

CONEJO RECREATION & PARK DISTRICT

GENERAL MANAGER
Jim Friedl

BOARD OF DIRECTORS
Mark H. Jacobsen, Chair
George M. Lange, Vice Chair
Susan L. Holt, Director
Joe Gibson, Director
Ed Jones, Director

TO: Board of Directors
FROM: Jim Friedl, General Manager
DATE: April 7, 2011
SUBJECT: Annual Audit Report

GENERAL MANAGER EMERITUS
Tex Ward

RECOMMENDATION

Board of Directors accept the financial statements for the year ending June 30, 2010, as prepared by the accounting firm of Caporicci & Larson, CPAs.

DISCUSSION

Attached are the financial statements for the year ending June 30, 2010. The financial statements represent management's assertions concerning the government's financial position, results of operations and cash flows. The auditor's role is strictly limited to providing users of the financial statements with an independent basis for relying on management's assertions.

Consistent with prior years, the auditors have issued an unqualified or "clean" opinion, which means they can state, without reservation, that the financial statements are fairly presented in conformity with generally accepted accounting principles.

The following information updates the Board on progress made in areas the auditors suggested for improvement during the course of their 2009 audit work. There are no additional suggestions from the 2010 audit.

Capital Assets Observation

The District does not integrate capital asset additions and deletions into the General Ledger. Although the District has a capital assets computer module, it is not being used. Instead, the District maintains Excel spreadsheets for all capital assets, including all additions and deletions. The General Ledger is the official record of the District and all financial information should be recorded in the General Ledger.

Recommendation

We recommend that the District integrate and maintain its capital assets information in the computerized General Ledger of the District.

Management's Response

Capital assets are being added to the District's new .net system; it is anticipated that capital assets will be completely updated by June 30, 2011.

Disaster Recovery Plan

Observation

The District has not adopted a written Disaster Contingency Plan that details the actions required should a disaster occur which affects the computer operations of the District.

Recommendation

We recommend that the District develop a plan on how to recover vital District operations should a disaster cause a prolonged interruption of District IT operations.


Management's Response

The District developed an IT disaster recovery plan, including specifically defining the equipment and vendor contacts related there to, documenting shutdown and restart sequences, and maintaining offsite backups of the CPRD financial and email systems, and fileserver files.

STRATEGIC PLAN COMPLIANCE

Meets Strategic Plan Vision Statement: In order to continue to serve our community and be recognized as a top recreation and park district in the nation, we must be financially stable.

Respectfully submitted,



Sheryl Lewanda
Administrator, Management Services

Attachments

Ann-audit3-11

Conejo Recreation and Park District

Thousand Oaks, California

*Basic Financial Statements and Independent
Auditors' Report*

For the year ended June 30, 2010

C&L
Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants

Conejo Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2010

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Conejo Recreation and Park District (District), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. 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. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2010, and the respective changes in financial position thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

The accompanying Required Supplementary Information, such as the Management's Discussion and Analysis, budgetary comparison information and other information as listed in the table of contents, is not a required part of the basic financial statements, but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the Required Supplementary Information. However, we did not audit the information and express no opinion on the Required Supplementary Information.

To the Board of Directors
of the Conejo Recreation and Park District
Thousand Oaks, California
Page 2

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The accompanying Supplementary Information is presented for purposes of additional analysis and is not a required part of the basic financial statements. The Supplementary Information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Caporicci & Larson, Inc.

Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
Irvine, California
April 1, 2011

MANAGEMENT'S DISCUSSION AND ANALYSIS

As management of the Conejo Recreation and Park District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2010.

FINANCIAL HIGHLIGHTS

Government-wide

- On June 30, 2010, District assets exceeded its liabilities by \$94.6 million (net assets). Of this amount, \$26.8 million may be used to meet the District's ongoing obligations to citizens and creditors. The District's net assets increased \$2.9 million during the fiscal year.

Fund Basis

- At the close of fiscal year 2009-10, District governmental funds reports a combined ending fund balance of \$28.4 million, an increase of \$0.6 million in comparison with the prior year. Approximately \$15.3 million or 53.7 percent is in unreserved fund balance, all of which is in the General Fund. \$15.3 million represents 99.3 percent of total General Fund expenditures excluding transfers. Of this amount, \$7.7 million was designated for specific purposes.
- At the close of fiscal year 2009-10, General Fund budget to actual report shows a \$0.6 million increase in appropriation from original to final budget. Fund balance increased by \$1.8 million rather than the budgeted \$0.6 million decrease. Actual revenues exceeded budgeted by \$0.3 million in Property Taxes and actual expenditures were less than budgeted by \$1.5 million across all divisions.
- As of June 30, 2010, the District's other governmental funds, excluding the general fund, reported combined ending fund balances of \$13.1 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

Government-wide financial statements

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

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

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

Fund financial statements

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

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

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

The District maintains several individual governmental funds organized by their type (special revenue, debt service, and capital projects funds). Information is presented separately in the governmental funds balance sheet and in the governmental funds statement of revenues, expenditures and changes in fund balances for the General, Insurance Reserve, Special Assessment, Capital Projects and Equipment Replacement funds, which are considered to be major funds. Data from the remaining governmental funds are combined into a single, aggregate presentation. Individual fund data for each of the non-major governmental funds is provided in the form of combining statements, pages 62-63 of this report.

The District adopts a biennial appropriated budget. Budgetary comparison statements have been provided to demonstrate compliance with the General Fund and Special Assessment District Fund, pages 55-56 of this report.

The basic governmental funds financial statements can be found on pages 14-24 of this report.

Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statement, because the resources of those funds are not available to support the District's own programs.

The basic fiduciary fund financial statements can be found on pages 26-28 of this report.

Notes to the basic financial statements

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the basic financial statements can be found on pages 29-52 of this report.

Other information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information; the combining statements for non-major governmental funds can be found on pages 62-63.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. District assets exceed liabilities by \$94.6 million at June 30, 2010, as summarized below:

Statement of Net Assets June 30,

	2010	2009
Assets:		
Cash and investments	\$28,767,138	\$28,524,074
Receivables	405,969	473,454
Contributions receivable	1,028,763	1,200,000
Other assets	35,096	4,333
Capital assets (net of depreciation)	67,762,939	65,060,354
Total assets	97,999,905	95,262,215
Liabilities:		
Accounts payable	420,366	907,789
Other current liabilities	459,799	425,978
Noncurrent liabilities	2,542,541	2,214,468
Total liabilities	3,422,706	3,548,235
Net assets:		
Invested in capital assets	67,762,939	65,060,354
Restricted	4,653,929	5,813,634
Unrestricted	22,160,331	20,839,992
	\$94,577,199	\$91,713,980

The largest portion (71.6 percent) of the District's net assets reflects its investment of \$67.8 million in capital assets (land, buildings, improvements, equipment, infrastructure and construction in progress, net of accumulated depreciation), less any related outstanding debt used to acquire those assets. The District has no debt related to asset acquisition. The District uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending.

Another portion of the Districts net assets, \$4.6 million (4.8 percent) represents resources that are subject to external restriction on how they may be used. The remaining balance \$22.2 million (23.5 percent) may be used to meet the District's ongoing obligation to citizens and creditors and to meet District imposed designations for post employment benefits other than pensions and operating reserves.

The increase in noncurrent liabilities consists of recognition of the fiscal year 2009-10 Other Post Employment Benefit (OPEB) liability of \$0.5 million, offset by a reduction in claims payable of 0.2 million. The District has designated \$4.2 million of general fund balance for OPEB costs.

The reduction in Restricted Net Assets reflects capital projects completed during the fiscal year.

Statement of Activities

The District's net assets increased \$2.9 million during the fiscal year ending June 30, 2010. This increase is due to revenues exceeding expenses by \$2.9 million. The increase in net assets for the fiscal year ending June 30, 2009 was \$5.9 million. This \$3.0 million difference is a combination of reduced Capital Grants and Contributions, Investment, and Property Tax revenues. See the table below.

Statement of Activities		
June 30,		
	2010	2009
Revenues:		
Program Revenues:		
Charges for Services	\$5,956,016	\$ 5,249,068
Operating Grants & Contributions	1,998,254	1,920,214
Capital Grants & Contributions	228,329	2,640,511
General Revenues:		
Property Taxes	12,047,802	12,258,450
Investment Income	237,815	942,306
Other	579,389	360,061
Total Revenues	21,047,605	23,370,610
Expenses:		
Parks & Recreation	18,184,386	17,436,753
Increase in Net Assets	2,863,219	5,933,857
Net Assets - Beginning	91,713,980	85,780,123
Prior Period Adjustment		
Net Assets - Ending	\$94,577,199	\$91,713,980

FINANCIAL ANALYSIS OF DISTRICT FUNDS

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

Governmental funds

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

At the close of fiscal year 2009-10, District governmental funds reported a combined ending fund balance of \$28.4 million, an increase of \$0.6 million in comparison with the prior year. Approximately \$15.3 million or 53.7 percent is in unreserved fund balance. Of this amount, \$7.7 million was designated for specific purposes.

The following are the District's major funds:

General Fund

The General Fund is the District's primary operating fund. It showed an increase of \$1.7 million in fund balance for the year ended June 30, 2010. At June 30, 2010, the fund balance was \$15.3 million. As a measure of liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 99.3 percent of total general fund expenditures, excluding transfers.

Insurance Reserve Fund

The Insurance Reserve Fund provides resources for insurance claims. The District is self-insured for Workers' Compensation claims, and carries a self-insured retention of \$100,000 for liability claims. The fund balance increased \$0.2 million to \$5.5 million.

Special Assessment District Fund

The Special Assessment District Fund accounts for a district-wide assessment for park maintenance and capital projects. Expenditures for Conejo Creek South Phase II development, Northwood Park phase I development, athletic lighting at Thousand Oaks Park, installing a disc golf course and remodel of existing space into Ranger offices decreased the fund balance by \$0.9 million for a balance of \$3.1 million at June 30, 2010.

Capital Projects Fund

The Capital Projects Fund provides resources for construction of capital projects. Fund balance decreased \$0.07 million. Projects include design and development of the visitor center at McCrear Ranch and relocation of amenities at Conejo Community Park. The fund balance at June 30, 2010 was \$1.5 million.

Equipment Replacement Fund

The Equipment Replacement Fund provides resources for replacement of fleet and information technology equipment. Purchases of fleet equipment reduced the fund balance by \$0.1 million, to \$3.0 million at June 30, 2010.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund budget to actual report can be found on page 55 of this report. Increases between the original and final budget were \$0.6 million due to Board approved budget adjustments, primarily a transfer to the Lang Ranch Community Park capital project.

The fiscal year ended with an increase in fund balance of \$1.8 million. Actual Property Tax revenues exceeded budgeted by \$0.3 million and actual operating expenditures were less than budgeted by \$1.5 million across all divisions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

District investment in capital assets for its governmental activities as of June 30, 2010, totaled \$67.8 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total increase in capital assets for fiscal year 2009-10 was \$2.7 million, or 4.2 percent. Additional information on the District's capital assets can be found on page 45 of this report. Capital assets are summarized below:

Capital Assets (net of accumulated depreciation)		
June 30,		
	2010	2009
Land	\$41,498,102	\$41,498,102
Buildings	3,828,131	3,870,933
Improvements	13,236,964	12,308,063
Equipment	1,339,278	1,194,837
Construction in Progress	7,860,464	6,188,419
	<u>\$67,762,939</u>	<u>\$65,060,354</u>

Major capital asset events during the fiscal year included Northwood Park phase I development, preliminary work for visitor center at McCrea Ranch, athletic lighting at Thousand Oaks Community Park, installation of a disc golf course, environmental studies for Lang Ranch Park, and relocated amenities at Conejo Community Park.

Long-term debt

The District has no outstanding debt at June 30, 2010.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The focus of this annual report is the economic condition of the District as of June 30, 2010, however, national, state and local issues have economic impacts on the District and are worthy of consideration in this report.

The nation is slowly recovering from one of the worst recessions in its history. Unemployment remains high. The decline in financial markets, falling home values, ongoing unemployment, and stimulus packages have contributed to a federal budget deficits exceeding \$1.3 trillion.

The impact of the state's fiscal year 2009-10 budget on the District is a property tax loan of \$957,000. The District joined the Proposition 1A Loan Securitization Program, which entailed selling its receivable in exchange for payments equal to the \$957,000 in two installments during fiscal year 2009-10.

In November, 2010, the Legislative Analyst's Office projected that the state has a \$25 billion general fund deficit through fiscal year 2011-12: \$6 billion in fiscal year 2010-11 and \$19 billion in fiscal year 2011-12. In that same month, Proposition 22, which prohibits the state from delays/takeaways of local government funding, was passed by California voters.

An additional challenge facing state and local government is pension funding. The value of the California public employees retirement systems (CalPERS) investment portfolio declined 23.4 percent during the year ended June 30, 2009. Although the portfolio value increased 13 percent for the year ended June 30, 2010, increases in future employer contribution rates are expected. The actual change in contribution rates is driven by actuarial assumptions and future portfolio earnings. The District's employer contribution rates are 6.609% for fiscal year 2009-10, 6.802% for fiscal year 2010-11, and 8.587% for fiscal year 2011-12. The preliminary estimate for fiscal year 2012-13 is 9.60%. Effective in December, 2009, the District implemented a second tier retirement program – new enrollees are eligible for the 2% at 60 formula rather than the 2% at 55 formula, which will save the District money over time.

Locally, the District encompasses a community that has reached build out, thus fees from developers (Quimby Fees) for future park development have dwindled to near zero. Consequently, resources for future capital maintenance, replacement and new park and facility development must be either made available from resources currently available for operating expenses, or additional revenue sources must be identified.

The District's primary revenue source is property taxes, which are expected to decrease from fiscal year 2009-10 to fiscal year 2010-11, a consequence of the current housing market. Consistent with the projected reduction in revenues, the district's expense budget decreased \$0.3 million from 2009-10 to 2010-11.

REQUESTS FOR INFORMATION

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

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BASIC FINANCIAL STATEMENTS

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GOVERNMENT-WIDE FINANCIAL STATEMENTS

Conejo Recreation and Park District
Statement of Net Assets
June 30, 2010

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 28,767,138
Receivables:	
Taxes	135,313
Interest	86,771
Accounts	164,325
Loans	19,560
Prepaid items	25,701
Other assets	9,395
Total current assets	29,208,203
Noncurrent assets:	
Contributions receivable	1,028,763
Capital assets:	
Nondepreciable	49,358,566
Depreciable, net	18,404,373
Total capital assets	67,762,939
Total noncurrent assets	68,791,702
Total assets	97,999,905
LIABILITIES	
Current liabilities:	
Accounts payable	420,366
Accrued expenses	300,596
Refundable deposits	27,667
Unearned revenue	28,664
Other liabilities	2,872
Compensated absences - due in less than one year	100,000
Total current liabilities	880,165
Noncurrent liabilities:	
Estimated claims payable	645,394
Compensated absences - due in more than one year	766,608
Net other post-employment benefits liability	1,130,539
Total noncurrent liabilities	2,542,541
Total liabilities	3,422,706
NET ASSETS	
Invested in capital assets	67,762,939
Restricted for:	
Restricted for assessment district	3,193,832
Restricted for capital projects	1,460,097
Total restricted net assets	4,653,929
Unrestricted	22,160,331
Total net assets	\$ 94,577,199

See accompanying Notes to Basic Financial Statements.

Conejo Recreation and Park District
Statement of Activities and Changes in Net Assets
For the Year Ended June 30, 2010

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Assets
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	
Governmental activities:					
Parks and recreation	\$ 18,184,386	\$ 5,956,016	\$ 1,998,254	\$ 228,329	\$ (10,001,787)
Total governmental activities	\$ 18,184,386	\$ 5,956,016	\$ 1,998,254	\$ 228,329	(10,001,787)
General Revenues:					
Taxes:					
Secured and unsecured property taxes					12,047,802
Investment income					237,815
Licenses and permits					235,482
Other					343,907
Total general revenues					12,865,006
Changes in net assets					2,863,219
Net assets:					
Beginning of year					91,713,980
End of year					\$ 94,577,199

See accompanying Notes to Basic Financial Statements.

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FUND FINANCIAL STATEMENTS

Conejo Recreation and Park District
Balance Sheet
Governmental Funds
June 30, 2010

	Major Funds				
	General Fund	Insurance Reserve Fund	Special Assessment District Fund	Capital Projects Fund	Equipment Replacement Fund
ASSETS					
Cash and investments	\$ 15,607,969	\$ 5,499,345	\$ 3,063,665	\$ 1,484,480	\$ 2,970,927
Receivables:					
Taxes	77,712	-	39,339	-	-
Interest	56,119	11,378	9,961	425	8,535
Accounts	164,325	-	-	-	-
Loans	-	11,560	8,000	-	-
Contributions receivable	-	1,028,763	-	-	-
Prepaid Items	25,701	-	-	-	-
Other assets	9,395	-	-	-	-
Total assets	\$ 15,941,221	\$ 6,551,046	\$ 3,120,965	\$ 1,484,905	\$ 2,979,462
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 324,116	\$ -	\$ 51,262	\$ 24,808	\$ -
Accrued expenditures	291,179	-	648	-	-
Refundable deposits	27,667	-	-	-	-
Deferred revenues	28,664	1,028,763	-	-	-
Other liabilities	-	-	220	-	-
Total liabilities	671,626	1,028,763	52,130	24,808	-
Fund Balances:					
Reserved for:					
Reserved for capital projects and equipment	-	-	-	1,460,097	2,979,462
Reserved for long-term receivables	-	11,560	8,000	-	-
Reserved for assessment districts	-	-	3,060,835	-	-
Reserved for claims	-	5,510,723	-	-	-
Reserved for prepaids	25,701	-	-	-	-
Unreserved:					
Designated for retiree medical	4,220,182	-	-	-	-
Designated for retirement	1,123,696	-	-	-	-
Designated for operating reserve	2,300,000	-	-	-	-
Undesignated	7,600,016	-	-	-	-
Total fund balances	15,269,595	5,522,283	3,068,835	1,460,097	2,979,462
Total liabilities and fund balances	\$ 15,941,221	\$ 6,551,046	\$ 3,120,965	\$ 1,484,905	\$ 2,979,462

See accompanying Notes to Basic Financial Statements.

Nonmajor		Total	
Governmental		Governmental	
Funds		Funds	
\$	140,752	\$	28,767,138
	18,262		135,313
	353		86,771
	-		164,325
	-		19,560
	-		1,028,763
	-		25,701
	-		9,395
\$	159,367	\$	30,236,966
\$	20,180	\$	420,366
	8,769		300,596
	-		27,667
	-		1,057,427
	2,652		2,872
	31,601		1,808,928
	-		4,439,559
	-		19,560
	124,997		3,185,832
	-		5,510,723
	-		25,701
	-		4,220,182
	-		1,123,696
	-		2,300,000
	2,769		7,602,785
	127,766		28,428,038
\$	159,367	\$	30,236,966

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Conejo Recreation and Park District
Reconciliation of the Governmental Funds Balance Sheet
to the Government-Wide Statement of Net Assets
June 30, 2010

Total Fund Balances - Total Governmental Funds	\$ 28,428,038
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Amounts reported for governmental activities in the Government-Wide Statement of Net Assets were different because:

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

Nondepreciable capital assets	\$ 49,358,566	
Depreciable capital assets, net	<u>18,404,373</u>	\$ 67,762,939

Certain revenues in the governmental funds are deferred because they were not collected within the prescribed time period after year-end. However, these revenues were included in the government-wide statements.	1,028,763
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Long-term liabilities were not due and payable in the current period. Therefore, they were not reported in the Governmental Funds' Balance Sheet.

Claims payable	(645,394)
Compensated absences - due within one year	(100,000)
Compensated absences - due In more than one year	(766,608)
Net other post employment benefits liability	(1,130,539)

Net assets of governmental activities	<u>\$ 94,577,199</u>
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Conejo Recreation and Park District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2010

	Major Funds				
	General	Insurance	Special	Capital	Equipment
	Fund	Reserve	Assessment	Projects	Replacement
	Fund	Fund	District Fund	Fund	Fund
REVENUES:					
Property taxes	\$ 12,047,802	\$ -	\$ -	\$ -	\$ -
Assessments	-	-	1,551,609	-	-
Recreation fees	3,504,631	-	-	-	-
Interest	87,082	30,480	69,992	1,230	41,129
Facilities rental	391,606	-	-	-	-
Licenses and permits	23,095	-	-	212,387	-
Other governmental agencies	1,998,254	-	-	228,329	-
Other	79,999	168,676	11,000	72,434	11,798
Total revenues	18,132,469	199,156	1,632,601	514,380	52,927
EXPENDITURES:					
Current:					
Parks and recreation:					
District administration	2,367,913	-	-	-	-
Parks and planning	6,385,015	-	454,779	-	-
Recreation and community services	6,414,788	-	-	-	-
Capital outlay	207,709	-	2,675,921	488,017	384,843
Total expenditures	15,375,425	-	3,130,700	488,017	384,843
REVENUES OVER (UNDER) EXPENDITURES	2,757,044	199,156	(1,498,099)	26,363	(331,916)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	609,000	15,000	200,000
Transfers out	(1,005,253)	-	-	(109,000)	-
Total other financing sources (uses)	(1,005,253)	-	609,000	(94,000)	200,000
Net change in fund balances	1,751,791	199,156	(889,099)	(67,637)	(131,916)
FUND BALANCES:					
Beginning of year	13,517,804	5,323,127	3,957,934	1,527,734	3,111,378
End of year	\$ 15,269,595	\$ 5,522,283	\$ 3,068,835	\$ 1,460,097	\$ 2,979,462

See accompanying Notes to Basic Financial Statements.

Nonmajor	Total		
Governmental	Governmental		
Funds	Funds		
\$ -	\$ 12,047,802		
508,170	2,059,779		
-	3,504,631		
7,902	237,815		
-	391,606		
-	235,482		
-	2,226,583		
-	343,907		
516,072	21,047,605		
-	2,367,913		
781,102	7,620,896		
-	6,414,788		
227,574	3,984,064		
1,008,676	20,387,661		
(492,604)	659,944		
290,253	1,114,253		
-	(1,114,253)		
290,253	-		
(202,351)	659,944		
330,117	27,768,094		
\$ 127,766	\$ 28,428,038		

Conejo Recreation and Park District

Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Government-Wide Statement of Activities and Changes in Net Assets For the Year Ended June 30, 2010

Net change in fund balance - total governmental funds:	\$ 659,944
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Amounts reported for governmental activities in the Statement of Activities are different because:

Acquisition of capital assets was reported as expenditures in the governmental funds. However, in the Government-Wide Financial Statements, the cost of those assets was capitalized and depreciated over the estimated useful lives of the capital assets. The following capital assets were recorded in the current period:

Capital outlay	3,935,086
----------------	-----------

Depreciation expense on capital assets was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but they did not require the use of current financial resources. Therefore, depreciation expense was not reported as an expenditure in the governmental funds.

	(1,232,501)
--	-------------

Change in claims payable expense was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, claims payable was not reported as an expenditure in the governmental funds.

	179,001
--	---------

Change in long-term compensated absences was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, long-term compensated absences was not reported as an expenditure in the governmental funds.

	71,274
--	--------

Certain revenues in the governmental funds are deferred because they are not collected within the prescribed time period after year-end. However, the revenues are included in the government-wide statements.

	(171,237)
--	-----------

Other post employment benefits was reported in the Government-Wide Statement of Activities and Changes in Net Assets, but it did not require the use of current financial resources. Therefore, long-term OPEB was not reported as an expenditure in the governmental funds.

	(578,348)
--	-----------

Change in net assets of governmental activities

	\$ 2,863,219
--	--------------

FIDUCIARY FUND FINANCIAL STATEMENTS

Conejo Recreation and Park District
Statement of Fiduciary Net Assets
Agency Funds
June 30, 2010

	Agency Funds					
	Farland House Revolving Fund	Wildwood Flood Repair Fund	Goebel Senior Adult Center Fund	Fireworks Trust Fund	RSVP Advisory Council Fund	Totals
ASSETS						
Cash and investments	\$ 209,636	\$ 363,894	\$ 43,541	\$ 34,451	\$ 94,976	\$ 746,498
Receivables, net	20	40	5	92	109	266
Total assets	\$ 209,656	\$ 363,934	\$ 43,546	\$ 34,543	\$ 95,085	\$ 746,764
LIABILITIES						
Deposits	\$ 209,656	\$ 363,934	\$ 43,546	\$ 34,543	\$ 95,085	\$ 746,764
Total liabilities	\$ 209,656	\$ 363,934	\$ 43,546	\$ 34,543	\$ 95,085	\$ 746,764

See accompanying Notes to Basic Financial Statements.

Conejo Recreation and Park District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<u>Farland House Revolving Fund</u>				
Assets:				
Cash and investments	\$ 189,380	\$ 20,457	\$ (201)	\$ 209,636
Interest receivable	649	-	(629)	20
Total assets	\$ 190,029	\$ 20,457	\$ (830)	\$ 209,656
Liabilities:				
Deposits payable	\$ 190,029	\$ 20,457	\$ (830)	\$ 209,656
Total liabilities	\$ 190,029	\$ 20,457	\$ (830)	\$ 209,656
<u>Wildwood Flood Repair Fund</u>				
Assets:				
Cash and investments	\$ 360,716	\$ 3,178	\$ -	\$ 363,894
Interest receivable	1,345	-	(1,305)	40
Total assets	\$ 362,061	\$ 3,178	\$ (1,305)	\$ 363,934
Liabilities:				
Deposits payable	\$ 362,061	\$ 3,178	\$ (1,305)	\$ 363,934
Total liabilities	\$ 362,061	\$ 3,178	\$ (1,305)	\$ 363,934
<u>Goebel Senior Adult Center Fund</u>				
Assets:				
Cash and investments	\$ 43,161	\$ 380	\$ -	\$ 43,541
Interest receivable	161	-	(156)	5
Total assets	\$ 43,322	\$ 380	\$ (156)	\$ 43,546
Liabilities:				
Deposits payable	\$ 43,322	\$ 380	\$ (156)	\$ 43,546
Total liabilities	\$ 43,322	\$ 380	\$ (156)	\$ 43,546
<u>Fireworks Trust Fund</u>				
Assets:				
Cash and investments	\$ 36,393	\$ 77,955	\$ (79,897)	\$ 34,451
Interest receivable	109	106	(123)	92
Total assets	\$ 36,502	\$ 78,061	\$ (80,020)	\$ 34,543
Liabilities:				
Deposits payable	\$ 36,502	\$ 78,061	\$ (80,020)	\$ 34,543
Total liabilities	\$ 36,502	\$ 78,061	\$ (80,020)	\$ 34,543

Conejo Recreation and Park District
Combining Statement of Changes in Assets and Liabilities, Continued
All Agency Funds
For the year ended June 30, 2010

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
<u>RSVP Advisory Council Fund</u>				
Assets:				
Cash and investments	\$ 91,990	\$ 176,557	\$ (173,571)	\$ 94,976
Interest receivable	184	124	(199)	109
Total assets	<u>\$ 92,174</u>	<u>\$ 176,681</u>	<u>\$ (173,770)</u>	<u>\$ 95,085</u>
Liabilities:				
Deposits payable	\$ 92,174	\$ 176,681	\$ (173,770)	\$ 95,085
Total liabilities	<u>\$ 92,174</u>	<u>\$ 176,681</u>	<u>\$ (173,770)</u>	<u>\$ 95,085</u>
<u>Total All Agency Funds</u>				
Assets:				
Cash and investments	\$ 721,640	\$ 278,527	\$ (253,669)	\$ 746,498
Interest receivable	2,448	230	(2,412)	266
Total assets	<u>\$ 724,088</u>	<u>\$ 278,757</u>	<u>\$ (256,081)</u>	<u>\$ 746,764</u>
Liabilities:				
Deposits payable	\$ 724,088	\$ 278,757	\$ (256,081)	\$ 746,764
Total liabilities	<u>724,088</u>	<u>278,757</u>	<u>(256,081)</u>	<u>746,764</u>

See accompanying Notes to Basic Financial Statements.

NOTES TO BASIC FINANCIAL STATEMENTS

Conejo Recreation and Park District
Notes to Basic Financial Statements
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

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

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

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

B. Basis of Accounting and Measurement Focus

The District's Basic Financial Statements are prepared in conformity with accounting principles generally accepted in the United States. The Government Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States.

Government-Wide Financial Statements

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

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

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Government-Wide Financial Statements, Continued

Certain types of transactions reported as program revenues for the District are reported in three categories:

- Charges for services
- Operating grants and contributions
- Capital grants and contributions

Certain eliminations have been made as prescribed by GASB Statement No. 34 in regards to interfund activities, payables and receivables. All internal balances in the Statement of Net Assets have been eliminated. The following interfund activities have been eliminated:

- Transfers in/out

Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for all major governmental funds and non-major funds aggregated. An accompanying schedule is presented to reconcile and explain the differences in net assets as presented in these statements to the net assets presented in the Government-Wide Financial Statements. The District has presented all major funds that met those qualifications.

All governmental funds are accounted for on a spending or “*current financial resources*” measurement focus and the modified accrual basis of accounting. Accordingly, only current assets and current liabilities are included on the balance sheets. The Statement of Revenues, Expenditures and Changes in Fund Balances present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period.

Revenues are recorded when received in cash, except that revenues subject to accrual (generally 60 days after year-end) are recognized when due. The primary revenue sources, which have been treated as susceptible to accrual by the District, are property tax, grant revenues and earnings on investments. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

The Reconciliation of the Fund Financial Statements to the Government-Wide Financial Statements is provided to explain the differences created by the integrated approach of GASB Statement No. 34.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

Major Funds

The District reported the following major governmental funds in the accompanying financial statements:

The General Fund - The General Fund is used for all general revenues of the District not specifically levied or collected for other District funds and the related expenditures. The general fund accounts for all financial resources of a governmental unit which are not accounted for in another fund.

Insurance Reserve Fund - This fund accounts for resources to intended to provide insurance reserves.

Special Assessment District Fund - This fund accounts for special assessments for specified maintenance and construction projects.

Capital Projects Fund - This fund accounts for financial resources to be used for the acquisition or construction of major capital facilities.

Equipment Replacement Fund - This fund accounts for the acquisition of replacement fleet equipment and IT equipment.

Non-major Governmental Funds

Debt Service Funds - These funds account for the accumulation of resources for, and the payment of, long-term debt principal, interest, and related costs. The District maintains two non-major debt service funds: Note Debt Service and Bond Debt Service Funds

Capital Projects Funds - These funds account for the acquisition and construction of capital assets. The District maintains two non-major capital projects funds: Rancho Conejo Assessment and Dos Vientos Assessment District Funds.

Fiduciary Fund Financial Statements

Fiduciary fund financial statements include a Statement of Net Assets. The District's fiduciary funds represent agency funds. Fiduciary fund types are accounted for according to the nature of the fund. Agency funds are custodial in nature (assets equal liabilities) and do not involve measurement of results of operations. Agency funds are accounted for using accrual basis accounting.

Fiduciary Funds

Agency Funds - These funds account for assets of others for which the District acts as an agent. The District maintains five agency funds: Farland House, Wildwood Flood Repair, Goebel Senior Adult Center, Fireworks Trust, and RSVP Advisory Council.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

C. *Cash, Cash Equivalents and Investments*

The District's cash and cash equivalents are considered to be cash on hand, demand deposits, and short-term investments with original maturity of three months or less from the date of acquisition. Cash and cash equivalents are combined with investments and displayed as cash and investments.

Highly liquid market investments with maturities of one year or less at time of purchase are stated at amortized cost. All other investments are stated at fair value. Market value is used as fair value for those securities for which market quotations are readily available.

The District participates in an investment pool managed by the State of California titled *Local Agency Investment Fund* (LAIF) which has invested a portion of the pool funds in structured notes and asset-backed securities. LAIF's investments are subject to credit risk with the full faith and credit of the State of California collateralizing these investments. In addition, these structured notes and asset-backed securities are subject to market risk as to change in interest rates.

D. *Capital Assets*

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

Capital assets include public domain (infrastructure) consisting of certain improvements including roads, streets, sidewalks, and storm drains.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

D. Capital Assets, Continued

The District depreciates all capital assets over their estimated useful lives. The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each year represents that year's pro rata share of the cost of capital assets.

Depreciation is provided using the straight line method which means the cost of the asset is divided by its expected useful life in years and the result is charged to expense each year until the asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

	Useful Lives Years	Capitalization Threshold
Equipment	3-10	\$ 5,000
Improvements	5-20	5,000
Structures	20	5,000

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase is reflected in the capitalized value of the asset constructed, net of interest earned on the invested proceeds over the same period.

E. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

F. Long-Term Debt

Government-Wide Financial Statements - Long-term debt and other long-term obligations are reported as liabilities in the appropriate activities.

Fund Financial Statements - The fund financial statements do not present long-term debt but are shown in the Reconciliation of the Governmental Funds Balance Sheet to the Government-Wide Statement of Net Assets.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

G. *Compensated Absences*

The District accrues accumulated vacation leave and then expenses the cost as paid in the General Fund. It is policy of the District to pay all accumulated vacation leave when an employee retires or is otherwise terminated.

Sick leave costs are expensed as paid in the General Fund. Employees have vested rights in half of their accumulated unpaid sick leave upon retirement after ten years of service.

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

H. *Property Tax*

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

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

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

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

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

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

H. Property Tax, Continued

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

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

I. Net Assets

Government-Wide Financial Statements

In the Government-Wide Financial Statements, net assets are classified in the following categories;

Invested in Capital Assets – This amount consists of capital assets net of accumulated depreciation.

Restricted Net Assets – This amount is restricted by external creditors, grantors, contributors, or laws or regulations of governments.

Unrestricted Net Assets – This amount is all net assets that do not meet the definition of “invested in capital assets, net of related debt” or “restricted net assets” as defined above.

Fund Financial Statements

Reserved Fund Balance – This amount indicates that portion of fund equity which has been legally segregated for specific purposes.

Designated Fund Balance – This amount indicates that portion of fund equity for which the Board of Directors has made tentative plans for financial resource utilization in a future period.

Undesignated Fund Balance – This amount indicates that portion of fund equity which is available for budgeting in future periods.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

J. Use of Estimates

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates and assumptions affect the reported amounts of assets and liabilities and the disclosure of contingent assets and liabilities. In addition, estimates affect the reported amount of expenses. Actual results could differ from these estimates and assumptions.

2. CASH AND INVESTMENTS

The District maintains a cash and investment pool, which includes cash balances and authorized investments of all funds. This pooled cash is invested by the District to enhance earnings. The pooled interest earned is allocated to the funds based on average month-end cash balances of the various funds.

A. Summary of Cash and Investments

The following is a summary of cash and investments at June 30, 2010:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
	Governmental Activities		
Cash and Investments	\$ 28,767,138	\$ 746,498	\$ 29,513,636

Cash and investments were comprised of the following at June 30, 2010:

Cash and cash equivalents:	
Petty Cash	\$ 1,500
Cash on hand	10,560
Demand Deposit	284,962
Total Cash and cash equivalents	297,022
Investments:	
Local Agency Investment Fund	3,761,544
Ventura County Investment Pool	25,455,070
Total Investments	29,216,614
Total Cash and Investments	\$ 29,513,636

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS, Continued

B. Cash Deposits

The carrying amounts of the District's cash deposits were \$284,962 at June 30, 2010. Bank balances at June 30, 2010, were \$486,631 which were fully insured or collateralized with securities held by the pledging financial institutions in the District's name as discussed below.

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

The market value of pledged securities must equal at least 110% of the District's cash deposits. California law also allows institutions to secure District deposits by pledging first trust deed mortgage notes having a value of 150% of the District's total cash deposits. The District may waive collateral requirements for cash deposits, which are fully insured up to \$250,000 by the Federal Deposit Insurance Corporation. The District, however, has not waived the collateralization requirements.

The District follows the practice of pooling cash and investments of all funds. Interest income earned on pooled cash and investments is allocated on an accounting period basis to the various funds based on the month-end cash and investment balances.

C. Investments

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

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Securities	2 years	NONE	NONE
Bankers' Acceptances	2 years	10%	10%
Commercial Paper	2 years	10%	10%
Negotiable Certificates of Deposit	2 years	10%	10%
Repurchase Agreement	2 years	10%	10%
Certificates of Deposit	2 years	10%	10%
Savings Deposits	2 years	10%	10%
County Pooled Investment Fund	2 years	NONE	NONE
Local Agency Investment Fund (LAIF)	2 years	NONE	NONE

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*, investments were stated at fair value at the year-end.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS Continued

D. Investment in Local Agency Investment Funds

As of June 30, 2010, the District had \$3,761,544 invested in LAIF. The District valued its investments in LAIF as of June 30, 2010, by multiplying the account balance by a fair value factor determined by LAIF. LAIF determines fair value on its investment portfolio based on market quotations for those securities where market quotations are readily available and based on amortized cost or best estimate for those securities where market value is not readily available. This fair value factor was determined by dividing all LAIF participants' total aggregate amortized cost by total aggregate fair value resulting in a factor of 1.001643776.

The District's investments with LAIF at June 30, 2010, included 5.42% of the pooled funds invested in structured notes and asset-backed securities. These investments included the following:

Structured Notes: debt securities (other than asset-backed securities) whose cash flow characteristics (coupon rate, redemption amount, or stated maturity) depend upon one or more indices and/or that have embedded forwards or options.

Asset-Backed Securities: generally, mortgage-backed securities that entitle their purchasers to receive a share of the cash flows from a pool of assets such as principal and interest repayments from a pool of mortgages (for example, Collateralized Mortgage Obligations) or credit card receivables.

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

E. Investment in Ventura County Investment Pool

As of June 30, 2010, the District had \$25,455,070 invested in the Ventura County Investment Pool (County Pool). The District valued its investments in the County Pool as of June 30, 2010 at fair value as determined by the County Pool. The County Pool determines fair value based values provided by the County Pool's investment custodians.

Interest Rate Risk

The County Pool manages its exposure to fair value losses by limiting the weighted average maturity of the County Pool's holdings to 365 days. At June 30, 2010, the weighted average maturity of the County Pool was 344 days.

Credit Risk

State law and the Investment Policy of the County Pool limits investments in commercial paper to those with the rating of A-1 or better by Standard's & Poor's or P-1 by Moody's Investor Service. The County Pool does not have credit limits on government agency securities. Certificates of deposits are required to be insured by the FDIC.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS, Continued

E. Investment in Ventura County Investment Pool, Continued

Concentration of Credit Risk

State law and the Investment Policy of the County pool limit investments in commercial paper to 40% of the portfolio and 10% of the County Pool per issuer.

At June 30, 2010, here is a summary of the credit quality distribution and concentration of credit risk as a percentage of the County Pool.

<u>Investments</u>	<u>Standard & Poor's</u>	<u>Moody's</u>	<u>Percentage of Investments</u>
Federal Home Loan Mortgage Corporation	AAA	Aaa	28.26%
Federal Farm Credit Banks	AAA	Aaa	20.20%
Federal Home Loan Bank	AAA	Aaa	18.39%
Federal National Mortgage Association	AAA	Aaa	14.40%
GE Capital	A-1+	P-1	9.68%
Chevron Corporation	A-1+	P-1	6.45%
Local Agency Investment Fund	N/A	N/A	2.62%
Total			100.00%

F. Risk Disclosures

Interest Rate Risk

As a means of limiting its exposure to fair value losses arising from rising interest rates, the District's investment policy (Policy) limits investments to a maximum maturity of two years from date of purchase. The weighted average days to maturity of the total portfolio shall not exceed the District's anticipated liquidity needs for the next six (6) months. The District is in compliance with this provision of the Policy. At June 30, 2010, the District had the following investment maturities:

<u>Investment Type</u>	<u>Fair Value</u>	<u>Investment Maturities (In Years) Less than 1</u>
Local Agency Investment Fund	\$ 3,761,544	\$ 3,761,544
Ventura County Investment Pool	25,455,070	25,455,070
Total	\$ 29,216,614	\$ 29,216,614

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS, Continued

F. Risk Disclosures, Continued

Credit Risk

The District's Policy limits investments in commercial paper to the highest grade of stand alone or enhanced (prime) commercial paper as rated by Moody's Investor Service, Standard & Poor's Corporation, or Fitch Financial Services and requires that the management company of mutual funds must have attained the highest ranking or the highest letter and numerical rating provided by not less than two nationally recognized statistical rating organizations.

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

	Moody's	Standard & Poor's
Investment Pool		
Local Agency Investment Fund	Not Rated	Not Rated
Ventura County Investment Pool	Not Rated	AAAf

Concentration of Credit Risk

The District's Policy states that not more than 10% of the portfolio shall be invested in any one entity or any one instrument to protect the District from concentration of credit risk, with the following exceptions: U.S. Treasury Obligations and investment pools (LAIF and County). In addition, purchases of commercial paper from U.S. corporations must not exceed 10% of the value of the portfolio at any time and single issuer holdings to no more than 10 percent per issuer. The District is in compliance with these provisions of the Policy.

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

Investments	Amount Invested	Percentage of Investments
Local Agency Investment Fund	\$ 3,761,544	12.87%
Ventura County Investment Pool	25,455,070	87.13%
Total	\$ 29,216,614	100.00%

Custodial Credit Risk

For deposits, custodial credit risk is the risk that, in the event of the failure of a deposit financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

2. CASH AND INVESTMENTS, Continued

F. Risk Disclosures, Continued

Custodial Credit Risk, Continued

For an investment, custodial credit risk is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. The District's investment policy does not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the provision for deposits stated in Note 2B. \$34,962 of the District's deposits with financial institutions in excess of federal depository insurance limits was held in collateralized accounts. The District did not have any investments held by the counterparty's trust department, the trustee for the bonds, not in the name of the District as of June 30, 2010.

3. RECEIVABLES

A. Taxes Receivable

Taxes receivable, due from the County of Ventura, consisted of the following at June 30, 2010:

<u>Fund</u>	<u>Taxes Receivable</u>
General Fund	\$ 77,712
Special Assessment District Fund	39,339
Dos Vientos Assessment District	10,525
Rancho Conejo Assessment District	7,737
Total	<u><u>\$ 135,313</u></u>

B. Interest Receivable

Interest receivable consisted of the following at June 30, 2010:

<u>Agency</u>	<u>Interest Receivable</u>
Local Agency Investment Fund	\$ 12,224
Ventura County Investment Pool	74,547
Total	<u><u>\$ 86,771</u></u>

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

3. RECEIVABLES, Continued

C. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2010:

Vendor	Accounts Receivable
City of Thousand Oaks - RDA	\$ 479
City of Thousand Oaks - Teen Center	15,548
City of Thousand Oaks - COSCA	117,007
ACCV Snack Bar	9,343
McCrea Ranch Foundation	5,000
Federal - RSVP	16,948
Total	\$ 164,325

D. Loans Receivable

Loans receivable consisted of the following at June 30, 2010:

	Balance July 1, 2009	Additions	Deletions	Balance June 30, 2010
Computers	\$ 8,903	\$ 3,992	\$ (2,987)	\$ 9,908
Orthodontia	288	5,005	(3,641)	1,652
Newbury Park Girls Softball	-	10,000	(2,000)	8,000
Total	\$ 9,191	\$ 18,997	\$ (8,628)	\$ 19,560

The District provides interest-free loans to all regular full-time and part-time District employees for the purchase of computers and orthodontia services. The District will pay for the computer and orthodontia and the employees will reimburse the District through payroll deductions over a payback period not to exceed two years. The District's Employee Computer Purchase Plan allows employees to purchase computers not to exceed \$3,000. The District's Orthodontia Loan Plan allows employees to purchase orthodontia services not to exceed \$1,000.

In 2010, the District entered into an agreement whereby improvements were made to the snack facility at Borchard Park, which is used primarily by the Newbury Park Girls Softball (NPGS). Funding was in the form of a loan to NPGS for \$10,000 to be paid in \$2,000 annual installments.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

4. INTERFUND TRANSACTIONS

A. Transfers In and Out

At June 30, 2010, the District had the following transfers in/out:

	Transfers In				
	Special Assessment District Fund	Capital Projects	Equipment Replacement	Nonmajor Governmental Funds	Total
Transfers Out					
Governmental Funds:					
General Fund	\$ 500,000	\$ 15,000	\$ 200,000	\$ 290,253	\$ 1,005,253
Capital Projects Fund	109,000	-	-	-	109,000
Total	<u>\$ 609,000</u>	<u>\$ 15,000</u>	<u>\$ 200,000</u>	<u>\$ 290,253</u>	<u>\$ 1,114,253</u>

To fund part of the Lang Ranch Community Park development project, \$500,000 was transferred from the General Fund to the Special Assessment District Fund.

To track the costs of capital outlay projects in one fund, \$109,000 was transferred from the Capital Projects Fund to the Special Assessment District Fund. These funds have combined funding sources that pay for the Conejo Creek South, Borchard, and Northwood Park construction projects.

To provide for safety improvement at Thousand Oaks Center, \$15,000 was transferred from the General Fund to the Capital Projects Fund.

To fund equipment replacement, \$200,000 was transferred from the General Fund to the Equipment Replacement Fund.

To provide general property tax support for the expenditures of the special assessment districts, \$150,092 and \$140,161 was transferred from the General Fund to the non-major funds, Rancho Conejo Assessment District Fund and Dos Vientos Assessment District Fund, respectively.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

5. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

At June 30, 2010, the District's changes in the capital assets for governmental activities during the year are as follows:

Governmental Activities	Balance as of July 1, 2009	Additions	Retirements	Transfers/ Adjustments	Balance as of June 30, 2010
Capital assets not being depreciated:					
Land	\$ 41,498,102	\$ -	\$ -	\$ -	\$ 41,498,102
Construction in progress	6,188,419	2,999,804	-	(1,327,759)	7,860,464
Total capital assets not being depreciated	47,686,521	2,999,804	-	(1,327,759)	49,358,566
Depreciable capital assets					
Buildings	5,782,018	61,042	-	-	5,843,060
Improvements	20,278,955	447,479	-	1,327,759	22,054,193
Equipment	4,346,307	426,761	(304,500)	-	4,468,568
Total depreciable capital assets	30,407,280	935,282	(304,500)	1,327,759	32,365,821
Less accumulated depreciation					
Buildings	(1,911,085)	(103,844)	-	-	(2,014,929)
Improvements	(7,970,892)	(846,337)	-	-	(8,817,229)
Equipment	(3,151,470)	(282,320)	304,500	-	(3,129,290)
Total accumulated depreciation	(13,033,447)	(1,232,501)	304,500	-	(13,961,448)
Total capital assets being depreciated	17,373,833	(297,219)	-	1,327,759	18,404,373
Governmental activity capital assets, net	\$ 65,060,354	\$ 2,702,585	\$ -	\$ -	\$ 67,762,939

6. CONTRIBUTIONS RECEIVABLE

On June 15, 1995, the District purchased 300 acres of land, commonly known as the McCrea Ranch in Thousand Oaks for \$1,950,000. A provision of the purchase transaction is that the McCrea Charitable Trusts named the District as the beneficiary of portions of the corpus of the trust totaling \$1,800,000. The District received \$600,000 from McCrea Charitable Trusts #3 and 6 in previous fiscal years with the balance of \$1,200,000 due by June 15, 2015. During fiscal year 2009-10, the District received payments in the amount of \$171,237, leaving a balance due at June 30, 2010 of \$1,028,763.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

7. COMPENSATED ABSENCES

A. *Compensated Absences*

The District's compensated absences activity is summarized below.

	Balance July 1, 2009	Additions	Retirements	Balance June 30, 2010	Classification	
					Due Within One Year	Due in More than One Year
Governmental Activities:						
Compensated absences	\$ 937,882	\$ 100,000	\$ (171,274)	\$ 866,608	\$ 100,000	\$ 766,608
Total	\$ 937,882	\$ 100,000	\$ (171,274)	\$ 866,608	\$ 100,000	\$ 766,608

8. PENSION PLANS

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

The District offers its employees a deferred compensation plan created in accordance with federal and state laws. Employees participating in the program may defer income tax recognition on contributions to the Plan, up to specified amounts, and on earnings resulting from the investment of these contributions. Funds may be withdrawn from the Plan upon either retirement, disability, or separation from the District's employment by the Participant and, at that time, such funds become subject to income tax.

It is the District's position that it has no fiduciary obligation in the management of the Plan's resources and is not responsible for any loss due to the investment or failure of investment funds and assets of the Plan, nor shall the District be required to replace any loss which may result from such investments. The plan assets are not included in the accompanying financial statements.

B. *Employee Deferred Compensation Plan (Part Time Employees)*

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

With certain limitations, a Participant may elect that time and manner which his or her deferred amounts will be distributed. The election must be made prior to the date any such amounts become payable to the Participant. If the Participant fails to make a timely election concerning distribution of the deferred amounts, the amounts shall be paid in a lump sum distribution as prescribed by the Plan. The manner and time of benefit payout must meet the distribution requirements of the Internal Revenue Code Sections 401 (a) and 457 (d) (2). The plan assets are not included in the accompanying financial statements.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

8. PENSION PLANS, Continued

B. Employee Deferred Compensation Plan (Part Time Employees), Continued

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

C. California Public Employees Retirement Systems

Plan Description The District contributes to the California Public Employee Retirement System (PERS). The miscellaneous employees of the District are part of an agent multiple-employer defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and District ordinance. Copies of PERS' annual financial report may be obtained from their executive office at 400 P Street, Sacramento, CA 95814.

Funding Policy Participants are required to contribute 7% for Miscellaneous employees of their annual covered salary. The District makes the contributions required of District employees on their behalf. For the fiscal year ended June 30, 2010, the District's contribution was 6.609% for miscellaneous. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Costs The District's annual pension cost of \$474,391 was equal to the District's required and actual contribution. The required contribution was determined as part of the June 30, 2008, actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected salary increases ranging from 3.25% to 14.45% depending upon entry age, and (c) 3.00% for inflation compounded annually. The actuarial value of CalPERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a three-year period. CalPERS unfunded actuarial accrued liability (or surplus) is being amortized as a level percentage of projected payrolls on a closed basis. The average remaining amortization period at June 30, 2008 was 29 years.

Three-Year Trend Information for PERS

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
2008	\$ 401,235	100.0%	\$ -
2009	392,566	100.0%	-
2010	474,391	100.0%	-

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

8. PENSION PLANS, Continued

C. California Public Employees Retirement Systems, Continued

Funded Status and Funding Progress As of June 30, 2009, the most recent actuarial valuation date, the plan was 96.4% funded. The entry age accrued liability was \$39,062,870 and the value of assets was \$37,647,640, resulting in an unfunded liability of \$1,415,230. The covered payroll (annual payroll of active employees covered by the plan) was \$7,294,485 and the ratio of the unfunded liability to the covered payroll was 19.4%. See the Required Supplementary Information section for the schedule of funding progress for the prior two periods.

9. OTHER POST EMPLOYMENT BENEFITS

The District provides, by resolution, an additional postemployment benefit to Length-of-Service retirees. The District pays for 100 percent of this benefit on a pay-as-you-go-basis. General Employees hired before July 1, 2009, with 5 or more years of service who leave the District and apply for a CalPERS pension within 120 days are eligible to receive postemployment benefits. The General Manager, Administrators and Managers who retire from the District with 10 or more years of service are eligible for postemployment medical premium benefits.

The District pays for 100 percent of this benefit on a pay-as-you-go-basis. For the fiscal year ended June 30, 2010, the total contribution made was \$146,894. Thirty-four retired employees received postemployment benefits during the fiscal year.

Annual OPEB Cost and Net OPEB Obligation

The District's annual Other Postemployment Benefit (OPEB) cost (expense) is calculated based on the *Annual Required Contribution of the Employer* (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excesses) over a period not to exceed thirty years. The following table shows the components of the District's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the District's net OPEB Obligation to the Plan:

	Total
Annual required contribution	\$ 734,856
Interest on net OPEB obligation	24,842
Adjustment to annual required contribution	(34,456)
Annual OPEB cost (expense)	725,242
Contributions made	(146,894)
Increase in net OPEB obligation	578,348
Net OPEB obligation - beginning of year	552,191
Net OPEB obligation - end of year	\$ 1,130,539

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

9. OTHER POST EMPLOYMENT BENEFITS, Continued

Annual OPEB Cost and Net OPEB Obligation, Continued

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for 2010 is as follows:

<u>Fiscal Year Ended</u>	<u>Annual OPEB Cost</u>	<u>Annual Contribution</u>	<u>% of Annual OPEB Cost Contributed</u>	<u>Net OPEB Obligation</u>
6/30/2009	\$ 685,114	\$ 132,923	19.4%	\$ 552,191
6/30/2010	725,242	146,894	20.3%	1,130,539

Funded Status and Funding Progress

As of July 1, 2008, the most recent actuarial valuation date, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$6,119,659, and the actuarial value of assets was \$0, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$6,119,659. The covered payroll (annual payroll of active employees covered by the plan) was \$6,854,963 and the ratio of UAAL to the covered payroll was 89.27%. The table in the Required Supplementary Information section shows a one-year analysis of the actuarial value of assets, as a percentage of the actuarial accrual liability, and the unfunded actuarial accrued liability as a percentage of the annual covered payroll as of June 30, 2010. This is the first year of the post employment obligation information being presented and so prior year's information is not available.

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

The District has designated \$4,220,182 in the General Fund towards the OPEB liability. The District will be allowed to recognize this contribution at such time the funds are transferred to a non-revocable trust.

Actuarial Methods and Assumptions

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

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

9. OTHER POST EMPLOYMENT BENEFITS, Continued

Actuarial Methods and Assumptions, Continued

In the July 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions include a 4.50% investment rate of return which is based on the expected return on funds invested by the District, and an annual healthcare cost trend rates of 8.5% initially and reduced to an ultimate rate of 5.5% thereafter. An aggregate payroll increase of 3.25% was used in the actuarial valuation. The UAAL is being amortized as level percentage of projected payroll over a 30 year period. The remaining amortization period at July 1, 2008 was 30 years.

10. RISK MANAGEMENT

The District retained American Alternative Insurance Corporation, a member of the American Re Group of Companies, for liability insurance. The coverage for the general liability provided for \$5 million per occurrence and \$5 million for the aggregate, with a \$100,000 self insurance retention. The District has also purchased excess liability coverage up to \$20 million.

The District is effectively self-insured for its workers' compensation insurance coverage.

The estimated claims payable was \$645,394 at June 30, 2010.

During the past three fiscal (claims) years, none of the above programs of protection have had settlement or judgments that exceeded pooled or insured coverage. There have been no significant reductions in pooled or insured liability coverage from coverage in the prior year.

	2010
General Liability	\$ 12,000
Workers' Compensation	633,394
Estimated Claims Liability	<u>\$ 645,394</u>

11. COMMITMENTS AND CONTINGENCIES

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

As of June 30, 2010, in the opinion of District management, there were no additional outstanding matters that would have a significant effect on the financial position of the funds of the District.

A. Contract Commitments

The District had \$1,828,116 in outstanding contract commitments for completion of ongoing capital improvements projects at June 30, 2010.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

12. JOINTLY GOVERNED ORGANIZATION

Conejo Open Space Conservation Agency

In 1977, the District entered into a Joint Powers Agreement with the City of Thousand Oaks to form the Conejo Open Space Conservation Agency (COSCA). The Agency is governed by a five-member board consisting of two City Council members, two District Board members, and one private citizen of the City. Expenditures of COSCA are shared equally between the District and the City. The City is responsible for the fiscal management of COSCA activities. Separate audited financial statements for COSCA are available from the City of Thousand Oaks' Finance Department at 2100 Thousand Oaks Blvd., Thousand Oaks, CA 91362.

Financial information for COSCA for the year ended June 30, 2010 is as follows:

	<u>Joint Venture</u>	<u>District Portion</u>
Total Assets	\$ 65,905,174	\$ 32,975,087
Total liabilities	<u>36,672</u>	<u>19,836</u>
Net Assets:		
Invested in capital assets	65,072,489	32,536,245
Unrestricted net assets	<u>838,013</u>	<u>419,007</u>
Total net assets	<u>\$ 65,910,502</u>	<u>\$ 32,955,252</u>
 Total revenues	 \$ 1,337,758	 \$ 668,879
Total expenses	<u>(1,372,837)</u>	<u>(686,419)</u>
Changes in net assets	<u>\$ (35,079)</u>	<u>\$ (17,540)</u>

Mountains Recreation and Conservation Authority

The Mountains Recreation and Conservation Authority (MRCA), was established on June 27, 1985, under a joint powers agreement entered into by the Conejo Recreation and Park District (the District) and the Santa Monica Mountains Conservancy (the Conservancy) for and with the purpose of acquiring, developing, and conserving additional park and green space land with special emphasis on water-oriented recreation and conservation projects within both the Santa Monica Mountains Zone and the District's boundaries. On August 3, 1987, the Rancho Simi Recreation and Park District (Rancho District) became a party to the joint powers agreement and a member of the Authority.

The Authority is governed by a four-member board consisting of one member of the District, one member of the Conservancy, the general manager of the Rancho District, and one at-large member. Separate audited financial statements for MRCA are available at 570 West Avenue 26, Suite 100 Los Angeles, CA 90065.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2010

12. JOINTLY GOVERNED ORGANIZATION, Continued

Mountains Recreation and Conservation Authority, Continued

Financial information for MRCA for the year ended June 30, 2010 is as follows:

Total Assets	\$ 340,276,612
Total liabilities	<u>3,909,546</u>
Net Assets:	
Invested in capital assets	331,822,624
Restricted net assets	3,939,827
Unrestricted net assets	<u>604,615</u>
Total net assets	<u>\$ 336,367,066</u>
Total revenues	\$ 25,791,416
Total expenses	<u>(13,980,097)</u>
Changes in net assets	<u>\$ 11,811,319</u>

REQUIRED SUPPLEMENTARY INFORMATION

Conejo Recreation and Park District
Required Supplementary Information
For the year ended June 30, 2010

1. BUDGETS AND BUDGETARY ACCOUNTING

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

The Board of Directors may amend the budget by motion during each fiscal year. The General Manager is authorized to transfer funds from one major expenditure category to another within the same department and fund. Any revisions that alter the total expenditures of any fund must be approved by the Board of Directors. The original and revised budgets are presented for the General Fund and the Special Assessment District Fund in the financial statements.

All appropriations lapse at the end of the fiscal year to the extent that they have not been expended.

Conejo Recreation and Park District
Required Supplementary Information, Continued
For the year ended June 30, 2010

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

Budgetary Comparison Schedule, General Fund

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Property taxes	\$ 11,758,000	\$ 11,758,000	\$ 12,047,802	\$ 289,802
Recreation fees	3,399,700	3,399,700	3,504,631	104,931
Interest	350,000	350,000	87,082	(262,918)
Facilities rental	326,000	326,000	391,606	65,606
Licenses and permits	7,000	7,000	23,095	16,095
Other governmental agencies	1,850,728	1,850,728	1,998,254	147,526
Other	81,500	81,500	79,999	(1,501)
Total revenues	17,772,928	17,772,928	18,132,469	359,541
EXPENDITURES:				
Current expenditures:				
District administration	2,703,185	2,759,285	2,371,913	387,372
Parks and planning	6,895,133	6,889,333	6,385,015	504,318
Recreation and community services	6,886,339	6,887,339	6,414,788	472,551
Capital outlay	384,125	397,825	207,709	190,116
Total expenditures	16,868,782	16,933,782	15,379,425	1,554,357
REVENUES OVER (UNDER) EXPENDITURES	904,146	839,146	2,753,044	1,913,898
OTHER FINANCING SOURCES (USES):				
Transfers in	4,000	4,000	4,000	-
Transfers out	(939,631)	(1,454,631)	(1,005,253)	449,378
Total other financing sources (uses)	(935,631)	(1,450,631)	(1,001,253)	449,378
Changes in Fund Balance	\$ (31,485)	\$ (611,485)	1,751,791	\$ 2,363,276
FUND BALANCES:				
Beginning of year			13,517,804	
End of year			\$ 15,269,595	

Conejo Recreation and Park District
Required Supplementary Information, Continued
For the year ended June 30, 2010

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

Budgetary Comparison Schedule, Special Assessment District Fund

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Interest	\$ 60,000	\$ 60,000	\$ 69,992	\$ 9,992
Assessments	1,490,000	1,490,000	1,551,609	61,609
Other governmental agencies	88,000	88,000	11,000	(77,000)
Total revenues	1,638,000	1,638,000	1,632,601	(5,399)
EXPENDITURES:				
Parks and planning	462,959	524,959	454,779	70,180
Capital outlay	3,553,000	4,567,000	2,675,921	1,891,079
Total expenditures	4,015,959	5,091,959	3,130,700	1,961,259
REVENUES OVER (UNDER) EXPENDITURES	(2,377,959)	(3,453,959)	(1,498,099)	1,955,860
OTHER FINANCING SOURCES (USES):				
Transfers in	50,000	609,000	609,000	-
Total other financing sources (uses)	50,000	609,000	609,000	-
Changes in Fund Balance	\$ (2,327,959)	\$ (2,844,959)	(889,099)	\$ 1,955,860
FUND BALANCES:				
Beginning of year			3,957,934	
End of year			\$ 3,068,835	

Conejo Recreation and Park District
Required Supplementary Information, Continued
For the year ended June 30, 2010

2. SCHEDULE OF FUNDING PROGRESS

PUBLIC EMPLOYEE RETIREMENT SYSTEMS (PERS)
SCHEDULE OF FUNDING PROGRESS
(Unaudited)

Miscellaneous Employees

Actuarial Valuation Date	Entry Age Accrued Liability	Value of Assets	Unfunded (Overfunded) Liability	Funded Ratio	Annual Covered Payroll	Unfunded (Overfunded) as % of Payroll
2007	\$ 32,275,848	\$ 33,497,790	(1,221,942)	103.8%	\$ 6,854,963	(17.8)%
2008	35,017,094	36,010,458	(993,364)	102.8%	7,158,102	(13.9)%
2009	39,062,870	37,647,640	1,415,230	96.4%	7,294,485	19.4%

OTHER POST EMPLOYMENT BENEFITS
SCHEDULE OF FUNDING PROGRESS
(Unaudited)

Actuarial Valuation Date	Actuarial Asset Value	Actuarial Accrued Liability Entry Age	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	Unfunded Actuarial Liability as Percentage of Covered Payroll
7/1/2008	\$ -	\$ 6,119,659	\$ 6,119,659	0.0%	\$ 6,854,963	89.27%

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SUPPLEMENTARY INFORMATION

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NON-MAJOR GOVERNMENTAL FUNDS

Conejo Recreation and Park District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2010

	Debt Service Fund		Capital Project Fund		Total
	Note Debt Service	Bond Debt	Dos Vientos Assessment District	Rancho Conejo Assessment District	Nonmajor Governmental Funds
ASSETS					
Cash and investments	\$ 2,663	\$ 98	\$ 42,785	\$ 95,206	\$ 140,752
Receivables:					
Interest	7	1	227	118	353
Taxes	-	-	10,525	7,737	18,262
Total assets	\$ 2,670	\$ 99	\$ 53,537	\$ 103,061	\$ 159,367
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ -	\$ -	\$ 14,423	\$ 5,757	\$ 20,180
Accrued expenditures	-	-	6,974	1,795	8,769
Other liabilities	-	-	1,986	666	2,652
Total liabilities	-	-	23,383	8,218	31,601
Fund Balances:					
Reserved for:					
Assessment districts	-	-	30,154	94,843	124,997
Unreserved:					
Undesignated	2,670	99	-	-	2,769
Total fund balances	2,670	99	30,154	94,843	127,766
Total liabilities and fund balances	\$ 2,670	\$ 99	\$ 53,537	\$ 103,061	\$ 159,367

Conejo Recreation and Park District
Combining Schedule of Revenues, Expenditures and Changes in Fund Balances
Non-Major Governmental Funds
For the Year Ended June 30, 2010

	Debt Service Fund		Capital Project Fund		Total
	Note Debt		Dos Vientos	Rancho Conejo	Nonmajor
	Service	Bond Debt	Assessment	Assessment	Governmental
			District	District	Funds
REVENUES:					
Assessments	\$ -	\$ -	\$ 447,453	\$ 60,717	\$ 508,170
Interest income	618	-	4,617	2,667	7,902
Total revenues	618	-	452,070	63,384	516,072
EXPENDITURES:					
Parks and planning	-	-	567,666	213,436	781,102
Capital outlay	-	-	174,715	52,859	227,574
Total expenditures	-	-	742,381	266,295	1,008,676
REVENUES OVER					
(UNDER) EXPENDITURES	618	-	(290,311)	(202,911)	(492,604)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	-	140,161	150,092	290,253
Transfers out	-	-	-	-	-
Total other financing sources (uses)	-	-	140,161	150,092	290,253
NET CHANGE IN FUND BALANCES	618	-	(150,150)	(52,819)	(202,351)
FUND BALANCE:					
Beginning of year	2,052	99	180,304	147,662	330,117
End of year	\$ 2,670	\$ 99	\$ 30,154	\$ 94,843	\$ 127,766

