


CONEJO RECREATION & PARK DISTRICT

GENERAL MANAGER
Jim Friedl

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

GENERAL MANAGER EMERITUS
Tex Ward

TO: Board of Directors
FROM: Jim Friedl, General Manager 
DATE: March 1, 2012
SUBJECT: Annual Audit Report

RECOMMENDATION

Board of Directors accept the financial statements for the year ending June 30, 2011, as prepared by the accounting firm of Caporicci & Larson, CPAs.

DISCUSSION

Attached are the financial statements for the year ending June 30, 2011. 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.

As a result of this audit, the auditors had the following finding and recommendation:

We noted that the District does not have a formal policy that addresses old outstanding checks over one year old. We recommend that the District adopt a policy to investigate and resolve old outstanding checks.

Management concurs with the finding and will implement a policy. Note that prior to the audit, District staff had begun investigating and resolving old outstanding checks.

The following information updates the Board on progress made in an area the auditors suggested for improvement during the course of prior audit work.

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.

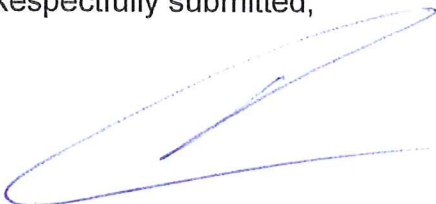
Management's Response

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, 2012.

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

Attachment

Conejo Recreation and Park District

Thousand Oaks, California

*Basic Financial Statements and
Independent Auditors' Report*

For the year ended June 30, 2011

Conejo Recreation and Park District
Basic Financial Statements
For the year ended June 30, 2011

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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 (the "District"), as of and for the year ended June 30, 2011, 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, 2011, 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 District adopted the provisions of Governmental Accounting Standards Board ("GASB") Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, as of July 1, 2010.

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Budgetary Information, and Schedule of Funding Progress be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Directors
of the Conejo Recreation and Park District
Thousand Oaks, California
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Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's financial statements as a whole. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual nonmajor fund financial statements are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Caporicci & Larson, Inc.

Caporicci & Larson, Inc.
A Subsidiary of Marcum LLP
Certified Public Accountants
Irvine, California
February 8, 2012

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, 2011.

FINANCIAL HIGHLIGHTS

Government-wide

- On June 30, 2011, District assets exceeded its liabilities by \$133.3 million (net assets). Of this amount, \$29.6 million may be used to meet the District's ongoing obligations to citizens and creditors. The District's net assets increased \$5.8 million during the fiscal year.

Fund Basis

- At the close of fiscal year 2010-11, District governmental funds reports a combined ending fund balance of \$31.7 million, an increase of \$3.3 million in comparison with the prior year. Approximately \$25.2 million or 79.6 percent is in the General Fund. Of this amount, \$8.4 million is unassigned general fund balance.
- At the close of fiscal year 2010-11, the General Fund budget to actual report shows a \$0.2 million increase in appropriation from original to final budget. Fund balance increased by \$1.4 million rather than the budgeted \$0.2 million decrease. Actual revenues exceeded budgeted by \$0.3 million and actual expenditures were less than budgeted by \$1.3 million.
- As of June 30, 2011, the District's other governmental funds, excluding the general fund, reported combined ending fund balances of \$6.5 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 balances 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 Fund, Special Assessment Special Revenue Fund, Dos Vientos Assessment District Special Revenue Fund, and Capital Projects Fund, 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 60-61 of this report.

The District adopts a biennial appropriated budget. Budgetary comparison statements have been provided to demonstrate compliance with the General Fund, Special Assessment District Special Revenue Fund, and Dos Vientos Assessment District Special Revenue Funds, pages 53 to 55 of this report.

The basic governmental funds financial statements can be found on pages 18 - 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 page 26 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 28 - 50 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 51 - 61.

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 \$133.3 million at June 30, 2011, as summarized below:

Statement of Net Assets June 30,

	2011	2010
Assets:		
Cash and investments	\$ 32,546,510	\$ 28,767,138
Receivables	223,486	405,969
Contributions receivable	1,027,271	1,028,763
Other assets	11,109	35,096
Investment in Joint Venture	34,051,745	32,955,252
Capital assets (net of depreciation)	<u>69,620,619</u>	<u>67,762,939</u>
Total assets	<u>\$ 137,480,740</u>	<u>\$ 130,955,157</u>
Liabilities:		
Accounts payable	630,800	420,366
Other current liabilities	639,501	459,799
Noncurrent liabilities	<u>2,902,661</u>	<u>2,542,541</u>
Total liabilities	<u>4,172,962</u>	<u>3,422,706</u>
Net assets:		
Invested in capital assets, net of related debt	69,620,619	67,762,939
Restricted	5,901,550	3,193,832
Unrestricted	<u>57,785,609</u>	<u>56,575,680</u>
	<u>\$ 133,307,778</u>	<u>\$ 127,532,451</u>

The largest portion (52.2 percent) of the District's net assets reflects its investment of \$69.6 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 District's net assets, \$5.9 million (4.4 percent) represents resources that are subject to external restriction on how they may be used. \$34.0 million in unrestricted net assets reflects the District's investment in its joint venture with the City of Thousand Oaks -Conejo Open Space Conservation Authority (COSCA). The District's share of COSCA's capital assets totals \$33.6 million. These assets are not available for future spending. The remaining balance \$23.7 million (17.8 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 2010-11 Other Post Employment Benefit (OPEB) liability of \$0.6 million, offset by a reduction in claims payable of \$0.3 million. The District has committed \$4.4 million of general fund balance for OPEB costs.

Restricted Net Assets reflects resources available in the District's three Assessment Districts. The increase is primarily due to a \$3.0 million contribution received for a new park in the Dos Vientos area of Thousand Oaks, offset by the costs of capital projects funded through the Assessment Districts during fiscal year 2010-11.

Statement of Activities

As shown in the table below, the District's net assets increased \$5.7 million during the fiscal year ended June 30, 2011 and \$2.8 million during the fiscal year ending June 30, 2010. The increases are due to revenues exceeding expenses; in fiscal year 2011 the increase is due primarily to the \$3.0 million contribution received for the new park in Dos Vientos. It is anticipated that fiscal year 2011-12 expenses will exceed revenues as these funds are spent for the construction of this new playfield. The Net Assets - Beginning has been restated to reflect inclusion of the Conejo Open Space Conservation Agency as an investment in joint venture.

Statement of Activities June 30,

	2011	2010
Revenues:		
Program Revenues:		
Charges for Services	\$ 6,349,770	\$ 5,956,016
Operating Grants & Contributions	1,729,454	1,998,254
Capital Grants & Contributions	3,448,369	228,329
General Revenues:		
Property Taxes	11,746,966	12,047,802
Investment Income	1,406,121	220,275
Other	421,442	579,389
Total Revenues	25,102,122	21,030,065
Expenses:		
Parks & Recreation	19,326,795	18,184,386
Increase in Net Assets	5,775,327	2,845,679
Net Assets - Beginning, as Restated	127,532,451	124,686,772
Net Assets - Ending	\$ 133,307,778	\$ 127,532,451

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 District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the close of fiscal year 2010-11, District governmental funds reported a combined ending fund balance of \$31.7 million, an increase of \$3.3 million in comparison with the prior year. Approximately \$25.2 million or 79.6 percent is in the General Fund. Of this amount, \$16.8 million is being held 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 \$1.4 million in fund balance for the year ended June 30, 2011. At June 30, 2011, the fund balance was \$25.2 million. As a measure of liquidity, it may be useful to compare fund balance to total expenditures. Fund balance represents 159.2 percent of total general fund expenditures, excluding transfers.

Special Assessment District Special Revenue Fund

The Special Assessment District Fund accounts for a district-wide assessment for park maintenance and capital projects. Major projects including entryway improvements at Thousand Oaks and Borchard Centers, amenities at Northwood Park, construction at Oakbrook Neighborhood Park, planning for Oakbrook Service Yard and environmental studies at Lang Ranch Park contributed to decreasing the fund balance by \$0.5 million for a balance of \$2.6 million at June 30, 2011.

Capital Projects Fund

The Capital Projects Fund provides resources for construction of capital projects. Fund balance decreased \$0.9 million. Major projects include construction of the visitor center at McCrear Ranch and entryway improvements at Conejo Community Park. The fund balance at June 30, 2011 was \$0.5 million.

BUDGETARY HIGHLIGHTS

General Fund

The General Fund budget to actual report can be found on page 53 of this report. Increases between the original and final budget were \$0.2 million due to Board approved budget adjustments, primarily a carryover of Information Technology Software appropriation from fiscal year 2010 into fiscal year 2011.

The fiscal year ended with an increase in fund balance of \$1.4 million, which is \$1.7 million over the \$0.2 million budgeted use of fund balance. Actual Property Tax revenues exceeded budgeted by \$0.2 million, as did Recreation fees, with these amounts offset by actual interest revenues coming in under budget by \$0.1 million. Actual operating expenditures were less than budgeted by \$1.3 million across all divisions.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

District investment in capital assets for its governmental activities as of June 30, 2011, totaled \$69.6 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 2010-11 was \$1.9 million, or 2.7 percent. Additional information on the District's capital assets can be found on pages 43 of this report. Capital assets are summarized below:

Capital Assets (net of accumulated depreciation)
June 30,

	2011	2010
Land	\$ 41,498,102	\$ 41,498,102
Buildings	4,443,880	3,828,131
Improvements	16,472,429	13,236,964
Equipment	1,289,477	1,339,278
Construction in Progress	5,916,731	7,860,464
	<u>\$ 69,620,619</u>	<u>\$ 67,762,939</u>

Major capital asset events during the fiscal year included construction of the visitor center at McCrea Ranch, entryway improvements at Thousand Oaks and Borchard Centers, entryway improvements at Conejo Community Park, amenities at Northwood Park, construction at Oakbrook Neighborhood Park, planning for Oakbrook Service Yard, parking expansion at Rancho Conejo Park and, environmental studies for Lang Ranch Park.

Long-term debt

The District has no outstanding debt at June 30, 2011.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The focus of this annual report is the economic condition of the District as of June 30, 2011, 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 continue to contribute to record federal budget deficits.

In November, 2011, the Legislative Analyst's Office projected that the state had a \$12 billion general fund deficit through fiscal year 2011-12. Although Proposition 22, which prohibits the state from delays/takeaways of local government funding, was passed by California voters in November 2010, this did not deter the state from eliminating Redevelopment Agencies in order to balance its fiscal year 2011-12 budget. The State's continued grab of local resources to balance its budget remains of significant concern to local governments.

The District's primary revenue source is property taxes, which are expected to be generally flat from fiscal year 2010-11 to fiscal year 2011-12, a consequence of the current housing market. Managing district resources in an environment of flat revenues coupled with increasing costs, particularly for water, is one of the challenges facing the District.

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 and 20 percent for the years ended June 30, 2010 and 2011, respectively, increases in future employer contribution rates are expected. The actual change in contribution rates is driven by actuarial assumptions and projected future portfolio earnings. The District's employer contribution rates increased from 6.609% for fiscal year 2009-10, to 8.265% for fiscal year 2012-13. Using the existing actuarial assumptions and projected portfolio returns, the preliminary estimates for fiscal years 2012-13 and 2013-14 are 8.600% and 8.900% respectively. 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.

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, 2011

	Governmental Activities
ASSETS	
Current assets:	
Cash and investments	\$ 32,546,510
Receivables:	
Accounts	30,895
Interest	62,581
Taxes	97,592
Loans	14,818
Prepaid items	17,600
Other assets	11,109
Total current assets	<u>32,781,105</u>
Noncurrent assets:	
Contribution receivable (Note 6)	1,027,271
Investment in joint venture (Note 12)	34,051,745
Capital assets:	
Nondepreciable	47,414,833
Depreciable, net	22,205,786
Total capital assets, net	<u>69,620,619</u>
Total noncurrent assets	<u>104,699,631</u>
Total assets	<u>137,480,740</u>
LIABILITIES	
Current liabilities:	
Accounts payable	630,800
Payroll and related liabilities	425,155
Refundable deposits	18,583
Other liabilities	20,763
Claims payable - due in less than one year	75,000
Compensated absences - due in less than one year	100,000
Total current liabilities	<u>1,270,301</u>
Noncurrent liabilities:	
Claims payable - due in more than one year	380,115
Compensated absences - due in more than one year	794,203
Net OPEB obligation	1,728,343
Total noncurrent liabilities	<u>2,902,661</u>
Total liabilities	<u>4,172,962</u>
NET ASSETS	
Invested in capital assets	69,620,619
Restricted for:	
Assessment District	5,901,550
Unrestricted	57,785,609
Total net assets	<u>\$ 133,307,771</u>

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, 2011

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	\$ 19,326,795	\$ 6,349,770	\$ 1,729,454	\$ 3,448,369	\$ (7,799,202)
Total governmental activities	<u>\$ 19,326,795</u>	<u>\$ 6,349,770</u>	<u>\$ 1,729,454</u>	<u>\$ 3,448,369</u>	<u>(7,799,202)</u>
General Revenues:					
Taxes:					
Secured and unsecured property taxes					11,746,966
Investment income					1,406,121
Licenses and permits					269,457
Other					<u>151,985</u>
Total general revenues					<u>13,574,529</u>
Changes in net assets					5,775,327
Net assets:					
Beginning of year, as restated (Note 14)					<u>127,532,451</u>
End of year					<u>\$ 133,307,778</u>

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FUND FINANCIAL STATEMENTS

Conejo Recreation and Park District
Balance Sheet
Governmental Funds
June 30, 2011

	Major Funds				
	Special Revenue Funds				
	General	Special	Dos Vientos	Capital	Nonmajor
	Fund	Assessment	Assessment	Projects	Governmental
		District Fund	District	Fund	Funds
ASSETS					
Cash and investments	\$ 25,793,365	\$ 2,565,896	\$ 3,211,391	\$ 851,392	\$ 124,466
Receivables:					
Accounts	30,895	-	-	-	-
Interest	48,535	6,467	6,090	1,191	298
Taxes	50,419	35,934	10,050	-	1,189
Loans	8,818	6,000	-	-	-
Contribution receivable (Note 6)	1,027,271	-	-	-	-
Prepaid Items	17,600	-	-	-	-
Other assets	11,109	-	-	-	-
Total assets	\$ 26,988,012	\$ 2,614,297	\$ 3,227,531	\$ 852,583	\$ 125,953
LIABILITIES AND FUND BALANCES					
Liabilities:					
Accounts payable	\$ 287,739	\$ 35,799	\$ 4,772	\$ 299,420	\$ 3,070
Accrued expenditures	414,121	1,188	7,303	-	2,543
Refundable deposits	18,583	-	-	-	-
Deferred revenues	1,027,271	-	-	-	-
Other liabilities	15,207	307	3,963	-	1,286
Total liabilities	1,762,921	37,294	16,038	299,420	6,899
Fund Balances:					
Nonspendable:					
Prepaid items	17,600	-	-	-	-
Long-term receivables	8,818	6,000	-	-	-
Restricted for:					
Assessment Districts	-	2,571,003	3,211,493	-	119,054
Committed for:					
OPEB	4,430,965	-	-	-	-
Claims	5,551,348	-	-	-	-
Operating reserve	2,300,000	-	-	-	-
McCrea Ranch Visitor Center project	-	-	-	61,000	-
Equipment replacement	3,175,504	-	-	-	-
Assigned for:					
Retirement	1,229,221	-	-	-	-
Capital projects	-	-	-	492,163	-
Other purposes	68,358	-	-	-	-
Unassigned	8,443,277	-	-	-	-
Total fund balances	25,225,091	2,577,003	3,211,493	553,163	119,054
Total liabilities and fund balances	\$ 26,988,012	\$ 2,614,297	\$ 3,227,531	\$ 852,583	\$ 125,953

See accompanying Notes to Basic Financial Statements.

Total
Governmental
Funds

\$ 32,546,510

30,895

62,581

97,592

14,818

1,027,271

17,600

11,109

\$ 33,808,376

\$ 630,800

425,155

18,583

1,027,271

20,763

2,122,572

17,600

14,818

5,901,550

4,430,965

5,551,348

2,300,000

61,000

3,175,504

1,229,221

492,163

68,358

8,443,277

31,685,804

\$ 33,808,376

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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, 2011

Total Fund Balances - Total Governmental Funds	\$ 31,685,804
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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	47,414,833	
Depreciable capital assets, net	<u>22,205,786</u>	69,620,619

Investment in joint venture have not been included as financial resources in governmental fund.	34,051,745
---	------------

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.	1,027,271
--	-----------

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 - due within one year	(75,000)
Claims payable - due in more than one year	(380,115)
Compensated absences - due within one year	(100,000)
Compensated absences - due in more than one year	(794,203)
Net OPEB obligation	<u>(1,728,343)</u>

Net assets of governmental activities	<u>\$ 133,307,778</u>
---------------------------------------	-----------------------

Conejo Recreation and Park District
Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended June 30, 2011

	Major Funds				
	Special Revenue Funds				Nonmajor
	General	Special	Dos Vientos	Capital	Governmental
	Fund	Assessment	Assessment	Projects	Funds
		District Fund	District	Fund	
REVENUES:					
Property taxes	\$ 11,746,966	\$ -	\$ -	\$ -	\$ -
Assessments	-	1,598,999	471,312	-	63,853
Licenses and permits	28,844	-	41,048	199,565	-
Interest	260,829	34,127	9,403	3,491	1,778
Facilities rental	433,055	-	-	-	-
Other governmental agencies	1,729,454	13,020	-	435,349	-
Recreation fees	3,782,551	-	-	-	-
Other	88,268	21,000	3,000,000	44,209	-
Total revenues	18,069,967	1,667,146	3,521,763	682,614	65,631
EXPENDITURES:					
Current:					
Parks and recreation:					
District administration	2,238,364	-	-	-	-
Parks and planning	6,632,126	572,500	537,568	-	222,443
Recreation and community services	6,644,671	-	-	-	-
Capital outlay	329,113	1,858,478	72,726	1,338,748	302,618
Total expenditures	15,844,274	2,430,978	610,294	1,338,748	525,061
REVENUES OVER (UNDER) EXPENDITURES	2,225,693	(763,832)	2,911,469	(656,134)	(459,430)
OTHER FINANCING SOURCES (USES):					
Transfers in	-	422,000	269,870	167,200	483,641
Transfers out	(774,711)	(150,000)	-	(418,000)	-
Total other financing sources (uses)	(774,711)	272,000	269,870	(250,800)	483,641
Net change in fund balances	1,450,982	(491,832)	3,181,339	(906,934)	24,211
FUND BALANCES:					
Beginning of year, as restated (Note 14)	23,774,109	3,068,835	30,154	1,460,097	94,843
End of year	\$ 25,225,091	\$ 2,577,003	\$ 3,211,493	\$ 553,163	\$ 119,054

See accompanying Notes to Basic Financial Statements.

Total Governmental Funds	
\$	11,746,966
	2,134,164
	269,457
	309,628
	433,055
	2,177,823
	3,782,551
	3,153,477
	<u>24,007,121</u>
	2,238,364
	7,964,637
	6,644,671
	<u>3,901,683</u>
	<u>20,749,355</u>
	<u>3,257,766</u>
	1,342,711
	<u>(1,342,711)</u>
	<u>-</u>
	3,257,766
	<u>28,428,038</u>
\$	<u><u>31,685,804</u></u>

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, 2011

Net change in fund balance - total governmental funds:	\$ 3,257,766
--	--------------

Amounts reported for governmental activities in the Statement of Activities and Changes in Net Assets 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 (\$531,341 of capital outlay expenditures was for current park and recreation expenditure and was not capitalized)	3,370,342
---	-----------

The net effect of cancelled capital project previously reported in construction in progress was to decrease net assets.	(3,973)
---	---------

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.	(1,508,689)
--	-------------

Investment revenue earned from investment in joint venture	1,096,493
--	-----------

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, the decrease in claims payable was not reported as an expenditure in the governmental funds.	190,279
--	---------

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, the increase in long-term compensated absences was not reported as an expenditure in the governmental funds.	(27,595)
--	----------

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.	(1,492)
--	---------

Net OPEB obligation 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, the increase in long-term net OPEB obligation was not reported as an expenditure in the governmental funds.	(597,804)
--	-----------

Change in net assets of governmental activities	<u>\$ 5,775,327</u>
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FIDUCIARY FUND FINANCIAL STATEMENTS

Conejo Recreation and Park District
Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

	<u>Agency Funds</u>
ASSETS	
Cash and investments	\$ 786,223
Receivables, net	<u>977</u>
Total assets	<u>\$ 787,200</u>
LIABILITIES	
Deposits	<u>\$ 787,200</u>
Total liabilities	<u>\$ 787,200</u>

NOTES TO BASIC FINANCIAL STATEMENTS

Conejo Recreation and Park District
Notes to Basic Financial Statements
For the year ended June 30, 2011

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 (the "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 of America. 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 and Changes in Net Assets 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, 2011

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:

- Due to/from other funds
- 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 fund balance. 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, 2011

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.

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.

Dos Vientos Assessment District Fund - This fund accounts for acquisition and construction of capital assets and maintenance within the Dos Vientos Assessment District.

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 - The District maintains two non-major capital projects funds: Equipment Replacement Fund and Rancho Conejo Assessment District Fund. The Equipment Replacement Fund accounts for the acquisition of replacement fleet equipment and IT equipment and Rancho Conejo Assessment District Fund accounts for acquisition and construction of capital assets and maintenance within the Rancho Conejo Assessment District.

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.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

B. Basis of Accounting and Measurement Focus, Continued

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, RSVP Advisory Council and Therapeutic Advisory Council.

C. 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, 2011

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.

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, 2011

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, 2011

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 and Fund Balances

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” or “restricted net assets” as defined above.

Use of Restricted and Unrestricted Net Assets

When expenditures are incurred for purposes for which both restricted and unrestricted net assets are available, the District’s policy is to apply restricted net assets first, then unrestricted net assets as they are needed.

Fund Financial Statements

Nonspendable Fund Balance – This amount indicates that portion of funds balance which cannot be spent because they are either not in spendable form or legally or contractually required to be maintained intact.

Restricted Fund Balance – This amount indicates that portion of fund balance which has been restricted to specific purposes by external parties, constitutional provisions, or enabling legislation.

Committed Fund Balance – This amount indicate that portion of fund balance which can only be used for specific purposes pursuant to formal action of the District’s Board of Directors.

Assigned Fund Balance – This amount indicates that portion of fund balance which is constrained by the District’s intent to be used for specific purpose, but is neither restricted nor committed. The General Manager is designated to assigned fund balances.

Unassigned Fund Balance – This amount indicates the residual portion of fund balance.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES, Continued

I. Net Assets and Fund Balances, Continued

Use of Restricted and Unrestricted Fund Balances

When expenditures are incurred for purposes for which both restricted and unrestricted fund balances are available, the District's policy is to apply restricted fund balances first, then unrestricted fund balances as they are needed. When expenditures are incurred for purposes for which unrestricted fund balances are available, the District uses the unrestricted resources in the following order: committed, assigned, and unassigned.

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, 2011:

	Government-Wide Statement of Net Assets	Fiduciary Funds Statement of Net Assets	Total
	Governmental Activities		
Cash and investments	\$ 32,546,510	\$ 786,223	\$ 33,332,733

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

2. CASH AND INVESTMENTS, Continued

A. Summary of Cash and Investments, Continued

Cash and investments were comprised of the following at June 30, 2011:

Cash and cash equivalents:	
Petty cash	\$ 1,500
Cash on hand	43,086
Demand deposit	694,269
Total cash and cash equivalents	738,855
Investments:	
Local Agency Investment Fund	2,554,320
Ventura County Investment Pool	30,039,558
Total investments	32,593,878
Total cash and investments	\$ 33,332,733

B. Cash Deposits

The carrying amounts of the District's cash deposits were \$694,269 at June 30, 2011. Bank balances at June 30, 2011, were \$1,021,872 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
Local Agency Investment Fund (LAIF)	2 years	NONE	NONE
Ventura County Pooled Investment Fund	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, 2011

2. CASH AND INVESTMENTS Continued

D. Investment in Local Agency Investment Funds

As of June 30, 2011, the District had \$2,554,320 invested in LAIF. The District valued its investments in LAIF as of June 30, 2011, 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 1.001576470.

The District's investments with LAIF at June 30, 2011, included 5.01% 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, 2011, the District had \$30,039,558 invested in the Ventura County Investment Pool (the "County Pool"). The District valued its investments in the County Pool as of June 30, 2011 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, 2011, the weighted average maturity of the County Pool was 353 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, 2011

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, 2011, 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	16.43%
Federal Farm Credit Banks	AAA	Aaa	25.42%
Federal Home Loan Bank	AAA	Aaa	26.48%
Federal National Mortgage Association	AAA	Aaa	22.49%
GE Capital Commercial Paper	A-1+	P-1	6.61%
Local Agency Investment Fund	N/A	N/A	2.57%
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, 2011, 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	\$ 2,554,320	\$ 2,554,320
Ventura County Investment Pool	30,039,558	30,039,558
Total	\$ 32,593,878	\$ 32,593,878

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

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:

	<u>Moody's</u>	<u>Standard & Poor's</u>
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:

<u>Investments</u>	<u>Amount Invested</u>	<u>Percentage of Investments</u>
Local Agency Investment Fund	\$ 2,554,320	7.84%
Ventura County Investment Pool	30,039,558	92.16%
Total	<u>\$ 32,593,878</u>	<u>100.00%</u>

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, 2011

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. \$771,872 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, 2011.

3. RECEIVABLES

A. Accounts Receivable

Accounts receivable consisted of the following at June 30, 2011:

ACCV Snack Bar	\$ 14,412
Other Government Agencies	11,483
McCrea Ranch Foundation	5,000
Total	\$ 30,895

B. Interest Receivable

Interest receivable consisted of the following at June 30, 2011:

Agency	Interest Receivable
Local Agency Investment Fund	\$ 3,528
Ventura County Investment Pool	59,053
Total	\$ 62,581

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

3. RECEIVABLES, Continued

C. Taxes Receivable

Taxes receivable, due from the County of Ventura, consisted of the following at June 30, 2011:

Fund	Taxes Receivable
General Fund	\$ 50,419
Special Assessment District Fund	35,934
Dos Vientos Assessment District	10,050
Rancho Conejo Assessment District	1,189
Total	\$ 97,592

D. Loans Receivable

Loans receivable consisted of the following at June 30, 2011:

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
Computers	\$ 9,908	\$ 7,344	\$ (9,856)	\$ 7,396
Orthodontia	1,652	2,000	(2,230)	1,422
Newbury Park Girls Softball	8,000	-	(2,000)	6,000
Total	\$ 19,560	\$ 9,344	\$ (14,086)	\$ 14,818

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, 2011

4. INTERFUND TRANSACTIONS

Transfers In and Out

At June 30, 2011, the District had the following transfers in/out:

Transfers Out	Transfers In				
	Special Assessment District Fund	Capital Projects	Dos Vientos Assessment District	Nonmajor Governmental Funds	Total
Governmental Funds:					
General Fund	\$ 331,000	\$ 17,200	\$ 269,870	\$ 156,641	\$ 774,711
Special Assessment District Fund	-	150,000	-	-	150,000
Capital Projects Fund	91,000	-	-	327,000	418,000
Total	\$ 422,000	\$ 167,200	\$ 269,870	\$ 483,641	\$ 1,342,711

From General Fund: 1) to provide general property tax support for Dos Vientos Assessment District and Nonmajor Governmental Funds (Rancho Conejo Assessment District) in amount of \$269,870 and \$156,641, respectively; 2) to provide funding to Special Assessment District Fund for capital projects, Thousand Oaks Center entry improvement, and Bochar Center entry improvement in amount of \$250,000, \$71,000, and \$10,000, respectively; and 3) to provide funding for Capital Projects Fund for biofilter installation at Conejo Creek Park in amount of \$17,200.

From Special Assessment District Fund to Capital Projects Fund to provide additional funds for McCrea Ranch project in amount of \$150,000.

From Capital Projects Fund: 1) to provide funding to Special Assessment District Fund for Oakbrook neighborhood park in amount of \$91,000 and 2) to provide funding to Nonmajor Governmental Fund (Rancho Conejo Assessment District) for construction of parking lot in amount of \$327,000.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

5. CAPITAL ASSETS

A. Capital Asset Additions and Retirements

At June 30, 2011, the District's changes in the capital assets for governmental activities during the year are as follows:

	Balance as of July 1, 2010	Additions	Retirements	Transfers/ Adjustments	Balance as of June 30, 2011
Capital assets not being depreciated:					
Land	\$ 41,498,102	\$ -	\$ -	\$ -	\$ 41,498,102
Construction in progress	7,860,464	2,855,360	(3,973)	(4,795,120)	5,916,731
Total capital assets not being depreciated	49,358,566	2,855,360	(3,973)	(4,795,120)	47,414,833
Depreciable capital assets					
Buildings	5,843,060	11,460	-	746,006	6,600,526
Improvements	22,054,193	247,829	-	4,049,114	26,351,136
Equipment	4,468,568	255,693	-	-	4,724,261
Total depreciable capital assets	32,365,821	514,982	-	4,795,120	37,675,923
Less accumulated depreciation					
Buildings	(2,014,929)	(141,717)	-	-	(2,156,646)
Improvements	(8,817,229)	(1,061,478)	-	-	(9,878,707)
Equipment	(3,129,290)	(305,494)	-	-	(3,434,784)
Total accumulated depreciation	(13,961,448)	(1,508,689)	-	-	(15,470,137)
Total capital assets being depreciated	18,404,373	(993,707)	-	4,795,120	22,205,786
Capital assets, net	\$ 67,762,939	\$ 1,861,653	\$ (3,973)	\$ -	\$ 69,620,619

6. CONTRIBUTIONS RECEIVABLE

On June 15, 1995, the District acquired 300 acres of land, commonly known as the McCrea Ranch in Thousand Oaks for \$1,950,000 from the McCrea Family. A provision of the transaction is that the McCrea Charitable Trusts named the District as the irrevocable beneficiary of portions of the corpus of the trust totaling \$1,800,000. The District received \$771,237 in previous fiscal years and \$1,492 in fiscal year 2010-11 from McCrea \$1,800,000 Charitable Trusts, leaving a balance due at June 30, 2011 in amount of \$1,027,271. There entire balance is due by June 15, 2015.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

7. COMPENSATED ABSENCES

A. *Compensated Absences*

The District's compensated absences activity is summarized below.

	Balance July 1, 2010	Additions	Retirements	Balance June 30, 2011	Classification	
					Due Within One Year	Due in More than One Year
Compensated absences	\$ 866,608	\$ 127,595	\$ (100,000)	\$ 894,203	\$ 100,000	\$ 794,203
Total	\$ 866,608	\$ 127,595	\$ (100,000)	\$ 894,203	\$ 100,000	\$ 794,203

8. PENSION PLANS

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

The District offers its employees a deferred compensation plan (the "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 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 (the "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, 2011

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, 2011, the District's contribution was 6.802% 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 \$494,474 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 32 years.

Three-Year Trend Information for PERS

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation
2009	\$ 392,566	100.0%	\$ -
2010	474,391	100.0%	-
2011	494,474	100.0%	-

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

8. PENSION PLANS, Continued

C. California Public Employees Retirement Systems, Continued

Funded Status and Funding Progress As of June 30, 2010, the most recent actuarial valuation date, the plan was 96.3% funded. The entry age accrued liability was \$40,999,430 and the actuarial value of assets was \$39,468,657, resulting in an unfunded liability of \$1,530,773. The covered payroll (annual payroll of active employees covered by the plan) was \$7,813,746 and the ratio of the unfunded liability to the covered payroll was 19.6%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time related to the actuarial liability.

9. OTHER POST EMPLOYMENT BENEFITS (OPEB)

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 OPEB benefits. The general manager, administrators and managers who retire from the District with 10 or more years of service are eligible for OPEB 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, 2011, the total contribution made was \$169,217. Thirty-nine retired employees received OPEB benefits during the fiscal year.

Annual OPEB Cost and Net OPEB Obligation

The District's annual 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:

	<u>Total</u>
Annual required contribution	\$ 787,962
Interest on net OPEB obligation	50,874
Adjustment to annual required contribution	(71,813)
Annual OPEB cost (expense)	767,023
Contributions made	(169,217)
Increase in net OPEB obligation	597,806
Net OPEB obligation - beginning of year	1,130,537
Net OPEB obligation - end of year	<u>\$ 1,728,343</u>

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

9. OTHER POST EMPLOYMENT BENEFITS (OPEB), 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 2011 is as follows:

Fiscal Year Ended	Annual OPEB Cost	Annual Contribution	% of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/2009	\$ 685,114	\$ 132,923	19.4%	\$ 552,191
6/30/2010	725,240	146,894	20.3%	1,130,537
6/30/2011	767,023	169,217	22.1%	1,728,343

Funded Status and Funding Progress

Based on the most recent actuarial valuation dated July 1, 2011, the plan was zero percent funded. The Actuarial Accrued Liability for benefits was \$7,503,813, and the actuarial value of assets was \$0, resulting in an Unfunded Actuarial Accrued Liability (UAAL) of \$7,503,813. The covered payroll (annual payroll of active employees covered by the plan) was \$6,853,931 and the ratio of UAAL to the covered payroll was 109.48%. The schedule of funding progress, presented as required supplementary information following the notes to the financial statement, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time related to the actuarial liability.

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 committed \$4,430,965 in the General Fund towards the OPEB liability.

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, 2011

9. OTHER POST EMPLOYMENT BENEFITS, Continued

Actuarial Methods and Assumptions, Continued

In the July 1, 2011, 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 7.6% 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, 2011 was 27 years.

10. RISK MANAGEMENT

The District participates via joint powers agreement in the California Association for Park and Recreation Indemnity ("CAPRI") pool for property and liability coverage. The purpose of CAPRI is to arrange and administer programs of insurance and to purchase excess insurance coverage. CAPRI is governed by a board of directors which controls the operation of the pool, including selection of management and approval of budget. At June 30, 2011, the District's coverage was as follows:

General and auto liability, public officials and employees' liability: Total risk financing insurance limits of \$20,000,000, with a \$100,000 self-insured retention. All risks and property loss coverage is subjected to a \$2,000 deductible per occurrence payable by the District.

Flood and earthquake coverage have annual aggregate limit of \$10,000,000 and \$5,000,000, respectively, for all member districts.

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

The estimated claims payable was \$455,115 at June 30, 2011.

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.

	2011
General Liability	\$ 72,534
Workers' Compensation	382,581
Estimated Claims Liability	<u>\$ 455,115</u>

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

10. RISK MANAGEMENT, Continued

A reconciliation of changes in the aggregate liabilities for claims for the current fiscal year and the prior two years is as follows:

	2011	2010	2009
Claims liabilities - beginning balance	\$ 645,394	\$ 824,395	\$ 834,592
Incurred claims, representing the total of a provision for events of the current fiscal year and any change in the provision for events of prior fiscal years	138,621	33,454	174,379
Payments on claims attributable to events of both the current fiscal year and the prior fiscal year	(328,900)	(212,455)	(184,576)
Claims liabilities - ending balance	<u>\$ 455,115</u>	<u>\$ 645,394</u>	<u>\$ 824,395</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, 2011, 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 \$1,061,843 in outstanding contract commitments for completion of ongoing capital improvements projects at June 30, 2011.

12. INVESTMENT IN JOINT VENTURE

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.

Conejo Recreation and Park District
Notes to Basic Financial Statements, Continued
For the year ended June 30, 2011

12. INVESTMENT IN JOINT VENTURE, Continued

Conejo Open Space Conservation Agency, Continued

The latest financial information for COSCA for the year ended June 30, 2011 is as follows:

	Joint Venture	District Portion
Total Assets	\$ 68,148,163	\$ 34,074,082
Total liabilities	44,674	22,337
Net Assets:		
Invested in capital assets	67,188,889	33,594,445
Unrestricted net assets	914,600	457,300
Total net assets	\$ 68,103,489	\$ 34,051,745
Total revenues	\$ 3,434,568	\$ 1,717,284
Total expenses	(1,241,581)	(620,791)
Changes in net assets	\$ 2,192,987	\$ 1,096,493

13. JOINTLY GOVERNED ORGANIZATION

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. There was no contribution made by the District to MRCA.

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.

14. PRIOR PERIOD ADJUSTMENTS

Beginning net asset for governmental activities on the Statement of Activities and Changes in Net Assets was restated from \$94,577,199 to \$127,532,451 for inclusion of Conejo Open Space Conservation Agency as investment in joint venture instead of jointly governed organization.

Beginning fund balances for the General Fund on the Statement of Revenues, Expenditures and Changes in Fund Balance was restated from \$15,269,595 to \$23,774,109 due to the implementation of GASB 54 for which reclassifies the Insurance Reserve Fund, Equipment Replacement Fund, Note Debt Service Fund, and Bond Debt Fund in the amount of \$5,522,283, \$2,979,462, \$2,670, and \$99, respectively, to the General Fund.

REQUIRED
SUPPLEMENTARY INFORMATION

Conejo Recreation and Park District
Required Supplementary Information
For the year ended June 30, 2011

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, 2011

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	\$ 11,458,000	\$ 11,533,000	\$ 11,746,966	\$ 213,966
Licenses and permits	7,000	7,000	28,844	21,844
Interest	380,000	380,000	260,829	(119,171)
Facilities rental	328,200	358,200	433,055	74,855
Other governmental agencies	1,694,400	1,709,400	1,729,454	20,054
Recreation fees	3,538,911	3,643,460	3,782,551	139,091
Other	85,500	85,500	88,268	2,768
Total revenues	17,492,011	17,716,560	18,069,967	353,407
EXPENDITURES:				
Current expenditures:				
District administration	2,600,089	2,641,489	2,238,364	403,125
Parks and planning	6,897,039	6,865,839	6,632,126	233,713
Recreation and community services	6,803,773	6,975,922	6,644,671	331,251
Capital outlay	544,925	708,525	329,113	379,412
Total expenditures	16,845,826	17,191,775	15,844,274	1,347,501
REVENUES OVER (UNDER) EXPENDITURES	646,185	524,785	2,225,693	1,700,908
OTHER FINANCING SOURCES (USES):				
Transfers out	(676,511)	(774,711)	(774,711)	-
Total other financing sources (uses)	(676,511)	(774,711)	(774,711)	-
Changes in Fund Balance	\$ (30,326)	\$ (249,926)	1,450,982	\$ 1,700,908
FUND BALANCES:				
Beginning of year			23,774,109	
End of year			<u>\$ 25,225,091</u>	

Conejo Recreation and Park District
Required Supplementary Information, Continued
For the year ended June 30, 2011

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:				
Assessments	\$ 1,592,100	\$ 1,592,100	\$ 1,598,999	\$ 6,899
Interest	30,000	30,000	34,127	4,127
Other governmental agencies	170,000	170,000	13,020	(156,980)
Other	-	-	21,000	21,000
Total revenues	1,792,100	1,792,100	1,667,146	(124,954)
EXPENDITURES:				
Parks and planning	716,164	716,164	572,500	143,664
Capital outlay	4,322,000	4,476,000	1,858,478	2,617,522
Total expenditures	5,038,164	5,192,164	2,430,978	2,761,186
REVENUES OVER (UNDER) EXPENDITURES	(3,246,064)	(3,400,064)	(763,832)	2,636,232
OTHER FINANCING SOURCES (USES):				
Transfers in	25,000	197,000	422,000	225,000
Transfers out	-	(150,000)	(150,000)	-
Total other financing sources (uses)	25,000	47,000	272,000	225,000
Changes in Fund Balance	\$ (3,221,064)	\$ (3,353,064)	(491,832)	\$ 2,861,232
FUND BALANCES:				
Beginning of year			3,068,835	
End of year			\$ 2,577,003	

Conejo Recreation and Park District
Required Supplementary Information, Continued
For the year ended June 30, 2011

1. BUDGETS AND BUDGETARY ACCOUNTING, Continued

Budgetary Comparison Schedule, Dos Vientos Assessment District Fund

	Budget Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final	Amounts	
REVENUES:				
Assessments	\$ 465,650	\$ 465,650	\$ 471,312	\$ 5,662
Licenses and permits	-	-	41,048	41,048
Interest	4,000	4,000	9,403	5,403
Other	-	-	3,000,000	3,000,000
Total revenues	<u>469,650</u>	<u>469,650</u>	<u>3,521,763</u>	<u>3,052,113</u>
EXPENDITURES:				
Parks and planning	739,520	739,520	537,568	201,952
Capital outlay	137,000	137,000	72,726	64,274
Total expenditures	<u>876,520</u>	<u>876,520</u>	<u>610,294</u>	<u>266,226</u>
REVENUES OVER (UNDER) EXPENDITURES	<u>(406,870)</u>	<u>(406,870)</u>	<u>2,911,469</u>	<u>3,318,339</u>
OTHER FINANCING SOURCES (USES):				
Transfers in	269,870	269,870	269,870	-
Total other financing sources (uses)	<u>269,870</u>	<u>269,870</u>	<u>269,870</u>	<u>-</u>
Changes in Fund Balance	<u>\$ (137,000)</u>	<u>\$ (137,000)</u>	<u>3,181,339</u>	<u>\$ 3,318,339</u>
FUND BALANCES:				
Beginning of year			30,154	
End of year			<u>\$ 3,211,493</u>	

Conejo Recreation and Park District
Required Supplementary Information, Continued
For the year ended June 30, 2011

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
June 30, 2008	\$ 35,017,094	\$ 36,010,458	\$ (993,364)	102.8%	\$ 7,158,102	(13.9)%
June 30, 2009	39,062,870	37,647,640	1,415,230	96.4%	7,294,485	19.4%
June 30, 2010	40,999,430	39,468,657	1,530,773	96.3%	7,813,746	19.6%

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
July 1, 2008	\$ -	\$ 6,119,659	\$ 6,119,659	0.0%	\$ 6,451,938	94.85%
July 1, 2011	-	7,503,813	\$ 7,503,813	0.0%	6,853,931	109.48%

* July 1, 2008 was the implementation year. Prior year information is not available.

SUPPLEMENTARY INFORMATION

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NON-MAJOR
GOVERNMENTAL FUNDS

Conejo Recreation and Park District
Combining Balance Sheet
Non-Major Governmental Funds
June 30, 2011

	Rancho Conejo Assessment District Special Revenue Fund	Total Nonmajor Governmental Funds
ASSETS		
Cash and investments	\$ 124,466	\$ 124,466
Receivables:		
Interest	298	298
Taxes	1,189	1,189
Total assets	\$ 125,953	\$ 125,953
LIABILITIES AND FUND BALANCES		
Liabilities:		
Accounts payable	\$ 3,070	\$ 3,070
Accrued expenditures	2,543	2,543
Other liabilities	1,286	1,286
Total liabilities	6,899	6,899
Fund Balances:		
Restricted for:		
Assessment district	119,054	119,054
Total fund balances	119,054	119,054
Total liabilities and fund balances	\$ 125,953	\$ 125,953

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, 2011

	Rancho Conejo Assessment District Special Revenue Fund	Total Nonmajor Governmental Funds
REVENUES:		
Assessments	\$ 63,853	\$ 63,853
Interest income	1,778	1,778
Total revenues	65,631	65,631
EXPENDITURES:		
Parks and planning	222,443	222,443
Capital outlay	302,618	302,618
Total expenditures	525,061	525,061
REVENUES OVER (UNDER) EXPENDITURES	(459,430)	(459,430)
OTHER FINANCING SOURCES (USES):		
Transfers in	483,641	483,641
Total other financing sources (uses)	483,641	483,641
NET CHANGE IN FUND BALANCES	24,211	24,211
FUND BALANCE:		
Beginning of year	94,843	94,843
End of year	\$ 119,054	\$ 119,054

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FIDUCIARY FUNDS

Conejo Recreation and Park District
Combining Statement of Fiduciary Net Assets
Agency Funds
June 30, 2011

Agency Funds						
	Farland House Revolving Fund	Wildwood Flood Repair Fund	Goebel Senior Adult Center Fund	Fireworks Trust Fund	RSVP Advisory Council Fund	Therapeutic Advisory Council Fund
ASSETS						
Cash and investments	\$ 229,888	\$ 365,760	\$ 43,764	\$ 31,892	\$ 101,531	\$ 13,388
Receivables	278	481	58	54	106	-
Total assets	\$ 230,166	\$ 366,241	\$ 43,822	\$ 31,946	\$ 101,637	\$ 13,388
LIABILITIES						
Deposits	\$ 230,166	\$ 366,241	\$ 43,822	\$ 31,946	\$ 101,637	\$ 13,388
Total liabilities	\$ 230,166	\$ 366,241	\$ 43,822	\$ 31,946	\$ 101,637	\$ 13,388

Totals

\$ 786,223
977

\$ 787,200

\$ 787,200

\$ 787,200

Conejo Recreation and Park District
Combining Statement of Changes in Assets and Liabilities
All Agency Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>Farland House Revolving Fund</u>				
Assets:				
Cash and investments	\$ 209,636	\$ 20,252	\$ -	\$ 229,888
Interest receivable	20	527	(269)	278
Total assets	\$ 209,656	\$ 20,779	\$ (269)	\$ 230,166
Liabilities:				
Deposits payable	\$ 209,656	\$ 20,779	\$ (269)	\$ 230,166
Total liabilities	\$ 209,656	\$ 20,779	\$ (269)	\$ 230,166
<u>Wildwood Flood Repair Fund</u>				
Assets:				
Cash and investments	\$ 363,894	\$ 1,866	\$ -	\$ 365,760
Interest receivable	40	946	(505)	481
Total assets	\$ 363,934	\$ 2,812	\$ (505)	\$ 366,241
Liabilities:				
Deposits payable	\$ 363,934	\$ 2,812	\$ (505)	\$ 366,241
Total liabilities	\$ 363,934	\$ 2,812	\$ (505)	\$ 366,241
<u>Goebel Senior Adult Center Fund</u>				
Assets:				
Cash and investments	\$ 43,541	\$ 223	\$ -	\$ 43,764
Interest receivable	5	113	(60)	58
Total assets	\$ 43,546	\$ 336	\$ (60)	\$ 43,822
Liabilities:				
Deposits payable	\$ 43,546	\$ 336	\$ (60)	\$ 43,822
Total liabilities	\$ 43,546	\$ 336	\$ (60)	\$ 43,822
<u>Fireworks Trust Fund</u>				
Assets:				
Cash and investments	\$ 34,451	\$ 1,441	\$ (4,000)	\$ 31,892
Interest receivable	92	110	(148)	54
Total assets	\$ 34,543	\$ 1,551	\$ (4,148)	\$ 31,946
Liabilities:				
Deposits payable	\$ 34,543	\$ 1,551	\$ (4,148)	\$ 31,946
Total liabilities	\$ 34,543	\$ 1,551	\$ (4,148)	\$ 31,946

Conejo Recreation and Park District
Combining Statement of Changes in Assets and Liabilities, Continued
All Agency Funds
For the year ended June 30, 2011

	Balance July 1, 2010	Additions	Deletions	Balance June 30, 2011
<u>RSVP Advisory Council Fund</u>				
Assets:				
Cash and investments	\$ 94,976	\$ 107,031	\$ (100,476)	\$ 101,531
Interest receivable	109	208	(211)	106
Total assets	<u>\$ 95,085</u>	<u>\$ 107,239</u>	<u>\$ (100,687)</u>	<u>\$ 101,637</u>
Liabilities:				
Deposits payable	\$ 95,085	\$ 107,239	\$ (100,687)	\$ 101,637
Total liabilities	<u>\$ 95,085</u>	<u>\$ 107,239</u>	<u>\$ (100,687)</u>	<u>\$ 101,637</u>
<u>Therapeutic Advisory Council Fund</u>				
Assets:				
Cash and investments	\$ -	\$ 13,388	\$ -	\$ 13,388
Total assets	<u>\$ -</u>	<u>\$ 13,388</u>	<u>\$ -</u>	<u>\$ 13,388</u>
Liabilities:				
Deposits payable	\$ -	\$ 13,388	\$ -	\$ 13,388
Total liabilities	<u>\$ -</u>	<u>\$ 13,388</u>	<u>\$ -</u>	<u>\$ 13,388</u>
<u>Total All Agency Funds</u>				
Assets:				
Cash and investments	\$ 746,498	\$ 144,201	\$ (104,476)	\$ 786,223
Interest receivable	266	1,904	(1,193)	977
Total assets	<u>\$ 746,764</u>	<u>\$ 146,105</u>	<u>\$ (105,669)</u>	<u>\$ 787,200</u>
Liabilities:				
Deposits payable	\$ 746,764	\$ 146,105	\$ (105,669)	\$ 787,200
Total liabilities	<u>746,764</u>	<u>146,105</u>	<u>(105,669)</u>	<u>787,200</u>

