

**CALWA RECREATION AND PARK DISTRICT
FINANCIAL STATEMENTS
WITH ACCOMPANYING INFORMATION
AND
INDEPENDENT AUDITOR'S REPORT
FOR THE YEAR ENDED JUNE 30, 2011**

**CALWA RECREATION AND PARK DISTRICT
FINANCIAL STATEMENTS
JUNE 30, 2011**

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**CALWA RECREATION AND PARK DISTRICT
BOARD OF DIRECTORS AND ADMINISTRATION
JUNE 30, 2011**

Board of Directors

Timothy Tauvar	President
Raul Guerra	Secretary
Mary Rosales	Director
Juan Sanchez	Director
Luis Villanueva	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

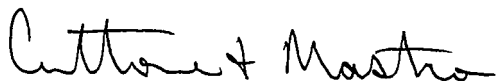
We have audited the accompanying financial statements of the governmental activities of Calwa Recreation and Park District as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of Calwa Recreation and Park District's management. Our responsibility is to express an opinion 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 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. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities of the Calwa Recreation and Park District, as of June 30, 2011, and the respective changes in financial position for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis information on pages 4 through 6 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.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Calwa Recreation and Park District's financial statements as a whole. The introductory section and combining and individual fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements. The combining and individual 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. The introductory section has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

A handwritten signature in cursive script, appearing to read "Catherine J. Mastro".

December 13, 2011

CALWA RECREATION AND PARK DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS

This discussion and analysis is intended to be an easily readable analysis of Calwa Recreation and Park District (Special 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

In addition to the Management's Discussion and Analysis (MD&A), the report consists of government-wide statements, fund financial statements and notes to the financial statements. The first statements are condensed and present a government-wide view of the Special District's finances. Within this view, all 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 Special 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 the Special District owns, the liabilities it owes and the net difference. The net difference is further separated into amounts restricted for specific purposes and unrestricted amounts. The governmental activities are reported on the accrual basis of accounting.
- The Statement of Activities focuses gross and net costs of the Special District's programs and the extent to which such programs rely upon general tax and other 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 Special 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. Significant changes from the prior year are explained in the following paragraphs.

**CALWA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

FINANCIAL HIGHLIGHTS FOR FISCAL 2010-11

	Net Assets At Year-End			
	2011	2010	Dollar Change	Percentage Change
ASSETS				
Cash	\$ 16,456	\$ 14,875	\$ 1,581	10.63%
Other Assets	131,290	44,262	87,028	196.62%
Capital Assets	468,296	393,790	74,506	18.92%
Total Assets	<u>616,042</u>	<u>452,927</u>	<u>163,115</u>	<u>36.01%</u>
LIABILITIES				
Accounts Payable	96,211	14,691	81,520	554.90%
Other Payables	6,070	20,215	(14,145)	-69.97%
Total Liabilities	<u>102,281</u>	<u>34,906</u>	<u>67,375</u>	<u>193.02%</u>
NET ASSETS				
Invested In Capital Assets	468,296	393,790	74,506	18.92%
Unrestricted	45,465	24,231	21,234	87.63%
Total Net Assets	<u>\$ 513,761</u>	<u>\$ 418,021</u>	<u>\$ 95,740</u>	<u>22.90%</u>

During the year ended June 30, 2011, significant events that changed the balance of net assets consisted of the following:

- Grants increased the capital assets for the year.

	Activities For The Year			
	2011	2010	Dollar Change	Percentage Change
REVENUES				
Program Revenues				
Charges For Services	\$ 64,939	\$ 55,019	\$ 9,920	18.03%
Grants and Contributions	97,340	-	97,340	-
General Revenues				
Taxes	254,933	256,498	(1,565)	-0.61%
Contributions	715	14,707	(13,992)	-95.14%
Interest	786	508	278	54.72%
Total Revenues	<u>418,713</u>	<u>326,732</u>	<u>91,981</u>	<u>28.15%</u>
EXPENSES				
Recreation and Parks	322,973	347,097	(24,124)	-6.95%
Changes In Net Assets	95,740	(20,365)	116,105	-570.12%
Beginning Net Assets	418,021	438,386	(20,365)	-4.65%
Ending Net Assets	<u>\$ 513,761</u>	<u>\$ 418,021</u>	<u>\$ 95,740</u>	<u>22.90%</u>

- During the year the District earned grant revenue from three grant contracts for a total of \$97,340.
- A significant factor to expenses decreasing during the year were due to payroll decreasing during the year due to layoffs.

**CALWA RECREATION AND PARK DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Continued)**

Capital Assets

At June 30, 2011 the District had \$468,296 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
Building Improvements	960,394
Equipment	<u>134,313</u>
	1,184,707
Less Accumulated Depreciation	<u>716,411</u>
Capital Assets, Net	<u>\$ 468,296</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 any questions about the report or need additional financial information, please contact Calwa Recreation and Park District at 4545 East Church Avenue, Fresno, California, 93725.

CALWA RECREATION AND PARK DISTRICT
STATEMENT OF NET ASSETS
June 30, 2011

	<u>Governmental Activities</u>
ASSETS	
Cash (Note 3)	\$ 16,456
Accounts Receivable	5,500
Receivable From Other Governmental Capital Assets (Note 4)	125,790
	<u>468,296</u>
Total Assets	<u>616,042</u>
 LIABILITIES	
Accounts Payable	96,211
Accrued Payroll	2,920
Accrued Vacation and Sick Leave Payable	1,850
Deferred Revenue	<u>1,300</u>
Total Liabilities	<u>102,281</u>
 NET ASSETS	
Invested In Capital Assets	468,296
Unrestricted	<u>45,465</u>
Total Net Assets	<u>\$ 513,761</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, 2011

	Program Revenues				Net (Expense) Revenue and Change in Net Assets		
Functions/Programs	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	
Governmental activities:							
Community Services	\$ 322,973	\$ -	\$ 97,340	\$ (160,694)	\$ -	\$ (160,694)	
Total Governmental Activities	<u>322,973</u>	<u>-</u>	<u>97,340</u>	<u>(160,694)</u>	<u>-</u>	<u>(160,694)</u>	
General Revenues:							
Unrestricted				254,933	-	254,933	
Property Taxes				715	-	715	
Contributions				786	-	786	
Interest				256,434	-	256,434	
Total General Revenues				<u>95,740</u>	<u>-</u>	<u>95,740</u>	
Change In Net Assets				<u>418,021</u>	<u>-</u>	<u>418,021</u>	
Net Assets - Beginning				<u>\$ 513,761</u>	<u>\$ -</u>	<u>\$ 513,761</u>	
Net Assets - Ending				<u>\$ 513,761</u>	<u>\$ -</u>	<u>\$ 513,761</u>	

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

**CALWA RECREATION AND PARK DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
June 30, 2011**

	<u>General Fund</u>
ASSETS	
Cash	\$ 16,456
Accounts Receivable	5,500
Receivable From Other Governmental	<u>125,790</u>
 Total Assets	 <u>\$ 147,746</u>
 LIABILITIES	
Accounts Payable	\$ 96,211
Accrued Payroll	2,920
Accrued Vacation and Sick Leave Payable	1,850
Deferred Revenue	<u>1,300</u>
 Total Liabilities	 <u>102,281</u>
 FUND BALANCE	
Reserved	<u>45,465</u>
 Total Net Assets	 <u>\$ 147,746</u>

RECONCILIATION TO STATEMENT OF NET ASSETS:

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

Total fund balance reported above.	\$ 45,465
Capital assets (net of depreciation) used in governmental activities are not financial resources and therefore are not reported in the funds.	<u>468,296</u>
 Total Net Assets - Governmental Activities	 <u>\$ 513,761</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
For the Year Ended June 30, 2011

	<u>General Fund</u>
Revenues	
Property Taxes	\$ 254,933
Rent	52,800
Contributions	715
Grant Revenue	97,340
Interest	786
Miscellaneous	<u>12,139</u>
Total Revenues	<u>418,713</u>
Expenditures	
Payroll and Benefits	136,490
Directors Cost	5,000
Insurance	15,558
Legal and Accounting	11,507
Miscellaneous	9,011
Office	5,546
Outside Services	6,972
Repairs and Maintenance	32,730
Telephone	4,181
Transporation and Lodging	731
Utilities	72,413
Capital Outlay	<u>97,340</u>
Total Expenditures	<u>397,479</u>
Excess Of Revenues Over Expenditures	21,234
Fund Balance At Beginning Of Year	<u>24,231</u>
Fund Balance At End Of Year	<u><u>\$ 45,465</u></u>

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

**CALWA RECREATION AND PARK DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
GOVERNMENTAL FUNDS
For the Year Ended June 30, 2011**

RECONCILIATION TO STATEMENT OF ACTIVITIES:

Net Changes in Fund Balance - Governmental Funds	\$	21,234
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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 expense in the statement of activities. This is the amount by which capital outlays exceeds depreciation in the period.

Capital Outlay	97,340		
Deprciation Expense	<u>(22,834)</u>	<u>74,506</u>	

Total Changes in Net Assets - Governmental Activities	\$	<u>95,740</u>
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The accompanying notes are an integral part of these financial statements.

CALWA RECREATION AND PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011

(1) Description of Entity

(a) Description of Operations

Calwa Recreation and Park District was formed March 1, 1955 as a special district in the State of California and is governed by a five-person board of directors. The District was established to provide community services for the Calwa, California area.

- (b) In accordance with the requirements of Statement No. 14, *The Financial Reporting Entity, of the Governmental Accounting Standards Board (GASB)*, the financial statements must present the District (the primary government) and its component units. Pursuant to this criterion, no component units were identified for inclusion in the accompanying financial statements.

(2) Summary of Significant Accounting Policies

(a) Basic Financial Statements

The financial statements of the Calwa Recreation and Park District (District) have been prepared in conformity with generally accepted accounting principles (GAAP) in the United States as applied to government units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The more significant of the government's policies are described below.

The District follows the provisions of the Governmental Accounting Standards Board Statement Nos. 34, *Basic Financial Statements-and Management's Discussion and Analysis-For State and Local Governments* (Statement 34), 37, *Basic Financial Statements-and Management's Discussion and Analysis-for State and Local Governments: Omnibus* (Statement 37), and 38, *Certain Financial Statement Note Disclosures* (Statement 38), which establish the financial reporting standards for all state and local government entities.

Basic financial statements are presented at both the government-wide and fund financial level. Both levels of statements categorize primary activities as either governmental or business-type.

Government-wide financial statements report information about the reporting unit as a whole. These statements focus on the sustainability of the District as an entity and the change in aggregate financial position resulting from the activities of the year. These aggregated statements consist of the Statement of Net Assets and the Statement of Activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or business-type activity are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or business-type activity. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or business-type activity and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or business type activity. Taxes and other items not included among program revenues are reported instead as general revenues.

CALWA RECREATION AND PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011
(Continued)

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. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as soon as all eligibility requirements imposed by the provider have been met.

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. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days after year end. Expenditures are recorded when the related fund liability is incurred.

The District reports the following governmental funds:

General Fund

This is the general operating fund of the District. It is used to account for all financial resources concerned with operating the District.

(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 which include property, plant and equipment are reported in the government-wide financial statements. Capital assets are recorded at historical cost. Donated assets are recorded at estimated fair market value as of the date of the donation.

The costs of normal maintenance and repairs that do not add to the value or capacity of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Depreciation on exhaustible assets is recorded as an allocated expense in the Statement of Activities with accumulated depreciation reflected in the Statement of Net Assets. Depreciation on the remaining capital assets is provided on the straight-line basis over the following estimated useful lives:

**CALWA RECREATION AND PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011
(Continued)**

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) Property Tax Revenues

The County of Fresno is the collection agency for taxes within the County. Taxes are recognized as revenues in the current year when the District is notified by the County of the amounts. They become a lien against the property on the date of levy. Taxes are due and payable at the County on April 10 and December 10, and collections are remitted to the District generally twice a year.

(f) Compensated Absences

Full-time, permanent employees are granted vacation benefits in specified maximums depending on tenure with the District. Unused vacation may be accumulated beyond each calendar year. Sick leave is granted to employees, and, upon separation of service, employees may be entitled to compensation for a portion of the unused amount.

(g) Budgets

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.

(h) 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.

(i) Subsequent Events

Subsequent events have been evaluated through December 13, 2011 which is the date the financial statements were available to be issued.

(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, 2011, the District's cash consisted of the following:

**CALWA RECREATION AND PARK DISTRICT
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2011
(Continued)**

Cash on Hand	\$ 5,405
Cash In Bank – Bank of the West	(305)
Cash In Bank – Bank of America	3,945
Investment In County Of Fresno Treasurer	<u>7,411</u>
Total Cash	<u>\$16,456</u>

(4) Capital Assets

Capital asset activity for governmental activities for the year ended June 30, 2011 was as follows:

	Balance July 1, 2010	Increases	Decreases	Balance June 30, 2011
Land	\$ 90,000	\$ -	\$ -	\$ 90,000
Building Improvements	903,394	57,000	-	960,394
Equipment	<u>93,973</u>	<u>40,340</u>	-	<u>134,313</u>
	1,087,367	97,340	-	1,184,707
Less Accumulated Depreciation	<u>693,577</u>	<u>-</u>	<u>22,834</u>	<u>716,411</u>
 Governmental Activities				
Capital Assets, Net	<u>\$ 393,790</u>	<u>\$ 97,340</u>	<u>\$ 22,834</u>	<u>\$ 468,296</u>