

**PLEASANT VALLEY RECREATION & PARK DISTRICT
CITY OF CAMARILLO, CITY HALL COUNCIL CHAMBERS
601 CARMEN DR., CAMARILLO, CALIFORNIA**

**BOARD OF DIRECTORS
REGULAR MEETING AGENDA
March 2, 2016**

6:00 P.M. REGULAR MEETING NEXT RESOLUTION #554

- 1. CALL TO ORDER**
- 2. PLEDGE OF ALLEGIANCE**
- 3. ROLL CALL**
- 4. AMENDMENTS TO THE AGENDA** - This is the time and place to change the order of the agenda, delete, or add any agenda item(s) and to remove any consent agenda items for discussion.
- 5. PRESENTATIONS**
 - A. District Highlights (Lanny Binney, Recreation Supervisor)
 - B. BMX
 - C. American Youth Soccer Association (AYSO)
 - D. Pleasant Valley Recreation and Parks Foundation Annual Update
- 6. PUBLIC COMMENT** - In accordance with Government Code Section 54954.3, the Board reserves this time to hear from the public. If you would like to speak about an item on the agenda, we would prefer you complete a Speaker Card, give it to the Clerk of the Board, and wait until it comes up. If you would like to make comments about other areas not on this agenda, in accordance with California law, we will listen, note them, and bring them back up at a later date for discussion. Speakers will be allowed three minutes to address the Board.
- 7. CONSENT AGENDA** – Matters listed under the Consent Agenda are considered routine and shall be acted upon without discussion and by one motion. If discussion is desired the item will be removed from the Consent Agenda for discussion and voted on as a separate item. If no discussion is desired then the suggested action is for the Chair to request that a motion be made to approve the Consent Agenda.

A. Minutes for Regular Meeting February 3, 2016 and Special Board Meeting February 11, 2016

Approval receives and files minutes.

B. Warrants, Accounts Payable & Payroll

Approval of District's disbursements dated on or before February 18, 2016.

C. Financial Report

Monthly unaudited financial reports are presented to the Board for information. Approval

receives and files the financial reports for January 31, 2016.

D. Consideration and Approval of Contract Extension Between the District and Moss, Levy, & Hartzheim for Professional Audit Services

Extension of contract would be for professional audit services for fiscal years 2015-2016, 2016-2017, and 2017-2018.

8. NEW ITEMS-DISCUSSION/ACTION

A. Consideration and Approval of the Financial Report for FY 2014-2015

Annual Financial Report for FY 2014 – 2015 as prepared by Moss, Levy, & Hartzheim, LLP, CPAs.

Suggested Action: A MOTION to approve the Annual Financial Report for FY 2014-2015.

B. Consideration and Approval of the Re-Surfacing of the In-Line Hockey Rink

Proposed FY 2015-2016 capital improvement project for the re-surfacing of the in-line hockey rink at Freedom Park.

Suggested Action: A MOTION to approve re-surfacing of the in-line hockey rink at Freedom Park.

C. Consideration and Approval of Revised Employment Agreement Between the District and General Manager

Revised three year employment agreement for Mary Otten, General Manager.

Suggested Action: A Motion to approve the General Manager's employment agreement effective from August 25, 2015 to August 24, 2018.

D. Update and Discussion of District's Park Ranger Program

Updated information regarding the District's Park Ranger Program.

Suggested Action: Provide direction to staff.

9. INFORMATIONAL ITEMS, which do not require action, will be reported by members of the Board and staff:

A. Chairman Mishler

B. Ventura County Special District Association/California Special District Association

C. Santa Monica Mountains Conservancy

D. Standing Committees – Finance, Personnel and Policy

E. Foundation for Pleasant Valley Recreation and Parks

F. General Manager's Report

10. ORAL COMMUNICATIONS- Informal items from Board Members or staff not requiring action.

11. ADJOURNMENT

Notes: The Board of Directors reserves the right to modify the order in which agenda items are heard. Written materials related to these agenda items are available for public inspection in the Office of the Clerk of the Board located at 1605 E. Burnley Street, Camarillo during regular business hours beginning the Friday preceding the Wednesday Board meeting.

Announcement: Public Comment: Members of the public may address the Board on any agenda item before or during consideration of the item. [Government Code section 54954.3] Should you need special assistance (i.e. a disability-related

modification or accommodations) to participate in the Board meeting or other District activities (including receipt of an agenda in an appropriate alternative format), as outlined in the Americans With Disabilities Act, or require further information, please contact the General Manager at 482-1996, extension 24. Please notify the General Manager 48 hours in advance to provide sufficient time to make a disability-related modification or reasonable accommodation.



www.pvrpd.org • 805-482-1996

PLEASANT VALLEY RECREATION AND PARK DISTRICT
CO-SPONSORED GROUP
ANNUAL UPDATE

Group: Freedom Park BMX Track

Date: March 2, 2016

One representative from your organization must attend the following PVRPD Board Meeting on:
Wednesday, March 2, 2016 at Camarillo City Hall

OFFICERS	NAME	ADDRESS	DAY PHONE	CELL PHONE
Operator	Andrea Huvad	135 La Crescenta Dr, Camarillo	312-6130	
	Richard Huvad	135 La Crescenta Dr, Camarillo	312-0922	
	Frank Marino	382 Mooncrest, Newbury Park	490-5646	

Number of participants last year: 483 Race 1238 Practice, parties
 Projected number of participants upcoming year: 600 Race 1500 Practice, race
 Changes Organization has made from previous year: None

Comments for the PVRPD Board of Directors: Come visit the BMX track!! It is the pride of
Ventura County.

Primary Facility (ies) Used? Freedom Park BMX
 What Time are Board Meetings Held? N/A
 Where are Board Meetings Held? N/A
 When are new Board Members Elected? N/A
 When are new Board Members Installed? N/A

Pleasant Valley Recreation and Park District Liaison: Lanny Binney, Recreation Supervisor

Please attach a copy of your By-Laws to this form.

Please Complete and Return the Annual Update and Financial Statement by February 8, 2016

Lanny Binney
1605 E. Burnley Street, Camarillo, CA 93010
Phone: 482-1996 x 17
Fax: 805-482-3468

Form Completed by (print): Andrea Huvad Date 23-Feb-16
Sign: Andrea Huvad

	2015	2016
Income	\$92789	\$90000
Income Sources:		
Race fees	\$12/race	
Practice fees	\$7/practice session	
Birthday parties	\$250/party	
Camps	\$250/week	
So Cal Edison	\$5954	\$6000
City of Camarillo		
Business License	\$71	\$71
CPA		
Tax prep/book keeping	\$850	\$850
California State Taxes	\$897	\$897
USABMX	\$12,448	\$12500
Sanction Fess		
Insurance		
Food (volunteers, work parties)	\$3741	\$3500
Home Depot cash (supplies)	\$10528	\$5000
Incidentals (supplies)	\$2033	\$1500
Special events (rentals)	\$2730	\$2500
Home Depot CC payments	\$3073	\$2000
\$256/month		
Wells Fargo CC Payments	\$3073	\$2000
\$256/month		
Porto Potties	\$2848	\$3000
ACORN (advertising)	\$700	0
Postage	\$546	\$250
Awards (trophies/stamps)	\$5243	\$7000
Barricades/cones	\$185	\$200
USA cycling Race fees (volunteers)	\$739	\$500
Dirt/trucking	\$2875	0
Modesto		
MCL landscape crew	\$16150	\$5000
Chantel Blanchet (\$15/hour)	\$16930	\$20000
Huvarad Loan to FPBMX (left over from 2014-2015 major construction project)	(\$18425)	(\$8425)
MCL Loan to FPBMX (left over from 2014-2015 major construction project)	(\$15000)	(0)



**PLEASANT VALLEY RECREATION AND PARK DISTRICT
CO-SPONSORED GROUP
ANNUAL UPDATE**

Group: American Youth Soccer Organization

Date: 10-Feb-16

One representative from your organization must attend the following PVRPD Board Meeting on:
Wednesday, March 2, 2016 at 6pm at the City of Camarillo Council Chambers

OFFICERS	NAME	ADDRESS	DAY PHONE	CELL PHONE
President	Mike Harrison	4874 Chula Vista Court	(805) 389-9117	(805) 904-5634
Vice President	Rich Frank		(805) 377-7450	
Treasurer	Alan Anderson		(805) 212-0687	
Secretary	Kris Warycha		(310) 391-6621	

Number of participants last year: 2,361 - 1,359 boys & 1,002 girls

Projected number of participants upcoming year: 2,200

Changes Organization has made from previous year: _____
five teams participated in the AYSO Challenge program - club circuit

Comments for the PVRPD Board of Directors: _____

Primary Facility (ies) Used? PV Fields

What Time are Board Meetings Held? 7:00 PM

Where are Board Meetings Held? 1161 Calle Suerte, Unit F

When are new Board Members Elected? January

When are new Board Members Installed? January


Pleasant Valley Recreation and Park District Liaison: Lanny Binney, Recreation Supervisor

Please attach a copy of your By-Laws to this form.

Please Complete and Return the Annual Update and Financial Statement by February 12 to:

Lanny Binney
1605 E. Burnley Street, Camarillo, CA 93010
Phone: 482-1996 x 17
Fax: 805-482-3468

Form Completed by (print): Mike Harrison Date 10-Feb-16

Sign: 

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
COMMUNITY SERVICE GROUP - ANNUAL REVIEW
FINANCIAL STATEMENT**

NAME OF ORGANIZATION American Youth Soccer Organization

Last Year's Financial Statement

Proposed Budget

Period: June 30, 2014

Period: July 1, 2015

CHECKING

CHECKING

Beginning Balance: \$ 353,355

Beginning Balance: \$ 423,029

Revenue:

Revenue:

Registration: \$ 325,089
Tournaments: \$ 226,771
Fundraisers: \$ 7,475
Snack Bar: \$
Interest: \$ 1,425
Dues: \$
Miscellaneous Income: \$ 12,827
Total Revenue \$ 573,587

Registration: \$ 301,920
Tournaments: \$ 234,000
Fundraisers: \$ 8,500
Snack Bar: \$
Interest: \$ 828
Dues: \$
Miscellaneous Income: \$ 10,500
Total Revenue \$ 555,748

Expenses:

Expenses:

Admin Expense \$ 8,152
Advertising \$ 12,007
Awards \$ 94,684
Equipment \$ 8,741
Facility/Field Maint. \$ 70,231
Insurance \$ 949
Internet (online registration) \$ 8,821
Licensing/Membership \$ 62,083
Maintenance (field/facility) \$
Miscellaneous \$ 13,979
Paid Staff \$
Professional Services (EMT) \$ 4,100
Refunds \$ 6,235
Rentals \$ 21,825
School District \$ 1,015
Snack Bar Resale \$
Supplies \$ 25,636
Tournament Entries \$ 107,717
Uniforms \$ 69,986
Contingency \$ 5,000
Total Expense: \$ 521,159

Admin Expense \$ 13,000
Advertising \$ 8,588
Awards \$ 100,500
Equipment \$ 23,950
Facility/Field Maint. \$ 87,645
Insurance \$ 2,608
Internet (online registration) \$ 9,000
Licensing/Membership \$ 65,000
Maintenance (field/facility) \$
Miscellaneous \$ 40,900
Paid Staff \$
Professional Services (EMT) \$ 4,200
Refunds \$ 6,500
Rentals \$ 22,452
School District \$ 1,000
Snack Bar Resale \$
Supplies \$ 27,616
Tournament Entries \$ 79,950
Uniforms \$ 74,780
Contingency \$ 5,000
Total Expense: \$ 572,689

Ending Balance: \$ 405,782

Ending Balance: \$ 406,089

List Savings/CDs/Investments here:

List Savings/CDs/Investments here:

Savings Account \$
CD Account 12 month \$ 165,710
CD Account ___ month \$
Investment Account \$
Other Account \$
Total Other Accounts \$

Checking + Other \$ 571,492

Savings Account \$
CD Account ___ month \$ 166,538
CD Account ___ month \$
Investment Account \$
Other Account \$
Total Other Accounts \$

Checking + Other \$ 572,627

**Pleasant Valley Recreation and Park District
Minutes of Regular Meeting
February 3, 2016**

1. CALL TO ORDER

Call to Order

The regular meeting of the Board of Directors of the Pleasant Valley Recreation and Park District was called to order at 6:00 p.m. by Chairman Mishler.

2. PLEDGE OF ALLEGIANCE

Matthew Parker led the pledge.

3. ROLL CALL

Roll Call

Ayes: Kelley, Magner, Malloy, Dixon, Chairman Mishler

Absent:

ALSO PRESENT: General Manager Mary Otten, Administrative Services Manager Leonore Young, Park Services Manager Bob Cerasuolo, Recreation Services Manager Amy Stewart, Administrative Analyst and Clerk of the Board Michele Kostenuik, Customer Service Representative and Recording Board Secretary Karen Roberts, Park Supervisor Matthew Parker, Recreation Supervisor Jane Raab, Bryan Monka, Samantha Fitts, Annie Barker, Dona Stone Fuller, Matthew Lorimer, Lisa and Bill Robertson, Holly Underwood, Steve Monka, and Michael Robinson.

4. AMENDMENTS TO THE AGENDA

None.

5. PRESENTATIONS

A. District Highlights

Recreation Services Manager Amy Stewart presented the highlights of the District's January/February activities, programs and special events. Hiring has begun for the summer months. Upcoming is a Kids Triathlon on February 20 at the Aquatics Center, a senior lunch/movie on February 4, a senior Valentine dance on February 9 and a senior Chumash Casino trip on February 16. In sports, CYBA has over 600 youth enrolled for its basketball program, CPBA's opening day for spring baseball is March 12 at Bob Kildee Park, CGSA's opening day for spring softball is February 20 at Mission Oaks Park and Adult Basketball will be starting up in a few weeks. In Parks and Facilities, the Community Center buildings were closed in January for maintenance and a new wood floor was installed in Room 7 along with the internet and painted cabinets. There will be a free Wildlife Show at Camarillo Grove Park's Nature Center on February 13 at noon along with various nature hikes and classes to sign up for in spring. March 26 will be the District's Easter Eggstravaganza at the Community Center from 9 am to 2 pm and food and craft vendors are still needed.

B. Roadrunners Radio Control Auto Racing Club

Recreation Services Manager Amy Stewart introduced Bill Robertson as president and Lisa Robertson as vice president of the Roadrunners R/C Club. A video was shown of R/C cars along the Christmas Parade route this past December. The group holds two large races at the track out at Freedom Park and also has at least two charity events a

year. They are the only public R/C auto racing club in a public park (Freedom Park) within 100 miles.

C. Pleasant Valley Co-operative Preschool

Recreation Services Manager Amy Stewart introduced the Co-op's President Dona Stone Fuller, Director Annie Barker and Samantha Fitts, a teacher at the Co-op. They presented an overview of the past year along with a look at their backyard project. Working with Nature Explore as a design consultant, the preschool parents have begun renovation of their backyard which will include eco and water wise concepts, multi-disciplinary creative learning areas, and integrated play areas with room to run. The preschool has been successful with fundraising but will continue their efforts for this multi-year project. Ms Fuller mentioned that they are continuing to look for volunteers who would like to assist with the backyard project.

6. PUBLIC COMMENT

Chairman Mishler accepted two speaker cards from Administrative Analyst and Clerk of the Board Michele Kostenuik. The first speaker, Matthew Lorimer of Camarillo and president of the Lamplighter Mobile Home Park mentioned that the prevalence of graffiti has increased along with crime in his area and he is concerned for the safety of his neighborhood along with Pleasant Valley Fields. Mr. Lorimer has advised people to report any suspicious activity in the area to the police or to the District's Park Rangers since they patrol the parks. He suggested that the District post the Park Ranger number on the gates at Pleasant Valley Fields. Mr. Lorimer mentioned that he thought it was a good idea for District board members such as Bob Kelley to bring awareness to problem areas such as the condition of Adolfo Camarillo High School's practice fields.

Bryan Monka with MSA FC of Camarillo stated that in November 2015 he had resubmitted an application to the District to be a community service organization as defined by the District's ordinances. Mr. Monka mentioned that over 70% of the members of the youth organization reside in the District's boundaries and that MSA FC's mission is aligned with PVRPD's Five Year Strategic Plan with its balance of programs that meet the needs of the community. As a non-profit, MSA FC is the only local non-profit sports organization offering competitive, developmental and united teams to Camarillo. Mr. Monka stated that they had over 130 youth per night during a recent free clinic held at Freedom West Park. MSA FC would like a seat at the table and would like a chance to have a discussion with the Board about having equal access to quality fields like the other sports groups.

7. CONSENT AGENDA

- A. Minutes for Regular Meeting January 6, 2016
- B. Warrants, Accounts Payable & Payroll thru January 21, 2016
- C. Financial Report
- D. Consideration and Adopt Resolution No. 552 Directing SCI to Develop the FY 2016-2017 Engineer's Report for the Assessment District

Chairman Mishler called for a motion. A motion was made by Director Magner and seconded by Director Dixon to approve the Consent Agenda.

Voting was as follows:

Ayes: Magner, Dixon, Kelley, Malloy, Chairman Mishler

Noes:

Absent:

Motion: Carried

**Motion to
Approve
Consent Agenda**

Carried

8. NEW ITEMS – DISCUSSION/ACTION

**A. Consideration and Approval of Contract for Landscape Maintenance Services
Between the District and Quality Landscape Care**

Park Supervisor Matthew Parker presented a recommendation for the selection of Quality Landscape Care for the District’s landscape maintenance services. Mr. Parker introduced owner Michael Robinson and assistant Holly Underwood for Quality Landscape Care who were in the audience for questions. Mr. Parker stated that six companies submitted proposals and staff interviewed the three lowest bidders and selected Quality Landscape Care. Discussion included previous contract versus proposed contract level and extent of care, the higher costs if District staff maintained proposed landscape services, great safety and track record of Quality Landscape Care and its familiarity with District parks, Quality Landscape Care as sole landscape contractor for the City of Camarillo, and the company’s prevalence in Ventura County.

Chairman Mishler called for a motion. A motion was made by Director Magner and seconded by Director Malloy to approve the contract between the District and Quality Landscape Care for landscape maintenance services as identified in Alternate Bid Condition #2 of the Landscape RFP for two years with a one year extension option.

**Motion to
Approve
Contract
With Quality
Landscape**

Voting was as follows:

Ayes: Magner, Malloy, Kelley, Dixon, Chairman Mishler

Noes:

Absent:

Motion: Carried

Carried

**B. Consideration and Approval of Depositing District Funds into Multi-Bank Securities
(MBS)**

Administrative Services Manager Leonore Young presented investment options for a portion of the Quimby Funds with MBS. The options included investments from one to five years in length of time with increasing rates of return. Ms. Young explained that if the CD’s were sold before maturity, the District would receive less in proceeds than if held for the full term. Discussion included MBS’s laddered maturity strategy, current drop in interest rates, smaller multiple CD’s versus larger CD’s, lower US Treasury rates, questioning of a five year commitment when interest rates are low, loss of interest with reduced investment terms, availability of funds for larger projects in the near future, weighing the effects of tying up funds for five years versus a higher rate of return, an

initial investment at one, two and four years only, and an increase in future options with the five year tiered investment plan.

Chairman Mishler called for a motion. A motion was made by Director Magner and seconded by Director Malloy to approve investing 30% of the Quimby Funds into Multi-Bank Securities as outlined over five years.

**Motion to
Approve
Investing 30%
Quimby Funds
With MBS**

Voting was as follows:

Ayes: Magner, Malloy, Kelley

Noes: Dixon, Chairman Mishler

Absent:

Motion: Carried

Carried

C. Consideration and Approval of Resolution No. 553 to Create Fund 20 for the Assessment District

Administrative Services Manager Leonore Young referenced the District's auditors request that Assessment Funds be separated from the General Fund. With the purchase of new financial software, the District will be able to set up a new fund (Fund 20) for that purpose. The creation of Fund 20 will allow for the accounting transfer of the Assessment Funds from the General Fund to its own separate fund.

Chairman Mishler called for a motion. A motion was made by Director Magner and seconded by Director Dixon to approve Resolution No. 553 directing staff to create Fund 20 for the Assessment District.

**Motion to
Approve Reso
No. 553, Fund 20
Assessment**

Voting was as follows:

Ayes: Magner, Dixon, Kelley, Malloy, Chairman Mishler

Noes:

Absent:

Motion: Carried

Carried

D. Consideration and Approval of Mid-Year District Budget Revisions

Administrative Services Manager Leonore Young presented mid-year budget revisions to the FY 2015-2016 Budget. Discussion included decreases in revenue and increases in expenses, auditor mandating allocation of grant funds to FY 2014-2015 rather than FY 2015-2016 as originally budgeted, cancellation of Farmers Market, increase in workers' compensation, vandalism and employees' medical insurance, drop in water and electric costs, increase in tax apportionment by \$174,000, proposal to take half of the apportionment gains along with the decreased expense of water and electric for a more realistic view of District's past and so that the District is not budgeted in the negative, volatility of the tax apportionment and timing of receipt, and the question of the need for a mid-year budget revision.

Chairman Mishler called for a motion. A motion was made by Director Malloy and seconded by Director Magner to approve the mid-year budget revisions as proposed with the addition of a total net change of \$143,000 from taking half of the tax apportionment gains along with the reduction in water and electrical expenses (\$86,000 + \$41,000 + \$16,000, respectively).

**Motion to
Approve Mid
Year Budget
Revisions**

Voting was as follows:

Ayes: Malloy, Magner, Kelley, Dixon, Chairman Mishler

Noes:

Absent:

Carried

Motion: Carried

9. INFORMATIONAL ITEMS

- A. Chairman Mishler – Chairman Mishler requested that in addition to the monthly District Highlights, staff should present an in-depth look at one subject matter within the District. Mr. Mishler asked why there was an increase in the mid-year budget for Workers' Compensation. Administrative Services Manager Leonore Young stated that the District is billed quarterly and the increase was due to a procedures adjustment.
- B. Ventura County Special District Association/California Special District Association - Director Magner reported the attendance of Directors Malloy, Magner, and Mishler and General Manager Mary Otten for the annual VCSDA meeting in Oxnard. Rod Brown with the Camarillo Health Care District and the Foundation for Pleasant Valley Recreation and Parks received a Director of the Year award. CSDA – Ms. Magner will be attending her first meeting as a board member to vote and will share more information at a later date.
- C. Santa Monica Mountains Conservancy – Chairman Mishler reported that the SMMC met in January and that the tunnel under Highway 101 was of interest to them.
- D. Standing Committees – Finance – Director Malloy stated that the District is doing well. Major expense areas are way down and there has been a break in the weather with the rain. Personnel – Director Magner stated that the committee is working on the employee handbook.
- E. Foundation for Pleasant Valley Recreation and Parks – Director Dixon stated that the Foundation met on January 21. The next fundraising event will be held September 24, 2016 as an Evening at the Grove. Ten thousand dollars raised from the first fundraiser will be directed to special needs playground equipment with Amber's Light Lions and the Kiwanis. The Foundation is recruiting for new board members.
- F. General Manager's Report – No updates.

10. ORAL COMMUNICATIONS

Director Kelley expressed his gratitude for the rain. Director Malloy mentioned that it was good to see the nature and youth programs starting up at the Nature Center. Director Dixon conveyed that sixteen new trees have been planted at Charter Oak Park along with the removal of five dead or diseased trees. Director Magner suggested a two year budget instead of an annual budgeting process. General Manager Mary Otten mentioned that it may be an item to consider for the future. Director Magner asked about the status of the

park ranger report and Ms. Otten mentioned that the District is discussing training and other programs for the rangers with the attorney and will have more information in March.

11. ADJOURNMENT

Chairman Mishler adjourned the meeting at 8:07 p.m.

Respectfully submitted,

**Karen Roberts
Recording Secretary**

Approval,

**Mike Mishler
Chairman**

**Pleasant Valley Recreation and Park District
Minutes of Special Meeting
February 11, 2016**

1. CALL TO ORDER

Call to Order

The special meeting of the Board of Directors of the Pleasant Valley Recreation and Park District was called to order at 5:00 p.m. by Chairman Mishler.

2. PLEDGE of ALLEGIANCE

3. ROLL CALL

Roll Call

All present.

Also present: General Manager Mary Otten, Administrative Services Manager Leonore Young, Recreation Services Manager Amy Stewart, Parks Services Manager Bob Cerasuolo, Administrative Analyst and Clerk of the Board Michele Kostenuik, Customer Service Representative and Recording Board Secretary Karen Roberts, and Recreation Supervisor Jane Raab.

4. PUBLIC COMMENT

None.

5. CLOSED SESSION

a. PUBLIC EMPLOYEE PERFORMANCE EVALUATION (Govt. Code Section 54957) Title: General Manager

6. RECONVENE INTO OPEN SESSION/SPECIAL MEETING [Govt. Code Section 54957.7]

Disclosure of actions taken in closed session, as applicable [Govt. Code Section 54957.1].

No action taken.

7. ADOPTION OF AGENDA

Agenda accepted as presented.

8. OPEN COMMUNICATION/PUBLIC FORUM

No comments.

9. NEW ITEMS-DISCUSSION/ACTION

A. Board Goal Setting Workshop

General Manager Mary Otten presented an overview of the Five Year 2013-2018 Strategic Plan, performance goals and objectives. In identifying the strategic issues to address, the following common themes were noted within the goals and objectives:

- Improving the image of the District and actively engaging with strategic partners within the community.
- The development of a Master Plan. Fund and complete a new Senior Center and Gym, and the next phase at Freedom Park.

- Capital Improvement Plan for each facility. Evaluate and prioritize projects based on need and funding availability.

Board suggestions:

- *Needs Assessment – 4+ months for \$90K
 - Income Assessment Streams
 - Required to Substantiate Needs with City
- Gym
- Expand Community Center
- Senior Center
 - Ad Hoc Committee
- Open Space
 - Tunnel – later date
 - Phase #2 Study – Bike Paths - \$40K
- *Somis Study – LAFCo, annexation - \$50K + 16 months' time – maybe next year because of no \$ in current budget
- Branding
 - Annual State of District meeting (during a monthly meeting)
 - GM/Chair Luncheon – interfacing with various community agencies
- City Coordination
 - *Annual Meeting with City Council
 - City General Plan (10 acre parks vs 5 acre parks)
 - *Developer Fees (include with Needs Assessment)
 - Sports Tourism
 - Dedicated Bike Paths (in new developments)
 - High Density Parking
 - High Density Mini Dog Parks (onsite, not a park)
 - High Density Open Space Views – different design elements to consider
 - *HOA Local Mini Parks Concept – HOA to take care of parks
- New Park - Springville
 - Utilities \$50K
 - Name
 - Restroom Cost - \$250K

*Priority Items

Discussion included recommendation for an initial needs assessment of the community, an estimate of about \$90,000 for an assessment, development of a potential master plan, budget limitations, changing demographics, senior sports groups, economic impact study, capital projects such as Valle Lindo Park restrooms, removal of underground tanks at Freedom Park, ADA restrooms and patio renovations at the Community Center, and playground renovations; partnerships with local agencies, possible use of Quimby funds for needs assessment, a ten acre minimum for new parks, Somis annexation study and LAFCo requirements, layout of new Springville park and inclusion of the City in some of the District's planning from the start.

10. ORAL COMMUNICATIONS

11. ADJOURNMENT

Chairman Mishler adjourned the meeting at 7:40 p.m.

Respectfully submitted,

**Karen Roberts
Recording Secretary**

Approval,

**Mike Mishler
Chairman**

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT / AGENDA REPORT**

TO: BOARD OF DIRECTORS

FROM: MARY OTTEN, GENERAL MANAGER
By: Leonore Young, Administrative Services Manager

DATE: March 2, 2016

SUBJECT: FINANCE REPORT – JANUARY 2016

RECOMMENDATION

It is recommended that the Board review and approve the Financial Statement for January 31, 2016.

ANALYSIS OF COMPARATIVE FINANCIAL THRU JANUARY 31, 2016

Attached you will find the PVRPD Statement of Revenues and Expenditures for Finance for the period of July 1, 2015 through January 31, 2016 with a year-to-date comparison for the period of July 1, 2014 through January 31, 2015. This report is the first report generated from the new accounting software. In this report there is a column called "One Year Prior Actual". This column is not pulling the prior year data correctly and staff is currently working with Springbrook to get this issue corrected. The issue remains within the data report and where the numbers are being pulled from within the software system.

REVENUES

Total revenue for the 7th month ending January 31, 2016 has decreased \$2,644,777 over the same period as last year. This decrease is primarily due to Quimby Fees as the District received \$2,866,198 in fiscal year 14/15; however, didn't receive any in fiscal year 15/16. If we do not factor in the Quimby Fees the District's revenue is up by \$221,421. This is primarily due to the District receiving \$177,488 more in Property Tax Apportionment than they received this time last year along with receiving \$40,771 in ROPS (Recognized Obligation Payment Schedule) payments.

There is also a decrease showing in Cell Tower Revenue that is due to a revenue posting error during the software conversion. Staff will be correcting the error and the Board will see an increase in Cell Tower Revenue of \$18,732 on the February Financial Report.

EXPENDITURES

Personnel Expenditures decreased for fiscal year 2015-2016 by \$111,627 in comparison to personnel expense for the same period as fiscal year 2014-2015. This is due to the current payroll system (ADP) not taking into consideration the employee's PERS contribution at the time payroll is calculated. Staff discovered this problem and it was corrected at year end on June 30, 2015 as one journal entry to fiscal year 2014-2015. Staff is now preparing that journal entry every quarter while ADP processes payroll. Once payroll is converted to the new software it will be calculated every pay period and this problem will correct itself as time progresses. Payroll is currently 52.97% of budget or 5.33% below budget.

Service and Supply Expenditures have increased \$153,153 in comparison to the same time period as last year. The increase is primarily due to the PERS Unfunded Liability which is \$101,542 as of January 31, 2016 and a new expense to the District, along with the estimation of the Collection Fee exceeding last year by \$60,710. In actuality the District has paid approximately \$166,000 in Collection Fees through January 31, 2016 but due to the request of the Finance Committee, that line item is on a monthly estimation showing year to date as \$217,813.

There has been limited activity in Capital Expenditures for the 7th month of fiscal year 2015-2016.

FISCAL IMPACT

The District is under the approved budget by 8.36% and managers will continue to make a concerted effort to spend under the adopted budget during this fiscal year to help build reserves.

RECOMMENDATION

It is recommended that the Board review and approve the Financial Statement for January 31, 2016.

ATTACHMENTS

- 1) District Statement of Revenues and Expenditures for Finance as of January 31, 2016
(2 pages)

General Ledger
Statement of Revenues and Expenditures for Finance 58.3%
Pleasant Valley Recreation and Park District
January 2016

Description	Account	Period Amount	One Year Prior Actual	Year to Date	Budget	Budget Remaining	% of Budget Used
Revenue							
Tax Apport - Cur Year Secured	5110	\$ -	\$ (2,882,153.11)	\$ (3,059,641.41)	\$ (5,711,055.00)	\$ (2,651,413.59)	53.57%
Tax Apport - Cur Year Unsec	5120	-	(125,203.11)	(124,846.22)	-	124,846.22	0.00%
Tax Apport - Prior Year Sec	5130	-	(54,063.42)	(20,592.37)	-	20,592.37	0.00%
Tax Decded Sales	5150	-	-	(51.99)	-	51.99	0.00%
Cur Supplemental Pass Titru	5210	-	(15,390.87)	(13,992.86)	-	13,992.86	0.00%
HOPTR	5230	(16,598.85)	(22,680.16)	(23,712.64)	-	23,712.64	0.00%
Supplemental Assessment Roll	5240	(134.75)	(170.14)	(192.50)	(168.00)	24.50	114.58%
Interest Apport Fund	5310	-	-	(1,005.24)	(5,573.00)	(4,567.76)	18.04%
Other Interest Income	5320	(248.41)	(2,906.14)	(2,037.64)	-	2,037.64	0.00%
Dividends - CAPRI Prior Years	5460	-	(37,511.00)	(11,477.00)	(14,200.00)	(2,723.00)	80.82%
Park Dedication Fees **	5400	-	(2,866,198.70)	-	-	-	0.00%
Assessment Revenue	5500	(3,364.18)	(567,057.12)	(577,816.07)	(1,015,912.00)	(438,095.93)	56.88%
Park Patrol Citations	5506	(227.16)	(2,237.93)	(1,878.86)	(900.00)	978.86	208.76%
Plan Check Fee	5507	-	-	-	(100.00)	(100.00)	0.00%
Public Fees	5510	(41,396.48)	(336,354.53)	(301,560.08)	(584,207.00)	(282,646.92)	51.62%
Certificates	5512	-	-	107.03	-	(107.03)	0.00%
Swim Pass-Adult Splash (20)	5513	(765.00)	(4,165.00)	(5,884.33)	(7,344.00)	(1,459.67)	80.12%
Swim Pass-Senior Splash (10)	5514	(270.00)	(1,732.50)	(1,245.00)	(1,890.00)	(645.00)	65.87%
Senior Services Revenue	5515	-	(1,480.00)	(1,770.00)	(2,200.00)	(430.00)	80.45%
Senior Services Revenue	5516	(680.00)	(3,017.50)	(3,199.00)	(3,570.00)	(371.00)	89.61%
Swim Pass-Senior Splash (20)	5517	(90.00)	(567.00)	(535.50)	(2,916.00)	(2,380.50)	18.36%
Swim Pass-Senior Fitness (10)	5518	(1,111.50)	(7,031.50)	(7,659.00)	(5,670.00)	1,989.00	135.08%
Swim Pass-Senior Fitness (20)	5520	(1,052.00)	(14,379.33)	(12,679.95)	(27,039.00)	(14,359.05)	46.90%
Swim Pass-Adult Splash (10)	5524	(405.00)	(2,679.00)	(1,809.00)	(5,508.00)	(3,699.00)	32.84%
Vending Concessions	5525	(81.48)	(233.24)	(650.72)	(940.00)	(289.28)	69.23%
Swim Pass-Adult Fitness (10)	5526	-	(585.00)	(588.00)	(3,240.00)	(2,652.00)	18.15%
Swim Pass-Adult Fitness (20)	5527	(399.00)	(1,688.50)	(2,330.00)	(5,400.00)	(3,070.00)	43.15%
Swim Passes - Summer Single	5528	(20.00)	-	(180.00)	(960.00)	(780.00)	18.75%
Swim Passes - Summer Family	5529	(123.00)	-	(523.00)	(1,680.00)	(1,157.00)	31.13%
Rental	5530	(25,156.55)	(150,895.55)	(237,325.76)	(268,539.00)	(31,213.24)	88.38%
Cell Tower Revenue	5535	(1,969.64)	(53,208.50)	(10,695.27)	(93,381.00)	(82,685.73)	11.45%
Indemnity Revenue	5545	-	-	-	(5,000.00)	(5,000.00)	0.00%
Dues	5550	-	(859.00)	(1,687.28)	(1,800.00)	(112.72)	93.74%
Activity Guide Revenue	5555	-	(3,600.00)	(2,000.00)	(6,000.00)	(4,000.00)	33.33%
Banner Income	5562	-	(1,040.00)	(1,525.00)	(1,320.00)	205.00	115.53%
Donations **	5570	(690.80)	(76,888.51)	(99,639.29)	(93,650.00)	5,989.29	106.40%
Other/Purchase Discount Taken **	5575	(3,091.36)	(26,393.90)	(28,961.55)	(41,825.00)	(12,863.45)	69.24%
Cash Over/Under	5580	-	-	(18.47)	96.00	114.47	-19.24%
Incidental Income	5585	(14.20)	(1,777.61)	(18,995.26)	(17,075.00)	1,920.26	111.25%
Reimbursement - ROPS	5600	(52,116.78)	(11,770.61)	(52,541.78)	(67,100.00)	(14,558.22)	78.30%
Revenue		\$ 150,006.14	\$ 7,275,918.48	\$ 4,631,141.01	\$ 7,996,066.00	\$ 3,364,924.99	57.92%
YTD Comparison				(2,044,777.47)			
Expense							
Full Time Salaries	6100	\$ 155,744.75	\$ 1,188,542.09	\$ 1,159,470.85	\$ 2,173,807.00	\$ 1,014,336.15	53.34%
Overtime Salaries	6101	691.69	6,168.53	5,161.12	17,162.00	12,000.88	30.07%
Part Time Salaries	6110	34,834.48	349,300.62	347,571.38	697,693.00	350,121.62	49.82%
Retirement	6120	12,735.67	292,161.13	165,232.98	375,892.00	210,659.02	43.96%
457 Pension	6121	-	1,487.42	811.32	4,100.00	3,288.68	19.79%
Employee Insurance	6130	34,440.91	162,216.84	207,781.50	297,042.00	89,260.50	69.95%
Workers Compensation	6140	10,453.92	67,206.99	73,191.96	125,447.00	52,255.04	58.34%
Unemployment Insurance	6150	-	3,764.00	-	7,500.00	7,500.00	0.00%
Personnel Expense		\$ 248,901.42	\$ 2,070,847.62	\$ 1,959,221.11	\$ 3,698,643.00	\$ 1,739,421.89	52.97%
YTD Comparison				(111,626.51)			
Loan - Pension Obligation	6160	\$ 18,747.75	\$ 37,554.66	\$ 131,234.25	\$ 224,973.00	\$ 93,738.75	58.33%
OPEB Expense	6161	-	-	-	-	-	0.00%
PERS Unfunded Liability	6170	14,506.00	10,398.25	8,065.16	20,712.00	12,646.84	38.94%
Telephone	6210	1,160.95	3,687.06	3,364.00	7,288.00	3,924.00	46.16%
Internet Services	6220	427.00	3,973.19	6,893.60	15,000.00	8,106.40	45.96%
Minor Maintenance Supplies	6310	-	27,453.79	28,425.68	46,100.00	17,674.32	61.66%
Janitorial Supplies	6320	1,042.22	313.18	252.98	1,395.00	1,142.02	18.13%
Kitchen Supplies	6330	-	4,264.51	4,781.69	8,253.00	3,471.31	57.94%
Food Supplies	6340	258.00	750.11	610.38	1,320.00	709.62	46.24%
Water Maint & Service	6350	82.90	179.75	146.95	350.00	203.05	41.99%
Laundry/Wash Service	6360	146.95	-	-	3,000.00	3,000.00	0.00%
Janitorial Services	6370	-	-	-	1,745.00	1,372.46	21.35%
Medical Supplies	6380	-	57,245.42	41,979.60	103,043.00	61,063.40	40.74%
Insurance Liability	6410	-	25,995.91	19,162.10	48,000.00	28,837.90	39.92%
Fuel	6510	2,435.24	8,799.30	15,513.36	37,800.00	22,286.64	41.04%
Vehicle Maintenance	6520	1,699.77	(155.63)	-	1,175.00	1,175.00	0.00%
Office Equipment Maintenance	6530	-	3,992.06	266.65	5,248.00	4,981.35	5.08%
Computer Equip Maintenance	6540	266.65	-	-	-	-	0.00%
Building Repair	6610	578.41	27,684.01	37,349.22	90,135.00	52,785.78	41.44%

General Ledger
Statement of Revenues and Expenditures for Finance 58.3%
Pleasant Valley Recreation and Park District
January 2016

Description	Account	Period Amount	One Year Prior Actual	Year to Date	Budget	Budget Remaining	% of Budget Used
Bldg Equip Maint/Repair	6620	1,165.64	4,213.68	3,202.20	10,800.00	7,597.80	29.65%
Improvements/Maintenance	6630	-	6,375.00	4,647.36	24,500.00	19,852.64	18.97%
Incidental Costs - Assess	6709	-	15,075.02	15,348.25	27,500.00	12,151.75	55.81%
Grounds Maintenance	6710	723.69	20,744.31	26,312.46	95,180.00	68,867.54	27.64%
Contracted I.S Services	6720	-	188,791.73	163,572.34	395,900.00	232,327.66	41.32%
Contracted Pest Control	6730	-	26.07	-	2,000.00	2,000.00	0.00%
Rubbish & Refuse	6740	862.75	27,931.97	29,051.77	51,100.00	22,048.23	56.85%
Vandalism/Theft	6750	-	-	4,784.70	4,800.00	15.30	99.68%
Memberships	6810	-	11,196.33	7,466.25	12,272.00	4,805.75	60.84%
Office Expense	6900	706.25	30.00	736.25	-	(736.25)	0.00%
Office Supplies	6910	1,415.37	10,113.03	10,658.86	23,897.00	13,238.14	44.60%
Postage Expense	6920	313.80	11,331.34	12,252.10	25,100.00	12,847.90	48.81%
Advertising Expense	6930	487.20	7,637.05	4,415.52	14,390.00	9,974.48	30.68%
Printing Charges	6940	973.46	7,614.72	5,610.86	17,516.00	11,905.14	32.03%
Bank & ActiveNet Charges	6950	3,479.76	23,919.20	25,665.40	38,020.00	12,354.60	67.50%
Approp Redev/Collection Fees	6960	31,116.17	157,103.60	217,813.17	373,394.00	155,580.83	58.33%
Minor Furn Fixture & Equip	6980	-	392.64	2,810.30	4,070.00	1,259.70	69.05%
Comp Hardware/Software Exp	6990	-	22,123.24	247.92	8,852.00	8,604.08	2.80%
Fingerprint Fees (HR)	7010	51.00	776.00	853.00	1,705.00	852.00	50.03%
Fire & Safety Insp Fees	7020	665.00	1,815.30	665.00	5,088.00	4,423.00	13.07%
Permit & Licensing Fees	7030	506.00	2,656.83	2,431.61	11,175.00	8,743.39	21.76%
State License Fee	7040	-	512.50	220.00	-	(220.00)	0.00%
Legal Services	7110	10,455.00	9,421.00	27,188.67	73,815.00	46,626.33	36.83%
Typeset and Print Services	7115	-	23,316.34	23,604.59	50,700.00	27,095.41	46.56%
Instructor Services	7120	6,777.23	94,296.06	91,145.55	133,092.00	41,946.45	68.48%
PEIRS Admin Fees	7125	113.03	669.04	1,299.09	2,449.00	1,149.91	53.05%
Audit Services	7130	525.00	910.00	6,025.00	10,950.00	4,925.00	55.02%
Medical & Health Svcs (HR)	7140	100.00	1,020.00	1,745.00	2,500.00	755.00	69.80%
Security Services	7150	-	2,054.47	2,315.52	4,586.00	2,270.48	50.49%
Entertainment Services	7160	1,000.00	700.00	1,556.79	1,950.00	393.21	79.84%
Business Services	7180	3,133.68	35,410.71	38,817.40	73,468.00	34,650.60	52.84%
Umpire/Referee Services	7190	-	870.00	820.00	1,900.00	1,080.00	43.16%
Subscriptions	7210	-	1,199.65	3,121.16	3,616.00	494.84	86.32%
Rents & Leases - Equip	7310	-	8,920.91	11,698.44	31,360.00	19,661.56	37.30%
Bldg/Field Leases & Rental	7320	-	706.28	5.00	8,628.00	8,623.00	0.06%
Event Supplies	7410	-	579.00	976.60	1,910.00	933.40	51.13%
Supplies	7420	-	2,914.65	1,326.33	6,705.00	5,378.67	19.78%
Bingo Supplies	7430	402.86	3,609.85	4,133.54	7,500.00	3,366.46	55.11%
Sporting Goods	7440	-	3,380.47	2,709.55	10,029.00	7,319.45	27.02%
Arts and Craft Supplies	7450	55.33	1,832.36	1,919.46	3,230.00	1,310.54	59.43%
Training Supplies	7460	-	741.57	-	3,650.00	3,650.00	0.00%
Camp Supplies	7470	-	-	447.51	700.00	252.49	63.93%
Safety Supplies	7510	24.24	2,520.79	4,241.57	16,500.00	12,258.43	25.71%
Uniform Allowance	7610	87.34	6,227.12	2,159.95	11,285.00	9,125.05	19.14%
Safety Clothing and Supplies	7620	150.00	3,602.62	3,643.82	8,415.00	4,771.18	43.30%
Conference and Seminar Fees	7710	-	1,800.00	4,155.21	15,195.00	11,039.79	27.35%
Conf & Seminar Travel Exp	7720	-	2,428.33	2,675.94	17,829.00	15,153.06	15.01%
Private Vehicle Mileage	7730	66.13	1,472.71	1,367.36	4,788.00	3,420.64	28.56%
Transportation Charges	7740	-	390.00	-	1,200.00	1,200.00	0.00%
Special Events	7750	-	9,928.66	11,474.72	19,320.00	7,845.28	59.39%
Tuition/Book Reimbursement	7760	-	301.79	161.00	165.00	4.00	97.58%
Utilities - Gas	7810	3,320.36	10,317.13	9,933.44	27,437.00	17,503.56	36.20%
Utilities - Water	7820	37,333.52	447,139.97	382,268.63	789,063.00	406,794.37	48.45%
Utilities - Electric	7830	13,712.18	145,813.53	115,400.69	248,450.00	133,049.31	46.45%
Awards and Certificates	7910	-	7,925.98	9,987.77	17,995.00	8,007.23	55.50%
Meals for Staff Training	7920	220.00	3,237.59	2,362.99	2,800.00	437.01	84.39%
Employee Morale	7930	420.23	1,246.02	3,208.98	3,450.00	214.02	93.01%
COP Debt - PV Fields	7950	61,585.08	420,875.00	431,095.58	739,021.00	307,925.42	58.33%
Supplies and Services Expense		\$ 223,299.14	\$ 1,990,564.91	\$ 2,143,718.33	\$ 4,292,519.00	\$ 2,148,800.67	49.94%
YTD Comparison				153,153.42			
Land Improvements	8200	\$ -	\$ -	\$ 22.50	\$ -	\$ (22.50)	0.00%
Capital	8400	-	-	5,623.54	340,000.00	334,376.46	1.65%
HCF Trail Project	8403	5,365.50	-	7,194.92	56,000.00	48,805.08	12.85%
Greenfield Outdoor Fitness Equ	8404	-	-	12,098.23	30,000.00	17,901.77	40.33%
HCF Grant - Wildlife Programs	8405	-	-	-	33,000.00	33,000.00	0.00%
Equip/Facility Replacement	8420	-	26,446.70	-	25,000.00	25,000.00	0.00%
Capital Expense		\$ 5,365.50	\$ 26,446.70	\$ 24,939.19	\$ 484,000.00	\$ 459,060.81	5.15%
YTD Comparison				(1,507.51)			
Expense		\$ 477,566.06	\$ 4,087,859.23	\$ 4,127,878.63	\$ 8,475,162.00	\$ 4,347,283.37	48.71%
YTD Comparison				40,019.40			

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT / AGENDA REPORT**

TO: BOARD OF DIRECTORS

FROM: MARY OTTEN, GENERAL MANAGER
By: Leonore Young, Administrative Services Manager

DATE: March 2, 2016

**SUBJECT: CONSIDERATION AND EXTENSION OF CONTRACT FOR
PROFESSIONAL AUDIT SERVICES FOR FISCAL YEARS
2015-2016, 2016-2017, AND 2017-2018**

RECOMMENDATION

Staff is requesting the Board approve the extension of the Moss, Levy & Hartzheim, LLP, CPAs audit contract for fiscal years 2015-2016, 2016-2017 and 2017-2018.

BACKGROUND

On February 7, 2013, a Request for Proposal (RFP) for Professional Auditing Services was posted on the CSDA and CSMFO websites. Staff also responded to letters through email from several firms inquiring about submitting an RFP (Request for Proposal). Eight firms responded by the closing date and the RFP's were reviewed by the Audit Review Committee. Proposal pricing ranged from a first year low of \$8,890 to a high of \$24,790. The committee narrowed down the choices that matched the requested requirements and needs of the District and interviewed the top two firms. Staff and Director Magner met with Jeff Nigro, Partner of Nigro & Nigro PC and Ron Levy, Partner and Adam Guise, Partner and Audit Manager from Moss, Levy, & Hartzheim, LLP, CPAs.

During the audit of fiscal year 2014-2015 staff discussed with the auditor about extending their contract another three years, then at the conclusion of the third year staff would send out an RFP and go out to bid for auditing services. Staff has a very good working relationship with Moss, Levy & Hartzheim and the Audit Manager has been most helpful in the transition of the Administrative Services Manager along with the implementation of the new accounting software. The fee for auditing services will be for their standard hourly rates, plus out-of-pocket cost (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) along with the preparation of the District's Special Districts Financial Transaction Report.

ANALYSIS

Fee schedule proposals:

Moss, Levy, & Hartzheim	\$10,450	FY 15-16
	\$10,800	FY 16-17
	\$11,160	FY 17-18

FISCAL IMPACT

Audit Services expense for fiscal years 2014-2015 was \$10,125 and the increase for next fiscal year will be an additional \$325.

RECOMMENDATION

It is recommended that the Board approve extending the Moss, Levy & Hartzheim, LLP, CPAs auditing contract through fiscal year 2017-2018.

ATTACHMENTS

- 1) Contract (4 pages)



Moss, Levy & Hartzheim LLP

Certified Public Accountants

January 27, 2016

Board of Directors
Pleasant Valley Recreation & Park District
1605 E. Burnley Street
Camarillo, CA 93010

We are pleased to confirm our understanding of the services we are to provide Pleasant Valley Recreation & Park District (the District) for the fiscal years ending June 30, 2016, 2017 and 2018. We will audit the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information, which collectively comprise the basic financial statements of the District as of and for the fiscal years then ended. We will also perform the additional service of preparing the District's Special Districts Financial Transactions Report in accordance with the records provided to us by the District's management. Accounting standards generally accepted in the United States of America provide for certain required supplementary information (RSI), such as management's discussion and analysis (MD&A), to supplement the District's 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. As part of our engagement, we will apply certain limited procedures to the District's RSI in accordance with auditing standards generally accepted in the United States of America. These limited procedures will consist of inquiries of management regarding 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 will 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. The following RSI is required by generally accepted accounting principles and will be subjected to certain limited procedures, but will not be audited:

- 1) Management's Discussion and Analysis
- 2) Budgetary Comparison Schedules
- 3) OPEB
- 4) Net Pension Liability

Audit Objectives

The objective of our audit is the expression of opinions as to whether your basic financial statements are fairly presented, in all material respects, in conformity with U.S. generally accepted accounting principles and to report on the fairness of the supplementary information referred to in the second paragraph when considered in relation to the financial statements as a whole. Our audit will be conducted in accordance with auditing standards generally accepted in the United States of America and the standards for financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, and will include tests of the accounting records of the District and other procedures we consider necessary to enable us to express such opinions. If our opinions on the financial statements are other than unqualified (unmodified), we will discuss the reasons with you in advance. If, for any reason, we are unable to complete the audit or are unable to form or have not formed opinions, we may decline to express opinions or to issue a report as a result of this engagement.

We will also provide a report (that does not include an opinion) on internal control related to the financial statements and compliance with the provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a material effect on the financial statements as required by *Government Auditing Standards*. The report on internal control and compliance will include a statement that the report is intended solely for the information and use of management, the body or individuals charged with governance, others within the entity, and specific legislative or regulatory bodies and is not intended to be and should not be used by anyone other than these specified parties. If during our audit we become aware that the District is subject to an audit requirement that is not encompassed in the terms of this engagement, we will communicate to management and those charged with governance that an audit in accordance with U.S. generally accepted auditing standards and the standards for financial audits contained in *Government Auditing Standards* may not satisfy the relevant legal, regulatory, or contractual requirements.

Management Responsibilities

Management is responsible for the financial statements and all accompanying information as well as all representations contained therein. As part of the audit, we will assist with preparation of your financial statements and related notes. These nonaudit services do not constitute an audit under *Government Auditing Standards* and such services will not be conducted in accordance with *Government Auditing Standards*. You agree to assume all management responsibilities relating to the financial statements and related notes and any other nonaudit services we provide. You will be required to acknowledge in the management representation letter our assistance with preparation of the financial statements and related notes and that you have reviewed and approved the financial statements and related notes prior to their issuance and have accepted responsibility for them. Further, you agree to oversee the nonaudit services by designating an individual, preferably from senior management, who possesses suitable skill, knowledge, or experience; evaluate the adequacy and results of those services; and accept responsibility for them.

Management is responsible for establishing and maintaining effective internal controls, including evaluating and monitoring ongoing activities, to help ensure that appropriate goals and objectives are met; following laws and regulations; and ensuring that management is reliable and financial information is reliable and properly reported. Management is also responsible for implementing systems designed to achieve compliance with applicable laws, regulations, contracts, and grant agreements. You are also responsible for the selection and application of accounting principles, for the preparation and fair presentation of the financial statements in conformity with U.S. generally accepted accounting principles, and for compliance with applicable laws and regulations and the provisions of contracts and grant agreements.

Management is also responsible for making all financial records and related information available to us and for ensuring that management is reliable and financial information is reliable and properly recorded. You are also responsible for providing us with (1) access to all information of which you are aware that is relevant to the preparation and fair presentation of the financial statements, (2) additional information that we may request for the purpose of the audit, and (3) unrestricted access to persons within the government from whom we determine it necessary to obtain audit evidence.

Your responsibilities include adjusting the financial statements to correct material misstatements and for confirming to us in the written representation letter that the effects of any uncorrected misstatements aggregated by us during the current engagement and pertaining to the latest period presented are immaterial, both individually and in the aggregate, to the financial statements taken as a whole.

You are responsible for the design and implementation of programs and controls to prevent and detect fraud, and for informing us about all known or suspected fraud affecting the government involving (1) management, (2) employees who have significant roles in internal control, and (3) others where the fraud or illegal acts could have a material effect on the financial statements. Your responsibilities include informing us of your knowledge of any allegations of fraud or suspected fraud affecting the government received in communications from employees, former employees, grantors, regulators, or others. In addition, you are responsible for identifying and ensuring that the entity complies with applicable laws, regulations, contracts, agreements, and grants for taking timely and appropriate steps to remedy any fraud, illegal acts, violations of contracts or grant agreements, or abuse that we may report.

You are responsible for the preparation of the supplementary information in conformity with U.S. generally accepted accounting principles. You agree to include our report on the supplementary information in any document that contains and indicates that we have reported on the supplementary information. You also agree to include the audited financial statements with any presentation of the supplementary information that includes our report thereon or make the audited financial statements readily available to users of the supplementary information no later than the date the supplementary information is issued with our report thereon. Your responsibilities include acknowledging to us in the written representation letter that (1) you are responsible for presentation of the supplementary information in accordance with GAAP; (2) that you believe the supplementary information, including its form and content, is fairly presented in accordance with GAAP; (3) that the methods of measurement or presentation have not changed from those used in the prior period (or, if they have changed, the reasons for such changes); and (4) you have disclosed to us any significant assumptions or interpretations underlying the measurement or presentation of the supplementary information.

Management is responsible for establishing and maintaining a process for tracking the status of audit findings and recommendations. Management is also responsible for identifying for us previous financial audits, attestation engagements, performance audits or other studies related to the objectives discussed in the Audit Objectives section of this letter. This responsibility includes relaying to us corrective actions taken to address significant findings and recommendations resulting from those audits, attestation engagements, performance audits, or other studies. You are also responsible for providing management's views on our current findings, conclusions, and recommendations, as well as your planned corrective actions, for the report, and for the timing and format for providing that information.

Audit Procedures—General

An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; therefore, our audit will involve judgment about the number of transactions to be examined and the areas to be tested. 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 will plan and perform the audit to obtain reasonable rather than absolute assurance about whether the financial statements are free of material misstatement, whether from (1) errors, (2) fraudulent financial reporting, (3) misappropriation of assets, or (4) violations of laws or governmental regulations that are attributable to the entity or to acts by management or employees acting on behalf of the entity. Because the determination of abuse is subjective, *Government Auditing Standards* do not expect auditors to provide reasonable assurance of detecting abuse.

Because of the inherent limitations of an audit, combined with the inherent limitations of internal control, and because we will not perform a detailed examination of all transactions, there is a risk that material misstatements may exist and not be detected by us, even though the audit is properly planned and performed in accordance with U.S. generally accepted auditing standards and *Government Auditing Standards*. In addition, an audit is not designed to detect immaterial misstatements or violations of laws or governmental regulations that do not have a direct and material effect on the financial statements. However, we will inform the appropriate level of management of any material errors or any fraudulent financial reporting or misappropriation of assets that come to our attention. We will also inform the appropriate level of management of any violations of laws or governmental regulations that come to our attention, unless clearly inconsequential. Our responsibility, as auditors, is limited to the period covered by our audit and does not extend to later periods for which we are not engaged as auditors.

Our procedures will include tests of documentary evidence supporting the transactions recorded in the accounts, and may include tests of the physical existence of inventories, and direct confirmation of receivables and certain other assets and liabilities by correspondence with selected individuals, funding sources, creditors, and financial institutions. We will request written representations from your attorneys as part of the engagement, and they may bill you for responding to this inquiry. At the conclusion of our audit, we will require certain written representations from you about your responsibilities for the financial statements; compliance with laws, regulations, contracts, and grant agreements; and other responsibilities required by generally accepted auditing standards.

Audit Procedures—Internal Controls

Our audit will include obtaining an understanding of the entity and its environment, including internal control, sufficient to assess the risks of material misstatement of the financial statements and to design the nature, timing, and extent of further audit procedures. Tests of controls may be performed to test the effectiveness of certain controls that we consider relevant to preventing and detecting errors and fraud that are material to the financial statements and to preventing and detecting misstatements resulting from illegal acts and other noncompliance matters that have a direct and material effect on the financial statements. Our tests, if performed, will be less in scope than would be necessary to render an opinion on internal control and, accordingly, no opinion will be expressed in our report on internal control issued pursuant to *Government Auditing Standards*.

An audit is not designed to provide assurance on internal control or to identify significant deficiencies or material weaknesses. However, during the audit, we will communicate to management and those charged with governance internal control related matters that are required to be communicated under AICPA professional standards and *Government Auditing Standards*.

Audit Procedures—Compliance

As part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we will perform tests of the District's compliance with the provisions of applicable laws, regulations, contracts, agreements, and grants. However, the objective of our audit will not be to provide an opinion on overall compliance and we will not express such an opinion in our report on compliance issued pursuant to *Government Auditing Standards*.

Engagement Administration, Fees, and Other

We understand that your employees will prepare all cash or other confirmations we request and will locate any documents selected by us for testing.

We will provide copies of our reports to the District; however, management is responsible for distribution of the reports and the financial statements. Unless restricted by law or regulation, or containing privileged and confidential information, copies of our reports are to be made available for public inspection.

The audit documentation for this engagement is the property of Moss, Levy & Hartzheim, LLP, and constitutes confidential information. However, pursuant to authority given by law or regulation, we may be requested to make certain audit documentation available to a federal agency providing direct or indirect funding, or the U.S. Government Accountability Office for purposes of a quality review of the audit, to resolve audit findings, or to carry out oversight responsibilities. We will notify you of any such request. If requested, access to such audit documentation will be provided under the supervision of Moss, Levy & Hartzheim, LLP, personnel. Furthermore, upon request, we may provide copies of selected audit documentation to the aforementioned parties. These parties may intend, or decide, to distribute the copies or information contained therein to others, including other governmental agencies.

The audit documentation for this engagement will be retained for a minimum of seven years after the report release date. If we are aware that a federal awarding agency or auditee is contesting an audit finding, we will contact the party(ies) contesting the audit finding for guidance prior to destroying the audit documentation.

We expect to begin our audit on approximately May 15, 2016 and to issue our reports no later than November 30th of each year. The preparation of the District's Special Districts Financial Transactions Report will be completed no later than November 30th of each year. Ron Levy is the engagement partner and is responsible for supervising the engagement and signing the reports or authorizing another individual to sign them. Our fee for these services will be at our standard hourly rates plus out-of-pocket costs (such as report reproduction, word processing, postage, travel, copies, telephone, etc.) except that we agree that our gross fee, including expenses, will not exceed \$9,850 for the fiscal year ended June 30, 2016, \$10,200 for the fiscal year ended June 30, 2017, and \$10,560 for the fiscal year ended June 30, 2018 with an additional \$600 annually for the preparation of the District's Special Districts Financial Transactions Report. Our standard hourly rates vary according to the degree of responsibility involved and the experience level of the personnel assigned to your audit. Our invoices for these fees will be rendered each month as work progresses and are payable on presentation. In accordance with our firm policies, work may be suspended if your account becomes 30 days or more overdue and may not be resumed until your account is paid in full. If we elect to terminate our services for nonpayment, our engagement will be deemed to have been completed upon written notification of termination, even if we have not completed our report. You will be obligated to compensate us for all time expended and to reimburse us for all out-of-pocket costs through the date of termination. The above fee is based on anticipated cooperation from your personnel and the assumption that unexpected circumstances will not be encountered during the audit. If significant additional time is necessary, we will discuss it with you and arrive at a new fee estimate before we incur the additional costs.

We appreciate the opportunity to be of service to the Pleasant Valley Recreation & Park District and believe this letter accurately summarizes the significant terms of our engagement. If you have any questions, please let us know. If you agree with the terms of our engagement as described in this letter, please sign the enclosed copy and return it to us.

Very truly yours,


Ron A. Levy, CPA

RESPONSE:

This letter correctly sets forth the understanding of Pleasant Valley Recreation & Park District.

Management signature: Margaret Ottens

Title: General Manager

Date: 2-1-14

Governance signature: _____

Title: _____

Date: _____

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT/AGENDA REPORT**

TO: BOARD OF DIRECTORS

FROM: MARY OTTEN, GENERAL MANAGER
By: Leonore Young, Administrative Services
Manager

DATE: March 2, 2016

**SUBJECT: CONSIDERATION AND APPROVAL OF THE
FY 2014-2015 ANNUAL FINANCIAL REPORT AS
PREPARED BY MOSS, LEVY, & HARTZHEIM LLP,
CPA(S)**

RECOMMENDATION

It is recommended that the Board review and approve the Annual Financial Report for FY 2014 – 2015 as prepared by Moss, Levy, & Hartzheim, LLP, CPAs.

BACKGROUND

The Audited Financial Report for the time period ending June 30, 2015 is attached. Moss, Levy, & Hartzheim, LLP, CPAs performed the audit. Adam Guise, CPA and Partner served as the lead contact.

Staff has been working on the audit since the audit team first met with staff back in May 2015 and again in September 2015. It is the goal of staff to provide the auditors with complete and accurate records and to display the commitment in maintaining the District's financial records.

ANALYSIS

The opinion of the auditor reflects that the District's financial statements present fairly, in all material respects, the respective financial position for the year ending June 30, 2015 in conformity with accounting principles generally accepted in the United States of America. The primary change that has affected the District's Financials is the implementation of Governmental Accounting Standards Board (GASB) No. 68, which now requires the District to show the PERS Unfunded Liability on the financials.

RECOMMENDATION

It is recommended that the Board review and approve the Annual Financial Report for FY 2014 – 2015 as prepared by Moss, Levy, & Hartzheim, LLP, CPAs.

ATTACHMENTS

- 1) Annual Financial Report for FY 2014 – 2015 (52 pages)

**PLEASANT VALLEY
RECREATION AND PARK DISTRICT**

**FINANCIAL STATEMENTS
JUNE 30, 2015**

PLEASANT VALLEY RECREATION AND PARK DISTRICT
TABLE OF CONTENTS
June 30, 2015

FINANCIAL SECTION

Independent Auditors' Report 1
Management's Discussion and Analysis..... 3

BASIC FINANCIAL STATEMENTS

Government-wide Financial Statements:
Statement of Net Position 9
Statement of Activities..... 10
Fund Financial Statements:
Balance Sheet – Governmental Funds 11
Reconciliation of the Governmental Funds Balance Sheet to
the Statement of Net Position 12
Statement of Revenues, Expenditures, and Changes in Fund Balances –
Governmental Funds 13
Reconciliation of the Governmental Funds Statement of Revenues, Expenditures,
and Changes in Fund Balances to the Statement of Activities 14
Statement of Fiduciary Net Position – Fiduciary Funds 15
Statement of Changes in Fiduciary Net Position – Fiduciary Funds 16
Notes to Basic Financial Statements 17

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – General Fund..... 37
Schedule of Revenues, Expenditures, and Changes in Fund Balance –
Budget and Actual – Special Revenue Fund..... 38
Schedule of Funding Progress for Postemployment Benefits other than Pensions 39
Schedule of Proportionate Share of Net Pension Liability..... 40
Schedule of Contributions..... 41

FINANCIAL SECTION



Moss, Levy & Hartzheim LLP

Certified Public Accountants

INDEPENDENT AUDITORS' REPORT

Board of Directors
Pleasant Valley Recreation and Park District
Camarillo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Valley Recreation and Park District (District), as and for the fiscal year ended June 30, 2015, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditors' 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 auditors' 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 entity'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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and 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, each major fund, and the aggregate remaining fund information of Pleasant Valley Recreation and Park District, as of June 30, 2015, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Change in Accounting Principles

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

1

2400 Professional Parkway, Suite 205 Santa Maria, CA 93455 Tel 805.925.2579 Fax 805.925.2147 mlhcpas.com

BEVERLY HILLS · CULVER CITY · SANTA MARIA

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 3 through 7, the budgetary comparison information on pages 37 and 38, the schedule of funding progress for the Post Employment Benefits Other than Pensions on page 39, the Schedule of Proportionate Share of Net Pension Liability on page 40, and the Schedule of Contributions on page 41, 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 Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 23, 2016, on our consideration of the Pleasant Valley Recreation and Park 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.

Report on Summarized Comparative Information

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2014, and we expressed unmodified audit opinions on those audited financial statements in our report dated December 15, 2014. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2014, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Levy & Spitzberg LLP

Santa Maria, California
January 23, 2016

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

This discussion and analysis of the Pleasant Valley Recreation and Park District (PVRPD) financial performance provides an overall review of the PVRPD financial activities for the fiscal year ended June 30, 2015. The intent of this narrative is to provide a complete overview of PVRPD's financial performance. Readers should review this in conjunction with the basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS
GOVERNMENTAL FUNDS

- During the fiscal year ending June 30, 2015, PVRPD's fund balances increased \$3.383 million (130.3%)
- Total revenues increased \$3.237 million (40.9%) primarily due to the receipt of Quimby Fees and property tax apportionment.
- Total expenditures decreased by \$53,564 (1%) with Salaries and Benefits down by \$158 thousand (4.3%) and an increase in Debt Service payments of Principle and Interest expense of \$102 thousand (12%)
- Capital Outlay increased by \$294,945 (616%)

OVERVIEW OF THIS FINANCIAL REPORT

The Government-wide financial statements are presented on an "economic resources" measurement focus and use an accrual basis of accounting. Accordingly, all of the PVRPD's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Net Position includes all of the District's investments in resources (Assets) and the obligations to creditors (Liabilities). The Statement of Activities presents changes in net position measuring the success over the past year and is used to determine credit worthiness.

Government-wide Financial Statements

Statement of Activities and Statement of Net Position

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and the Statement of Activities answer the question if the District is improving or deteriorating. These statements include all assets and liabilities using the accrual basis of accounting. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. These two statements report the District's net positions assets and changes in them. The difference between assets and liabilities, or net position can measure the District's financial health.

Governmental Funds Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

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

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

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

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

Notes to Basic Financial Statements

The notes provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statement.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budgetary status and funding progress of its retirement plan.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net position may serve over time as a useful indicator of a government's financial position. District assets are above liabilities by \$28.2 million as of June 30, 2015.

Condensed Statement of Net Position
June 30,

	<u>2015</u>	<u>2014</u>
Assets:		
Current assets	\$ 6,486,440	\$ 1,976,829
Non-current assets	-	-
Capital assets, net	<u>40,151,995</u>	<u>40,897,284</u>
Total assets	<u>46,638,435</u>	<u>43,874,113</u>
Deferred Outflows of Resources:		
Pensions	<u>302,910</u>	-
Total Deferred Outflows of Resources	<u>302,910</u>	-
Liabilities:		
Current liabilities	734,666	612,958
Long-term - due in one year	364,673	343,335
Long-term - due in more than one year	<u>16,715,264</u>	<u>14,311,302</u>
Total liabilities	<u>17,814,603</u>	<u>15,267,595</u>
Deferred Inflows of Resources:		
Pensions	<u>927,261</u>	-
Total Deferred Inflows of Resources	<u>927,261</u>	-
Net Position:		
Net investment in capital assets	27,741,995	28,382,284
Restricted for specified park projects	691,132	617,452
Unrestricted	<u>(233,646)</u>	<u>(393,218)</u>
Total net position	<u>\$ 28,199,481</u>	<u>\$ 28,606,518</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

The largest portion of the District's net position reflects its investment of \$27.7 million in capital assets (land, buildings, improvements, equipment, infrastructure, and no construction in progress, all net of accumulated depreciation). The District uses these capital assets to provide services to citizens and is not available for future spending.

The second largest portion is the long term debt the District incurred in 2009 for the development of Pleasant Valley Fields Sports Complex formally known as Village at the Park. Certificates of Participation sold for an amount of \$12.6 million with a maturity date of June 30, 2039. In August 2012, the District obtained a bank loan in the amount of \$1.8 million for refinancing the CalPERS Side-Fund.

The assets and deferred outflows of resources of the District exceeded the liabilities and deferred inflows of resources, by \$28.2 million as of June 30, 2015. Unrestricted net position are in a negative position which is an indicator that the District has used its reserves and needs to reduce spending to be able to build up for the future.

Statement of Activities

As shown on the table below, the District's net position decreased by \$407 thousand during the fiscal year ending June 30, 2015. This is an improvement from the decrease of \$1.5 million during the fiscal year ending June 30, 2014. The decreases are primarily an accounting entry for depreciation expense in the amount of \$1.1 million each year and the GASB 68 and GASB 71 net pension liability prior period adjustment of \$3.443) million.

Condensed Statement of Activities
June 30,

	2015	2014
Revenues:		
Program Revenues		
Charges for Services	\$ 2,161,130	\$ 2,198,520
Operating Grants & Contributions	91,803	98,042
Capital Grants & Contributions	3,163,618	136,864
General Revenues		
Property taxes		
Investment income	5,624,820	5,392,670
Other	6,582	6,207
Total revenues	110,957	88,939
	11,158,910	7,921,242
Expenses:		
Recreation & Parks Operations	8,122,783	8,731,323
Change in net position	3,036,127	(810,081)
Net position - beginning of year	28,606,518	30,081,299
Prior Period Adjustment	(3,443,164)	(664,700)
Net position - end of year	\$ 28,199,481	\$ 28,606,518

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015

Charges for services includes programs and class fees, facility rental fees, cell tower income, senior services income, activity guide advertising income, and indemnity income. Property tax revenue, the District's primary source of revenue, increased by \$232 thousand or 4.3%. While District interest income is nearly flat; other income increased by \$22 thousand or 25%.

GOVERNMENTAL FUND FINANCIAL STATEMENT ANALYSIS

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

At the close of fiscal year 2014-2015, District governmental funds reported a combined ending fund balance of \$6.0 million, an increase of \$3.3 million in comparison with the prior year. The increase in fund balance was primarily due to the receipt of Quimby Fees the District received during the fiscal year. The following are the District's major funds:

General Fund

The General Fund is the District's primary operating fund. It showed an increase of \$ 3.3 million in fund balance for the year ending June 30, 2015. Revenues exceeded expenses by \$3.2 million.

Special Assessment District Special Revenue Fund

The Special Assessment District Fund accounts for district-wide assessment for park maintenance and capital projects. It showed an increase of \$71 thousand in fund balance with an increase in revenues of \$88 thousand and an increase in expenditures of \$36 thousand. The increase was primarily due to moving a portion of the parks employees' wages and benefits to be expensed from the Assessment District Fund.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets (net of accumulated depreciation)

	June 30,	
	2015	2014
Land	\$ 22,732,253	\$ 22,732,253
Buildings	6,554,068	6,864,246
Improvements	10,315,022	10,780,060
Equipment	550,652	516,116
Construction in Progress	-	4,609
	\$ 40,151,995	\$ 40,897,284

Long-term Debt

The District's long-term debt as of the period ending June 30, 2015 is \$17.1 million. That is a \$2.4 million increase from the ending of June 30, 2014. There are three major sources of long-term debt obligations: \$12.4 for the development of Pleasant Valley Fields Sports Complex, \$2.7 million net pension liability and \$1.5 million loan for refinancing the CalPERS Side-Fund. (For more information on long-term obligations see Note 5 through Note 9 in the Financial Statements)

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2015



Outstanding Long-Term Debt		
June 30,		
	2015	2014
Compensated Absences	\$ 306,693	\$ 369,338
Other Post-Employment Benefits	104,282	81,299
Pension Related Note	1,543,000	1,689,000
Certificates-of-Participation	12,410,000	12,515,000
Net pension liability	2,715,962	
Total Outstanding Long-term Debt	\$ 17,079,937	\$ 14,654,637

ECONOMIC FACTORS

The District's primary revenue source is property taxes, which have been flat since 2008 matching the current housing market trend, but is starting to show signs of improvement. The District has seen an increase in property tax revenue and the housing market is mirroring the trend. Ventura County Assessor's office is reporting a slight 5.46% increase for fiscal year 2015-2016. The District received \$2.8 million in fees from developers (Quimby Fees) in FY14-15, which helped improve revenues and fund balance. With new construction continuing, the District should see additional revenue in the coming years.

Managing District resources in an environment of flat revenues compounded by increasing costs is a challenge facing the District. Consequently, resources for future capital maintenance, replacement, and new park and facility development must be either acquired from resources currently available in operating expenses, or additional revenue sources must be identified.

The state implemented pension reform on January 1, 2013 creating a third tier retirement program with a new 2% at 62 formula for employees new to CalPERS. The District's other two plans are 2.5% at 55 and 2% at 60. On July 1, 2013 the Board of Directors took action that increased the employee contributions to the maximum allowed by state statute. The new formula along with other legislative changes to pension systems will drive employer contribution rates down in years to come.

REQUEST FOR INFORMATION

The District's financial report is designed to provide citizens, taxpayers, creditors, and investors with a general overview of PVRPD's finances and show accountability for the money it receives. Questions regarding any of the information provided in this report or to request additional information, please contact the District's General Manager at the Pleasant Valley Recreation and Park District, 1605 E. Burnley Street, Camarillo, California 93010 or call (805) 482-1996.

THIS PAGE INTENTIONALLY LEFT BLANK.

BASIC FINANCIAL STATEMENTS

PLEASANT VALLEY RECREATION AND PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2015
With Comparative Totals for June 30, 2014

	Total Governmental Activities	
	2015	2014
ASSETS		
Cash and investments	\$ 6,246,961	\$ 2,767,549
Accrued interest receivable	1,750	2,575
Accounts receivable	85,562	82,337
Property taxes and assessments receivable	137,942	112,747
Prepaid items	14,225	11,621
Capital assets - not being depreciated	22,732,253	22,736,862
Depreciable capital assets, net of accumulated depreciation	<u>17,419,742</u>	<u>18,160,422</u>
Total assets	<u>46,638,435</u>	<u>43,874,113</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pensions	<u>302,910</u>	<u> </u>
Total Deferred Outflows of Resources	<u>302,910</u>	<u> </u>
LIABILITIES		
Accounts payable	298,681	237,182
Accrued salaries and benefits	154,314	103,446
Unearned revenue and customer deposits	54,422	40,640
Accrued interest payable	227,249	231,690
Long-term liabilities - due in one year		
Compensated absences	76,673	92,335
Pension related debt	158,000	146,000
Certificates of participation	130,000	105,000
Long-term liabilities - due in more than one year		
Compensated absences	230,020	277,003
Other post-employment benefits payable	104,282	81,299
Pension related debt	1,385,000	1,543,000
Certificates of participation	12,280,000	12,410,000
Net pension liability	<u>2,715,962</u>	<u> </u>
Total liabilities	<u>17,814,603</u>	<u>15,267,595</u>
DEFERRED INFLOWS OF RESOURCES		
Pensions	<u>927,261</u>	<u> </u>
Total Deferred Inflows of Resources	<u>927,261</u>	<u> </u>
NET POSITION		
Net investment in capital assets	27,741,995	28,382,284
Restricted for specified park projects	691,132	617,452
Unrestricted	<u>(233,646)</u>	<u>(393,218)</u>
Total net position	<u>\$ 28,199,481</u>	<u>\$ 28,606,518</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 STATEMENT OF ACTIVITIES
 FISCAL YEAR ENDED JUNE 30, 2015
 With Comparative Totals for Fiscal Year Ended June 30, 2014

Functions/Programs	Expenses	Program Revenues			Net (Expenses) Revenue and Changes in Net Position	2014
		Charges for Services	Operating Contributions and Grants	Capital Contributions and Grants		
Governmental Activities:						
Recreation and park operations:	\$ 8,122,783	\$ 2,161,130	\$ 91,803	\$ 3,163,618	\$ (2,706,232)	\$ (6,297,897)
Total governmental activities	\$ 8,122,783	\$ 2,161,130	\$ 91,803	\$ 3,163,618	(2,706,232)	(6,297,897)
General Revenues:						
Property taxes					5,624,820	5,392,670
Investment earnings					6,582	6,207
Other revenues					110,957	88,939
Total general revenues					5,742,359	5,487,816
Change in net position					3,036,127	(810,081)
Net position - beginning of fiscal year					28,606,518	30,081,299
Prior-period adjustment					(3,443,164)	(664,700)
Net position - beginning of fiscal year, restated					25,163,354	29,416,599
Net position - end of fiscal year					\$ 28,199,481	\$ 28,606,518

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2015
With Comparative Totals for June 30, 2014

	General Fund	Special Revenue Fund	Total Governmental Funds	
			2015	2014
ASSETS				
Cash and investments	\$ 5,403,299	\$ 843,662	\$ 6,246,961	\$ 2,767,549
Accrued interest receivable	1,750		1,750	2,575
Accounts receivable	85,562		85,562	82,337
Property taxes and assessments receivable	122,078	15,864	137,942	112,747
Due from other fund		35,967	35,967	21,352
Prepaid expenditures	14,225		14,225	11,621
Total assets	<u>\$ 5,626,914</u>	<u>\$ 895,493</u>	<u>\$ 6,522,407</u>	<u>\$ 2,998,181</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenditures	\$ 298,681	\$ -	\$ 298,681	\$ 237,182
Accrued salaries and benefits	154,314		154,314	103,446
Due to other fund	35,967		35,967	21,352
Deposits	24,422		24,422	20,454
Unearned revenue	30,000		30,000	20,186
Total liabilities	<u>543,384</u>		<u>543,384</u>	<u>402,620</u>
Fund Balances				
Nonspendable:				
Prepays	14,225		14,225	11,621
Restricted:				
Specified park projects reserve		691,132	691,132	617,452
Committed:				
Accrued interest payable		204,361	204,361	206,636
Assigned:				
Compensated absences	306,693		306,693	369,338
Post-employment benefits payable	104,282		104,282	81,299
Pension-related debt	1,543,000		1,543,000	1,689,000
Unassigned	3,115,330		3,115,330	(379,785)
Total fund balances	<u>5,083,530</u>	<u>895,493</u>	<u>5,979,023</u>	<u>2,595,561</u>
Total liabilities and fund balances	<u>\$ 5,626,914</u>	<u>\$ 895,493</u>	<u>\$ 6,522,407</u>	<u>\$ 2,998,181</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
 SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2015

Total fund balances - governmental funds \$ 5,979,023

Amounts reported for governmental activities in the statement of net position are different because:

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

Capital assets at historical costs	\$ 56,645,304	
Accumulated depreciation	<u>(16,493,309)</u>	40,151,995

Interest payable: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statements of activities, it is recognized in the period it is incurred. (227,249)

Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Certificates of participation	(12,410,000)	
Note payable	(1,543,000)	
Compensated absences	(306,693)	
Other postemployment benefits	(104,282)	
Net pension liability	<u>(2,715,962)</u>	(17,079,937)

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 inflows of resources relating to pensions	(927,261)	
Deferred outflows of resources relating to pensions	<u>302,910</u>	<u>(624,351)</u>

Total net position - governmental activities \$ 28,199,481

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
FISCAL YEAR ENDED JUNE 30, 2015
With Comparative Totals for Fiscal Year Ended June 30, 2014

	General Fund	Special Revenue Fund	Total Governmental Funds	
			2015	2014
Revenues				
Property taxes	\$ 5,624,820	\$ -	\$ 5,624,820	\$ 5,392,670
Charges for services:				
Special assessments		1,007,893	1,007,893	994,381
Registration and other fees	755,989		755,989	813,959
Facility and other rental fees	397,248		397,248	390,180
Operating grants and contributions	91,803		91,803	98,042
Capital grants and contributions	3,088,618	75,000	3,163,618	136,864
Investment earnings	5,317	1,265	6,582	6,207
Other revenues	110,957		110,957	88,939
Total revenues	<u>10,074,752</u>	<u>1,084,158</u>	<u>11,158,910</u>	<u>7,921,242</u>
Expenditures				
Salaries and benefits	3,396,578	128,301	3,524,879	3,683,336
Materials and services	2,914,668	51,989	2,966,657	3,259,112
Capital outlay	342,839		342,839	47,894
Debt service:				
Principal	146,000	105,000	251,000	216,000
Interest	73,577	616,496	690,073	622,670
Total expenditures	<u>6,873,662</u>	<u>901,786</u>	<u>7,775,448</u>	<u>7,829,012</u>
Excess of revenues over (under) expenditures	<u>3,201,090</u>	<u>182,372</u>	<u>3,383,462</u>	<u>92,230</u>
Other Financing Sources (Uses)				
Transfers in	110,967		110,967	21,352
Transfers out		(110,967)	(110,967)	(21,352)
Total other financing sources and uses	<u>110,967</u>	<u>(110,967)</u>		
Net change in fund balances	3,312,057	71,405	3,383,462	92,230
Fund balances - beginning of fiscal year	<u>1,771,473</u>	<u>824,088</u>	<u>2,595,561</u>	<u>2,503,331</u>
Fund balances - end of fiscal year	<u>\$ 5,083,530</u>	<u>\$ 895,493</u>	<u>\$ 5,979,023</u>	<u>\$ 2,595,561</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2015

Total net change in fund balances - governmental funds \$ 3,383,462

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

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of individual capital assets in excess of the capitalization threshold of \$5,000 are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures which were capitalized and depreciation expense and the cost of capital assets disposed of for the period is:

Capital outlays which were capitalized as capital assets	\$ 342,839	
Depreciation expense	<u>(1,088,128)</u>	(745,289)

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The differences between compensated absences paid and compensated absences earned was: 62,645

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities. 251,000

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during but owing from the prior period was: 4,441

In statement of activities, the long-term liability for other postemployment benefits is recognized. This does not require the use of current financial resources and is not reported in governmental funds. (22,983)

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 year, the difference between accrual-basis pension costs and actual employer contributions was: 102,851

Total change in net position - governmental activities \$ 3,036,127

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2015
 With Comparative Totals for June 30, 2014

	Part-Time Employees Retirement Trust Fund	
	2015	2014
Assets		
Cash and investments	\$ 55,399	\$ 63,074
Total assets	<u>\$ 55,399</u>	<u>\$ 63,074</u>
Net Position		
Retirement funds payable to recipients	55,399	63,074
Total net position	<u>\$ 55,399</u>	<u>\$ 63,074</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Fiscal Year Ended June 30, 2015
 With Comparative Totals for Fiscal Year Ended June 30, 2014

	<u>Part-Time Employees Retirement Trust Fund</u>	
	<u>2015</u>	<u>2014</u>
Additions		
Contributions to retirement trust fund	\$ 816	\$ 3,970
Investment earnings	158	219
Total revenues	<u>974</u>	<u>4,189</u>
Deductions		
Claims paid or payable to claimants:	<u>8,649</u>	<u>6,259</u>
Total deductions	<u>8,649</u>	<u>6,259</u>
Change in net position	(7,675)	(2,070)
Net position - beginning of fiscal year	<u>63,074</u>	<u>65,144</u>
Net position - end of fiscal year	<u>\$ 55,399</u>	<u>\$ 63,074</u>

The accompanying notes are an integral part of this financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Reporting Entity

The Pleasant Valley Recreation & Park District (the District) is located in and around the city of Camarillo, approximately 10 miles inland from the Pacific Ocean. The District was formed in January 1962 under the State Public Resource Code of California. The District serves an area of approximately 44 square miles and has grown from one park to 27 parks since its inception 53 years ago. Within the District, a variety of recreational facilities exists including: indoor swimming pool, lighted ball fields, tennis courts, racquetball courts, a running track, children's play equipment, picnic shelters, barbecues and much more. General administration and management of the District is under the direction of a five member Board of Directors and a General Manager.

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 included in this report which meet the criteria of the GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61.

B. 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.

The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grant and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (continued)

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column, however the District has no nonmajor funds. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With the measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases, (i.e., revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net position.

Fiduciary funds are reported using the economic resources measurement focus.

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 position. *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 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 position. 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 position. Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net position, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

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.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (continued)

The District reports the following major governmental funds:

- **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.
- **Special Revenue Fund** is used for the assessment revenues and expenditures from a special assessment for specific park and recreation facilities and operations.

The District reports the following fiduciary fund:

- **Part-Time Employees Retirement Trust Fund** holds funds in trust for part-time employees who are enrolled in the non-elective deferred compensation plan arrangement for the benefit of employees who are not covered by another retirement system maintained by the District (see note 12).

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

C. 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.

D. Investments and Investment Policy

The District has adopted an investment policy directing the General Manager to deposit funds in financial institutions. No more than 30% of the District's total investment portfolio will be invested in a single security type or with a single financial institution with the exceptions of U.S. Government Treasury securities and LAIF. Investments are to be made in the following areas:

U.S. Government Securities	Repurchase Agreements
Banker's Acceptances	Local Agency Investment Fund (LAIF)
Commercial Paper	Money Market Accounts
Negotiable Certificates of Deposit	Savings Deposits

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises of investment earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Local Agency Investment Fund

LAIF is regulated by California Government Code (Code) Section 16429 and is under the management of the State of California Treasurer's Office with oversight provided by the Local Agency Investment Advisory Board.

LAIF is carried at fair value based on the value of each participating dollar as provided by LAIF. The fair value of the District's position in LAIF is the same as the value of its pooled shares. Investments in securities of the U.S. government or its agencies are carried at fair value based on quoted market prices. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the District's deposits with the bank in accordance with the Code.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes and Special Assessments

The County of Ventura Assessor's Office assesses all real and personal property within the County each year. The County of Ventura Tax Collector's Office bills and collects the District's share of property taxes and special assessments. The County of Ventura Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes and special assessments receivable at year-end are related to property taxes collected by the County of Ventura which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	January 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

F. Prepaid Items

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

G. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are PV Fields assets, land, buildings, building improvements, equipment, furniture and fixtures and vehicles. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Years	Description	Years
PV Fields — Buildings	39	Land improvements	15
PV Fields — Land grading	39	Assessment assets	15
PV Fields — Land improvements	39	Buildings, structures and improvements	10 to 39
PV Fields — Lighting	39	Furniture fixtures and office equipment	5 to 7
PV Fields — Other assets	5	Machinery and heavy equipment	3 to 10
PV Fields — Playground equipment	15	Playground equipment	15
PV Fields — Turf and landscaping	10	Vehicles	5
FB Fields — Ball Fields	20	FB Fields — Land improvements	20
FB Fields — Lighting	20	FB Fields — Land Grading	20
FB Fields — Turf and Landscape	20		

H. Compensated Absences

The District's policy is to permit full time and part-time year-round employees to accumulate earned vacation time, sick leave, and compensating time. Earned vacation time shall be earned by each employee subject to the accrual limitations and policies as follows:

Years of Service	Annual Accrual	Maximum Accrual
Less than 5 years of service	80	240
Over 5 years but less than 11	120	360
Over 11 years but less than 12	128	384
Over 12 years but less than 13	136	408
Over 13 years but less than 14	144	432
Over 14 years but less than 16	152	456
16 years or more	160	480
Part-time year-round	40	80

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Compensated Absences (continued)

Sick leave that is not used shall accumulate during subsequent years without limitation for full-time employees and will be capped at 80 hours for part-time year-round employees. Sick leave cannot be converted to vacation time, but in order to reward employees who do not utilize all of their sick leave, the District will compensate employees fifty percent (50%) of the unused sick leave after 20 years of employment and compensate employees with 5 to 20 years at twenty-five percent (25%) of the unused sick leave.

I. Pensions

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 Goleta Sanitary District's California Public Employee's Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. 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.

J. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position," and GASB Statement No. 65, "Items Previously Reported as Assets and Liabilities," the District recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for 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. The District has one item which qualifies for reporting in this category; refer to Note 9 for a detailed listing of the deferred outflows of resources the District has reported.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the District that is applicable to a future reporting period. The District has one item which qualifies for reporting in this category; refer to Note 9 for a detailed listing of the deferred inflows of resources the District has reported.

K. Budgets

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.

L. 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 position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

M. Fund Balances

In the financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

M. Fund Balances (continued)

- 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 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 general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors established, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

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.

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

N. Comparative Data/Totals Only

Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

L. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 68

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

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

L. New Accounting Pronouncements (continued)

Governmental Accounting Standards Board Statement No. 71

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

L. Future Accounting Pronouncements

GASB Statements Nos. 72-76 listed below will be implemented in future financial statements:

Statement No. 72	"Fair Value Measurement and Application"	The provisions of this statement are effective for financial statements for reporting periods beginning after June 15, 2015.
Statement No. 73	"Accounting and Financial Reporting for Pension and Related Assets That Are Not within the Scope of GASB Statement No. 68, and Amendments to Certain Provisions of GASB Statements No. 67 and No. 68"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015 - except those provisions that address employers and governmental nonemployer contributing entities for pensions that are not within the scope of GASB Statement No. 68, which are effective for fiscal years beginning after June 15, 2016.
Statement No. 74	"Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 75	"Accounting and Financial Reporting Postemployment Benefit Plans Other Than Pension Plans"	The provisions of this statement are effective for fiscal years beginning after June 15, 2016.
Statement No. 76	"The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments"	The provisions of this statement are effective for fiscal years beginning after June 15, 2015.

NOTE 2 - CASH AND INVESTMENTS

Cash at June 30, 2015, consists of the following:

Cash on hand	\$ 1,230
Deposits held with financial institutions	5,411,886
Deposits held with California Local Agency Investment Fund (LAIF)	<u>889,244</u>
Total cash and investments	<u>\$ 6,302,360</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 2 - CASH AND INVESTMENTS (continued)

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

Cash and investments, statement of net position	\$ 6,246,961
Cash in and investments, statement of fiduciary net position	<u>55,399</u>
Total cash and investments	<u>\$ 6,302,360</u>

Authorized Deposits and Investments

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest in certain types of investments as listed in Note 1(D) to the financial statements.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

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:

Investment Type	Carrying Amount	Remaining Maturity (in Months)			
		12 Months Or Less	13-24 Months	25-60 Months	More than 60 Months
State investment pool (LAIF)	\$ 889,244	\$ 889,244	\$ -	\$ -	\$ -
	<u>\$ 889,244</u>	<u>\$ 889,244</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. LAIF investment funds are unrated.

Investment Type	Carrying Amount	Minimum Legal Rating	Rating as of Fiscal Year End			Not Rated
			AAA	A+	Baa	
State investment pool (LAIF)	\$ 889,244	N/A	\$ -	\$ -	\$ -	\$ 889,244
	<u>\$ 889,244</u>		<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 889,244</u>

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. Of the bank balance, with the District's bank, up to \$3.2 million is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 2 - CASH AND INVESTMENTS (continued)

Custodial Credit Risk (Continued)

Investments securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name. Investments in external pools, such as cash in county treasury, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

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 Section 16429 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.

The LAIF is a special fund of the California State Treasury through which local governments may pool investments. Each entity may invest up to \$50,000,000 in the fund. Investments in LAIF are highly liquid, as deposits can be converted to cash within twenty-four hours without loss of interest. Investments with LAIF are secured by the full faith and credit of the State of California.

LAIF's and the District's exposure to risk (credit, market or legal) is not currently available. Section 16429.3 states that "money placed with the State Treasurer for deposit in the LAIF shall not be subject to impoundment or seizure by any State official or State Agency."

NOTE 3 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements. Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

Due To/From:

<u>Fund</u>	<u>Due From</u>	<u>Due To</u>
Major Funds:		
General Fund	\$ -	\$ 35,967
Special Revenue Fund	<u>35,967</u>	<u> </u>
Totals	<u>\$ 35,967</u>	<u>\$ 35,967</u>

Transfers In/Out:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ 110,967	\$ -
Special Revenue Fund	<u> </u>	<u>110,967</u>
Totals	<u>\$ 110,967</u>	<u>\$ 110,967</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2015, was as follows:

	Balance July 1, 2014	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2015
Non-depreciable capital assets				
Land	\$ 22,732,253	\$ -	\$ -	\$ 22,732,253
Construction in progress	4,609	265,544	(270,153)	
Total non-depreciable capital assets	<u>\$ 22,736,862</u>	<u>\$ 265,544</u>	<u>\$ (270,153)</u>	<u>\$ 22,732,253</u>
Depreciable capital assets:				
PV Fields-Buildings	3,849,407			3,849,407
PV Fields-Land grading	807,164			807,164
PV Fields-Land improvements	4,390,266			4,390,266
PV Fields-Lighting	2,271,285			2,271,285
PV Fields-Other assets	49,626			49,626
PV Fields-Playground equipment	86,177			86,177
PV Fields-Turf and landscaping	2,553,936			2,553,936
Freedom ball fields	516,963			516,963
Freedom ball fields lighting	225,128			225,128
Freedom ball fields land grading	305,852			305,852
Freedom ball fields turfs & landscaping	518,363			518,363
Freedom ball fields land improvements	452,855			452,855
Land Improvements	7,622,672	217,447		7,840,119
Assessment assets	128,560			128,560
Buildings, structures and improvements	7,989,019	28,554		8,017,573
Furniture, fixtures and office equipment	275,932			275,932
Machinery and heavy equipment	445,738			445,738
Playground equipment	717,773	75,000		792,773
Vehicles	358,887	26,447		385,334
Total depreciable capital assets	<u>33,565,603</u>	<u>347,448</u>	<u>-</u>	<u>33,913,051</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 4 – CAPITAL ASSETS (continued)

	<u>Balance July 1, 2014</u>	<u>Additions/ Tranfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2015</u>
Accumulated depreciation:				
PV Fields-Buildings	435,937	98,703		534,640
PV Fields-Land grading	91,410	20,697		112,107
PV Fields-Land improvements	497,188	112,571		609,759
PV Fields-Lighting	257,218	58,238		315,456
PV Fields-Other assets	33,101	5,364		38,465
PV Fields-Playground equipment	25,374	5,745		31,119
PV Fields-Turf and landscaping	1,127,989	255,394		1,383,383
Freedom ball fields	38,772	25,848		64,620
Freedom ball fields lighting	16,884	11,256		28,140
Freedom ball fields land grading	22,939	15,293		38,232
Freedom ball fields turfs & landscaping	38,877	25,918		64,795
Freedom ball fields land improvements	33,964	22,643		56,607
Land Improvements	6,794,373	126,056		6,920,429
Assessment assets	93,370	8,571		101,941
Buildings, structures and improvements	4,538,243	240,029		4,778,272
Furniture, fixtures and office equipment	249,633	4,933		254,566
Machinery and heavy equipment	385,304	9,501		394,805
Playground equipment	369,484	37,696		407,180
Vehicles	355,121	3,672		358,793
Total accumulated depreciation	<u>15,405,181</u>	<u>1,088,128</u>	<u>-</u>	<u>16,493,309</u>
Total depreciable capital assets, net	<u>\$ 18,160,422</u>	<u>\$ (740,680)</u>	<u>\$ -</u>	<u>\$ 17,419,742</u>
Total capital assets, net	<u>\$ 40,897,284</u>	<u>\$ (475,136)</u>	<u>\$ (270,153)</u>	<u>\$ 40,151,995</u>
<u>Construction in Progress</u>				
The balance consists of the following:	<u>2015</u>	<u>2014</u>		
Oak Grove Interpretive Center	<u>\$ -</u>	<u>\$ 4,609</u>		
Total construction in progress	<u>\$ -</u>	<u>\$ 4,609</u>		

Depreciation expense for the fiscal year ended June 30, 2015, was \$1,088,128.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 5 – PENSION RELATED DEBT – CALPERS SIDE-FUND

As of June 30, 2003, CalPERS implemented risk-pooling for the District's agent multiple-employer public employee defined benefit pension plan. As a result, the District's defined benefit pension plan with CalPERS converted from an agent multiple-employer plan to a cost sharing multiple-employer plan. This change in the type of the plan created the CalPERS Side-Fund, which CalPERS financed at a 7.75% interest rate. CalPERS actuarially calculated the amount needed to bring the District into the cost sharing multiple-employer plan on an equal basis with other governmental agencies who had less than 100 active and retired employees combined. The reason that CalPERS switched these governmental agencies into the cost sharing multiple-employer plan was to smooth the annual costs related to the pension benefit over a longer period of time resulting in a lower cost of service to the governmental agencies.

A portion of the District's annual required contributions to CalPERS are actuarially determined and shared by all governmental agencies within the cost sharing risk pool. Also, the District is required to make annual payments to pay-down the CalPERS Side-Fund, as well. The responsibility for paying-down the District's CalPERS Side-Fund is specific to the District and is not shared by all governmental agencies within the cost sharing risk pool. Therefore, the Side Fund falls under the definition of pension related debt, as described in GASB Statement No. 27 and recorded as liability on the District's financial statements.

On August 31, 2012, the District refinanced the pension-related debt (CalPERS side-fund liability) of \$1,881,661 to lower the interest rate to 4.450% which resulted in an economic gain of \$692,862 from the interest expense savings on the pension-related debt. The cost of debt issuance was \$48,443. Principal and interest are payable semi-annually on August 31 and February 28 each fiscal year as follows:

Fiscal Year	Principal	Interest	Total
Ending June 30,			
2016	\$ 158,000	\$ 66,972	\$ 224,972
2017	171,000	59,808	230,808
2018	186,000	52,043	238,043
2019	200,000	43,610	243,610
2020	216,000	34,532	250,532
2021-2023	612,000	41,852	653,852
Total	<u>\$ 1,543,000</u>	<u>\$ 298,817</u>	<u>\$ 1,841,817</u>

NOTE 6 – CERTIFICATES OF PARTICIPATION – SERIES 2009

In July 2009, the District issued \$12,775,000 in Certificates-of-Participation - Series 2009 under a 30 year lease agreement with the California Special District Association (CSDA) Financing Corporation (Corporation). The District and the Corporation entered into a site-lease dated July 1, 2009. Under the site-lease agreement, the District leased its Camarillo Community Center and the land under the PV Fields sports complex to the Corporation. Concurrently, the District and Corporation entered into a lease agreement dated July 1, 2009 whereas the District leased-back its Camarillo Community Center and the land under the PV Fields sports complex for the purpose of financing the PV Fields sports complex construction project.

Interest is payable semi-annually on March 1st and September 1st of each year while principal payments are made on September 1st of each year, commencing September 1, 2009 with interest rates ranging from 6.500% to 4.125%. Annual debt service payments are as follows:

Fiscal Year	Principal	Interest	Total
Ending June 30,			
2016	\$ 130,000	\$ 609,021	\$ 739,021
2017	150,000	601,865	751,865
2018	175,000	595,096	770,096
2019	195,000	587,277	782,277
2020	220,000	578,404	798,404
2021-2025	1,520,000	2,711,234	4,231,234
2026-2030	2,400,000	2,251,629	4,651,629
2031-2035	3,600,000	1,512,822	5,112,822
2036-2039	4,020,000	430,500	4,450,500
Total	<u>\$ 12,410,000</u>	<u>\$ 9,877,848</u>	<u>\$ 22,287,848</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 7 – POSTEMPLOYMENT BENEFITS PAYABLE OTHER THAN PENSIONS

Plan Description

The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. The District offers post-employment medical benefits to retired employees who satisfy the eligibility rules (5-years of service). Dependents are also eligible to receive benefits. Retirees may enroll in any plan available through the District's CalPERS medical program. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors. The District will reimburse the retiree for retiree and/or retiree's dependent health insurance premiums (medical) up to a maximum of \$122 per month. At June 30, 2015, there were twenty-seven eligible employees, with six retirees currently receiving benefits.

Funding Policy

The District accounts for this benefit on a pay-as-you-go basis. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. For the fiscal year ended June 30, 2015, the District paid \$12,370 in contributions.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (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 current fiscal year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 35,536
Interest on net OPEB obligation	3,252
Adjustment to annual required contribution	<u>(3,435)</u>
Annual OPEB cost (expense)	35,353
Contributions made	<u>(12,370)</u>
Increase (decrease in net OPEB obligation)	22,983
Net OPEB obligation, beginning of fiscal year	<u>81,299</u>
Net OPEB obligation, end of fiscal year	<u>\$ 104,282</u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2015, were as follows:

For Fiscal Year Ended <u>June 30</u>	Annual OPEB <u>Cost</u>	% of Annual OPEB Cost <u>Contributed</u>	Net OPEB <u>Obligation</u>
2013	\$ 35,766	23.37%	\$ 53,080
2014	\$ 38,250	26.22%	\$ 81,299
2015	\$ 35,353	34.98%	\$ 104,282

Funded Status and Funding Progress

As of July 1, 2014, the actuarial accrued liability for benefits was \$512,376, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$1,994,641, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 25.7 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of the Plan's assets and the actuarial accrued liabilities for benefits.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 7 – POSTEMPLOYMENT BENEFITS PAYABLE OTHER THAN PENSIONS (Continued)

Actuarial Methods and Assumptions

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

Based on the historical and expected returns of the District’s short-term investment portfolio, a discount rate of 4.0 percent was used. In addition, the entry age normal cost method was used. The amortization period is 30 years, level percent of payroll.

NOTE 8 – PENSION PLAN

A. General Information about the Pension Plans

Plan Descriptions

All qualified permanent and probationary employees are eligible to participate in the District’s Miscellaneous Employee Pension Plans, cost-sharing multiple employer defined benefit plans administered by the California Public Employees’ Retirement System (CalPERS). Benefit provisions under the Plans are 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.

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 nonduty 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, 2015, are summarized as follows:

	Miscellaneous		
	Prior to March 12, 2011	March 12, 2011 through December 31, 2012	On or after January 1, 2013
Hire Date			
Benefit formula	2.5% @ 55	2% @ 60	2% @ 62
Benefit vesting schedule	5 years service	5 years service	5 years service
Benefit payments	monthly for life	monthly for life	monthly for life
Retirement age	50	50-65	52-67
Monthly benefits, as a % of eligible compensation	2.0% to 2.7%	1.0% to 2.5%	1.0% to 2.5%
Required employee contribution rates	8%	7%	6.250%
Required employer contribution rates	15.135%	8.005%	6.250%

Contributions

Section 20814(c) of the California Public Employees’ Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plan is determined annually on an actuarial basis as 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. Contributions to the pension plan from the District were \$273,584 for the fiscal year ended June 30, 2015.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions

At June 30, 2015, the District reported a liability of \$2,715,962 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2014 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plan relative to the projected contributions of all Pension Plan participants, actuarially determined. At June 30, 2014, the District's proportion was 0.11325% and at June 30, 2013 the District's proportion was 0.10989%.

For the year ended June 30, 2015, the District recognized pension expense of \$170,733. Pension expense represents the change in the net pension liability during the measurement period, adjusted for actual contributions and the deferred recognition of changes in investment gain/loss, actuarial gain/loss, actuarial assumptions or method, and plan benefits. At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes in assumptions	-	-
Net difference between projected and actual earnings on retirement plan investments	-	912,690
Changes in proportion and differences between District contributions and proportionate share of contributions	29,326	14,571
District contributions subsequent to the measurement date	273,584	-
	<u>\$ 302,910</u>	<u>\$ 927,261</u>

Deferred outflows of resources and deferred inflows of resources above represent the unamortized portion of changes to net pension liability to be recognized in future periods in a systematic and rational manner. \$273,584 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2016.

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

Fiscal Year Ending June 30,	Amount
2016	\$ (222,903)
2017	(222,903)
2018	(223,955)
2019	(228,174)
	<u>\$ (897,935)</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 – PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Actuarial Assumptions

The total pension liability in the June 30, 2013 actuarial valuation was determined using the following actuarial assumptions:

	<u>Miscellaneous</u>
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality	Derived using CalPERS' Membership Data for all Funds (1)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies; 2.75% thereafter

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

Discount Rate

The discount rate used to measure the total pension liability was 7.50%. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

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

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (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 No. 67 and No. 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.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 -- PENSION PLAN (continued)

B. Pension Liabilities, Pension Expenses and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

Discount Rate (continued)

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 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 were 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 Years 1-10(a)	Real Return Years 11+(b)
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0%	0.99%	2.43%
Inflation Sensitive	6.0%	0.45%	3.36%
Private Equity	12.0%	6.83%	6.95%
Real Estate	11.0%	4.50%	5.13%
Infrastructure and Forestland	3.0%	4.50%	5.09%
Liquidity	2.0%	-0.55%	-1.05%
Total	100%		

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

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

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in Discount Rate

The following represents the District's proportionate share of the net pension liability calculated using the discount rate of 7.5 percent, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower (6.5 percent) or 1- percentage point higher (8.5 percent) than the current rate:

	1% Decrease 6.50%	Discount Rate 7.50%	1% Increase 8.50%
District's proportionate share of the net pension plan liability	\$ 4,839,005	\$ 2,715,962	\$ 954,039

Pension Plan Fiduciary Net Position

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

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 8 – PENSION PLAN (continued)

C. Payable to Pension Plan

At June 30, 2015, the District had no amount outstanding for contributions to the pension plan required for the fiscal year ended June 30, 2015.

NOTE 9 – LONG-TERM DEBT

The following is a summary of long-term liability for the fiscal year ended June 30, 2015:

	Balance July 1, 2014	Prior-Period Adjustment	Increases	Decreases	Balance June 30, 2015	Due within One year
Compensated absences	\$ 369,338	\$ -	\$ 243,901	\$ (306,546)	\$ 306,693	\$ 76,673
Notes payable - pension related debt	1,689,000			(146,000)	1,543,000	158,000
Certificates of participation	12,515,000			(105,000)	12,410,000	130,000
Other post employment benefits	81,299		35,353	(12,370)	104,282	
Net pension liability		3,710,981	898,860	(1,893,879)	2,715,962	
Total	<u>\$ 14,654,637</u>	<u>\$ 3,710,981</u>	<u>\$ 1,178,114</u>	<u>\$ (2,463,795)</u>	<u>\$ 17,079,937</u>	<u>\$ 364,673</u>

NOTE 10 – DEFERRED COMPENSATION SAVINGS PLAN – FULL-TIME EMPLOYEES

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by ICMA Retirement Corporation and MetLife at June 30, 2015 was \$769,332 and \$70,535, respectively.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN – PART-TIME EMPLOYEES

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

With certain limitations, a Participant may elect the time and manner by which his or her deferred amounts will be distributed. The election must be made prior to the date any such amounts become payable to the Participant. If the Participant fails to make a timely election concerning distribution of the deferred amounts, the amounts shall be in a lump sum distribution as prescribed by the Plan. The manner and time of benefit payout must meet the distribution requirements of the Internal Revenue Code Section 401(a) and 457(d)(2).

The Plan provides that all amounts deferred under the Plan, all property and rights purchased with such amounts, and all income attributable to such amounts, or rights will remain (until made available to the participant) solely the property and rights of the District, subject only to claims of such District's general creditors. The rights of any Participant or beneficiary to payments pursuant to the Plan are nonassignable, and his interest in benefits under the Plan is not subject to attachment, garnishment or other legal process. Currently, one retired employee is receiving monthly benefit check from this Plan and three retired employees are receiving an annual benefit.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2015

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN – PART-TIME EMPLOYEES (continued)

In 2011, the assets of the Plan were transferred to the Part-Time Employees Retirement Trust Fund, with the District remaining the trustee of the Plan, and held as a fiduciary fund of the District in the accompanying financial statements.

NOTE 12 – RISK MANAGEMENT

The District is a member of the Park and Recreation District Employee Compensation with the California Association for Park and Recreation Insurance (CAPRI). The following disclosures are made in compliance with GASB Code Section J50.103:

A. Description of CAPRI

CAPRI is comprised of 63 members and is organized under a Joint Exercise Powers Agreement pursuant to the California Government Code. The purpose of the CAPRI is to arrange and administer programs of insurance, risk management, and loss prevention for the pooling of self-insured losses and to purchase excess insurance coverage.

CAPRI is governed by a separate board of directors, which is comprised of seven directors elected from the member districts. The board controls the operations of CAPRI, including selection of management and approval of operating budgets.

B. Self-Insurance Programs of CAPRI

General and auto liability, public officials and employees' liability programs have total risk financing insurance limits of \$1,000,000 with various deductibles of \$5,000 to \$15,000 per occurrence. Excess insurance has been purchased by the District above the self-insurance limits. In addition to the above, the District also has the following insurance coverage:

- All-Risks property loss coverage including boiler and machinery coverage, is subject to a \$2,000 deductible per occurrence payable by the District.
- Flood and earthquake coverage with an annual aggregate limit of \$100,000 per occurrence for all member districts. The deductible for all loss or damage arising from the risks of flood is \$20,000 and/or earthquake is \$50,000 per occurrence or 5% of the value of the building, contents and/or structure, whichever is greater.
- Workers' compensation insurance up \$250,000 limits.

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2015, 2014 and 2013. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2015, 2014 and 2013.

NOTE 13 – CONTINGENCIES

Litigation

In the ordinary course of operations, the District is subject to other claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters will not materially affect its financial condition.

NOTE 14 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations by object in any individual funds is as follows:

<u>Special Revenue Fund</u>	<u>Excess Expenditures</u>
Materials and services	\$ 19,239

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2015

NOTE 15 – PRIOR-PERIOD ADJUSTMENT

A prior period adjustment of \$(3,443,164) was made which affects the statement of net position. Prior period adjustment was to record net pension liability of \$(3,710,981) and deferred pension outflow of resources of \$267,817, due to the implementation of GASB Statements No. 68 and No. 71.

REQUIRED SUPPLEMENTARY INFORMATION

PLEASANT VALLEY RECREATION AND PARK DISTRICT
GENERAL FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For Fiscal Year Ended June 30, 2015

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Property taxes	\$ 5,375,300	\$ 5,375,300	\$ 5,624,820	\$ 249,520
Charges for services:				
Registration and other fees	813,270	813,270	755,989	(57,281)
Facility and other rental fees	396,350	396,350	397,248	898
Operating grants and contributions	96,400	96,400	91,803	(4,597)
Capital grants and contributions	82,475	82,475	3,088,618	3,006,143
Investment earnings	5,000	5,000	5,317	317
Other revenues	86,100	86,100	110,957	24,857
Total revenues	<u>6,854,895</u>	<u>6,854,895</u>	<u>10,074,752</u>	<u>3,219,857</u>
Expenditures				
Salaries and benefits	3,546,157	3,546,157	3,396,578	149,579
Materials and services	3,147,435	3,261,535	2,914,668	346,867
Capital outlay	343,000	343,000	342,839	161
Debt service:				
Principal	146,000	146,000	146,000	
Interest	73,600	73,600	73,577	23
Total expenditures	<u>7,256,192</u>	<u>7,370,292</u>	<u>6,873,662</u>	<u>496,630</u>
Excess of revenues over (under) expenditures	<u>(401,297)</u>	<u>(515,397)</u>	<u>3,201,090</u>	<u>3,716,487</u>
Other Financing Sources (Uses)				
Transfers in			110,967	110,967
Total other financing sources and uses			<u>110,967</u>	<u>110,967</u>
Net change in fund balance	(401,297)	(515,397)	3,312,057	3,827,454
Fund balance - beginning of fiscal year	<u>1,771,473</u>	<u>1,771,473</u>	<u>1,771,473</u>	
Fund balance - end of fiscal year	<u>\$ 1,370,176</u>	<u>\$ 1,256,076</u>	<u>\$ 5,083,530</u>	<u>\$ 3,827,454</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT

SPECIAL REVENUE FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For Fiscal Year Ended June 30, 2015

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Charges for services:				
Special assessments	\$ 1,008,850	\$ 1,008,850	\$ 1,007,893	\$ (957)
Capital grants and contributions			75,000	75,000
Investment earnings	1,300	1,300	1,265	(35)
Total revenues	<u>1,010,150</u>	<u>1,010,150</u>	<u>1,084,158</u>	<u>74,008</u>
Expenditures				
Salaries and benefits	129,250	129,250	128,301	949
Materials and services	32,750	32,750	51,989	(19,239)
Capital outlay	253,000	253,000		253,000
Debt service:				
Principal	105,000	105,000	105,000	
Interest	616,500	616,500	616,496	4
Total expenditures	<u>1,136,500</u>	<u>1,136,500</u>	<u>901,786</u>	<u>234,714</u>
Excess of revenues over (under) expenditures	<u>(126,350)</u>	<u>(126,350)</u>	<u>182,372</u>	<u>308,722</u>
Other Financing Sources (Uses)				
Transfers out			(110,967)	(110,967)
Total other financing sources and uses			<u>(110,967)</u>	<u>(110,967)</u>
Net change in fund balance	(126,350)	(126,350)	71,405	197,755
Fund balance - beginning of fiscal year	<u>824,088</u>	<u>824,088</u>	<u>824,088</u>	
Fund balance - end of fiscal year	<u>\$ 697,738</u>	<u>\$ 697,738</u>	<u>\$ 895,493</u>	<u>\$ 197,755</u>

PLEASANT VALLEY RECREATION AND PARK DIST.
 SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS
 OTHER THAN PENSIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2015

The following table provides required supplementary information regarding the District's postemployment healthcare benefits.

SCHEDULE OF FUNDING PROGRESS

Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability (AAL)	Unfunded Liability (Excess Assets)	Funded Ratio	Annual Covered Payroll	UAAL as a % of Covered Payroll
7/1/2012	\$ -	\$ 404,568	\$ 404,568	0.0%	\$ 2,512,874	16.1%
7/1/2013	\$ -	\$ 432,444	\$ 432,444	0.0%	\$ 2,074,478	20.8%
7/1/2014	\$ -	\$ 512,376	\$ 512,376	0.0%	\$ 1,994,641	25.7%

PLEASANT VALLEY RECREATION AND PARK DISTRICT
SCHEDULE OF PROPORTIONATE SHARE OF NET PENSION LIABILITY
 Last 10 Years*
 As of June 30, 2015

The following table provides required supplementary information regarding the District's Pension Plan.

	2015
	<u>Miscellaneous Plan</u>
Proportion of the net pension liability	0.04365%
Proportionate share of the net pension liability	\$ 2,715,962
Covered- employee payroll	\$ 2,127,640
Proportionate share of the net pension liability as percentage of covered-employee payroll	127.65%
Plan's total pension liability	\$ 13,110,948,452
Plan's fiduciary net position	\$ 10,639,461,174
Plan fiduciary net position as a percentage of the total pension liability	81.15%

Notes to Schedule:

Changes in assumptions - In 2015, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
SCHEDULE OF CONTRIBUTIONS
 Last 10 Years*
 As of June 30, 2015

The following table provides required supplementary information regarding the City's Pension Plan.

	2015
	<u>Miscellaneous Plan</u>
Contractually required contribution (actuarially determined)	\$ 273,584
Contribution in relation to the actuarially determined contributions	<u>(273,584)</u>
Contribution deficiency (excess)	<u>\$ -</u>
Covered- employee payroll	\$ 2,058,236
Contributions as a percentage of covered-employee payroll	13.29%

Notes to Schedule

Valuation Date:	6/30/2013
Methods and assumptions used to determine contribution rates:	
Discount Rate	7.50%
Inflation	2.75%
Salary Increases	Varies by Entry Age and Service
Investment Rate of Return	7.5% Net of Pension Plan Investment and Administrative Expenses; includes Inflation
Mortality Rate Table (1)	Derived using CalPERS' Membership Data for all Funds
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter

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

*- Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT / AGENDA REPORT**

TO: BOARD OF DIRECTORS

**FROM: MARY OTTEN, GENERAL MANAGER
By: Bob Cerasuolo, Park Services Manager**

DATE: March 2, 2016

**SUBJECT: APPROVE THE PROPOSED CAPITAL
IMPROVEMENT PROJECT FOR THE RE-SURFACING
OF THE IN-LINE HOCKEY RINK**

RECOMMENDATION

It is recommended the Board consider and approve the proposed Capital Improvement project for the re-surfacing of the in-line hockey rink at Freedom Park.

BACKGROUND

The in-line hockey rink construction project at Freedom Park started in the fall of 2002 and was completed the summer of 2004. The District received a grant for this project in the amount of \$624,129. In addition to the grant funding the District added another \$140,263 for a total project cost of \$764,392.

The District built this in-line hockey rink with the agreement of using it along with the Camarillo Roller Hockey Center, a Limited Partnership Group for the purpose of playing "roller hockey". The agreement between the District and the former operator expired in July 2014 and the District has since been renting the facility to various groups such as the Derby Darlings and Arena Lacrosse. At the January 6, 2016 Board meeting, the Board approved an agreement between the District and Freedom Park Arena. This agreement is for two years and the intent is for the operator to run both adult and youth in-line hockey leagues. As part of the agreement the contract would have the potential to increase revenue by approximately \$10,400 for the in-line hockey rink located at Freedom Park.

As part of this agreement as well as for ongoing safety and liability concerns, the District will need to address the in-line hockey flooring. Currently, the flooring has not been updated, replaced or refurbished since the original project was finalized in the summer of 2004. With the increased use of these facilities, staff is recommending to include the flooring as part of this year's Capital Improvement budget. Staff will be able to save approximately \$15,000 from the current Capital Improvement projects and this savings could be placed towards the re-surfacing of the in-line hockey rink which currently is estimated at \$11,000.

ANALYSIS

As mentioned the District has not made any improvements to the in-line hockey rink since it was completed in 2004. Concrete wears like any other surface and it is necessary to re-surface every 4-6 years to provide a safe skating area. The in-line hockey rink is an outdoor rink with no protection from the outdoor elements. This rink is located on the west edge of Freedom Park across from the farm fields. The location poses other issues such as longevity of the surface due to the dirt and wind from the farming fields.

The rink has several “concrete pop-outs” (a small fragment of concrete that has broken away due to internal pressure, leaving a shallow depression). Most in-line rinks will typically start to fade, crack, peel and depressions may occur (low laying areas that collect water) throughout the rink. The rink has only had the lines repainted; however, has yet to address the deteriorating flooring surface. Staff has obtained bids for the following items: 1) Hydro blast court, acid etch concrete, 2) Repair cracks and grind court so it is level, 3) Coat court with adhesion promoter, 4) Use Sport Master coating, and 5) Stripe lines to District specifications.

As the District continues to rent the facility and work with user groups it will be imperative to re-surface the rink. In-line hockey players are rough on equipment as well as on the flooring due to skates, pucks and sticks. The staff is also analyzing the ability to add future lines to incorporate two outdoor basketball courts that could be utilized as well.

FISCAL IMPACT

This action has no additional fiscal impact to the current Capital Improvement Budget. The funds for this project will come from the savings on other Capital Improvement projects slated for Fiscal Year 2015-2016. Estimated cost for the re-surfacing project is \$11,000.

RECOMMENDATION

It is recommended the Board consider and approve the proposed Capital Improvement project for the re-surfacing of the in-line hockey rink at Freedom Park.

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT / AGENDA REPORT**

TO: BOARD OF DIRECTORS
FROM: MARY OTTEN, GENERAL MANAGER
DATE: March 2, 2016
**SUBJECT: CONSIDERATION AND APPROVAL OF REVISED
EMPLOYMENT AGREEMENT BETWEEN THE
DISTRICT AND GENERAL MANAGER**

RECOMMENDATION

It is recommended that the Board review and approve the revised Employment Agreement between the District and Mary Otten to serve as the District's General Manager.

BACKGROUND

As part of an annual review process, the Board met with the General Manager on November 19th to establish goals and designated the Personnel Committee to establish a review process for the General Manager. They also revised some of the verbiage in the current employment contract with the General Manager.

With direction from the Board, the Personnel Committee met with the General Manager and initiated discussions regarding the term, salary, and benefits to be incorporated in the employment agreement.

The Board reconvened on February 11, 2016 to review the information presented by the Personnel Committee and to determine the conditions for the employment agreement. The Board and the General Manager met and agreed on the terms and conditions as set forth in the agreement.

ANALYSIS

As reviewed and prepared by legal counsel, the attached employment agreement provides for a three (3) year term of employment, commencing on August 25, 2015 and terminating on August 24, 2018. Additional language is provided with respect to duties, compensation, benefits, conflict of interest, evaluation and termination of employment.

FISCAL IMPACT

Approval of the agreement will affect the FY 2015-2016 Budget by \$6,228 which through mid-year budget adjustments will cover the additional compensation that was agreed upon in the General Manager's revised employment contract. Sufficient funding is provided in the approved FY 2015-2016 Budget.

RECOMMENDATION

It is recommended that the Board review and approve the revised Employment Agreement between the District and Mary Otten to serve as the District's General Manager.

ATTACHMENT

- 1) Employment Agreement (11 pages)

**AMENDMENT TO AND FULLY RESTATED
EMPLOYMENT AGREEMENT BETWEEN
PLEASANT VALLEY RECREATION AND PARK DISTRICT
AND
MARY OTTEN, GENERAL MANAGER**

**THIS AMENDMENT TO AND FULLY RESTATED EMPLOYMENT
AGREEMENT** is made this 25th day of August, 2015, between **MARY OTTEN** and the
PLEASANT VALLEY RECREATION AND PARK DISTRICT (“District”), a
California public agency, to amend and supersede the Employment Agreement dated
August 6, 2014 between Mary Otten and the District.

RECITALS

A. District is authorized to employ a General Manager pursuant to Section 5786.1 of the California Public Resources Code.

B. District desires to employ Mary Otten (“Manager”) as General Manager of the District effective August 25, 2014. Manager accepts such employment, in accordance with the terms and conditions set forth herein.

C. District employs Manager on an “at-will” basis. District has the right to terminate Manager’s employment at any time, with or without cause. Manager is free to terminate employment at any time as well, with or without cause.

NOW THEREFORE, in consideration of the mutual covenants set forth below, the parties agree as follows:

SECTION 1. TERM OF EMPLOYMENT.

The term of this agreement shall be three (3) years commencing on August 25, 2015 (“Effective Date”) and terminating on August 25, 2018, unless terminated earlier with or without cause as provided in Section 7.

Unless otherwise earlier terminated, the parties will begin negotiations on a renewal of this Agreement or new employment agreement three (3) months prior to the expiration of its term. Manager is responsible for placing the item for closed session on the District Board of Directors (“Board”) agenda for this purpose. Nothing herein, however shall be construed as requiring either party to ultimately agree to such renewal of the Agreement or a new employment agreement.

SECTION 2. DUTIES.

Manager shall function as the District’s General Manager. Her duties shall include the responsibilities set forth in Exhibit “A” attached hereto: implementation of District policies and directives set by the Board; meeting performance goals, objectives and standards for the Manager set by the Board; supervision of the District’s facilities, operations, programs, projects, financial affairs, personnel and planning; and such duties as assigned to Manager by the Board from time to time. Manager expressly acknowledges and agrees that she is an exempt management employee and serves at the will and pleasure of the Board and, subject only to the terms and conditions of this Agreement, her employment may be terminated with or without cause and with or without advance notice at any time.

SECTION 3. COMPENSATION.

Commencing on August 25, 2015 and during the full term of the Agreement, District shall pay to Manager a two percent (2%) increase on the biweekly salary of Five Thousand Three Hundred Seven Dollars and Sixty Nine Cents (\$5,307.69), equating to a

new biweekly base salary of Five Thousand Four Hundred Thirteen Dollars and Eight Four Cents (\$5,413.84), subject to all applicable tax withholding and other authorized deductions.

The base salary shall be paid to Manager according to the same pay periods utilized for other District employees. The base salary shall be prorated for any period of partial employment.

Manager shall not receive cost of living increases to her base salary. Any cost of living increase(s) granted by the Board to non-contract District employees during the term of this Agreement shall have no impact upon or relationship to this Agreement. Based on the results of the annual performance review consistent with Section 6 herein, the District, in its sole discretion, may increase Manager's compensation. Manager has no right to a salary increase.

Manager shall receive a one-time deferred compensation contribution made by the District of three percent (3%). This contribution will be three percent (3%) of \$138,000 equating to \$4,140.

SECTION 4. EMPLOYEE BENEFITS.

A. Employee Benefits. Unless otherwise specified herein, throughout the term of this Agreement, Manager shall be entitled to receive the same employee benefits (including medical/dental/vision insurance benefits and paid holidays), on the same terms, as other full-time District employees to the extent permitted by law. If employee benefits are modified by the Board during the term of this Agreement, such modified benefits shall also apply to Manager to the extent permitted by law.

B. Vacation. On Manager's first day of employment, District will give Manager forty (40) hours of vacation leave. In addition, starting from Manager's first day of employment, Manager's accrual rate will include the years of service with the City of Modesto added to the years of service with the District. The sum of years of service with both agencies is what will determine the accrual rate. Employment with the City of

Modesto is January 2008 through August 2014, which equates to 6 years, 8 months of service. Vacation time will not accrue during any period of Manager's unpaid leave of absences. Consistent with policies pertaining to other District employees, the maximum cap on vacation at any time during this Agreement shall be three hundred twenty (320) hours. Manager may utilize vacation time once it is accrued. Manager will cease to accrue vacation time until the vacation hours fall below 320 hours.

The parties acknowledge the importance of Manager maintaining consistent and effective communications with the Board concerning Manager's anticipated vacation schedule. Manager shall notify the Board Chairperson in advance of taking vacation days and shall provide at least one week's advance notice before taking more than three (3) continuous vacation days. The Board Chairperson may deny Manager's use of vacation only for legitimate District-related reasons.

C. Sick Leave. On Manager's first day of employment, District will give Manager forty (40) hours of sick leave. In addition, starting on Manager's first day of employment, Manager shall be entitled to accrue ninety-five point ninety-four (95.94) hours sick leave during each 12-month period starting on Manager's first day of employment, which shall accrue on a pro-rata basis at 3.69 hours per two-week pay period. Sick time will not accrue during any period of Manager's unpaid leave of absences to the extent permitted by law.

D. Administrative Leave. On Manager's first day of employment, District will give Manager One hundred twenty (120) hours of Administrative Leave. In addition, every January 1st starting on January 1, 2015 and every year thereafter the Manager will be given eighty (80) hours of Administrative Leave. All unused Administrative Leave will be rolled over at the beginning of each calendar year. All Administrative Leave will have no cash value.

E. Retirement. Manager may participate in a PERS plan to the extent permitted by law and consistent with District's contractual agreement with PERS and

Manager's classification in the PERS System. Manager will contribute her employee share to PERS in an amount not to exceed 7% of her salary, to the extent permitted by law.

F. Auto Allowance. District shall pay Manager a motor vehicle allowance of Two Hundred Thirty Dollars and Seventy Six Cents (\$230.76) (which includes fuel costs) per pay period. This allowance is in lieu of receiving any reimbursements for expenses incurred when using a personal vehicle for District business. Manager acknowledges that this auto allowance adequately compensates Manager for the expenses incurred in using Manager's personal vehicle for District business.

G. Housing Stipend. District will pay Manager a housing stipend of Two Thousand Dollars (\$2,000.00) per month for nine (9) consecutive months, starting from Manager's first day of employment to help Manager with temporary housing pending Manager's securing a permanent residence near the District.

H. Relocation Reimbursement. District will provide up to Ten Thousand Dollars (\$10,000.00) to Manager to assist Manager in relocating to a permanent residence closer to the District. This is a one-time reimbursement only and the reimbursement is conditioned upon Manager's providing receipts for moving expenses of actual costs paid by Manager. Manager may request reimbursement as expenses are incurred and need not to submit the request all at one time. This right to reimbursement is good for fifteen (15) months, starting from Manager's first day of employment.

I. Cell Phone. The District shall provide Manager with a cell phone allowance of Thirty Dollars (\$30) per pay period. This allowance is in lieu of receiving reimbursement for expenses incurred using Manager's personal cell phone for District business. Manager acknowledges that this allowance adequately compensates Manager for expenses incurred in using Manager's personal cell phone for District business.

J. Laptop Computer. District shall provide Manager with a laptop computer for District-related use and occasional personal use.

SECTION 5. HOURS OF WORK; CONFLICTS OF INTEREST.

During the term of this Agreement, Manager shall devote appropriate and sufficient time, ability and attention to the services she is to perform for District. It is generally expected that Manager perform services on behalf of District during regular business hours (Monday through Friday 8:00 a.m. to 5:00 p.m.), evening meetings of the Board, and at other times as necessary in the performance of her duties. The parties acknowledge and agree that some services to be performed for District may necessitate Manager being away from District facilities, e.g. representing the District in various meetings. To avoid any actual or potential conflicts of interest, Manager shall not directly or indirectly render any services of a business or commercial nature to any other person or organization, whether for compensation or otherwise, that competes with the business of the District or interferes with the performance of her duties hereunder while employed by District. Manager is permitted to volunteer her time for non-profit corporations so long as such volunteer duties do not create an actual or perceived conflict of interest.

SECTION 6. PERFORMANCE EVALUATION.

The Board shall evaluate and review Manager's job performance on at least an annual basis and to the extent practicable, close to Manager's anniversary of the start of employment. It shall be the Manager's responsibility to annually place a performance evaluation session on the Board's agenda for a closed session. Evaluations of the Manager's performance however, may occur at any time at the discretion of the Board. The Board may at any time establish performance goals, objectives and standards for the Manager. Evaluation(s) shall be passed upon Manager's achievement of such performance goals, objectives, and standards, and any other factors or criteria deemed

relevant by the Board. Failure to meet such performance goals, objectives or standards in the sole discretion of the Board shall be a basis for the Board to consider disciplinary measures, termination for cause and/or changes in compensation. The evaluation of Manager's job performance shall be at the sole discretion of the Board and shall be final.

SECTION 7. TERMINATION OF EMPLOYMENT.

A. This Agreement shall terminate automatically on Manager's death. The District may in its discretion as determined in good faith by the District, terminate this Agreement if Manager is unable to perform the essential functions of the position, even with reasonable accommodation, to the extent permitted by law.

B. This Agreement may be terminated at any time by District in its sole discretion for cause by giving written notice of termination to Manager. The phrase "for cause" shall include, but not limited to, conduct whereby the Manager: (1) willfully breaches or habitually neglects the duties that she is required to perform under the terms of this Agreement; (2) inadequately performs her assigned duties as set forth in Section 2, fails to meet performance goals, objectives or standards set by the Board, or otherwise is evaluated as unsatisfactory in the sole discretion of the Board pursuant to Section 6; (3) conviction of a crime, whether misdemeanor or a felony involving moral turpitude (other than minor traffic infraction); (4) commits acts of dishonesty, fraud, misrepresentation or other acts of moral turpitude; (5) fails to follow a lawful directive of the Board; (6) has repeated and protracted unexcused absences from Manager's office or duties; or (7) engages in conduct deemed to be in violation of Government Code Section 1090, *et seq.* in the sole discretion of the District, or by a court of law or any legal or administrative tribunal.

C. This Agreement may be terminated at any time by District in its sole discretion without cause, and without advance notice or hearing or opportunity to be

heard, upon written notice thereof communicated to Manager. Manager agrees that, in such event, she shall be entitled only to the compensation set for in Section 8.B.

D. Manager may terminate this Agreement at any time upon thirty (30) days' prior written notice to the District. If Manager terminates this Agreement, she shall not be entitled to receive any compensation for services to District after the thirty (30) day notice period, or upon her voluntary cessation of work for the District, whichever is sooner.

SECTION 8. PAYMENT UPON TERMINATION.

A. If District terminates Manager's employment for cause, Manager shall receive no further compensation or benefits after the date of termination, other than such compensation as may be accrued but unpaid as of such date, or as otherwise required by law.

B. If District terminates Manager's employment without cause, Manager shall be entitled only to the following:

(1) Conditioned upon Manager's execution of a settlement and release agreement offered by District in accordance with applicable law and applicable District policies, Manager shall be entitled to receive a severance amount equal to her monthly salary, less any deductions required by law, multiplied by six months; except that in no event shall such amount exceed the remaining number of months left on the unexpired term. [For example, if employment is terminated with seven (7) months, remaining in the term of this Agreement, Manager shall receive six (6) months' salary. As another example, if employment is terminated with two (2) months remaining in the term of this Agreement, Manager shall receive two (2) month's salary.]

(2) This Section 8.B. shall be construed and interpreted in accordance with Article 3.5 (commencing with Section 53260) of Chapter 2 of Part 1 of Division 2 of Title 5 of the California Government Code.

(3) The following provisions are in compliance with Government Code Section 53243 *et seq.*:

a) In the event the District determines to place Manager on paid leave pending an investigation, Manager shall fully reimburse such pay to the District if she is subsequently convicted of a crime involving the abuse of her office or position.

b) In the event the District determines to fund all or part of a legal criminal defense for Manager, she shall fully reimburse such funds to the District if she subsequently convicted of a crime involving an abuse of her office or position.

c) Regardless of the term of this Agreement, if the Agreement is terminated, any cash settlement related to the termination that Manager may receive from the District shall be fully reimbursed to the District if Manager is convicted of a crime involving an abuse of her office or position.

C. For purposes of this Section 8, the “date of termination” shall mean the date District communicates written notice of employment termination to Manager as set forth in Section 11.

SECTION 9. OWNERSHIP OF MATERIALS, CONFIDENTIALITY.

Upon termination of this Agreement, Manager agrees to deliver to District all equipment, laptop computer, materials, documents and other property belonging to District. Manager also agrees to maintain the confidentiality of information related to the District obtained during the term of her employment and thereafter, to the extent permitted by law.

SECTION 10. NON-ASSIGNMENTS.

This is an agreement for personal services and may not be assigned by Manager to any third party.

SECTION 11. NOTICES.

A. Any notices to be given under this Agreement by either party to the other shall be in writing and may be transmitted by personal delivery or by mail, registered or certified, postage paid, with return receipt requested. Mailed notices shall be addressed as follows:

If to District: Pleasant Valley Recreation and Park District
Attention: Chairperson, Board of Directors
1605 E. Burnley
Camarillo, CA 93010

With a Copy to: Musick Peeler & Garrett LLP
Attention: Kristine E. Kwong
One Wilshire Blvd., Suite 2000
Los Angeles, CA 90017

If to Manager: Mary Otten

B. Each party may change that party's address by written notice in accordance with this paragraph.

C. Notices delivered personally shall be deemed communicated as of the date of actual receipt; mailed notices shall be deemed communicated as of the date of mailing.

SECTION 12. MODIFICATION.

This agreement may not be modified or amended in any way unless such modification or amendment is in writing and signed by Manager and District.

SECTION 13. ENTIRE AGREEMENT.

This Agreement supersedes any and all other agreements, either oral or in writing, between the parties hereto with respect to the employment of Manager by District, and contains all of the covenants and agreements between the parties with respect to that employment in any manner whatsoever. Each party to this Agreement acknowledges that no representations, inducements, promises or agreements, orally or otherwise, have been made by any party, or anyone acting on behalf of any party, that are not embodied herein, and that no other agreement, statement or promise not contained in this Agreement shall be valid or binding on either party. No representations or conduct on the part of any representative of the Board or District shall alter the at-will nature of Manager's employment.

SECTION 14. PARTIAL INVALIDITY

If any provision of this Agreement is held by a court of competent jurisdiction to be invalid, void or unenforceable, the remaining provisions shall nevertheless continue in full force without being impaired or invalidated in any way.

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
STAFF REPORT / AGENDA REPORT**

TO: BOARD OF DIRECTORS

FROM: MARY OTTEN, GENERAL MANAGER
By: Bob Cerasuolo, Park Services Manager

DATE: March 2, 2016

**SUBJECT: UPDATE ON THE PARK PATROL/RANGER
PROGRAM**

RECOMMENDATION

The intent of this report is to provide the Board with updated information regarding the Park Patrol/Ranger Program and to discuss potential changes to the use of force and the operations manual as well as provide staff direction as to next steps and/or goal of the Park Patrol Program.

BACKGROUND

The District's Park Patrol/Ranger Program was implemented in 2008. The Park Patrol Program was developed to establish a uniformed presence in the parks. The original intent was many fold: 1) to serve as a public relations liaison between the District and the representatives of the community, 2) to provide a presence of safety and protection for park visitors, 3) to verify park permits, 4) to investigate violations, complaints, trespass/encroachments, and 5) to provide the ability to enforce District ordinances and issue citations and warnings.

The Board approved the Park Patrol Procedures/Operations Manual in March 2010. The purpose of the manual was to provide guidelines to staff regarding the Pleasant Valley Recreation and Park District (District) Park Patrol Program. Rangers for the District are responsible for preserving and maintaining facilities, parks, equestrian trails, and open space lands throughout the District. To provide the best possible outdoor experience for the park visitor, a ranger must be prepared to provide information, enforcement, and maintenance.

Currently, Park Patrol is scheduled during peak hours of operation, late afternoons, weekends, and holidays. Their presence provides park users with an enhanced sense of safety and they serve as a community ambassador for the District.

At the November 19, 2015 Special Board meeting, the Board gave staff direction to assess the following items: 1) Training, 2) Citations, 3) Cost, and 4) Use of Force.

Staff is continuing to work with the attorney as well as local law enforcement, local prosecutor(s) and court administration on these issues and to determine whether the best course of action is to move the Park Patrol program from an ambassador type program to that of trained peace officers. If the District were to move in the direction of law enforcement, the Park Patrol would have the same powers as the police officers with the ability to cite, gather evidence, preserve a crime scene, carry weapons, and arrest violators, as provided by the California Penal Code within the District's properties.

ANALYSIS

Currently, Section 103 of the Pleasant Valley Recreation and Park District's (the "District") Ordinance No. 8 Governing Use of Parks, Recreation Areas and Facilities (the "Ordinance") describes the park rangers' primary duties as well as their enforcement authority. The District also maintains a park ranger job description, listing the essential duties, and necessary qualifications, education, certificates, physical demands, and work environment involved with the position.

The below questions are ones in which staff have been researching in order to find out what legal authority the District's park rangers have in respect to enforcing state and local laws and ordinances: (1) Whether park rangers can be considered peace officers; (2) If so, what type of peace officer is a District park ranger and what general powers are s/he authorized to use, (3) What are the risks and liabilities involved in employing park rangers, (4) What training and qualifications are peace officer park rangers required to have, (5) What citation procedures are available, both administratively and criminally, (6) What other considerations are involved in utilizing park rangers as peace officers.

- I. **Peace Officer Legal Authority** - Penal Code ("PC") §§ 830, *et seq.* is the statutory authority listing the various types of peace officers in California. Specifically for "park rangers," PC § 830.31 provides, "The following persons are peace officers ... (b) A person designated by a local agency as a park ranger and regularly employed and paid in that capacity, if the primary duty of the officer is the protection of park and other property of the agency and the preservation of the peace therein." The term "local agency" is not clearly defined either in PC § 830.31, or elsewhere in the PC.
- II. **Peace Officer Powers** – Presuming that District park rangers can properly be considered "peace officers" under PC § 830.31(b), the next issue is what type of powers can they perform and in what circumstances?

Starting with the language of PC § 830.31(b), park rangers are peace officers, "**if the primary duty of the officer is the protection of park and other property of the agency and the preservation of the peace therein.**" Therefore, park rangers' peace officer powers are only first triggered when they are performing their "primary duties." In considering an employee's "primary duties," courts have considered as evidence an agency's rules, policies, ordinances, job descriptions, and actual on the job duties.

The District's job description for park rangers contains a list of 21 essential duties and responsibilities. The key duties listed which support the position that park rangers "primary duties" fall within the scope of PC § 830.31(b) include but are not limited to: "Responsible for compliance with security policies and procedures ..."; "Provides crowd control and enforces safety at special events"; "Checks security of buildings against fire, vandalism, damage and theft"; "Works with other law enforcement agencies where a situation is beyond the Park Patrol's control or expertise ..."; "Patrols areas on foot or in a patrol vehicle to promote ..."

As worded, the job description does not appear to mention the "protection of park and other property of the agency and the preservation of the peace therein." This does not necessarily mean that the job description has to be amended. If, however, the District decides to utilize its park rangers closer to the limits of their authorized powers under

the Penal Code, it would recommend that the job description be revised slightly to provide more emphasis on the rangers' "primary duties."

- III. Risk and Liabilities** – Ensuring Park rangers are properly classified as peace officers will reduce exposure to risks and provide them with protections under the law in the performance of their duties. Three of the most common areas where peace officers face civil claims are in state intentional torts, negligence actions, federal claims under 42 U.S.C. § 1983 and any equivalent claims under California law.

When it comes to intentional torts, under California law, a plaintiff can sue and recover from a defendant who intentionally touches him/her in a harmful or offensive manner. Peace officers often are sued for this type of claim. Under California law, peace officers who use force, for example, in the course of an arrest, are not liable for battery unless the plaintiff proves that the force used was unreasonable. Reasonableness is a common standard imposed on peace officers throughout the entire course of their duties. In evaluating what is "reasonable" force, courts first consider that peace officers are specially situated. They act under color of law to protect the public interest. It is implicit in their duties that they will use some level of force, coercion, or threats. Reasonableness under the circumstances is judged taking into account the threat faced by the officer, the severity of the crime, and the amount of force necessary to accomplish a lawful task.

As for negligence actions, a claim of negligence under California law in connection with the application of force by police personnel requires a showing of: (1) a legal duty to use reasonable care; (2) a breach of that duty; (3) causation; and (4) injury to the plaintiff. A defense to this type of claim is that the officer did not breach the duty and that he/she acted reasonably. The same type of analysis of reasonable care, as discussed above, will generally be applied.

Further, peace officers involved in law enforcement need to have a working knowledge of the Fourth Amendment, *Miranda* rights, what is "reasonable suspicion" for searches, and what is "probable cause" for arrests. Training can largely be accomplished through statutorily approved courses and further consultation. This particular knowledge becomes especially relevant if the park ranger is involved in a case that is accepted by the District Attorney's office. Whether an arrest or search was lawful may at times involve the question of whether the peace officer had proper authority. The park ranger may also be called to testify regarding his/her involvement.

- IV. Required Training and Qualifications** – PC § 832 requires every person described as a peace officer to satisfactorily complete an introductory training course on arrest and firearms, prescribed by the Commission on Peace Officer Standards and Training ("POST"). Employees prohibited by their agencies from carrying and using firearms do not need to complete the firearms portion of the PC § 832 course. Completing the PC § 832 course is essential; if a park ranger is designated by an agency as a peace officer, he/she may not exercise peace officer powers until completion of the training.
- V. Citation Procedures** – The District already has an Administrative Penalty Procedures section (Section 106) for violation of any of its enacted ordinances. The District's applicable Ordinance section appear consistent with Government Code § 53069.4.

The level of authority the ranger can utilize at the scene for an uncooperative person will depend on whether he/she is properly classified as a peace officer, as discussed in the sections above. If the park ranger is not being utilized as a peace officer, then he/she can call for assistance from local law enforcement to help deal with the violator. The park ranger can also request the violator's contact information and have the administrative citation or notice of violation mailed to them, as set forth in Ordinance Section 107.

Additional issues which still need to be researched prior to staff making recommendations to the Board regarding the Park Patrol program are:

1. If the District changes from an Administrative Citation process to a Criminal Citation process how would that system work procedurally and logistically with the court system as well as current staffing levels?
2. What administrative procedures related to employment will the District need to address; employment classifications, job descriptions, public safety classifications?
3. What types of training are required besides PC § 832 if the District were to allow enforcement mechanisms such as: Pepper Spray, Batons, Tasers, Firearms, and Handcuffs?
4. What additional costs and fiscal liabilities would be attributed to the Park Patrol/Ranger program and will the District be able to financial support these changes?

FISCAL IMPACT

There is no fiscal impact with this action.

RECOMMENDATION

Provide staff direction as to next steps and/or goal of the Park Patrol Program.

9. INFORMATIONAL ITEMS, which do not require action, will be reported by members of the Board and staff:

- A. Chairman Mishler
- B. Ventura County Special District Association/California Special District Association
- C. Santa Monica Mountains Conservancy
- D. Standing Committees – Finance, Personnel and Policy
- E. Foundation for Pleasant Valley Recreation and Parks
- F. General Manager’s Report