

**CALWA RECREATION AND PARK DISTRICT
FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2010
AND
INDEPENDENT AUDITOR'S REPORT**

CALWA RECREATION AND PARK DISTRICT

FINANCIAL STATEMENTS

Year Ended June 30, 2010

Table of Contents

	<u>Page</u>
Board of Directors and Administration	1
Independent Auditor's Report	2
Management's Discussion and Analysis (Required Supplementary Information)	3 - 5
Financial Statements:	
Statement of Net Assets	6
Statement of Activities	7
Balance Sheet - Governmental Funds	8
Statement of Revenues, Expenditures and Changes In Fund Balance - Governmental Funds	9
Notes to Financial Statements	10 - 12

**CALWA RECREATION AND PARK DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
JUNE 30, 2010**

Board of Directors

Timothy Tayvor	President
Norman Sambrano	Secretary
Juan Sanchez	Director
Claudio Platos	Director
Lupe Aguilar	Director

Administration

Pamee Her	District Administrator
Nerissa Richardson	Office Manager

Independent Auditor's Report

To the Board of Directors
Calwa Recreation And Park District
Fresno, California

I have audited the accompanying financial statements of the governmental activities of Calwa Recreation And Park District (a special district), as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the Calwa Recreation And Park District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinions.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of Calwa Recreation And Park District, as of June 30, 2010, and the respective change in financial position, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

The management's discussion and analysis on pages 3 through 5 are not a required part of the basic financial statements but are supplementary information required by accounting principles generally accepted in the United States of America. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, I did not audit the information and express no opinion on it.

My audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calwa Recreation And Park District basic financial statements. The combining fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements. The combining fund financial statements have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in my opinion, are fairly stated in all material respects in relation to the basic financial statements taken as a whole.

Michael B. Cuttone

October 18, 2010

CALWA RECREATION AND PARK DISTRICT
Management's Discussion and Analysis

This discussion and analysis is intended to be an easily readable analysis of the Calwa Recreation And Park District financial activities based on currently known facts, decisions or conditions. This analysis focuses on current year activities and should be read in conjunction with the financial statements that follow.

Report Layout

This report consist of this Management's Discussion and Analysis (MD&A), the government-wide statements, fund financial statements, and the notes to the financial statements. The first two statements are condensed and present a government-wide view of the District's finances. Within this view, all District operations are categorized and reported as governmental type activities. Governmental activities include basic services and administration. These government-wide statements are designed to be more corporate-like in that all activities are consolidated into a total for the District.

Basic Financial Statements

- The Statement of Net Assets focuses on resources available for future operations. In simple terms, this statement presents a snap-shot view of the assets of the District, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. For the first time, governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses gross and net costs of the District's programs and the extent to which such programs rely upon general revenues. This statement summarizes and simplifies the user's analysis to determine the extent to which programs are self-supporting and/or subsidized by general revenues.
- Fund financial statements focus separately on the governmental funds. Governmental fund statements follow the more traditional presentation of financial statements.
- The notes to the financial statements provide additional disclosures required by governmental accounting standards and provide information to assist the reader in understanding the District's financial condition.

The MD&A is intended to explain the significant changes in financial position and differences in operation between the current and prior years.

Financial Highlights

- The District's net assets decreased \$20,365 for the year due to the expenses of the district exceeding all revenues of the District. Revenues and expenses are fairly consistent with the previous year.
- Net capital assets decreased by \$16,710 for the year primarily due to depreciation on capital assets.

Government-wide Financial Statements

Net Assets at Year-end

	<u>Governmental Activities</u>		
	<u>2010</u>	<u>2009</u>	<u>Difference</u>
Cash	\$ 14,875	\$44,529	\$(29,654)
Other Assets	44,262	5,565	38,697
Capital Assets	<u>393,790</u>	<u>410,500</u>	<u>(16,710)</u>
Total Assets	<u>452,927</u>	<u>460,594</u>	<u>(7,667)</u>
Liabilities	<u>34,906</u>	<u>22,208</u>	<u>12,698</u>
Net Assets:			
Invested in Capital Assets	393,790	410,500	(16,710)
Unrestricted	<u>24,231</u>	<u>27,886</u>	<u>(3,655)</u>
Total Net Assets	<u>\$418,021</u>	<u>\$438,386</u>	<u>\$(20,365)</u>

During the year ended June 30, 2010, cash decreased from \$44,529 to \$14,875 while net assets decreased from \$438,386 to \$418,021.

Governmental Activities
For the year ended June 30, 2010

	<u>Governmental Activities</u>	
	<u>2010</u>	<u>2009</u>
Revenues		
Program Revenues		
Charges for Services	\$ 55,019	\$30,416
Capital Grants and Contributions	-	-
General Revenues		
Property Taxes	256,498	270,500
Contributions	14,707	2,838
Interest	<u>508</u>	<u>1,757</u>
Total Revenues	326,732	305,511
Expenses		
Recreation and Parks	347,097	445,297
Changes in Net Assets	20,365	(139,786)
Beginning Net Assets	<u>438,386</u>	<u>578,172</u>
Ending Net Assets	<u>\$418,021</u>	<u>\$438,386</u>

Capital Assets

At June 30, 2010 the District had \$393,790 invested in capital assets, consisting primarily of the District hall and improvements.

Capital Assets at Year-end

	<u>Governmental Type Activities</u>
Land	\$ 90,000
Buildings and Improvements	903,394
Equipment	<u>93,973</u>
Subtotal	1,087,367
Accumulated Depreciation	<u>693,577</u>
Capital Assets, Net	<u>\$ 393,790</u>

Debt Outstanding

At year-end, the District had no debt.

Financial Contact

The District's financial statements are designed to present users (citizens, taxpayers, customers, investors, and creditors) with a general overview of the District's finances and to demonstrate the District's accountability. If you have questions about the report or need additional financial information, please contact the District's Administrator, 4545 East Church Avenue, Fresno, California, 93725

CALWA RECREATION AND PARK DISTRICT
STATEMENT OF NET ASSETS
June 30, 2010

	<u>Governmental Activities</u>
<u>Assets</u>	
Cash (Note 3)	\$ 14,875
Receivables from Other Governments	44,262
Capital Assets (Note 4)	<u>393,790</u>
Total Assets	<u>\$452,927</u>
<u>Liabilities and Fund Equity</u>	
Liabilities:	
Accounts Payable	\$ 14,691
Accrued Payroll	14,017
Accrued Vacation	4,248
Deferred Revenue	<u>1,950</u>
Total Liabilities	<u>34,906</u>
Fund Equity:	
Investment In Capital Assets	393,790
Unrestricted	<u>24,231</u>
Total Net Assets	<u>\$418,021</u>

The accompanying notes are an integral part of these financial statements.

CALWA RECREATION AND PARK DISTRICT
STATEMENT OF ACTIVITIES
For the Year Ended June 30, 2010

	Program Revenue		Net (Expense) Revenue and Change in Net Assets		
	Charges for <u>Expenses</u>	Capital Grants and <u>Contributions</u>	Governmental Activities	Business Type Activities	<u>Total</u>
Governmental Activities					
Community Services	<u>\$347,097</u>	<u>\$55,019</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$(292,078)</u>
General Revenues					
Unrestricted					
Property Taxes			256,498	-	256,498
Contributions			14,707	-	14,707
Interest			<u>508</u>	<u>-</u>	<u>508</u>
			271,713	-	271,713
Changes in Net Assets			(20,365)	-	(20,365)
Net Assets - Beginning			<u>438,386</u>	<u>-</u>	<u>438,386</u>
Net Assets - Ending			<u>\$ 418,021</u>	<u>-</u>	<u>\$ 418,021</u>

The accompanying notes are an integral part of these financial statements.

CALWA RECREATION AND PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2010

<u>Assets</u>	<u>General Fund</u>
Cash (Note 2)	\$ 14,875
Receivables	<u>44,262</u>
Total Assets	<u>\$ 59,137</u>
<u>Liabilities and Fund Balance</u>	
Liabilities:	
Accounts Payable	14,691
Accrued Payroll	14,017
Accrued Vacation	<u>4,248</u>
Total Liabilities	34,906
Fund Balance:	
Fund Balance - Unrestricted	<u>24,231</u>
Total Liabilities and Fund Balance	<u>\$ 59,137</u>

Amounts reported in governmental activities in the Statement of Net Assets are different because:

Total Fund Balance Reported Above		\$ 24,231
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.		
Total Cost of Capital Assets	\$1,087,367	
Accumulated Depreciation	<u>693,577</u>	<u>393,790</u>
Total Net Assets - Governmental Activities		<u>\$418,021</u>

The accompanying notes are an integral part of these financial statements.

CALWA RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE
GOVERNMENTAL FUNDS
Year Ended June 30, 2010

	<u>General Fund</u>
Revenues:	
Property Taxes	\$256,498
Rent	41,880
Contributions	14,707
Miscellaneous	13,139
Interest	<u>508</u>
 Total Revenues	 <u>326,732</u>
 Expenditures:	
Wages	138,504
Payroll Taxes	31,373
Directors Cost	7,100
Dues and Subscriptions	862
Insurance	26,421
Legal and Accounting	10,049
Miscellaneous	13,948
Office	4,215
Outside Services	2,434
Repairs and Maintenance	25,551
Telephone	5,119
Transportation and Lodging	1,578
Utilities	57,219
Capital Outlay	<u>6,014</u>
 Total Expenditures	 <u>330,387</u>
 Excess of Revenues Over Expenditures	 <u>(3,655)</u>
 Fund Balance at Beginning of Year	 <u>27,886</u>
Fund Balance at End of Year	<u><u>\$ 24,231</u></u>

Reconciliation to the Statement of Activities:

Net Changes in Fund Balance - Governmental Fund	\$ (3,653)
---	------------

All capital outlays to purchase or build capital assets are reported in governmental activities as expenditures. However, for governmental activities those capital outlays other than non-capitalized items are shown in the statement of net assets and allocated over their estimated useful lives as annual depreciation expenses in the statement of activities. This is the amount by which capital outlays exceed depreciation in the period.

Capital Outlay	\$ 6,014		
Depreciation Expense	<u>(22,726)</u>		<u>(16,711)</u>
Total Change in Net Assets - Governmental Activities			<u><u>\$ (20,365)</u></u>

The accompanying notes are an integral part of these financial statements.

Fund financial statements report information at the individual fund level. Each fund is considered to be a separate accounting entity. The District has no proprietary type funds, therefore only reports governmental type funds.

(b) Measurement Focus, Basis of Accounting, and Basis of Presentation

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. A one-year availability period is used for revenue recognition. Expenditures are recorded when the related fund liability is incurred.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. Governments also have the option of following subsequent private-sector guidance for the business-type activities, subject to this same limitation. The District has elected to follow subsequent private-sector guidance except those that conflict with or contradict GASB guidance.

The District reports the following fund:

General Fund

This is the general operating fund of the District. It is used to account for all financial resources concerned with economic development, the borrowing of funds, and those not required to be accounted for in another fund.

(c) Cash Equivalents and Investments

The District considers all highly liquid investments (including restricted cash and investments) with maturities of three months or less when purchased to be cash equivalents. This includes bank certificates of deposit and deposits with the County of Fresno investment pool.

(d) Capital Assets

Capital assets are stated at historical cost. Depreciation of property, plant and equipment assets are computed using the straight-line method over the useful lives of the assets. Depreciation is included as expenses on the Statement of Activities and accumulated depreciation is reported net with capital assets on the Statement of Net Assets.. Repairs and maintenance are recorded as expenses; renewals and betterments are capitalized. The sale or disposal of fixed assets are recorded by removing cost and accumulated depreciation from the accounts and charging the resulting gain or loss to nonoperating income.

The estimated useful lives of the various assets of the District are as follows:

<u>Type of Assets</u>	<u>Estimated Useful Life In Years</u>
Buildings and Improvements	10 - 40
Equipment	5 - 10

(e) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingencies at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(f) Budget

The District does not have a formal budget in accordance with or similar to generally accepted accounting principles. Therefore, no "Statement of Revenues, Expenditures, and Changes in Fund Balance-Budget and Actual" has been presented.

(3) Cash and Cash Equivalents

Custodial credit risk is the risk that in the event of a bank failure, a government's deposits may not be returned to it. Cash funds deposited with the County of Fresno are in pooled money funds. The funds are pooled with other governmental entities in the county and invested in compliance with the State of California. As of June 30, 2010, the District's cash consisted of the following:

Cash on Hand	\$ 430
Cash in Bank - Bank of the West	8,564
Cash In Bank - Bank of America	1,766
Investment in County of Fresno Treasurer	<u>4,115</u>
Total Cash	<u>\$14,875</u>

(4) Capital Assets

A summary of changes in capital assets for the year ended June 30, 2010 follows:

	Balance <u>July 1, 2009</u>	<u>Increases</u>	<u>Decreases</u>	Balance <u>June 30, 2010</u>
Land	\$ 90,000	\$ -	\$ -	\$ 90,000
Building and Improvements	903,394	-	-	903,394
Equipment	<u>87,959</u>	<u>6,014</u>	<u>-</u>	<u>93,973</u>
	1,081,353	6,014	-	1,087,367
Less Accumulated Depreciation	<u>670,853</u>	<u>-</u>	<u>22,724</u>	<u>693,577</u>
Capital Assets, Net	<u>\$ 410,500</u>	<u>\$6,014</u>	<u>\$22,724</u>	<u>\$ 393,790</u>