



**CONEJO OPEN SPACE
CONSERVATION AGENCY**

**ANNUAL FINANCIAL REPORT
For The Fiscal Year Ended
June 30, 2016**

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INDEPENDENT AUDITORS' REPORT

To the Honorable Chair and Members of the Governing Board
Conejo Open Space Conservation Agency
Thousand Oaks, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities and the General Fund of the Conejo Open Space Conservation Agency (the Agency) as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the 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 the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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



CPAs AND ADVISORS

Conejo Open Space Conservation Agency
Thousand Oaks, California

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the General Fund of the Conejo Open Space Conservation Agency, as of June 30, 2016, and the respective changes in financial position and, the budgetary comparison schedule of the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis to 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 December 20, 2016 on our consideration of the Agency'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 Agency's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Lance, Soll & Lughard, LLP". The signature is written in a cursive, flowing style.

Brea, California
December 20, 2016

**CONEJO OPEN SPACE CONSERVATION AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS**

Year ended June 30, 2016

In 1977, the City of Thousand Oaks (City) entered into a Joint Powers Agreement with the Conejo Recreation and Park District (District) to form the Conejo Open Space Conservation Agency (COSCA). COSCA was formed to assist the City and the District in the conservation of open space in and around the City by acquiring and maintaining open space acreage.

COSCA is governed by a five-member board consisting of two City Council members, two District board members, and one private citizen of the City. Expenditures of COSCA are shared equally between the City and the District. The City is responsible for the fiscal management of COSCA activities. The City and District have an equity interest in COSCA of fifty percent each, which is reported in their respective annual financial reports.

FINANCIAL HIGHLIGHTS

COSCA assets exceeded liabilities at the close of fiscal year 2015-16 by \$75.7 million. Of this amount, \$74.4 million is invested in capital assets, including \$73.7 million in land, while the remaining restricted net position may be used to meet COSCA's ongoing obligation to acquire and maintain open space acreage.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

The statement of activities presents information showing how COSCA's net position changed during the fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, all of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The government-wide financial statements can be found on pages 8-9 of this report.

**CONEJO OPEN SPACE CONSERVATION AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Year ended June 30, 2016

Fund financial statements

The fund financial statements consist of COSCA's governmental funds. These 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 fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances 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.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The basic governmental fund financial statements can be found on pages 10-12 of this report.

Notes to basic financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to basic financial statements can be found on pages 13-18 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

As noted earlier, net position may serve over time as a useful indicator of an Agency's financial position. COSCA's assets exceeded liabilities by \$75.7 million.

COSCA's capital assets are comprised primarily of \$73.7 million in open space land. Current assets of \$1.3 million are cash and investments held for future open space acquisitions.

**CONEJO OPEN SPACE CONSERVATION AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Year ended June 30, 2016

**SUMMARY OF NET POSITION
June 30, 2016 and 2015**

	<u>2016</u>	<u>2015</u>
Current assets	\$ 1,289,921	\$ 1,232,890
Capital assets	<u>74,425,962</u>	<u>74,442,535</u>
Total assets	<u>75,715,883</u>	<u>75,675,425</u>
Current liabilities	<u>39,543</u>	<u>37,223</u>
Total liabilities	<u>39,543</u>	<u>37,223</u>
Net position:		
Investment in capital assets	74,425,962	74,442,535
Restricted	<u>1,250,378</u>	<u>1,195,667</u>
Total net position	<u>\$75,676,340</u>	<u>\$ 75,638,202</u>

Liquidity

Due to the nature of COSCA business operations, there are minimal cash transactions. The City and the District incur and fund most of COSCA's annual operating expenses. Therefore, COSCA's liquidity position usually remains constant. The increase in cash and investments was primarily from lease revenue and interest income.

Statement of Activities

The statement of activities shows how COSCA's net position changed during fiscal year 2015-16. COSCA's net position increased only slightly compared to prior fiscal year.

Program revenues, including contributions, decreased \$177,205 primarily due an increase in reimbursements of shared costs of \$173,919 detailed below, offset by capital contribution of \$330,000 in prior fiscal year.

Program expenses are primarily for maintenance of existing open space, completely offset by donations of services of equal value by the City and the District. Expenses increased \$173,919 from previous fiscal year primarily from an increase of \$90,000 in Salaries & Benefits due to staffing a position unfilled in prior fiscal year and an increase of \$66,000 in Trail Improvement costs.

**CONEJO OPEN SPACE CONSERVATION AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Year ended June 30, 2016

	<u>2016</u>	<u>2015</u>
Program revenues	\$ 1,271,374	\$ 1,448,579
General revenues	12,715	10,428
Total revenues	<u>1,284,089</u>	<u>1,459,007</u>
Program expenses	<u>1,245,951</u>	<u>1,072,032</u>
Change in net position	38,138	386,975
Net position - beginning	<u>75,638,202</u>	<u>75,251,227</u>
Net position - ending	<u><u>\$ 75,676,340</u></u>	<u><u>\$ 75,638,202</u></u>

GOVERNMENTAL FUND FINANCIAL ANALYSIS

As noted earlier, COSCA uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Fund

At the close of fiscal year 2015-16, COSCA reported a fund balance of \$1,250,378, an increase of \$54,711, comparable to the prior year increase of \$67,544. COSCA's annual operating expenditures are reimbursed by the City and the District.

**FUND BALANCE
June 30, 2016**

	<u>2016</u>	<u>2015</u>
Revenues	\$ 1,284,089	\$ 1,459,007
Expenditures	<u>1,229,378</u>	<u>1,391,463</u>
Operating Surplus/(Deficit)	54,711	67,544
Beginning Fund Balance	<u>1,195,667</u>	<u>1,128,123</u>
Ending Fund Balance	<u><u>\$ 1,250,378</u></u>	<u><u>\$ 1,195,667</u></u>

**CONEJO OPEN SPACE CONSERVATION AGENCY
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Year ended June 30, 2016

Budgetary Highlights

The budget to actual report can be found on page 12. Historically, COSCA's Board of Directors has chosen not to budget revenues. Total expenditures were \$1.2 million compared to budget of \$1.4 million. Other capital outlay was \$194,057 under budget primarily due to the completion of improvements at Rancho Potrero Open Space in fiscal year 2014-15.

Capital Assets

COSCA's capital assets at June 30, 2016 and 2015 were comprised of the following:

	2016	2015
Land	\$ 73,695,282	\$ 73,679,339
Improvements and Equipment, net	730,680	763,196
Total, net	\$ 74,425,962	\$ 74,442,535

REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of COSCA finances. Questions concerning information provided in this report, or requests for additional financial information may be addressed to the Finance Director, City of Thousand Oaks, 2100 Thousand Oaks Boulevard, Thousand Oaks, California 91362, or call (805) 449-2200.

CONEJO OPEN SPACE CONSERVATION AGENCY
Statement of Net Position
June 30, 2016

	Governmental Activities
<u>Assets:</u>	
Current assets:	
Cash and investments (Note 4)	\$ 1,286,438
Interest receivable	3,483
Total current assets	1,289,921
Non-current assets:	
Capital assets (Note 3):	
Land	73,695,282
Improvements and equipment	842,289
Accumulated depreciation	(111,609)
Total non-current assets	74,425,962
Total assets	75,715,883
 <u>Current liabilities:</u>	
Accounts Payable	3,320
Deposits in trust	1,050
Unearned revenue	35,173
Total current liabilities	39,543
 <u>Net position:</u>	
Investment in capital assets	74,425,962
Restricted	1,250,378
Total net position	\$ 75,676,340

See accompanying notes to basic financial statements.

CONEJO OPEN SPACE CONSERVATION AGENCY
Statement of Activities
Year ended June 30, 2016

<u>Function/Programs</u>	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants & Contributions</u>	<u>Capital Grants & Contributions</u>	<u>Net (Expense) Revenue & Changes in Net Assets</u>
Governmental Activities:					
Open space acquisition, maintenance, and administration	<u>\$1,245,951</u>	<u>\$70,099</u>	<u>\$1,201,275</u>	<u>\$0</u>	<u>\$25,423</u>

General revenues:

Interest on investments	12,715
Total general revenues	<u>12,715</u>
Changes in net position	38,138
Net position - beginning	75,638,202
Net position - ending	<u>\$75,676,340</u>

See accompanying notes to basic financial statements.

CONEJO OPEN SPACE CONSERVATION AGENCY
Balance Sheet
June 30, 2016

	General Fund
<u>Assets</u>	
Cash and investments (Note 4)	\$ 1,286,438
Interest receivable	3,483
Total assets	1,289,921
 <u>Liabilities and Fund Balances</u>	
Liabilities:	
Accounts payable	3,320
Deposits in trust	1,050
Unearned revenue	35,173
Total liabilities	39,543
Fund balances:	
Restricted for Land (Note 5)	1,250,378
Total fund balances	1,250,378
 Total liabilities and fund balances	 \$ 1,289,921

**Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Position**

Amounts reported for governmental activities in the statement of net position (page 8) are different because:

Total fund balances - total governmental funds, as above	\$ 1,250,378
Capital assets, net of accumulated depreciation, used in governmental activities are not financial resources and, therefore, are not reported in the funds.	74,425,962
Net position of governmental activities (page 8)	\$ 75,676,340

See accompanying notes to basic financial statements.

CONEJO OPEN SPACE CONSERVATION AGENCY
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
Year ended June 30, 2016

<u>Revenues</u>	<u>General Fund</u>
Contributions and donations	\$ 1,201,275
Rental Income	69,159
Other Income	940
Investment earnings	12,715
Total revenues	1,284,089
<u>Expenditures</u>	
Current:	
Culture and recreation	1,201,275
Administrative expenditures	12,160
Land	15,943
Total expenditures	1,229,378
Net change in fund balances	54,711
Fund balances - beginning	1,195,667
Fund balances - ending	\$ 1,250,378

**Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances of Governmental Funds
To the Statement of Activities**

Amounts reported for governmental activities in the statement of activities (page 9) are different because:

Net change in fund balances, as above	\$ 54,711
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation of \$32,516 exceeded capital outlay of \$15,943.

(16,573)

Change in net position of governmental activities (page 9)

\$ 38,138

See accompanying notes to basic financial statements.

CONEJO OPEN SPACE CONSERVATION AGENCY
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual
Year ended June 30, 2016

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original Budget</u>	<u>Final Budget</u>		
Revenues:				
Contributions, donations and other revenue	\$ -	-	1,202,215	1,202,215
Rental Income	-	-	69,159	69,159
Investment earnings	-	-	12,715	12,715
Total Revenues	<u>-</u>	<u>-</u>	<u>1,284,089</u>	<u>1,284,089</u>
Expenditures:				
Current:				
Culture and recreation	1,226,749	1,239,067	1,201,275	37,792
Administrative expenditures	-	-	12,160	(12,160)
Capital Outlay:				
Land	-	-	15,943	(15,943)
Improvements	210,000	210,000	-	210,000
Total expenditures	<u>1,436,749</u>	<u>1,449,067</u>	<u>1,229,378</u>	<u>219,689</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(1,436,749)</u>	<u>(1,449,067)</u>	<u>54,711</u>	<u>1,503,778</u>
Net change in fund balance	(1,436,749)	(1,449,067)	54,711	1,503,778
Fund balance-beginning	<u>1,195,667</u>	<u>1,195,667</u>	<u>1,195,667</u>	<u>-</u>
Fund balance-ending	<u>\$ (241,082)</u>	<u>(253,400)</u>	<u>1,250,378</u>	<u>1,503,778</u>

See accompanying notes to basic financial statements.

CONEJO OPEN SPACE CONSERVATION AGENCY

Notes to Basic Financial Statements

June 30, 2016

(1) Summary of Significant Accounting Policies

(a) Description of Reporting Entity

In 1977, the City of Thousand Oaks, California (City) entered into a Joint Powers Agreement with the Conejo Recreation and Park District (District) to form the Conejo Open Space Conservation Agency (COSCA). COSCA is governed by a five-member board consisting of two City Council members, two District members, and one private citizen of the City. Expenditures of COSCA are shared equally between the City and the District. The City is responsible for the fiscal management of COSCA activities, but does not have primary oversight responsibility for COSCA, which is included as an Agency fund in the City's Comprehensive Annual Financial Report for the fiscal year ended June 30, 2016.

(b) Government-wide Financial Statements

COSCA's government-wide financial statements include a statement of net position and a statement of activities. These statements present a summary of COSCA's governmental activities.

The government-wide financial statements are reported using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of COSCA's assets and liabilities, including capital assets and long-term liabilities, are included in the accompanying statement of net position. The statement of activities presents changes in net position. Under the accrual basis of accounting, revenues are recognized in the period in which they are earned, while expenses are recognized in the period in which the liability is incurred. The types of transactions reported as program revenues for COSCA include charges for services, operating grants, and capital grants and contributions.

In accordance with Governmental Standards Accounting Board Statement No. 34 (GASB 34), a reconciliation of the difference between the fund financial statements and the government-wide financial statements is provided. The General Fund has been identified as COSCA's major fund.

(c) Governmental Fund Financial Statements

In accordance with GASB 34, COSCA's governmental fund financial statements include a balance sheet and statement of revenues, expenditures and changes in fund balances.

The accompanying governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. COSCA's only governmental fund is the General Fund. Revenues are recognized when received, or within 60 days after year-end, unless susceptible to accrual, i.e., measurable and available to finance COSCA's operations. Monies received to fund specific future expenditures, such as trail or capital improvements, are classified as deferred revenue and

CONEJO OPEN SPACE CONSERVATION AGENCY

Notes to Basic Financial Statements

(Continued)

June 30, 2016

are recognized when the related expenditure is made. Expenditures generally are recorded when the related liability is incurred.

Effective July 1, 2010, COSCA adopted the provisions of GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. The objective of GASB Statement No. 54 is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

GASB Statement No. 54 establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The initial distinction that is made in reporting fund balance information is identifying amounts that are considered *nonspendable*, such as fund balance associated with inventories. This Statement also provides for additional classification as restricted, committed, assigned, and unassigned based on the relative strength of the constraints that control how specific amounts can be spent.

GASB Statement No. 54 improves financial reporting by providing fund balance categories and classifications that will be more easily understood. Elimination of the *reserved* component of fund balance in favor of a *restricted* classification will enhance the consistency between information reported in the government-wide statements and information in the governmental fund financial statements and avoid confusion about the relationship between reserved fund balance and restricted net position.

Effective July 1, 2015, the City adopted the provisions of GASB Statement No. 72, *Fair Value Measurement and Application*. The objective of GASB Statement No. 72 is to address accounting and financial reporting issues related to fair value measurements, provide guidance for determining a fair value measurement for financial reporting purposes, and provide guidance for applying fair value to certain investments and disclosures related to all fair value measurements.

(d) Use of Estimates

The preparation of basic financial statements in conformity with generally accepted accounting principles 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 amount of revenue and expenses/expenditures during the reporting period. Actual results could differ from those estimates.

CONEJO OPEN SPACE CONSERVATION AGENCY

Notes to Basic Financial Statements

(Continued)

June 30, 2016

(e) Capital Assets

Capital assets are reported in the government-wide financial statements. Included in capital assets are land, buildings and improvements, equipment, intangibles, infrastructure, and construction in progress. COSCA 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. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings and Improvements – 20 to 50 years
Equipment – 3 to 15 years
Intangibles – 2 to 50 years
Infrastructure – 10 to 50 years

(f) Reconciliation of Government-wide and Fund Financial Statements

Explanations of certain differences between governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes a reconciliation between fund balance – *total governmental funds and net position - governmental activities* as reported in the government-wide statement of net position. One element of that reconciliation explains that, “capital assets net of accumulated depreciation used in governmental activities are not financial resources and therefore are not reported in the funds. The details of this \$74,425,962 difference are as follows:

Land	\$73,695,282
Improvements	820,897
Equipment	21,392
Depreciation	<u>(111,609)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$74,425,962</u>

CONEJO OPEN SPACE CONSERVATION AGENCY

Notes to Basic Financial Statements

(Continued)

June 30, 2016

Explanations of certain differences between the governmental fund statement of revenues, expenditures, and changes in fund balances and the government-wide statement of activities

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between *net changes in fund balances – total governmental funds* and *changes in net position of governmental activities* as reported in the government-wide statement of activities. One element of the reconciliation explains that the governmental funds report capital outlays and contributions as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation exceeded capital outlay in the current period. The details of this (\$16,573) difference are as follows:

Capital outlay	\$15,943
Depreciation expense	<u>(32,516)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net position of governmental activities</i>	<u>(\$16,573)</u>

(2) Stewardship, Compliance and Accountability

General Budget Policies

The COSCA Board does not formally adopt an annual budget. The City and District formally adopt budgets for their share of COSCA costs; historically revenues have not been budgeted. City and District approve their own appropriations and any amendments to appropriations throughout the year. Budget figures used in the financial statements are the final adjusted amounts, including any amendments to the budget during the year.

Formal budgetary integration is employed as a management control device. Commitments for materials and services such as purchase orders and contracts are recorded during the year as encumbrances to assist in controlling expenditures.

CONEJO OPEN SPACE CONSERVATION AGENCY

Notes to Basic Financial Statements

(Continued)

June 30, 2016

(3) Changes in Capital Assets

The following is a summary of COSCA's changes in capital assets for the year ended June 30, 2016:

	Balance at June 30, 2015	Additions	Transfers	Disposals	Balance at June 30, 2016
Capital assets, not being depreciated:					
Land	\$ 73,679,339	\$ 15,943	\$ -	\$ -	\$ 73,695,282
Construction in Progress	-	-	-	-	-
Total	<u>73,679,339</u>	<u>15,943</u>	<u>-</u>	<u>-</u>	<u>73,695,282</u>
Capital assets, being depreciated:					
Improvements *	820,897	-	-	-	820,897
Equipment	21,392	-	-	-	21,392
Total	<u>842,289</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>842,289</u>
Less accumulated depreciation for:					
Improvements	57,701	32,516	-	-	90,217
Equipment	21,392	-	-	-	21,392
Total	<u>79,093</u>	<u>32,516</u>	<u>-</u>	<u>-</u>	<u>111,609</u>
Total, net of accumulated depreciation	<u>763,196</u>	<u>(32,516)</u>	<u>-</u>	<u>-</u>	<u>730,680</u>
Capital Assets, net	<u>\$ 74,442,535</u>	<u>\$ (16,573)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 74,425,962</u>

* Beginning balance restated due to prior period adjustment

(4) Cash and Investments

COSCA's cash and investments are pooled with those of the City. The City's pooled cash and investments are stated at fair value. COSCA's share of the City's pooled cash and investments at June 30, 2016, was \$1.3 million. COSCA's underlying cash and investment pool instruments consist of demand deposits, money market funds, certificates of deposits, securities of U.S. government sponsored agencies, U.S. Treasury securities and the California Local Agency Investment Fund (LAIF).

For further information regarding the City's pooled cash and investments including, custodial risk, concentration of credit risk, and interest rate risk, please refer to the City's Comprehensive Annual Financial Report for the year ended June 30, 2016.

CONEJO OPEN SPACE CONSERVATION AGENCY

Notes to Basic Financial Statements

(Continued)

June 30, 2016

(5) Fund Balance

The fund balance of the General Fund has been restricted at June 30, 2016, as indicated below. The "Restricted" fund balance reflects restrictions imposed on COSCA by the City and the District.

Restricted:

Land	<u>\$1,250,378</u>
------	--------------------

(6) Liability, Workers' Compensation, and Purchased Insurance

The Authority is covered under the City's insurance policies. Therefore, the limitation and self-insured retentions applicable to the City also apply to the Authority. Additional information as to the coverage and self-insured retentions can be obtained by contacting the City.



CPAs AND ADVISORS

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

To the Honorable Chair and Members of the Governing Board
Conejo Open Space Conservation Agency
City of Thousand Oaks, California

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the of the governmental activities and the General Fund of the Conejo Open Space Conservation Agency (the Agency), as of and for the year ended June 30, 2016, and the related notes to the financial statements, which collectively comprise the Agency's basic financial statements, and have issued our report thereon dated December 20, 2016.

Internal Control over Financial Reporting

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

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

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

Compliance and Other Matters

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





CPAs AND ADVISORS

Conejo Open Space Conservation Agency
City of Thousand Oaks, California

Purpose of this Report

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

Lance, Solt & Lughard, LLP

Brea, California
December 20, 2016