

**AGENDA  
REGULAR MEETING  
BOARD OF DIRECTORS  
AGOURA HILLS/CALABASAS COMMUNITY CENTER  
JOINT POWERS AUTHORITY  
VIDEO CONFERENCE**  
Agoura Hills/Calabasas Community Center  
27040 Malibu Hills Road, Activity Room, Calabasas, CA 91301  
Thursday, February 25, 2021  
6:30 p.m.

Direct Zoom Video Conference Link:

<https://zoom.us/j/98855109531?pwd=UE9GdjIQQ2VMemNhZTVzNzJGMVJqZz09>

Meeting ID: 988 5510 9531

Meeting Passcode: 214309

Call-In Telephone Number: 1-669-900-6833

*Pursuant to Governor Newsom's Executive Order N-25-20 and N-29-20, members of the Joint Powers Authority Board or staff may participate in this meeting via teleconference. In the interest of maintaining appropriate social distancing guidelines, members of the public may observe and offer comment at this meeting telephonically or electronically. If you are an individual with a disability and need a reasonable modification or accommodation pursuant to the Americans with Disabilities Act ("ADA") please contact Amy Brink at [info@ahccc.org](mailto:info@ahccc.org) prior to the meeting for assistance. Emails will be summarized at the meeting.*

**I. CALL TO ORDER**

**II. ROLL CALL**

Chair James Bozajian

Vice-Chair Deborah Lopez

Authority Member Jim Bukowski

Authority Member Matt Heller

Authority Member Lucy Martin

Authority Member Jeffrey Peldon

Authority Member Brad Rosenheim

Alternate Member Linda Northrup (Agoura Hills City Council)

Alternate Member Darlynn Childress (Agoura Hills)

Alternate Member John Suwara (Calabasas)

Alternate Member Jerry Viner (Calabasas)

Student Member Ethan Pavone (Agoura Hills)

Student Member Ella Dobkousky (Calabasas)

Student Member Kearston Stepenosky (Calabasas)

**III. SPECIAL PRESENTATIONS**

A. None

**IV. APPROVAL OF AGENDA**

**V. ORAL COMMUNICATIONS**

*Persons wishing to speak on items not listed on the agenda may speak. Please submit a request-to-speak slip (via the chat box).*

## **VI. CONSENT CALENDAR**

*Items on Consent Calendar may be approved by a single motion and vote. Unless otherwise requested in advance by a member of the JPA, staff or public, there will be no separate discussion of these items. If an item is removed by the JPA, or staff, the item is deferred to the end of the agenda. If a member of the audience wishes to testify, the item is not deferred.*

**A. Approval of Minutes from January 28, 2021 Regular Meeting**

STAFF REFERENCE: EXECUTIVE DIRECTOR BRIANNE ANDERSON

**B. Approval of Demand Register for January 2021**

STAFF REFERENCE: EXECUTIVE DIRECTOR BRIANNE ANDERSON

**C. Approval of Treasurer's Report for January 2021**

STAFF REFERENCE: AHCCC TREASURER CHRISTY PINUELAS

**D. Receive and File the Agoura Hills/ Calabasas Community Center FY 2019/20 Financial Audit Report**

STAFF REFERENCES: EXECUTIVE DIRECTOR BRIANNE ANDERSON  
AHCCC TREASURER CHRISTY PINUELAS

COMMITTEE REFERENCE: FINANCE

## **VII. COMMUNITY ALLIANCE REPORT**

**A. Community Center Alliance Update**

REFERENCE: CCA PRESIDENT MATT HELLER

## **VIII. COMMITTEE REPORTS**

**A. Finance - See New Business**

FINANCE COMMITTEE REFERENCES: MEMBERS LOPEZ, ROSENHEIM, ALTERNATE MEMBER VINER, AGOURA HILLS DIRECTOR OF FINANCE CHRISTY PINUELAS, AGOURA HILLS COMMUNITY SERVICES DIRECTOR AMY BRINK, CALABASAS COMMUNITY SERVICES DIRECTOR JEFF RUBIN

## **IX. OLD BUSINESS**

**X. NEW BUSINESS**

A. Finance Committee Report

STAFF REFERENCES: AHCCC TREASURER CHRISTY PINUELAS  
DIRECTOR OF COMMUNITY SERVICES AMY BRINK

B. Agoura Hills/Calabasas Community Center Closure Update

STAFF REFERENCE: DIRECTOR OF COMMUNITY SERVICES AMY BRINK

**XI. MATTERS FROM COMMUNITY SERVICES DIRECTORS**

**XII. MATTERS FROM DIRECTORS**

**XI. ADJOURNMENT**

The next Regular Agoura Hills/Calabasas Community Center JPA meeting will be held on March 25, 2021 at 6:30 pm.

*Copies of the Staff Reports or other written documentation relating to each item of business described above are on file in the office of the Authority Clerk, Agoura Hills/Calabasas Community Center, 27040 Malibu Hills Rd., Calabasas, California, 91301, and are currently available online for public inspection during Coronavirus-19 closure.*

**###**

AGOURA HILLS CALABASAS COMMUNITY CENTER  
CHECK REGISTER REPORT  
Month of : January 2021

| <u>Check</u> | <u>Date</u> | <u>Payee</u>                   | <u>Description</u>             | <u>Amount</u>    |
|--------------|-------------|--------------------------------|--------------------------------|------------------|
| 24157        | 01/13/21    | ANIMAL & INSECT PEST MANAGEMEN | Pest Control                   | 227.00           |
| 24158        | 01/13/21    | AT&T CALNET 2                  | Telephone 11/28-12/27/20       | 289.97           |
| 24159        | 01/13/21    | CALIFORNIA JPIA                | JPIA Contribution-2nd Install  | 12,903.00        |
| 24160        | 01/13/21    | CANON FINANCIAL SERVICES       | Copier Usage 12/20/20-1/19/21  | 245.44           |
| 24161        | 01/13/21    | CHARTER COMMUNICATIONS         | Internet Access                | 124.98           |
| 24162        | 01/13/21    | CITY OF AGOURA HILLS           | Life Insurance 4/20-12/20      | 519.73           |
| 24163        | 01/13/21    | GLOBAL CUSTOM SECURITY INC.    | Monitoring Fees                | 105.00           |
| 24164        | 01/13/21    | LAS VIRGENES MUNICIPAL WATER   | Water Svc. 11/25-12/22/20      | 146.32           |
| 24165        | 01/13/21    | PYRO-COMM SYSTEMS, INC         | Fire Panel Repairs             | 575.00           |
| 24166        | 01/13/21    | QUENCH USA, INC.               | Drinking Water. 1/12 - 2/11/21 | 76.66            |
| 24167        | 01/13/21    | SO CALIFORNIA GAS CO.          | Utilities                      | 600.33           |
| 24168        | 01/13/21    | US BANK                        | Credit Card Charges            | 317.60           |
| 24169        | 01/13/21    | VANTAGE TRANSFER AGENTS 304998 | ICMA Contributions PPE 1/2/21  | 320.00           |
| 24170        | 01/27/21    | CITY OF AGOURA HILLS           | Audit Svcs 19/20               | 5,475.00         |
| 24171        | 01/27/21    | COMMERCIAL BUILDINGS MAINTENAN | Porter Services                | 252.00           |
| 24172        | 01/27/21    | DELTA DENTAL                   | Dental Benefits 2/21           | 175.41           |
| 24173        | 01/27/21    | GLOBAL CUSTOM SECURITY INC.    | Security Camera Repair         | 595.82           |
| 24174        | 01/27/21    | LAS VIRGENES MUNICIPAL WATER   | Water Svc. 12/8-1/12/21        | 590.25           |
| 24175        | 01/27/21    | POWER FIRE SERVICES            | Fire Extinguisher Svc          | 300.00           |
| 24176        | 01/27/21    | SOUTHERN CALIFORNIA EDISON     | Electricity 12/18-1/20/21      | 1,345.59         |
| 24177        | 01/27/21    | THE STANDARD INSURANCE CO      | Disability Ins 2/21            | 96.90            |
| 24178        | 01/27/21    | VANTAGE TRANSFER AGENTS 304998 | ICMA Contrirution PPE 1/16/21  | 320.00           |
| 24179        | 01/27/21    | VSP INSURANCE                  | Vision Benefit 2/21            | 61.07            |
| EFT-78       | 01/13/21    | ADP                            | Payroll Processing 1/1/21      | 593.38           |
| EFT-79       | 01/13/21    | CALPERS RET                    | Retirement PPE 1/2/21          | 691.96           |
| EFT-80       | 01/27/21    | CAL PERS HEALTH                | Health Benefits 2/21           | 2,041.18         |
| EFT-81       | 01/27/21    | CALPERS RET                    | Retirement PPE 1/22/21         | 686.85           |
|              |             |                                | <b>TOTAL CHECKS/EFTs:</b>      | <b>29,676.44</b> |
|              |             |                                | <b>#</b>                       | <b>27</b>        |

Investment Report  
For the Month of January 2021

| Type                                       | Issuer                              | Maturity Date | Interest Rate | Cost          | Percent | Fair Value    |
|--------------------------------------------|-------------------------------------|---------------|---------------|---------------|---------|---------------|
| Local Agency Investment Fund               | California State Treasurer's Office | On Demand     | 0.458%        | \$ 129,600.36 | 84%     | \$ 129,600.36 |
| Checking Account                           | Bank of America                     | On Demand     | 0%            | \$ 25,075.04  | 16%     | N/A           |
| Petty Cash                                 |                                     |               |               |               | 0%      | N/A           |
| TOTAL COMMUNITY CENTER CASH AND INVESTMENT |                                     |               |               | \$ 154,675.40 | 100%    |               |

Notes:

1. The portfolio complies with the Agoura Hills/Calabasas Community Center Investment Policy.
2. The AHCCC does not have sufficient cash to operate for the next 6 months, due to a mandatory shut-down during the COVID 19 global pandem

*Christy Pinuelas*

Christy Pinuelas, Finance Director

February 10, 2021



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 Board of Directors of the  
Agoura Hills / Calabasas Community Center Authority  
Calabasas, 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 Agoura Hills / Calabasas Community Center Authority (the Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority's basic financial statements, and have issued our report thereon dated February 19, 2021.

#### **Internal Control over Financial Reporting**

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

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

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

#### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the Authority'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 financial statements. 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*.





To the Board of Directors of the  
Agoura Hills / Calabasas Community Center Authority  
Calabasas, 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 Authority's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

*Lane, Soll & Luyhard, LLP*

Brea, California  
February 19, 2021



AGOURA HILLS/  
CALABASAS COMMUNITY CENTER AUTHORITY  
FOR THE YEAR ENDED JUNE 30, 2020

ANNUAL FINANCIAL REPORT

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AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED JUNE 30, 2020

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## INDEPENDENT AUDITORS' REPORT

To the Board of Directors of the  
Agoura Hills/Calabasas Community Center Authority  
Calabasas, California

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the Agoura Hills / Calabasas Community Center Authority (the Authority) as of and for the year ended June 30, 2020, and the related notes to the financial statements, which collectively comprise the Authority'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.





To the Board of Directors of the  
Agoura Hills / Calabasas Community Center Authority  
Calabasas, California

**Opinions**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Agoura Hills / Calabasas Community Center Authority (the Authority) as of June 30, 2020, and the changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

**Emphasis of Matter**

The accompanying financial statements have been prepared assuming that the Authority will continue as a going concern. As discussed in Note 7 to the financial statements, the Authority has been significantly impacted by the COVID-19 pandemic which raises uncertainties regarding future operations. Our opinion is not modified with respect to this matter.

**Other Matters**

**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of pension plan contributions, and the schedule of changes in the total OPEB liability and related ratios 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 February 19, 2021, on our consideration of the Authority's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Authority's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Authority's internal control over financial reporting and compliance.

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

Brea, California  
February 19, 2021

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2020**

The discussion and analysis of the Agoura Hills / Calabasas Community Center Authority (AHCCC) financial performance provides an overall review of the AHCCC's financial activities for the fiscal year ended June 30, 2020. The intent of this discussion and analysis is to look at the AHCCC's financial performance as a whole. Readers should also review the basic financial statements, as well as the prior year's report for the year ended June 30, 2019, to enhance their understanding of the AHCCC's financial performance.

The financial section of this report has been prepared to show the results of the financial administration, financial condition, and operations of the AHCCC. The accompanying basic financial statements in this report have been audited by the firm of Lance, Soll & Lunghard, LLP, whose opinion is included in this report.

**BASIS OF ACCOUNTING AND FUND GROUPINGS**

The basic financial statements are presented on an "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all of the AHCCC's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Revenues, Expenses and Changes in Net Position presents changes in the 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 AHCCC maintains its enterprise fund in accordance with generally accepted accounting principles set forth by the GASB and other rule-making entities.

**FINANCIAL DISCUSSION**

The following is the condensed Statement of Net Position and Changes in Net Position for the fiscal years ended June 30, 2020 and 2019.

**Agoura Hills Calabasas Community Center's Net Position  
As of June 30, 2020 and 2019**

|                                   | <u>2020</u>        | <u>2019</u>        |
|-----------------------------------|--------------------|--------------------|
| Current and other assets          | \$ 315,268         | \$ 748,356         |
| Capital assets                    | <u>7,082,788</u>   | <u>7,191,011</u>   |
| Total Assets                      | <u>7,398,056</u>   | <u>7,939,367</u>   |
| Deferred Outflows                 | <u>144,819</u>     | <u>135,788</u>     |
| Current liabilities               | <u>37,989</u>      | <u>111,710</u>     |
| Long term liabilities outstanding | <u>640,803</u>     | <u>575,450</u>     |
| Total Liabilities                 | <u>678,792</u>     | <u>687,160</u>     |
| Deferred Inflows                  | <u>82,609</u>      | <u>80,857</u>      |
| Net Position:                     |                    |                    |
| Invested in capital assets        | 7,082,788          | 7,191,011          |
| Unrestricted                      | <u>(301,314)</u>   | <u>116,127</u>     |
| Total Net Position                | <u>\$6,781,474</u> | <u>\$7,307,138</u> |

The largest portion of net position consists of the AHCCC's investment in capital assets. The AHCCC uses those assets to provide services to citizens.

- ❖ Current and other assets decreased by \$434 thousand or 58% due to the closure of the AHCCC in March 2020, attributed to the COVID-19 pandemic.
- ❖ The \$108 thousand decrease in the AHCCC's investment in capital assets was related to depreciation recorded against those assets
- ❖ Current Liabilities decreased by \$73 thousand or 76% due to the closure of AHCCC in March 2020.
- ❖ Long term liabilities increased by \$66 thousand or 11% due to the increase in future pension and OPEB benefits.
- ❖ Unrestricted Net position decreased by \$417 due to use of reserves to meet financial obligations.

**Agoura Hills Calabasas Community Center's Changes in Net Position  
As of June 30, 2020 and 2019**

|                                 | <u>2020</u>        | <u>2019</u>        |
|---------------------------------|--------------------|--------------------|
| Revenues                        |                    |                    |
| Operating revenues:             |                    |                    |
| Charges for services            | \$786,447          | \$1,433,730        |
| Other Income                    | 6,183              | 12,704             |
| Nonoperating revenues:          |                    |                    |
| Contributions from cities       | 122,870            | 106,385            |
| Investment income               | 8,699              | 11,893             |
| Rental Income                   | <u>-</u>           | <u>18,540</u>      |
| Total Revenue                   | 924,199            | 1,583,282          |
| Expenses                        |                    |                    |
| Maintenance and operations      | 968,143            | 1,140,291          |
| General and administrative      | 373,497            | 448,201            |
| Depreciation                    | <u>108,223</u>     | <u>108,223</u>     |
| Total Expenses                  | 1,449,863          | 1,696,715          |
| Increase/(Decrease) in Position | (525,664)          | (113,433)          |
| Net Position, Beg of year       | <u>7,307,138</u>   | <u>7,420,571</u>   |
| Net Position, End of year       | <u>\$6,781,474</u> | <u>\$7,307,138</u> |

**Revenue Highlights**

- ❖ Charges for Services revenue decreased by \$648 thousand due to the closure of AHCCC in March 2020.

## Expense Highlights

- ❖ Maintenance and Operations decreased by \$172 thousand due to the closure of the AHCCC in March 2020.
- ❖ General and Admin Expenses decreased by \$75 thousand due to the termination of full time positions resulting from the closure of the AHCCC..

## **CAPITAL ASSETS**

Capital assets are those assets that are used in the performance of the AHCCC's function. At June 30, 2020 net capital assets totaled \$7 million.

The investment in capital assets includes land, building and equipment.

## **REQUEST FOR INFORMATION**

This financial report is designed to provide citizens, taxpayers, creditors and investors with a general overview of the AHCCC's finances and to show the AHCCC's accountability for the money it receives. Questions concerning any of the information provided in this report, or requests for additional information, should be addressed to the Agoura Hills/Calabasas Community Center, 27040 Malibu Rd, Agoura Hills, CA 91301.

AGOURA HILLS/CALABASAS COMMUNITY CENTER AUTHORITY

STATEMENT OF NET POSITION  
 JUNE 30, 2020

**Assets:**

Current Assets:

|                               |                |
|-------------------------------|----------------|
| Cash and investments (Note 2) | \$ 314,014     |
| Accounts receivable           | 350            |
| Accrued interest receivable   | 904            |
| <b>Total Current Assets</b>   | <u>315,268</u> |

Noncurrent Assets:

Capital assets (Note 3):

|                                |                    |
|--------------------------------|--------------------|
| Land                           | 3,929,112          |
| Structures and improvements    | 5,169,884          |
| Equipment                      | 208,570            |
| Less accumulated depreciation  | <u>(2,224,778)</u> |
| <b>Total Noncurrent Assets</b> | <u>7,082,788</u>   |

|                     |                         |
|---------------------|-------------------------|
| <b>Total Assets</b> | <u><b>7,398,056</b></u> |
|---------------------|-------------------------|

**Deferred Outflows of Resources:**

|                                                |                       |
|------------------------------------------------|-----------------------|
| Deferred outflows related to pensions (Note 5) | 124,006               |
| Deferred outflows related to OPEB (Note 6)     | <u>20,813</u>         |
| <b>Total Deferred Outflows of Resources</b>    | <u><b>144,819</b></u> |

**Liabilities:**

Current Liabilities:

|                                          |               |
|------------------------------------------|---------------|
| Accounts payable and accrued liabilities | 13,830        |
| Compensated absences, due in one year    | 3,276         |
| Accrued claims and judgments             | <u>20,883</u> |
| <b>Total Current Liabilities</b>         | <u>37,989</u> |

Noncurrent Liabilities:

|                                                         |                |
|---------------------------------------------------------|----------------|
| Net pension liability (Note 5)                          | 354,179        |
| Total other post-employment benefits liability (Note 6) | <u>286,624</u> |
| <b>Total Noncurrent Liabilities</b>                     | <u>640,803</u> |

|                          |                       |
|--------------------------|-----------------------|
| <b>Total Liabilities</b> | <u><b>678,792</b></u> |
|--------------------------|-----------------------|

**Deferred Inflows of Resources:**

|                                                                     |                      |
|---------------------------------------------------------------------|----------------------|
| Deferred inflows related to pensions (Note 5)                       | 33,538               |
| Deferred inflows related to other post-employment benefits (Note 6) | <u>49,071</u>        |
| <b>Total Deferred Inflows of Resources</b>                          | <u><b>82,609</b></u> |

**Net Position:**

|                              |                            |
|------------------------------|----------------------------|
| Investment in capital assets | 7,082,788                  |
| Unrestricted                 | <u>(301,314)</u>           |
| <b>Total Net Position</b>    | <u><b>\$ 6,781,474</b></u> |

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

**AGOURA HILLS/CALABASAS COMMUNITY CENTER AUTHORITY**

**STATEMENT OF REVENUES, EXPENSES  
AND CHANGES IN NET POSITION  
FOR THE YEAR ENDED JUNE 30, 2020**

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|                                            |                            |
|--------------------------------------------|----------------------------|
| <b>Operating Revenues:</b>                 |                            |
| Charges for services                       | \$ 786,447                 |
| Other income                               | 6,183                      |
| <b>Total Operating Revenues</b>            | <b><u>792,630</u></b>      |
| <b>Operating Expenses:</b>                 |                            |
| Maintenance and operations                 | 968,143                    |
| General and administrative                 | 373,497                    |
| Depreciation                               | 108,223                    |
| <b>Total Operating Expenses</b>            | <b><u>1,449,863</u></b>    |
| Operating Loss                             | <u>(657,233)</u>           |
| <b>Nonoperating Revenues:</b>              |                            |
| Contributions from cities                  | 122,870                    |
| Investment income                          | 8,699                      |
| <b>Total Nonoperating Revenues</b>         | <b><u>131,569</u></b>      |
| Changes in Net Position                    | (525,664)                  |
| Net Position at the Beginning of the Year  | <u>7,307,138</u>           |
| <b>Net Position at the End of the Year</b> | <b><u>\$ 6,781,474</u></b> |

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



AGOURA HILLS/CALABASAS COMMUNITY CENTER AUTHORITY

STATEMENT OF CASH FLOWS  
FOR THE YEAR ENDED JUNE 30, 2020

|                                                                                      |                     |
|--------------------------------------------------------------------------------------|---------------------|
| <b>Cash Flows from Operating Activities:</b>                                         |                     |
| Cash received from customers and users                                               | \$ 860,877          |
| Cash paid to suppliers for goods and services                                        | (941,225)           |
| Cash paid to employees for services                                                  | (316,448)           |
| Cash paid for claims and judgments                                                   | (15,488)            |
| <b>Net Cash (Used for) Operating Activities</b>                                      | <b>(412,284)</b>    |
| <b>Cash Flows from Non-Capital Financing Activities:</b>                             |                     |
| Contributions from cities                                                            | 122,870             |
| <b>Net Cash Provided by Non-Capital Financing Activities</b>                         | <b>122,870</b>      |
| <b>Cash Flows from Investing Activities:</b>                                         |                     |
| Interest received                                                                    | 10,974              |
| <b>Net Cash Provided by Investing Activities</b>                                     | <b>10,974</b>       |
| Net Change in Cash and Cash Equivalents                                              | (278,440)           |
| Cash and Cash Equivalents, July 1                                                    | 592,454             |
| <b>Cash and Cash Equivalents, June 30</b>                                            | <b>\$ 314,014</b>   |
| <b>Reconciliation of Operating Loss to Net Cash (Used for) Operating Activities:</b> |                     |
| Operating loss                                                                       | \$ (657,233)        |
| Adjustments to Reconcile Operating Loss to Net Cash (Used for) Operating Activities: |                     |
| Depreciation                                                                         | 108,223             |
| Decrease in accounts receivable                                                      | 68,247              |
| (Increase) in prepaid expense                                                        | 84,126              |
| (Decrease) in accounts payable and accrued liabilities                               | (57,208)            |
| (Decrease) in claims and judgments                                                   | (15,488)            |
| (Decrease) in compensated absences                                                   | (13,926)            |
| Increase in pension liability and related items                                      | 56,584              |
| Increase in other post-employment benefits liability and related items               | 14,391              |
| Total Adjustments                                                                    | 244,949             |
| <b>Net Cash Earned by Operating Activities</b>                                       | <b>\$ (412,284)</b> |

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

## AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY

### NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED JUNE 30, 2020

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#### Note 1: Summary of Significant Accounting Policies

##### a. Reporting Entity

On November 24, 1997, the Agoura Hills / Calabasas Community Center Authority (Community Center) was created under a joint exercise of powers agreement between the cities of Agoura Hills and Calabasas. It was formed for the construction, furnishing, maintenance and operation of a Joint Community Center. The governing Board of Directors consists of one City Council Member from each City, two residents of each City appointed by City Council, and the President or a member of the Executive Board of the Community Center Alliance (an organization formed for the sole purpose of raising funds for the Community Center). The economic resources of the Community Center Alliance are not significant to the Community Center.

Each City contributed money towards the construction of the Community Center, which was completed in December 1999. The Authority now oversees the operations and maintenance of the Community Center. The cities of Agoura Hills and Calabasas will equally share in any profit or loss from operation of the Community Center.

##### b. Basic Financial Statements

The basic financial statements (i.e. Statement of Net Position, Statement of Revenues, Expenses and Changes in Net Position, and Statement of Cash Flows) report information on all the enterprise activities of the Community Center.

##### c. Measurement Focus, Basis of Accounting and Financial Statement Presentation

The Community Center operates as an enterprise fund. Enterprise funds are used to account for operations for which fees are charged. The Community Center follows the accrual basis of accounting. Revenues are recognized when earned and expenses are recorded when the liability is incurred.

Enterprise funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services. The principal operating revenues of the Community Center are charges for services. Operating expenses include the cost of providing services in relation to operations, maintenance, administrative and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The preparation of the Community Center's basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures of contingent amounts at the date of the basic financial statements, and revenues and expenses during the reported period. Actual results could differ from those estimates.

AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

**d. Assets, Liabilities, and Net Position**

Cash and Cash Equivalents

For purposes of the statement of cash flows, all highly liquid investments with a maturity of three months or less when purchased are considered cash equivalents. The Community Center maintains a checking account and has investments in the Local Agency Investment Fund (LAIF), which is considered a cash equivalent.

Capital Assets

Capital assets owned by the Community Center are carried at cost less accumulated depreciation. Assets with a cost greater than \$5,000 and a useful life in excess of one year are capitalized by the Community Center. No depreciation is recorded in the year of acquisition. Depreciation is provided using the straight-line method over the estimated useful lives of the assets as follows:

|           |          |
|-----------|----------|
| Buildings | 50 years |
| Equipment | 15 years |

Pension Plans

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 Community Center's California Public Employees' 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.

Other Post-Employment Healthcare Benefits (OPEB)

For purposes of measuring the total OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense have been determined by an independent actuary. For this purpose, benefit payments are recognized when currently due and payable in accordance with the benefit terms.

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

|                    |                               |
|--------------------|-------------------------------|
| Valuation Date     | June 30, 2018                 |
| Measurement Date   | June 30, 2019                 |
| Measurement Period | July 1, 2018 to June 30, 2019 |

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

Deferred Inflows/Outflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense) until then. The Community Center has deferred outflows relating to net pension obligation and other post-employment healthcare benefits reported in the statement of net position. For pensions, these outflows are the results of contributions made after the measurement period, changes in actuarial assumptions, differences between the expected and actual experiences of plan participants, the net difference between projected and actual earnings on pension plan investments, adjustments due to differences in proportions, and the difference in proportionate share of the net pension liability. Except for contributions made after the measurement date which are recognized in the subsequent fiscal year, and the net difference between expected and actual earnings on pension plan investments which are recognized over five years; these items are deferred and recognized over the expected average remaining service life of the pension plan participants. For other post-employment healthcare benefits, these outflows are contributions made after the measurement period.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The Community Center currently reports deferred inflows of resources related to pensions and other post-employment healthcare benefits in the statement of net position. For pensions, these inflows are the result of changes in actuarial assumptions, the difference between expected and actual experiences of plan participants, adjustments due to differences in proportions, and the difference in proportional share of the net pension liability. For other post-employment healthcare benefits, these inflows are the result of changes in actuarial assumptions and the differences between the expected and actual experiences of plan participants. All these items are deferred and recognized over the expected average remaining service life of pension and/or other post-employment healthcare plan participants.

Compensated Absences

Compensated absences include management, vacation and sick leave, compensatory time and special vacation. A regular full-time employee may convert sick leave to special vacation and/or cash equivalent. The employee must have accrued at least eighty (80) hours of sick leave as of November 15 of the year in which the option is exercised. The option can be exercised once each calendar year between November 1 and November 15. A maximum of forty (40) hours sick leave may be converted into special vacation leave; provided that an employee may not accumulate more than eighty (80) hours of special vacation leave. Up to twenty (20) hours of the maximum amount of special vacation leave may be taken as pay at the employee's straight time rate of pay. Special vacation leave is not compensable as cash nor may it be converted to any other benefit upon termination of employment. Compensated absences payable at June 30, 2020 were \$3,276, a \$13,926 decrease from \$17,202 in 2019.

AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY

NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020

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

Net Position

Net position is an indicator of the Community Center's financial position. For the fiscal year ended June 30, 2020, net position of the Community Center was \$6,781,474. For the year ended June 30, 2020, the Community Center reported net position classifications are defined as follows:

- *Investment in capital assets* – This component of net position consists of capital assets reduced by accumulated depreciation and by any outstanding debt incurred to acquire, construct, or improve those assets. The Community Center did not have any related debt outstanding at June 30, 2020.
- *Restricted* – This component of net position consists of resources with external constraints imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments or constraints imposed by law through constitutional provisions or enabling legislation. The Community Center did not have any restricted net position at June 30, 2020.
- *Unrestricted net position* – This component of net position consists of net position that do not meet the definition of "restricted" or "investment in capital assets." When both restricted and unrestricted resources are available for use, it is the Community Center's policy to use restricted resources first.

**Note 2: Cash and Investments**

Cash and investments at June 30, 2020, consist of the following:

|                                     |                   |
|-------------------------------------|-------------------|
| Demand cash accounts                | \$ 135,181        |
| Investments:                        |                   |
| Local Agency Investment Fund (LAIF) | 178,833           |
| Total Cash and Investments          | <u>\$ 314,014</u> |

**a. Demand Cash Accounts**

At June 30, 2020, the carrying amount of the Community Center's demand cash accounts was \$135,181 and the bank balance was \$142,211. The \$7,030 difference represents outstanding checks, deposits in transit, and other reconciling items.

**b. Authorized Investments by the Community Center's Investment Policy**

Investments Authorized by the California Government Code and the Community Center's Investment Policy Under provisions of the Community Center's investment policy and in accordance with Section 53601 of the California Government Code, the Community Center may invest in the types of investments listed in the table below. The table also identifies certain provisions intended to limit the Community Center's exposure to interest rate risk, credit risk, and concentration of credit risk.

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

| <u>Authorized Investment Type</u>   | <u>*Authorized by<br/>Investment Policy</u> | <u>*Maximum<br/>Maturity</u> | <u>*Maximum<br/>Percentages<br/>of Portfolio</u> | <u>*Maximum<br/>Investment in<br/>One Issuer</u> |
|-------------------------------------|---------------------------------------------|------------------------------|--------------------------------------------------|--------------------------------------------------|
| Local Agency Investment Fund (LAIF) | Yes                                         | N/A                          | 75%                                              | 20%                                              |

\* Based on State Law requirements or investment policy requirements, whichever is more restrictive.

**c. Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the Community Center's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the Community Center's investments by maturity.

| <u>Investment Type</u>       | <u>Fair Value</u> | <u>Remaining Maturity<br/>(in Months)</u> |
|------------------------------|-------------------|-------------------------------------------|
|                              |                   | <u>12 Months or Less</u>                  |
| Local Agency Investment Fund | \$ 178,833        | \$ 178,833                                |
|                              | <u>\$ 178,833</u> | <u>\$ 178,833</u>                         |

**d. Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. Presented below is the minimum rating required by (where applicable) the California Government Code, the Community Center's investment policy, or debt agreements, and the actual rating as of year-end for each investment type. LAIF is the only investment held by the Community Center and is unrated.

Concentration of Credit Risk

The investment policy of the Community Center contains no limitation on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, the Community Center 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 custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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

another party. The California Government Code and the Community Center's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, 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 market 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 Community Center deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

**e. Investment in State Investment Pool**

The Community Center is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by California Government Code Section 16429 under the oversight of the Treasurer of the State of California. The fair value of the Community Center's investment in this pool is reported in the accompanying financial statements at amounts based upon the Community Center'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.

**f. Fair Value Hierarchy**

The Community Center categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The Community Center's investments are held in LAIF, which is considered uncategorized.

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 3: Capital Assets**

A summary of changes in capital asset activity for the year ended June 30, 2020, is as follows:

|                                                | Balance at<br>June 30, 2019 | Additions           | Deletions   | Balance at<br>June 30, 2020 |
|------------------------------------------------|-----------------------------|---------------------|-------------|-----------------------------|
| Capital assets not being depreciated:          |                             |                     |             |                             |
| Land                                           | \$ 3,929,112                | \$ -                | \$ -        | \$ 3,929,112                |
| Capital assets being depreciated:              |                             |                     |             |                             |
| Building                                       | 5,169,884                   | -                   | -           | 5,169,884                   |
| Equipment                                      | 208,570                     | -                   | -           | 208,570                     |
| Total capital assets being<br>depreciated      | <u>5,378,454</u>            | <u>-</u>            | <u>-</u>    | <u>5,378,454</u>            |
| Less accumulated depreciation for:             |                             |                     |             |                             |
| Building                                       | (1,962,190)                 | (103,397)           | -           | (2,065,587)                 |
| Equipment                                      | (154,365)                   | (4,826)             | -           | (159,191)                   |
| Total accumulated depreciation                 | <u>(2,116,555)</u>          | <u>(108,223)</u>    | <u>-</u>    | <u>(2,224,778)</u>          |
| Total capital assets being<br>depreciated, net | <u>3,261,899</u>            | <u>(108,223)</u>    | <u>-</u>    | <u>3,153,676</u>            |
| Total Capital assets, net                      | <u>\$ 7,191,011</u>         | <u>\$ (108,223)</u> | <u>\$ -</u> | <u>\$ 7,082,788</u>         |

Depreciation expense for the year totaled \$108,223.

**Note 4: Liability, Workers' Compensation, and Purchased Insurance**

**a. Description of Self-Insurance Pool Pursuant to Joint Powers Agreement**

The Agoura Hills / Calabasas Community Center Authority is a member of the California Joint Powers Insurance Authority (Authority). The Authority is composed of 118 California public entities and is organized under a joint powers agreement pursuant to California Government Code §6500 et seq. The purpose of the Authority is to arrange and administer programs for the pooling of self-insured losses, to purchase excess insurance or reinsurance, and to arrange for group purchased insurance for property and other lines of coverage. The California JPIA began covering claims of its members in 1978. Each member government has an elected official as its representative on the Board of Directors. The Board operates through a nine-member Executive Committee.

**b. Primary Self-Insurance Programs of the Authority**

Each member pays an annual contribution at the beginning of the coverage period. A retrospective adjustment is then conducted annually thereafter, for coverage years 2012-13 and prior. Coverage years 2013-14 and forward are not subject to routine annual retrospective adjustment. The total funding requirement for primary self-insurance programs is based on an actuarial analysis. Costs are allocated to individual agencies based on payroll and claims history, relative to other members of the risk-sharing pool.



**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Note 4: Liability, Workers' Compensation, and Purchased Insurance (Continued)**

Primary Liability Program

Claims are pooled separately between police and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$30,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$30,000 to \$750,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$750,000 to \$50 million, are distributed based on the outcome of cost allocation within the first and second loss layers.

The overall coverage limit for each member, including all layers of coverage, is \$50 million per occurrence. Subsidence losses have a sub-limit of \$40 million per occurrence. The coverage structure includes retained risk that is pooled among members, reinsurance, and excess insurance. More detailed information about the various layers of coverage is available on the following website: <https://cjpia.org/protection/coverage-programs>.

Primary Workers' Compensation Program

Claims are pooled separately between public safety (police and fire) and general government exposures. (1) The payroll of each member is evaluated relative to the payroll of other members. A variable credibility factor is determined for each member, which establishes the weight applied to payroll and the weight applied to losses within the formula. (2) The first layer of losses includes incurred costs up to \$50,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the first layer. (3) The second layer of losses includes incurred costs from \$50,000 to \$100,000 for each occurrence and is evaluated as a percentage of the pool's total incurred costs within the second layer. (4) Incurred costs from \$100,000 to statutory limits are distributed based on the outcome of cost allocation within the first and second loss layers.

For 2019-20 the Authority's pooled retention is \$1 million per occurrence, with reinsurance to statutory limits under California Workers' Compensation Law. Employer's Liability losses are pooled among members to \$1 million. Coverage from \$1 million to \$5 million is purchased as part of a reinsurance policy, and Employer's Liability losses from \$5 million to \$10 million are pooled among members.

**c. Purchased Insurance**

Property Insurance

The Community Center participates in the all-risk property protection program of the Authority. This insurance protection is underwritten by several insurance companies. Community Center property is currently insured according to a schedule of covered property submitted by the Community Center to the Authority. Agoura Hills Calabasas Community Center Authority property currently has all-risk property insurance protection in the amount of \$9,401,420. There is a \$10,000 deductible per occurrence except for non-emergency vehicle insurance which has a \$2,500 deductible.

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Note 4: Liability, Workers' Compensation, and Purchased Insurance (Continued)**

Crime Insurance

The Community Center purchases crime insurance coverage in the amount of \$1,000,000 with a \$2,500 deductible. The fidelity coverage is provided through the Authority.

**d. Adequacy of Protection**

During the past three fiscal years, none of the above programs of protection experienced settlements or judgments that exceeded pooled or insured coverage. There were also no significant reductions in pooled or insured liability coverage in 2019-20.

**Note 5: Defined Benefit Pension Plan**

**a. Plan Description**

All qualified permanent and probationary employees are eligible to participate in the Community Center's Miscellaneous Cost-Sharing Multiple Employer defined benefit pension plan administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and Community Center 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.

**b. Benefits Provided**

CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries. Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 5: Defined Benefit Pension Plan (Continued)**

Below is a summary of the plans' provisions and benefits in effect at June 30, 2020, for which the Community Center has contracted:

|                                                   | <b>Miscellaneous cost-sharing plan</b>                |                                                   |
|---------------------------------------------------|-------------------------------------------------------|---------------------------------------------------|
|                                                   | <u>Classic</u>                                        | <u>PEPRA</u>                                      |
|                                                   | Prior to                                              | Prior to                                          |
| Hire date                                         | January 1, 2013                                       | January 1, 2013                                   |
| Benefit formula                                   | 2% @ 55                                               | 2% @ 62                                           |
| Benefit vesting schedule                          | 5 years service                                       | 5 years service                                   |
| Benefit payments                                  | monthly for life                                      | monthly for life                                  |
| Retirement age                                    | minimum 50 yrs                                        | minimum 50 yrs                                    |
| Monthly benefits, as a % of eligible compensation | 1.425% - 2.418%,<br>50 yrs - 63+ yrs,<br>respectively | 1.0% - 2.0%,<br>52 yrs - 62+ yrs,<br>respectively |
| Required employee contribution rates              | 7.000%                                                | N/A                                               |
| Required employer contribution rates              | 14.225%                                               | N/A                                               |

*There were no participants in the PEPRA plan therefore no actuarial was available.*

**c. Contribution Description**

Section 20814(c) of the California Public Employees' Retirement Law (PERL) requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. The total plan contributions are determined through the CalPERS' annual actuarial valuation process. The actuarially determined rate is based on the estimated amount necessary to pay the Plan's allocated share of the risk pool's costs of benefits earned by employees during the year, and any unfunded accrued liability. The Community Center is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2020, the employer contributions recognized as a reduction to net pension liability was \$46,077.

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

The Community Center reported a net pension liability at June 30, 2020, of \$354,179 for its proportionate share of the net pension liability of the Miscellaneous Plan.

The Community Center's net pension liability is measured as the proportionate share of the net pension liability. The net pension liability of the Plan is measured as of June 30, 2019, and the total pension liability for the Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2018 rolled forward to June 30, 2019 using standard update procedures. The Community Center's proportion of the net pension liability was based on a projection of the Community Center's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 5: Defined Benefit Pension Plan (Continued)**

The Community Center's proportionate share of the net pension liability as of June 30, 2018 and June 30, 2019, are as follows:

|                              | Miscellaneous<br>Plan |
|------------------------------|-----------------------|
| Proportion - June 30, 2018   | 0.00347%              |
| Proportion - June 30, 2019   | 0.00346%              |
| Change - Increase (Decrease) | -0.00001%             |

For the year ended June 30, 2020, the Community Center recognized a total pension expense of \$105,899. At June 30, 2020, the Community Center reported deferred outflows and deferred inflows of resources related to pensions as follows:

|                                                                                                                                              | Deferred Outflows<br>of Resources | Deferred Inflows<br>of Resources |
|----------------------------------------------------------------------------------------------------------------------------------------------|-----------------------------------|----------------------------------|
| Pension contributions subsequent to measurement date                                                                                         | \$ 49,315                         | \$ -                             |
| Changes in assumptions                                                                                                                       | 16,889                            | 5,987                            |
| Difference between expected and actual experiences                                                                                           | 24,600                            | 1,906                            |
| Net differences between projected and actual earnings on plan investments                                                                    | -                                 | 6,192                            |
| Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions | -                                 | 19,453                           |
| Adjustment due to differences in proportions                                                                                                 | 33,202                            | -                                |
| Total                                                                                                                                        | <u>\$ 124,006</u>                 | <u>\$ 33,538</u>                 |

The \$49,315 reported as deferred outflows of resources related to contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the fiscal year ended June 30, 2021. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

| Measurement Periods<br>Ended June 30: | Total Deferred<br>Outflows/(Inflows) |
|---------------------------------------|--------------------------------------|
| 2020                                  | \$ 35,322                            |
| 2021                                  | 1,234                                |
| 2022                                  | 3,345                                |
| 2023                                  | 1,252                                |
| Total                                 | <u>\$ 41,153</u>                     |

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Note 5: Defined Benefit Pension Plan (Continued)**

**e. Actuarial Methods and Assumptions Used to Determine Total Pension Liability**

The total pension liability was determined by rolling forward the total pension liability determined in the June 30, 2018 actuarial accounting valuation to June 30, 2019. The June 30, 2018, total pension liability was based on the following actuarial methods and assumptions.

|                                  |                                                                                                                                      |
|----------------------------------|--------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method            | Entry Age Normal in accordance with the requirements of GASB Statement No. 68.                                                       |
| Actuarial Assumptions            |                                                                                                                                      |
| Discount Rate                    | 7.15%                                                                                                                                |
| Inflation                        | 2.50%                                                                                                                                |
| Salary Increases                 | Varies by Entry Age and Service                                                                                                      |
| Mortality Rate Table (1)         | Derived using CalPERS' Membership Data for all Funds.                                                                                |
| Post Retirement Benefit Increase | The lesser of contract COLA or 2.50% until Purchasing Power Protection Allowance floor on purchasing power applies, 2.50% thereafter |

(1) The mortality table used was developed based on CalPERS-specific data. The probabilities of mortality are based on the 2017 CalPERS Experience Study for the period from 1997 to 2015. Pre-retirement and Post-retirement mortality rates include 15 years of projected mortality improvement using 90% of Scale MP-2016 published by the Society of Actuaries. For more details on this table, please refer to the CalPERS Experience Study and Review of Actuarial Assumptions report from December 2017 that can be found on the CalPERS website.

Change of Assumptions

In 2019, there were no changes. In 2018, demographic assumptions and inflation rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017.

Discount Rate

The discount rate used to measure the total pension liability was 7.15 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members will be made at the current member contribution rates and that contributions from employers will be made at statutorily required rates, actuarially determined. Based on those assumptions, the Plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Long-term Expected Rate of Return

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

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 5: Defined Benefit Pension Plan (Continued)**

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 of the funds' asset classes, expected compound (geometric) returns were calculated over the short-term (first 10 years) and the long-term (11+ years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the rounded single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equal to the single equivalent rate calculated above and adjusted to account for assumed administrative expenses.

The expected real rates of return by asset class are as followed:

| Asset Class (1)  | Assumed<br>asset<br>allocation | Real Return<br>Years 1 - 10 (2) | Real Return<br>Years 11+ (3) |
|------------------|--------------------------------|---------------------------------|------------------------------|
| Global Equity    | 50.0%                          | 4.80%                           | 5.98%                        |
| Fixed Income     | 28.0                           | 1.00                            | 2.62                         |
| Inflation assets | -                              | 0.77                            | 1.81                         |
| Private Equity   | 8.0                            | 6.30                            | 7.23                         |
| Real Estate      | 13.0                           | 3.75                            | 4.93                         |
| Liquidity        | 1.0                            | -                               | (0.92)                       |

- (1) In the System's CAFR, Fixed Income is included in Global Debt Securities; Liquidity is included in Short-term Investments; Inflation Assets are included in both Global Equity Securities and Global Debt Securities
- (2) An expected inflation of 2.00% used for this period.
- (3) An expected inflation of 2.92% used for this period.

**f. Sensitivity of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Community Center's proportionate share of the net pension liability of the Miscellaneous Plan, calculated using the discount rate of 7.15%, as well as what the proportionate share of net pension liability would be if it were calculated using a discount rate that is 1% point lower (6.15%) or 1% point higher (8.15%) than the current rate:

|                                             | Discount Rate -<br>1% (6.15%) | Current Discount<br>Rate (7.15%) | Discount Rate +<br>1% (8.15%) |
|---------------------------------------------|-------------------------------|----------------------------------|-------------------------------|
| Miscellaneous Plan<br>Net Pension Liability | \$ 610,343                    | \$ 354,179                       | \$ 142,733                    |

**g. Pension Plan Fiduciary Net Position**

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

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

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**Note 6: Other Post-Employment Health Care Benefits**

**a. Plan Description**

In addition to the pension benefits defined in Note 5, the Community Center provides post-retirement health care benefits to full-time employees through a single-employer defined benefit plan with the Public Employees' Retirement System (PERS) for participation in the State of California Public Employees' Medical and Hospital Care Act (PEMHCA). The Community Center's contribution for each retiree is the same as full-time employees. The total of the PEMHCA minimum employer contribution will not exceed \$133 per month. The Community Center has not established a trust to accumulate assets for the payment of future benefits as of June 30, 2020.

Covered Participants

Employees are eligible for retiree health benefits if they retire from the Community Center and are eligible for a PERS pension and are enrolled in a CalPERS retiree health plan. The benefits are available only to employees who retire from the Community Center.

At June 30, 2020, the following numbers of participants were covered by the benefit terms:

|                                                      | Number of Covered Participants |
|------------------------------------------------------|--------------------------------|
| Inactives currently receiving benefits               | 1                              |
| Inactives entitled to but not yet receiving benefits | 1                              |
| Active employees                                     | 4                              |
| Total                                                | 6                              |

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 6: Other Post-Employment Health Care Benefits (Continued)**

**b. Significant Actuarial Assumptions Used for Total OPEB Liability**

The City's total OPEB liability was measured as of June 30, 2019 and was determined by an actuarial valuation dated June 30, 2018 based on the following actuarial methods and assumptions:

|                                                |                                                                                                                                                           |
|------------------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Valuation Date                       | June 30, 2018                                                                                                                                             |
| Contribution Policy                            | No pre-funding                                                                                                                                            |
| Discount Rate                                  | 3.50% at June 30, 2019<br>(Bond Buyer 20-bond Index)<br>3.87% at June 30, 2018<br>(Bond Buyer 20-bond Index)                                              |
| General Inflation                              | 2.75% annually                                                                                                                                            |
| Mortality, Retirement, Disability, Termination | CalPERS 1997-2015 Experience Study                                                                                                                        |
| Mortality Improvement                          | Mortality projected fully generational with Scale MP-2018                                                                                                 |
| Salary Increases                               | Aggregate - 3% annually<br>Merit - Tables from CalPERS 1997-2015 Experience Study                                                                         |
| Medical Trend                                  | Non-Medicare - 7.25% for 2021, decreasing to an ultimate rate of 4.0% in 2076<br>Medicare - 6.3% for 2021, decreasing to an ultimate rate of 4.0% in 2076 |
| PEMHCA Minimum Increase                        | 4.25% annually                                                                                                                                            |
| Participation at Retirement                    | Actives: 100%<br>Retiree & surviving spouses: 100% if covered, 0% if waived                                                                               |

Discount Rate

The discount rate used to measure the total OPEB liability was 3.50 percent, which is the Municipal Bond Buyer 20-bond Index rate at June 30, 2019.

Changes in Assumptions

The discount rate was updated based on the municipal bond rate as of the measurement date.



**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 6: Other Post-Employment Health Care Benefits (Continued)**

**c. Changes in Total OPEB Liability**

The changes in the total OPEB liability as of June 30, 2020, for the Plan are as follows:

|                                                           | Total OPEB<br>Liability |
|-----------------------------------------------------------|-------------------------|
| Balance at June 30, 2019 (measurement date June 30, 2018) | \$ 251,794              |
| Changes recognized for the measurement period:            |                         |
| Service Cost                                              | 14,036                  |
| Interest                                                  | 10,125                  |
| Assumption changes                                        | 19,053                  |
| Benefit Payments                                          | (8,384)                 |
| Net changes                                               | <u>34,830</u>           |
| Balance at June 30, 2020 (measurement date June 30, 2019) | <u>\$ 286,624</u>       |

**d. Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability if it was calculated using a discount rate that is one percentage point lower or one percentage point higher than the current rate for measurement period ended June 30, 2019:

|                      | 1% Decrease<br>(2.50%) | Current<br>Discount Rate<br>(3.50%) | 1% Increase<br>(4.50%) |
|----------------------|------------------------|-------------------------------------|------------------------|
| Total OPEB Liability | \$ 347,389             | \$ 286,624                          | \$ 238,665             |

**e. Sensitivity of the Total OPEB Liability to Changes in the Health Care Cost Trend Rates**

The following presents the total OPEB liability if it was calculated using health care cost trend rates that are one percentage point lower or one percentage point higher than the current rate, for measurement period ended June 30, 2019:

|                      | 1% Decrease | Current Healthcare Cost<br>Trend Rates | 1% Increase |
|----------------------|-------------|----------------------------------------|-------------|
| Total OPEB Liability | \$ 225,172  | \$ 286,624                             | \$ 370,158  |

**AGOURA HILLS / CALABASAS COMMUNITY CENTER AUTHORITY**

**NOTES TO FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED JUNE 30, 2020**

**Note 6: Other Post-Employment Health Care Benefits (Continued)**

**f. OPEB Expense and Deferred Outflows/Inflows of Resources Related to OPEB**

For the fiscal year ended June 30, 2020, the City recognized OPEB expense of \$17,639. As of fiscal year ended June 30, 2020, the City reported deferred outflows of resources related to OPEB from the following sources:

|                                                   | Deferred Outflows of<br>Resources | Deferred Inflows of<br>Resources |
|---------------------------------------------------|-----------------------------------|----------------------------------|
| OPEB contributions subsequent to measurement date | \$ 3,476                          | \$ -                             |
| Difference between Expected & Actual Experience   | -                                 | 20,042                           |
| Changes in assumptions                            | 17,337                            | 29,029                           |
| Total                                             | <u>\$ 20,813</u>                  | <u>\$ 49,071</u>                 |

The amounts reported as deferred inflows of resources related to OPEB will be recognized as expense as follows:

| Year Ended<br>June 30 | Deferred Outflow /<br>(Inflows) of Resources |
|-----------------------|----------------------------------------------|
| 2021                  | \$ (4,010)                                   |
| 2022                  | (4,010)                                      |
| 2023                  | (4,010)                                      |
| 2024                  | (4,010)                                      |
| 2025                  | (4,010)                                      |
| Thereafter            | (11,684)                                     |
|                       | <u>\$ (31,734)</u>                           |

**Note 7: Subsequent Event**

In December 2019, an outbreak of a novel strain of coronavirus (COVID-19) originated in China, and has since spread to a number of other countries, including the U.S. On March 11, 2020, the World Health Organization characterized COVID-19 as a pandemic. In addition, several states in the U.S., including California, have declared a state of emergency.

Due to the nature of the pandemic, the Community Center has been closed since March 2020 and has terminated all activities and employees as of February 2021. Although management continues to monitor and assess the effects of the COVID-19 pandemic, the ultimate impact of the COVID-19 outbreak is highly uncertain and subject to change.

AGOURA HILLS/CALABASAS COMMUNITY CENTER AUTHORITY

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

|                                                                                         | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       |
|-----------------------------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| Proportion of the Net Pension Liability                                                 | 0.00346%   | 0.00322%   | 0.00321%   | 0.00302%   | 0.00273%   | 0.00300%   |
| Proportionate Share of the Net Pension Liability                                        | \$ 354,179 | \$ 310,755 | \$ 318,679 | \$ 261,104 | \$ 187,080 | \$ 186,723 |
| Covered Payroll                                                                         | \$ 345,359 | \$ 393,194 | \$ 397,025 | \$ 402,464 | \$ 397,096 | \$ 444,557 |
| Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll | 102.55%    | 79.03%     | 80.27%     | 64.88%     | 47.11%     | 42.00%     |
| Plan Fiduciary Net Position as a Percentage of the Total Pension Liability              | 75.30%     | 75.30%     | 73.30%     | 74.06%     | 78.40%     | 79.82%     |

Notes to Schedule:

Benefit Changes: None

Changes of Assumptions: In 2018, demographic assumptions and inflate rate were changed in accordance to the CalPERS Experience Study and Review of Actuarial Assumptions December 2017. There were no changes in the discount rate in 2020.

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

AGOURA HILLS/CALABASAS COMMUNITY CENTER AUTHORITY

SCHEDULE OF PENSION PLAN CONTRIBUTIONS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

|                                                                     | 2020       | 2019       | 2018       | 2017       | 2016       | 2015       |
|---------------------------------------------------------------------|------------|------------|------------|------------|------------|------------|
| Actuarially Determined Contribution                                 | \$ 49,315  | \$ 46,077  | \$ 44,208  | \$ 41,681  | \$ 39,043  | \$ 43,808  |
| Contribution in Relation to the Actuarially Determined Contribution | (49,315)   | (46,077)   | (44,208)   | (41,681)   | (39,043)   | (43,808)   |
| Contribution Deficiency (Excess)                                    | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       | \$ -       |
| Covered Payroll                                                     | \$ 308,704 | \$ 345,359 | \$ 393,194 | \$ 397,025 | \$ 402,464 | \$ 397,096 |
| Contributions as a Percentage of Covered Payroll                    | 15.97%     | 13.34%     | 11.24%     | 10.50%     | 9.70%      | 11.03%     |

Note to Schedule:

The actuarial methods and assumptions used to set the actuarially determined contributions for Fiscal Year 2019-20 were derived from the June 30, 2017 funding valuation report.

Methods and assumptions used to determine contribution rates:

|                           |                                                                                                                                                                                                                                                                              |
|---------------------------|------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Actuarial Cost Method     | Entry age normal                                                                                                                                                                                                                                                             |
| Amortization method       | For details, see June 30, 2016 Funding Valuation Report.                                                                                                                                                                                                                     |
| Assets valuation method   | Market Value of Assets. For details, see June 30, 2016 Funding Valuation Report.                                                                                                                                                                                             |
| Inflation                 | 2.63%                                                                                                                                                                                                                                                                        |
| Salary Increases          | Varies by Entry Age and Service                                                                                                                                                                                                                                              |
| Investment rate of return | 7.50% compounded annually (net of investment and administrative expenses)                                                                                                                                                                                                    |
| Retirement age            | The probabilities of Retirement are based on the 2014 CalPERS Experience Study for the period of 1997 to 2011.                                                                                                                                                               |
| Mortality                 | The probabilities of mortality are based on the 2014 CalPERS Experience Study for the period from 1997 to 2011. Pre-retirement and Post-retirement mortality rates include 20 years of projected mortality improvement using Scale BB published by the Society of Actuaries. |

(1) Historical information is required only for measurement for which GASB 68 is applicable. Fiscal Year 2015 was the first year of implementation, therefore only six years are shown.

AGOURA HILLS/CALABASAS COMMUNITY CENTER AUTHORITY

SCHEDULE OF CHANGES IN THE TOTAL OPEB LIABILITY AND RELATED RATIOS  
AS OF JUNE 30, FOR THE LAST TEN FISCAL YEARS (1)

|                                                                         | 2020             | 2019             | 2018             |
|-------------------------------------------------------------------------|------------------|------------------|------------------|
|                                                                         | Measurement Date | Measurement Date | Measurement Date |
|                                                                         | June 30, 2019    | June 30, 2018    | June 30, 2017    |
| <b>Total OPEB Liability</b>                                             |                  |                  |                  |
| Service cost                                                            | \$ 14,036        | \$ 21,514        | \$ 24,575        |
| Interest                                                                | 10,125           | 9,691            | 7,953            |
| Actual vs. expected experience                                          | -                | (27,492)         | -                |
| Assumption changes                                                      | 19,053           | (1,122)          | (37,810)         |
| Benefit payments                                                        | (8,384)          | -                | -                |
| Net change in total OPEB liability                                      | 34,830           | 2,591            | (5,282)          |
| Total OPEB liability - beginning                                        | 251,794          | 249,203          | 254,485          |
| Total OPEB liability - ending                                           | \$ 286,624       | \$ 251,794       | \$ 249,203       |
| Plan fiduciary net position as a percentage of the total OPEB liability | 0.00%            | 0.00%            | 0.00%            |
| Covered-employee payroll                                                | \$ 336,194       | \$ 386,274       | \$ 397,025       |
| Net OPEB liability as a percentage of covered-employee payroll          | 85.26%           | 65.19%           | 62.77%           |

**Notes to Schedule:**

Changes in assumptions: In 2018, the discount rate was changed from 3.58% at June 30, 2016 (valuation date) to 2.85% at June 30, 2017 (measurement date). In 2019, the discount rate was changed from 3.58% at June 30, 2017 to 3.87% at June 30, 2018 (measurement date). In 2020, the discount rate was changed from 3.87% to 3.50% at June 30, 2019.

(1) Historical information is required only for the measurement periods for which GASB 75 is applicable. Fiscal Year 2018 was the first year of implementation, therefore only three years are shown.



February 19, 2021

To the Board of Directors of the  
Agoura Hills / Calabasas Community Center Authority  
Calabasas, California

We have audited the financial statements of the Agoura Hills / Calabasas Community Center Authority (the Authority) for the year ended June 30, 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards, *Government Auditing Standards* and the Uniform Guidance, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated March 23, 2020. Professional standards also require that we communicate to you the following information related to our audit.

### **Significant Audit Findings**

#### ***Qualitative Aspects of Accounting Practices***

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the Authority are described in the notes to the financial statements. No new accounting policies were adopted, and the application of existing policies was not changed during fiscal year 2019-2020. We noted no transactions entered into by the Authority during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

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

Management's estimates of its net pension liability and net other post-employment benefits liability based on actuarial valuation specialist assumptions. We evaluated the key factors and assumptions used to develop the net pension liability and net other post-employment benefits liability in determining that they are reasonable in relation to the financial statements taken as a whole.

Certain financial statement disclosures are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

#### ***Difficulties Encountered in Performing the Audit***

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





To the Board of Directors of the  
Agoura Hills / Calabasas Community Center Authority  
Calabasas, California

**Corrected and Uncorrected Misstatements**

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are trivial, and communicate them to the appropriate level of management. These differences are described below. In addition, none of the misstatements detected as a result of our audit procedures were material, either individually or in the aggregate, to the financial statements taken as a whole.

| <u>Unadjusted Audit Differences</u>                         | <u>Current Year Over<br/>(Under) Revenues and<br/>Expenditures/Expenses<br/>and Changes in Fund<br/>Balance/Equity</u> |
|-------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------|
| Accrued payroll                                             | \$ 3,048                                                                                                               |
| Cumulative effect (before effect of prior year differences) | <u>3,048</u>                                                                                                           |
| Effect of unadjusted audit difference - prior year          | <u>-</u>                                                                                                               |
| Cumulative effect (after effect of prior year differences)  | <u>\$ 3,048</u>                                                                                                        |

**Disagreements with Management**

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

**Management Representations**

We have requested certain representations from management that are included in the management representation letter dated February 19, 2021.

**Management Consultations with Other Independent Accountants**

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

**Other Audit Findings or Issues**

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



To the Board of Directors of the  
Agoura Hills / Calabasas Community Center Authority  
Calabasas, California

### **Other Matters**

We applied certain limited procedures to management discussion and analysis, the schedule of proportionate share of the net pension liability, the schedule of pension plan contributions, and the schedule of changes in the total OPEB liability and related ratios which are required supplementary information (RSI) that supplements the basic financial statements. Our procedures consisted 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 did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

### **New Accounting Standards**

The following new Governmental Accounting Standards Board (GASB) pronouncements were effective for fiscal year 2019-2020 audit:

GASB Statement No. 95, *Postponement of Effective Dates of Certain Authoritative Guidance* – The following pronouncements have been postponed as a temporary relieve to governments and other stakeholders in light of the COVID-19 pandemic and the new effective date are reflected in the following fiscal years.

GASB Statement No. 88, *Certain Disclosure Related to Debt, including Direct Borrowing and Direct Placements*.

The following Governmental Accounting Standards Board (GASB) pronouncements are effective in the following fiscal year audit and should be reviewed for proper implementation by management:

#### Fiscal year 2021

GASB Statement No. 84, *Fiduciary Activities*.

GASB Statement No. 90, *Majority Equity Interests - an Amendment of GASB Statement Nos. 14 and 61*.

#### Fiscal year 2022

GASB Statement No. 87, *Leases*.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*.

#### Fiscal year 2023

GASB Statement No. 91, *Conduit Debt Obligations*.





To the Board of Directors of the  
Agoura Hills / Calabasas Community Center Authority  
Calabasas, California

**Restriction on Use**

This information is intended solely for the use of the Board of Directors and management of the Agoura Hills / Calabasas Community Center Authority and is not intended to be, and should not be, used by anyone other than these specified parties.

Very truly yours,

*Lane, Solt & Lughard, LLP*

Brea, California



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**AGOURA HILLS/CALABASAS COMMUNITY CENTER  
JOINT POWERS AUTHORITY BOARD  
AGENDA REPORT**

**DATE: FEBRUARY 22, 2021**

**TO: HONORABLE CHAIR AND JPA BOARD MEMBERS**

**FROM: AMY BRINK, DIRECTOR OF COMMUNITY SERVICES  
CHRISTY PINUELAS, AHCCC TREASURER**

**SUBJECT: FINANCE COMMITTEE REPORT**

**MEETING DATE: FEBRUARY 25, 2021**

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**SUMMARY:**

The AHCCC Finance Committee met virtually to on February 8, 2021 to review and discuss the impacts of the FY 2020/21 Budget. The meeting included Committee Members Vice-Chair Lopez, Member Rosenheim, Alternate Member Viner, Treasurer Pinuelas, Community Service Directors Amy Brink and Jeff Rubin, and Executive Director Brianne Anderson.

The purpose of the Finance Committee Meeting was to better understand the current financial status of the Agoura Hills/Calabasas Community Center (AHCCC), including year-end expenses, account balances, and contributions from both cities. Much of what the Finance Committee reviewed was presented at the January 28, 2021 Board Meeting, although with major expenses being anticipated from the EDD for unemployment and closure expenses, the Finance Committee realized that the AHCCC is going to deplete funds sooner than originally expected. With the lack of funds available, the JPA Board will need to discuss the amount of funding to request from both cities.

The AHCCC is projected to be short \$21,600 at June 30, 2021. This projection includes several estimates for large expenses, such as unemployment for the last three quarters. It does not include any contingency for emergency needs, such as bee removal or water leaks.

At the beginning of the Fiscal Year, each City was asked to contribute \$65,000. This request was broken in to two parts - \$50,000 for operations and \$15,000 for OPEB costs. Because the OPEB Trust was not yet established, each City only contributed \$50,000. Now that there are no employees of the AHCCC, the OPEB Trust does not need to be funded. However, both Cities should have included the additional \$15,000 in their budgets.

Consideration should be given to needing an additional request, as costs are known. However this request would not be until late May or June.

**REQUESTED ACTION:**

Staff recommends that the JPA Board ask each City to consider redirecting the \$15,000 that was originally considered for OPEB and to make a contribution towards ongoing operational costs. Based on the latest projections budget, this will provide enough to cover the year-end costs and a small contingency amount to cover expenses through the end of FY 2020/21.



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**AGOURA HILLS/CALABASAS COMMUNITY CENTER  
JOINT POWERS AUTHORITY BOARD  
AGENDA REPORT**

**DATE:** FEBRUARY 22, 2021

**TO:** HONORABLE CHAIR AND JPA BOARD MEMBERS

**FROM:** AMY BRINK, DIRECTOR OF COMMUNITY SERVICES

**SUBJECT:** AGOURA HILLS/CALABASAS COMMUNITY CENTER  
CLOSURE UPDATE

**MEETING DATE:** FEBRUARY 25, 2021

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**SUMMARY:**

At the January 28, 2021 JPA Board Meeting, the Board of Directors made the difficult decision to layoff the last employee, completely closing the AHCCC. With the departure of the Executive Director, the JPA Board requested to discuss how to navigate the COVID-19 crisis and financial devastation over the next several months. It is clear, that as a result of the COVID-19 crisis and the many restrictions put in place by the Los Angeles County Department of Public Health, the AHCCC continues to be unable to offer recreation programs, fitness activities, or private rentals. While staff from both cities continue to meet to discuss the financial status of the AHCCC, the meetings have also included discussions on short-term solutions, long-term options, and a questionable reopening plan for the AHCCC. Items that have been also considered include the Regional Park and Open Space District grant for the roof repair and the management of the facility, which includes staff oversight, weekly tasks, and continued maintenance. With the limited staff available, the AHCCC is being monitored and managed by staff from both cities. The uncertainty of

**REQUESTED ACTION:**

Staff recommends that the JPA Board discuss questions and concerns regarding the closure and future of the AHCCC.