered by FDIC insurance

NOTE 3 – CASH AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

There are no investments in any one issuer other than State Investment Pool that represent 5% or more of total District investments.

Custodial Credit Risk

Custodial credit risk for *deposits* is the risk that, in the event of the failure of a depository 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. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

As of June 30, 2016, \$342,064 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts.

The custodial credit risk for *investments* is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The District's investment policy contains policy requirements that would limit the exposure to custodial credit risk for investments. With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as LAIF).

Investment in State Investment Pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying basic financial statements at the amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Fair Value Measurement

The District categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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 a 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 State Investment Pool and certificates of deposit are exempt from the classification above.

NOTE 4 – PROPERTY TAXES

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

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

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

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

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 District-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 District-wide levy for the three years prior to fiscal year 1979.

Property Tax Administration Fees - The State of California FY 90-91 Budget Act, authorized counties to collect an administrative fee for collection and distribution of property taxes.

RANCHO SIMI RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 5 – INTERFUND ACTIVITY

Interfund activity for the fiscal year 2015-2016 is as follows:

A. Due To/From Other Funds

Current interfund balances arise in the normal course of business and to assist funds with negative cash balance at the fiscal year end. They are expected to be repaid shortly after the end of the fiscal year.

	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
Major Funds:		
General Fund	\$ 687,729	\$ 308,609
Park Dedication Fees Special Revenue Fund	539,677	446,092
Capital Outlay Capital Projects Fund	66,553	
Capital Outlay Grants Capital Projects Fund	128,459	79,591
Nonmajor Funds:		
Oak Park Assessment Special Revenue Fund	2,267	
Oak Park Special Zone Tax Special Revenue Fund	20,012	
Simi Valley Assessment Special Revenue Fund		107,238
Debt Service Fund		81
Proprietary Fund:		
Golf Course Fund		503,086
	<u>\$ 1,444,697</u>	<u>\$ 1,444,697</u>

B. Transfers

Fund transfers generally occur in situations where unrestricted revenue is collected or held to funds where statutes or budget require to expend them or to finance certain projects:

<u>Funds</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Governmental Funds:		
Park Dedication Fees Special Revenue Fund	\$ 100,000	\$ -
Capital Outlay Capital Projects Fund	779,000	
Nonmajor Governmental Fund:		
Debt Service Fund	798,000	
Major Enterprise Fund:		
Golf Course Fund		1,677,000
Total	<u>\$ 1,677,000</u>	<u>\$ 1,677,000</u>

RANCHO SIMI RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2016

NOTE 6 – CAPITAL ASSETS

Capital asset activity for the fiscal year ended June 30, 2016 was as follows:

	Balance at July 1, 2015	Additions	Deletions	Transfers	Prior Period Adjustments	Balance at June 30, 2016
Governmental activities:						
Capital assets, not being depreciated:						
Land	\$ 67,187,599	\$ 1,053,096	\$ -	\$ -	\$ 1,565,813	\$ 69,806,508
Construction in progress	1,079,181	12,010,467		(778,670)		12,310,978
Total capital assets, not being depreciated	<u>68,266,780</u>	<u>13,063,563</u>		<u>(778,670)</u>	<u>1,565,813</u>	<u>82,117,486</u>
Land improvements	2,901,326					2,901,326
Buildings and improvements	63,766,324	276,100		778,670		64,821,094
Equipment	2,562,483	282,569	(36,703)			2,808,349
Total capital assets, being depreciated	<u>69,230,133</u>	<u>558,669</u>	<u>(36,703)</u>	<u>778,670</u>		<u>70,530,769</u>
Land improvements	(581,121)	(96,710)				(677,831)
Buildings and improvements	(36,671,591)	(1,675,921)				(38,347,512)
Equipment	(2,187,229)	(93,960)	36,703			(2,244,486)
Total accumulated depreciation	<u>(39,439,941)</u>	<u>(1,866,591)</u>	<u>36,703</u>			<u>(41,269,829)</u>
Total capital assets, being depreciated, net	<u>29,790,192</u>	<u>(1,307,922)</u>		<u>778,670</u>		<u>29,260,940</u>
Governmental activities capital assets, net	<u>\$ 98,056,972</u>	<u>\$ 11,755,641</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,565,813</u>	<u>\$ 111,378,426</u>
Business-type activities:						
Capital assets, not being depreciated:						
Construction in progress	\$ 2,635,913	\$ 97,933	\$ -	\$ (26,560)		\$ 2,707,286
Total capital assets, not being depreciated	<u>2,635,913</u>	<u>97,933</u>		<u>(26,560)</u>		<u>2,707,286</u>
Buildings and improvements	5,968,171	71,846		26,560		6,066,577
Equipment	904,130	63,650				967,780
Total capital assets, being depreciated	<u>6,872,301</u>	<u>135,496</u>		<u>26,560</u>		<u>7,034,357</u>
Buildings and improvements	(5,332,354)	(51,187)				(5,383,541)
Equipment	(487,741)	(66,675)				(554,416)
Total accumulated depreciation	<u>(5,820,095)</u>	<u>(117,862)</u>				<u>(5,937,957)</u>
Total capital assets, being depreciated, net	<u>1,052,206</u>	<u>17,634</u>		<u>26,560</u>		<u>1,096,400</u>
Business-type activities capital assets, net	<u>\$ 3,688,119</u>	<u>\$ 115,567</u>	<u>\$ -</u>	<u>\$ -</u>		<u>\$ 3,803,686</u>

RANCHO SIMI RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 7 – LONG-TERM DEBT

Changes in long-term liabilities

	Balance at July 1, 2015	Additions	Reductions	Balance at June 30, 2016	Due Within One Year
Governmental activities:					
Other postemployment benefits	\$ 2,029,719	\$ 485,442	\$ (175,806)	\$ 2,339,355	\$ -
Guardian building lease payable		7,350,000	(123,276)	7,226,724	253,772
Net pension liability	5,986,857	1,869,039	(46,373)	7,809,523	
Compensated absences	701,851	146,109	(203,641)	644,319	179,710
Long-term liabilities	<u>\$ 8,718,427</u>	<u>\$ 9,850,590</u>	<u>\$ (549,096)</u>	<u>\$ 18,019,921</u>	<u>\$ 433,482</u>
Business-type activities:					
Net pension liability	\$ 674,653	\$ 250,813	\$ (5,464)	\$ 920,002	\$ -
Compensated absences	47,549	22,153	(17,664)	52,038	10,408
Long-term liabilities	<u>\$ 722,202</u>	<u>\$ 272,966</u>	<u>\$ (23,128)</u>	<u>\$ 972,040</u>	<u>\$ 10,408</u>

Capital Leases

The District has entered into a lease agreement with Public Property Financing Corporation of California to finance the acquisition of building and land. The value of the assets acquired with this capital lease was \$8,600,000. Lease payments end on July 8, 2035 and have an interest rate of 3.88%.

June 30	Principal	Interest	Total
2017	\$ 253,772	\$ 277,959	\$ 531,731
2018	263,714	268,017	531,731
2019	274,045	257,686	531,731
2020	284,781	246,950	531,731
2021	295,938	235,793	531,731
2022-2026	1,662,952	995,703	2,658,655
2027-2031	2,015,237	643,419	2,658,656
2032-2036	2,176,285	216,504	2,392,789
	<u>\$ 7,226,724</u>	<u>\$ 3,142,031</u>	<u>\$ 10,368,755</u>

NOTE 8 – DISTRICT EMPLOYEES’ RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN

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

A. General Information about the Pension Plan

Plan Descriptions — All qualified employees are eligible to participate in the District’s Miscellaneous Plan (Plan), an agent multiple-employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS), which acts as a common investment and administrative agent for its participating member employers. Benefit provisions under the Plan is established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

NOTE 8 – DISTRICT EMPLOYEES’ RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN (CONTINUED)

A. General Information about the Pension Plan (Continued)

Benefits Provided — CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is 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 Plans’ provisions and benefits in effect at June 30, 2016, are summarized as follows:

Hire Date	Prior to 5/1/2010	On or After 5/1/2010	On or after 1/1/13
Benefit Formula	2.0% @ 55	2.0 % @ 60	2.0 % @ 62
Benefit Vesting Schedule	5 years service	5 years service	5 years service
Retirement Age	55	60	62
Employee Contribution			6.25%
Employer Contribution	19.40%	19.40%	12.40%

Employees Covered – At June 30, 2016, the following employees were covered by the benefit terms for the Miscellaneous Plan:

Inactive employees or beneficiaries currently receiving benefits	<u>Miscellaneous*</u> 87
Active employees	388
Total	<u>475</u>

* Information available for agent multiple-employer defined benefit plans

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

B. Net Pension Liability

The District’s net pension liability for the Plan is measured as the total pension liability, less the pension plan's fiduciary net position. The net pension liability of the Plan is measured as of June 30, 2016, using an annual actuarial valuation as of June 30, 2015 rolled forward to June 30, 2016 using standard update procedures.

NOTE 8 – DISTRICT EMPLOYEES’ RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN (CONTINUED)

B. Net Pension Liability (Continued)

A summary of principal assumptions and methods used to determine the net pension liability is shown below.

Actuarial Assumptions — the actuarial methods and assumptions used to set the actually determined contribution for fiscal year 2015-16 were derived from the June 30, 2013 funding valuation report and were determined using the following actuarial assumptions:

Valuation Date	June 30, 2015
Measurement Date	June 30, 2016
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.65%
Inflation	2.75%
Payroll Growth	3.00%
Projected Salary Increase	Varies (1)
Investment Rate of Return	7.50% (2)
Mortality	Derived using CalPERS' Membership Data for all Funds (3)

- (1) Depending on age, service, and type of employment.
- (2) Net of pension plan investment expenses, including inflation.
- (3) The probabilities of mortality are based on the 2010 CalPERS experience study for the period from 1997 to 2007. Pre-retirement and post-retirement mortality rate include 5 years of projected mortality improvement using Sacal AA published by the Society of Actuaries.

Discount Rate — The discount rate used to measure the total pension liability was 7.65%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.65 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.65 percent will be applied to all plans in the Public Employees Retirement Fund (PERF).

The stress test results are presented in a detailed report called “GASB Crossover Testing Report” that can be obtained from the CalPERS website under the GASB 68 Section.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points.

**NOTE 8 – DISTRICT EMPLOYEES’ RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN
 (CONTINUED)**

B. Net Pension Liability (Continued)

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

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of 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 returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

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

Asset Class	New Strategic Allocation	Real Return Year 1 - 10(a)	Real Return Years 11+(b)
Global Equity	51.00%	5.25%	5.71%
Global Fixed Income	19.00%	0.99%	2.43%
Inflation Sensitive	6.00%	0.45%	3.36%
Private Equity	10.00%	6.83%	6.95%
Real Estate	10.00%	4.50%	5.13%
Infrastructure and Forestland	2.00%	4.50%	5.09%
Liquidity	2.00%	-0.55%	-1.05%
Total	100.00%		

(a) An expected inflation of 2.5% used for this period.

(b) An expected inflation of 3.0% used for this period.

**NOTE 8 – DISTRICT EMPLOYEES’ RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN
 (CONTINUED)**

C. Changes in the Net Pension Liability

The change in the Net Pension Liability for the Miscellaneous Plan is as follows:

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability (Asset)
Balance at June 30, 2015	\$ 36,725,872	\$ 30,064,362	\$ 6,661,510
Changes in the fiscal year:			
Service Cost	1,115,841		1,115,841
Interest on the Total Pension Liability	2,776,238		2,776,238
Differences between Expected and Actual Experience	(213,935)		(213,935)
Contribution from the Employer		930,057	(930,057)
Contribution from the Employees		502,787	(502,787)
Net investment income		195,608	(195,608)
Benefit Payments, including Refunds of Employee Contributions	(1,558,292)	(1,558,292)	
Administrative Expense		(18,323)	18,323
Net Changes	<u>2,119,852</u>	<u>51,837</u>	<u>2,068,015</u>
Balance at June 30, 2016	<u>\$ 38,845,724</u>	<u>\$ 30,116,199</u>	<u>\$ 8,729,525</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 7.65 percent, as well as what the net pension liability/(asset) would be if it were calculated using a discount rate that is 1 percentage-point lower (6.65 percent) or 1 percentage-point higher (8.65 percent) than the current rate:

	Discount rate - 1%	Current Discount rate	Discount rate +1%
Plan's net pension liability/(asset)	\$ 13,600,440	\$ 8,729,525	\$ 4,651,488

Pension Plan Fiduciary Net Position – Detailed information about the pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

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

For the fiscal year ended June 30, 2016, the Local Government recognized pension expense of \$1,301,690. At June 30, 2016, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

NOTE 8 – DISTRICT EMPLOYEES’ RETIREMENT PLAN/DEFINED BENEFIT PENSION PLAN (CONTINUED)

D. Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (Continued)

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes of assumptions	\$ -	\$ (317,085)
Differences between expected and actual experiences		(693,770)
Net differences between projected and actual earnings on plan investments	2,638,939	(1,018,202)
Total	<u>\$ 2,638,939</u>	<u>\$ (2,029,057)</u>

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

Fiscal Year Ended	
June 30,	
2017	\$ (211,364)
2018	(211,364)
2019	612,957
2020	419,653
Total	<u>\$ 609,882</u>

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS

Plan Description and funding policy- The Postemployment Benefit Plan (the Plan) is a defined benefit healthcare plan administered by the Rancho Simi Recreation and Park District. The Plan provides health benefits to eligible retirees and active employees. This includes benefits for 30 retirees (including covered dependents) and survivors, as well as 73 active employees who may become eligible to retire and receive benefits in the future. Active employees who have waived current coverage under Public Employees’ Medical and Hospital Care Act (PEMHCA) are excluded from the valuation, as are any employees hired after the census date (January, 2009).

Active Employee Coverage

Integrated medical/prescription drug coverage is provided through CalPERS under the Public Employees’ Medical and Hospital Care Act (PEMHCA). Employees may choose from a variety of HMO and PPO options. The District has designated a dollar amount of \$438.42 per employee per month as its contribution towards PEMHCA coverage. The District then contributes additional funds as a flexible benefit that employees may direct towards their PEMHCA coverage or receive as compensation. To the extent that the funds are directed towards PEMHCA coverage, they are treated as employee rather than employer contributions for purposes of PEMHCA.

Post-Retirement Coverage

The District offers the same medical plans to its retirees as to its active employees, with the exception that once a retiree becomes eligible for Medicare, he or she must join a Medicare HMO or a Medicare Supplement plan under PEMHCA.

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Employees become eligible to retire and receive District-paid healthcare benefits upon attainment of age 50 and 5 years of covered PERS service, or by qualifying disability retirement status. Benefits are paid for the lifetime of the retiree and, if applicable, the surviving spouse of the retiree. The District's contribution on behalf of all eligible retirees is determined under the "Unequal Contribution Method", under which the contribution for retirees is equal to the designated District contribution for active employees (\$438.42/month), times 5% multiplied by the number of years the District has participated in PEMHCA, to a maximum of 100% of the contribution for active employees after 20 years in PEMHCA. 2011 was the District's twentieth year in PEMHCA; therefore, the contribution for retirees is now 100% of what it is for active employees, and will remain so in the future.

Executive management employees with at least 20 years of service at retirement receive a higher dollar amount than other groups. This dollar amount is \$725/month and applies to one active employee and five retirees. It does not apply to employees who become executive management employees on or after July 1, 2006.

The District also pays a 0.33% of premium administrative charge for all retirees.

For fiscal year 2015-2016, the District contributed \$175,806 to the Plan, all of which was used for current premiums.

Annual OPEB and Net OPEB Obligation – The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), and amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the fiscal year, the amount actually contributed to the plan, and changes in the District's net OPEB obligation.

Annual required contribution	\$ 521,632
Interest on net OPEB obligation	81,189
Adjustment to annual required contribution	<u>(117,379)</u>
Annual OPEB cost (expense)	485,442
Contribution made	<u>(175,806)</u>
Increase in net OPEB obligation	309,636
Net OPEB obligation, beginning of fiscal year	<u>2,029,719</u>
Net OPEB obligation, end of fiscal year	<u><u>\$ 2,339,355</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for the fiscal years 2014 through 2016 are as follows:

Fiscal Year Ended June 30,	Annual OPEB Cost	Percentage of OPEB Contribution	Net OPEB Obligation
2014	\$ 444,035	33%	\$ 1,690,273
2015	491,494	31%	2,029,719
2016	485,442	36%	2,339,355

NOTE 9 – OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions

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

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

In the July 1, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4 percent discount rate, a 4 percent investment rate of return, which is the expected long-term investment return on plan assets, and an annual healthcare cost trend rate from 5 percent to 8 percent. Post-retirement benefits were assumed to be frozen for all future years. The actuarial value of assets is not applicable (no assets as of the initial valuation date). The UAAL is being amortized as a constant 3 percent increase for the next twenty years. The remaining amortization period at July 1, 2014 was twenty years.

The schedule of funding progress, presented as Required Supplementary Information (RSI) following the notes to the financial statements present multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

NOTE 10 – JOINT POWERS AGREEMENT

The District participates in a self-funding insurance arrangement through the California Association for Park and Recreation Indemnity. The California Association for Park and Recreation Insurance is a joint powers agency comprised of California special districts, known as CAPRI. Financial statements for the joint ventures are available through this entity. In return for the estimated premiums payment, CAPRI agrees to provide Liability and Property coverage. CAPRI will pay all sums which the District shall become legally obligated to pay as damages to which coverage applies caused by an occurrence. CAPRI also have the right and duty to defend any and all claims against a district within the scope of the coverage, and CAPRI may make such investigation and settlement of any claim or suit as it deems expedient. Defense costs are included in the coverage and shall be paid by CAPRI in accordance with the Memorandum of Coverage. The following coverage was provided to the District for the aforementioned coverage period:

Comprehensive General Liability (including Automobile Liability Coverage) coverage with a \$1,000,000 limit per occurrence for personal injury and property damage to which the coverage applies. CAPRI also purchases an excess policy from CSAC Excess Insurance Authority with limits of \$24,000,000 excess of \$1,000,000 (General Liability, Automobile Liability and Public Officials and Employee Liability coverage). There is no deductible to the member district for General Liability claims.

NOTE 10 – JOINT POWERS AGREEMENT (CONTINUED)

Public Officials and Employee Liability coverage with a \$25,000,000 annual aggregate limit per member district because of a wrongful act(s) which occurs during the coverage period for which the coverage applies. For each covered claim for employment practices liability there is a \$20,000 deductible payable by the member district or other covered party which shall be applied to any payment for judgment or settlement and to payments for defense costs as they are incurred. If the Member District consults with its general counsel if such counsel has experience with labor and employment law, or with its labor and employment counsel, or CAPRI – recommended labor and employment counsel prior to termination, layoffs, downsizing or other employment related matter, the deductible will be reduced to \$5,000 for any employment liability lawsuit brought by that employee.

All-Risk Property Loss coverage including Boiler & Machinery coverage, subject to a \$2,000 deductible per occurrence payable by the district. All risk property coverage has a limit of \$1,000,000,000 per occurrence shared by the membership. Boiler and Machinery has an excess limit of \$100,000,000. Earthquake coverage has an annual aggregate limit of \$5,000,000 for all member districts. Flood has an annual aggregate limit of \$10,000,000. The deductible for all loss or damage arising from the risks of earthquake is \$50,000 per occurrence or 5% of the value of the building, contents and/or structure damaged, whichever is greater. The deductible for all loss or damage arising from the risk of flood is \$20,000.

NOTE 11 – CONTINGENCIES AND COMMITMENTS

Workers’ Compensation Coverage with \$350,000 in limits. There is no deductible for the Workers’ Compensation program.

The District is insured (see Note 10) for most claims that have been made. The District’s counsel estimates, however, that the District could potentially be liable on certain tort claims, because of coinsurance provisions and deductibles in its insurance coverage, or claims outside of coverage. No liability has been recorded as it has been determined to be only reasonably possible that the District might be liable and the amount of loss, if any, cannot be estimated.

The District and three other public agencies funded a study as to potential toxic waste problems at a site owned largely by the District. These four entities share the costs equally and had no contributions during fiscal year 2015-16, but spent \$934,000 (\$233,500 each) in 1994, less than their original expenditure of \$1,160,000, (\$290,000 each) in prior years. Continued monitoring and maintenance will be performed in the future in an attempt to avoid toxic waste problems at this site.

The following is a list of open claims as of June 30, 2016 for the District for Liability and Property.

<u>Claim No.</u>	<u>Claim Date</u>	<u>Paid</u>	<u>Outstanding</u>	<u>Total Incurred</u>
11440	10/13/2015	\$ 25,741	\$ 26,759	\$ 52,500
12547	11/8/2015	115	385	500
12546	11/12/2015	156	344	500
13318	5/21/2016	2,807	1,138	3,944
8570	12/22/2014	26,600	12,900	39,500
12077	5/16/2015	123	877	1,000
11986	6/15/2015	4,128	11,872	16,000
44149	7/4/2013	7,420	2,580	10,000

NOTE 12 – OPERATING LEASES

The District entered into a photocopier lease agreement for a term of 60 months ending on December 1, 2016. Also, the District entered into a lease agreement with Simi Valley Unified School District and Mobile Modular for the use of 6 classrooms for terms of 10-59 months ending on June 15, 2018. The District entered into an operating lease for golf equipment for a term of 36 months ending on February 28, 2019.

At June 30, 2016, the future minimum lease payments were as follows:

	<u>June 30</u>	
Photocopier	2017	\$ 5,660
		<u>\$ 5,660</u>
	<u>June 30</u>	
Classrooms	2017	\$ 3,000
	2018	3,000
		<u>\$ 6,000</u>
	<u>June 30</u>	
Golf Carts	2017	\$ 9,492
	2018	9,492
	2019	6,328
		<u>\$ 25,312</u>

NOTE 13 – NET POSITION AND FUND BALANCES

A. NET POSITION

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net Investment in Capital Assets – This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction, or improvement of these assets reduce the balance in this category.

Restricted Net Position – This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Position – This category represents net position of the District, not restricted for any project or other purpose.

B. FUND BALANCES

Fund balances of the governmental funds are reported separately within classifications based on a hierarchy of constraints placed on the use of those resources. The classifications are based on the relative strength of the constraints that control how the specific amounts can be spent. The classifications are nonspendable, restricted, committed, assigned, and unassigned fund balance. The nonspendable fund balance classification includes amounts that cannot be spent because they are either not in spendable form or are legally or contractually required to be maintained intact. Restricted fund balances are those that have externally imposed restrictions on their usage by creditors, such as through debt covenants, grantors, contributors, or laws and regulations. The District does not have any committed fund balances at June 30, 2016.

RANCHO SIMI RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2016

NOTE 13 – NET POSITION AND FUND BALANCES (CONTINUED)

B. FUND BALANCES (Continued)

When both restricted and unrestricted resources are available for use, it is the District’s policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

The constraints placed on fund balance for the major governmental funds and all other governmental funds at June 30, 2016 are as follows:

	<u>General</u>	<u>Park Dedication Fees</u>	<u>Capital Outlay Capital Project</u>	<u>Capital Outlay Grants</u>	<u>Other Governmental Funds</u>	<u>Totals</u>
Fund Balances:						
Nonspendable:						
Prepaid Items	\$ 2,635	\$ -	\$ -	\$ -	\$ -	\$ 2,635
Total Nonspendable	<u>2,635</u>					<u>2,635</u>
Restricted:						
Parks and Facilities		2,021,576			105,781	2,127,357
Community Development					93,533	93,533
Total Restricted		<u>2,021,576</u>			<u>199,314</u>	<u>2,220,890</u>
Assigned:						
Capital Projects			354,803	145,287		500,090
Debt Service					532,642	532,642
Total Assigned			<u>354,803</u>	<u>145,287</u>	<u>532,642</u>	<u>1,032,732</u>
Unassigned	<u>4,321,778</u>					<u>4,321,778</u>
	<u>\$4,324,413</u>	<u>\$ 2,021,576</u>	<u>\$ 354,803</u>	<u>\$ 145,287</u>	<u>\$ 731,956</u>	<u>\$ 7,578,035</u>

NOTE 14 – PRIOR PERIOD ADJUSTMENT

A prior period adjustment of \$1,565,813 was made on the statement of activities for governmental activities for an understatement of capital assets in the prior fiscal year. This was due to determination recognition period subsequent to issuance of the prior year financial statement.

NOTE 15 – SUBSEQUENT EVENTS

On August 4, 2016, the Board approved an agreement with Behr-Browers Architects, Inc. for Design and Construction Management Services for Mae Boyar Recreation Building Replacement Project, in the amount of \$207,150 and \$5,000 in reimbursable expenses.

On August 4, 2016, the Board approved an agreement for the purchase and sale of real estate for the acquisition of 326 acres in Alamos Canyon, in the amount of \$2,892,126.

On August 18, 2016, the Board approved the purchase of three Toro Diesel Lawn mowers, in the amount of \$72,312.

On September 1, 2016, the Board awarded a contract with Unlimited Engineering Contracting, Inc. for the Valley View Playground Renovation Project, in the amount of \$187,800.

NOTE 15 – SUBSEQUENT EVENTS (CONTINUED)

On September 1, 2016, the Board awarded a contract with United Construction & Landscape, Inc. for the Arroyo Simi Greenway Phase 2 construction project, in the amount of \$1,047,018.

On December 1, 2016, the Board awarded a contract to Four Seasons Landscape & Property Services for tree pruning services in the amount of \$69,350.

On February 2, 2017, the Board approved the 2nd amendment to the Mae Boyar Recreation Building Replacement Project for additional requested work, in the amount of \$84,920 with this amendment covering the remaining amount due of \$6,394 for a total contract cost of \$1,131,939.

NOTE 16 – FUTURE ACCOUNTING PRONOUNCEMENTS

The following GASB Statements will be implemented in future financial statements:

GASB Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, is effective for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions, is effective for fiscal years beginning after June 15, 2017.

GASB Statement No. 77, Tax Abatement Disclosures, is effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 78, Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans, is effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants, is effective for reporting periods beginning after June 15, 2015, except for the provisions in paragraphs 18, 19, 23-26, and 40, which are effective for reporting periods beginning after December 15, 2015.

GASB Statement No. 80, Blending Requirements for Certain Component Units – an amendment of GASB Statement No. 14, is effect for periods beginning after June 15, 2016.

GASB Statement No. 81, Irrevocable Split-Interest Agreements, is effective for periods beginning after December 15, 2016.

GASB Statement No. 82, Pension Issues – an amendment of GASB Statements No. 67, No. 68, and No. 73, is effective for reporting periods beginning after June 15, 2016, except for the requirements of paragraph 7 in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements of paragraph 7 are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

REQUIRED SUPPLEMENTARY INFORMATION

RANCHO SIMI RECREATION AND PARK DISTRICT
SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS
 June 30, 2016

Schedule of Funding Progress

RETIREE HEALTH PLAN

Actuarial Valuation Date	Projected Unit Credit Cost Accrued Liability (a)	Actuarial Value of Assets (b)	Unfunded Liability (Excess Assets) (a)-(b)	Funded Status (b)/(a)	Annual Covered Payroll (c)	UAAL as a % of Payroll [(a)-(b)]/(c)
7/1/2008	\$ 3,465,721	\$ -	\$ 3,465,721	0.0%	\$ 10,489,580	33.0%
7/1/2011	\$ 4,146,206	\$ -	\$ 4,146,206	0.0%	\$ 6,565,836	63.1%
7/1/2014	\$ 4,918,803	\$ -	\$ 4,918,803	0.0%	\$ 6,360,670	77.3%

RANCHO SIMI RECREATION AND PARK DISTRICT
REQUIRED SUPPLEMENTARY INFORMATION
 June 30, 2016

Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Changes in the Net Pension Liability and Related Ratios

	<u>2016</u>	<u>2015</u>
Measurement Period	2015-16	2014-15
Total Pension Liability		
Services Cost	\$ 1,115,841	\$ 1,083,588
Interest on the Total Pension Liability	2,776,238	2,620,540
Changes of Assumptions		(605,343)
Differences between Expected and Actual Experience	(213,935)	(1,020,772)
Benefit Payments, including Refunds of Employee Contributions	(1,558,292)	(1,383,769)
Net Change in Total Pension Liability	2,119,852	694,244
Total Pension Liability - Beginning	36,725,872	36,031,628
Total Pension Liability - Ending (a)	<u>\$ 38,845,724</u>	<u>\$ 36,725,872</u>
Plan Fiduciary Net Position		
Contribution from the Employer	\$ 930,057	\$ 866,380
Contribution from the Employees	502,787	475,594
Net investment income	195,608	651,391
Benefit Payments	(1,558,292)	(1,383,769)
Administrative Expense	(18,323)	(33,838)
Net Change in Plan Fiduciary Net Position	51,837	575,758
Plan Fiduciary Net Position - Beginning	30,064,362	29,488,604
Plan Fiduciary Net Position - Ending (b)	<u>\$ 30,116,199</u>	<u>\$ 30,064,362</u>
Net Pension Liability - Ending (a)-(b)	<u>\$ 8,729,525</u>	<u>\$ 6,661,510</u>
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.53%	81.86%
Covered - Employee Payroll	\$ 7,749,973	\$ 7,558,514
Net Pension Liability as Percentage of Covered-Employee Payroll	112.64%	88.13%

Note to Schedule:

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

Changes in Assumptions: In 2016, there were no changes. In 2015, amounts reported reflect an adjustment of the discount rate from 7.5 percent (not 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 1st year of implementation, therefore only two years are shown.

RANCHO SIMI RECREATION AND PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS
 June 30, 2016

Agent Multiple-Employer Defined Benefit Pension Plan

Schedule of Pension Contributions¹

	<u>Fiscal Year 2015-16</u>	<u>Fiscal Year 2014-15</u>
Actuarially Determined Contribution ²	\$ 930,057	\$ 866,380
Contributions in Relation to the Actuarially Determined Contribution ²	<u>(930,057)</u>	<u>(866,380)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>
Covered-Employee Payroll ³	\$ 7,749,973	\$ 7,558,514
Contributions as a Percentage of Covered-Employee Payroll ³	12.00%	11.46%

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

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

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

Notes to Schedule of Plan Contributions:

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

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

* Fiscal year 2015 was the 1st year of implementation, therefore only two years are shown.

RANCHO SIMI RECREATION AND PARK DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Taxes, penalties, and interest	\$ 10,893,551	\$ 10,893,551	\$ 11,459,202	\$ 565,651
Charges for services	5,534,298	5,534,298	6,028,920	494,622
Investment income	7,100	7,100	10,620	3,520
Other revenues	30,000	30,000	57,316	27,316
Total revenues	<u>16,464,949</u>	<u>16,464,949</u>	<u>17,556,058</u>	<u>1,091,109</u>
Expenditures:				
Current:				
Salaries and benefits	10,526,992	10,526,992	10,856,526	(329,534)
Services and supplies	3,602,965	3,602,965	3,618,265	(15,300)
Insurance	889,960	889,960	825,176	64,784
Utilities	1,787,825	1,787,825	1,574,926	212,899
Other			1,139	(1,139)
Capital outlay	391,162	391,162	13,687	377,475
Total expenditures	<u>17,198,904</u>	<u>17,198,904</u>	<u>16,889,719</u>	<u>309,185</u>
Excess of revenues over (under) expenditures	<u>(733,955)</u>	<u>(733,955)</u>	<u>666,339</u>	<u>1,400,294</u>
Other Financing Sources:				
Transfers in			69,996	69,996
Total other financing sources			69,996	69,996
Net change in fund balance	(733,955)	(733,955)	736,335	1,470,290
Fund balance - beginning of fiscal year	<u>3,588,078</u>	<u>3,588,078</u>	<u>3,588,078</u>	
Fund balance - end of fiscal year	<u>\$ 2,854,123</u>	<u>\$ 2,854,123</u>	<u>\$ 4,324,413</u>	<u>\$ 1,470,290</u>

RANCHO SIMI RECREATION AND PARK DISTRICT
PARK DEDICATION FEES FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Developer fees	\$ 373,000	\$ 373,000	\$ 289,961	\$ (83,039)
Investment income	10,000	10,000	14,593	4,593
Other revenues	1,200	1,200	597	(603)
Total revenues	<u>384,200</u>	<u>384,200</u>	<u>305,151</u>	<u>(79,049)</u>
Expenditures:				
Capital outlay	<u>4,426,910</u>	<u>4,426,910</u>	<u>2,701,345</u>	<u>1,725,565</u>
Total expenditures	<u>4,426,910</u>	<u>4,426,910</u>	<u>2,701,345</u>	<u>1,725,565</u>
Excess of revenues over (under) expenditures	<u>(4,042,710)</u>	<u>(4,042,710)</u>	<u>(2,396,194)</u>	<u>1,646,516</u>
Other Financing Sources:				
Transfers in	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>100,000</u>	
Net change in fund balance	(3,942,710)	(3,942,710)	(2,296,194)	1,646,516
Fund balance - beginning of fiscal year	<u>4,317,770</u>	<u>4,317,770</u>	<u>4,317,770</u>	
Fund balance - end of fiscal year	<u>\$ 375,060</u>	<u>\$ 375,060</u>	<u>\$ 2,021,576</u>	<u>\$ 1,646,516</u>

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OTHER SUPPLEMENTARY INFORMATION

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RANCHO SIMI RECREATION AND PARK DISTRICT
CAPITAL OUTLAY CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Investment income	\$ 5,750	\$ 3,571	\$ (2,179)
Total revenues	<u>5,750</u>	<u>3,571</u>	<u>(2,179)</u>
Expenditures:			
Capital outlay	<u>3,090,310</u>	<u>2,555,877</u>	<u>534,433</u>
Total expenditures	<u>3,090,310</u>	<u>2,555,877</u>	<u>534,433</u>
Excess of revenues over (under) expenditures	<u>(3,084,560)</u>	<u>(2,552,306)</u>	<u>532,254</u>
Other Financing Sources (Uses):			
Transfers In	<u>779,000</u>	<u>779,000</u>	
Total other financing sources (uses)	<u>779,000</u>	<u>779,000</u>	
Net change in fund balance	(2,305,560)	(1,773,306)	532,254
Fund balance - beginning of fiscal year	<u>2,128,109</u>	<u>2,128,109</u>	
Fund balance - end of fiscal year	<u>\$ (177,451)</u>	<u>\$ 354,803</u>	<u>\$ 532,254</u>

RANCHO SIMI RECREATION AND PARK DISTRICT
CAPITAL OUTLAY GRANTS CAPITAL PROJECTS FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE -
BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Variance with Final Budget Positive (Negative)</u>
	<u>Final</u>	<u>Actual</u>	
Revenues:			
Intergovernmental	\$ 3,816,769	\$ 2,657	\$ (3,814,112)
Other revenues		787	787
Total revenues	<u>3,816,769</u>	<u>3,444</u>	<u>(3,813,325)</u>
Expenditures:			
Current:			
Other expenditures		218	(218)
Capital outlay	<u>4,039,778</u>	<u>100,427</u>	<u>3,939,351</u>
Total expenditures	<u>4,039,778</u>	<u>100,645</u>	<u>3,939,133</u>
Excess of revenues over (under) expenditures	<u>(223,009)</u>	<u>(97,201)</u>	<u>125,808</u>
Net change in fund balance	(223,009)	(97,201)	125,808
Fund balance - beginning of fiscal year	<u>242,488</u>	<u>242,488</u>	
Fund balance - end of fiscal year	<u>\$ 19,479</u>	<u>\$ 145,287</u>	<u>\$ 125,808</u>

RANCHO SIMI RECREATION AND PARK DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING BALANCE SHEET
June 30, 2016

	<u>Special Revenue Funds</u>		
	<u>Oak Park Assessment</u>	<u>Oak Park Special Zone Tax</u>	<u>Simi Valley Assessment</u>
ASSETS			
Cash and investments	\$ 118,706	\$ 3,379	\$ 239,802
Receivables:			
Interest	173		791
Other			20,120
Due from other funds	<u>2,267</u>	<u>20,012</u>	<u> </u>
Total assets	<u>\$ 121,146</u>	<u>\$ 23,391</u>	<u>\$ 260,713</u>
LIABILITIES AND FUND BALANCES			
Liabilities:			
Accounts payable	\$ 15,365	\$ 14,556	\$ 18,432
Accrued wages			50,345
Due to other funds			107,238
Total liabilities	<u>15,365</u>	<u>14,556</u>	<u>176,015</u>
Fund Balances:			
Restricted:			
Parks and facilities	105,781		
Community development		8,835	84,698
Assigned			
Total fund balances	<u>105,781</u>	<u>8,835</u>	<u>84,698</u>
Total liabilities and fund balances	<u>\$ 121,146</u>	<u>\$ 23,391</u>	<u>\$ 260,713</u>

Debt Service Fund	
Debt Service	Totals
\$ 532,723	\$ 894,610
	964
	20,120
	22,279
<u>\$ 532,723</u>	<u>\$ 937,973</u>
\$ -	\$ 48,353
	50,345
81	107,319
<u>81</u>	<u>206,017</u>
	105,781
	93,533
532,642	532,642
<u>532,642</u>	<u>731,956</u>
<u>\$ 532,723</u>	<u>\$ 937,973</u>

RANCHO SIMI RECREATION AND PARK DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES
For the Fiscal Year Ended June 30, 2016

	Special Revenue Funds		
	Oak Park Assessment	Oak Park Special Zone Tax	Simi Valley Assessment
Revenues:			
Taxes	\$ 153,926	\$ 183,188	\$ 1,568,609
Investment income	2,451		2,058
Total revenues	<u>156,377</u>	<u>183,188</u>	<u>1,570,667</u>
Expenditures:			
Current:			
Salaries and benefits	66,549		822,210
Services and supplies	6,325	100,941	33,377
Utilities			244,775
Capital outlay	51,804		883,178
Debt service:			
Principal			
Interest			
Total expenditures	<u>124,678</u>	<u>100,941</u>	<u>1,983,540</u>
Excess of revenues over (under) expenditures	<u>31,699</u>	<u>82,247</u>	<u>(412,873)</u>
Other Financing Sources (Uses):			
Proceeds from issuance of long-term debt			
Transfers in			
Transfers out		(69,996)	
Total other financing sources (uses)		<u>(69,996)</u>	
Net change in fund balances	31,699	12,251	(412,873)
Fund balances (deficits), beginning of fiscal year	<u>74,082</u>	<u>(3,416)</u>	<u>497,571</u>
Fund balances, end of fiscal year	<u>\$ 105,781</u>	<u>\$ 8,835</u>	<u>\$ 84,698</u>

Debt Service Fund	
Debt Service	Totals
\$ -	\$ 1,905,723
	4,509
	<u>1,910,232</u>
	888,759
	140,643
	244,775
7,350,000	8,284,982
123,276	123,276
142,590	142,590
<u>7,615,866</u>	<u>9,825,025</u>
<u>(7,615,866)</u>	<u>(7,914,793)</u>
7,350,000	7,350,000
798,000	798,000
	(69,996)
<u>8,148,000</u>	<u>8,078,004</u>
532,134	163,211
508	568,745
<u>\$ 532,642</u>	<u>\$ 731,956</u>

RANCHO SIMI RECREATION AND PARK DISTRICT
NONMAJOR GOVERNMENTAL FUNDS
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
- BUDGET AND ACTUAL
For the Fiscal Year Ended June 30, 2016

	Special Revenue Funds					
	Oak Park Assessment			Oak Park Special Zone Tax		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes	\$ 153,644	\$ 153,926	\$ 282	\$ 185,662	\$ 183,188	\$ (2,474)
Investment income	1,200	2,451	1,251	2,000		(2,000)
Total revenues	<u>154,844</u>	<u>156,377</u>	<u>1,533</u>	<u>187,662</u>	<u>183,188</u>	<u>(4,474)</u>
Expenditures:						
Current:						
Salaries and benefits	73,083	66,549	6,534			
Services and supplies	70,000	6,325	63,675	74,000	100,941	(26,941)
Utilities	20,000		20,000			
Capital outlay	77,730	51,804	25,926			
Debt service:						
Principal						
Interest and other charges						
Total expenditures	<u>240,813</u>	<u>124,678</u>	<u>116,135</u>	<u>74,000</u>	<u>100,941</u>	<u>(26,941)</u>
Excess of revenues over (under) expenditures	<u>(85,969)</u>	<u>31,699</u>	<u>117,668</u>	<u>113,662</u>	<u>82,247</u>	<u>(31,415)</u>
Other Financing Sources (Uses):						
Proceeds from issuance of long-term debt						
Transfers in						
Transfers out				(69,996)	(69,996)	
Total other financing sources (uses)				<u>(69,996)</u>	<u>(69,996)</u>	
Net changes in fund balances	(85,969)	31,699	117,668	43,666	12,251	(31,415)
Fund balances (deficits), beginning of fiscal year	<u>74,082</u>	<u>74,082</u>		<u>(3,416)</u>	<u>(3,416)</u>	
Fund balances (deficits), end of fiscal year	<u>\$ (11,887)</u>	<u>\$ 105,781</u>	<u>\$ 117,668</u>	<u>\$ 40,250</u>	<u>\$ 8,835</u>	<u>\$ (31,415)</u>

Special Revenue Funds			Debt Service Fund		
Simi Valley Assessment			Debt Service		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 1,586,953	\$ 1,568,609	\$ (18,344)	\$ -	\$ -	\$ -
700	2,058	1,358			
<u>1,587,653</u>	<u>1,570,667</u>	<u>(16,986)</u>			
857,724	822,210	35,514			
	33,377	(33,377)			
100,000	244,775	(144,775)			
1,213,387	883,178	330,209		7,350,000	(7,350,000)
			123,276	123,276	
			<u>142,590</u>	<u>142,590</u>	
<u>2,171,111</u>	<u>1,983,540</u>	<u>187,571</u>	<u>265,866</u>	<u>7,615,866</u>	<u>(7,350,000)</u>
<u>(583,458)</u>	<u>(412,873)</u>	<u>170,585</u>	<u>(265,866)</u>	<u>(7,615,866)</u>	<u>(7,350,000)</u>
			798,000	7,350,000	7,350,000
				798,000	
			<u>798,000</u>	<u>8,148,000</u>	<u>7,350,000</u>
(583,458)	(412,873)	170,585	532,134	532,134	
497,571	497,571		508	508	
<u>\$ (85,887)</u>	<u>\$ 84,698</u>	<u>\$ 170,585</u>	<u>\$ 532,642</u>	<u>\$ 532,642</u>	<u>\$ -</u>