

CAMP MEEKER RECREATION AND PARK DISTRICT
Financial Statements

June 30, 2010

CAMP MEEKER RECREATION AND PARK DISTRICT
Financial Statements
For the Year Ended June 30, 2010

Table of Contents

	Page(s)
Independent Auditor’s Report	1
Management’s Discussion and Analysis	2-8
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Assets.....	9
Statement of Activities.....	10
Fund Financial Statements:	
Balance Sheet—Governmental Fund Types	11
Reconciliation of Governmental Funds Balance Sheet To The Statement Of Net Assets.....	12
Statement of Revenues, Expenditures and Changes in Fund Balances - Governmental Fund Types	13
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Fund Types to the Statement of Activities.....	14
Statement of Fund Net Assets – Enterprise Fund.....	15
Statement of Revenues, Expenses and Changes in Fund Net Assets – Enterprise Fund.....	16
Statement of Cash Flows – Enterprise Fund	17
Notes To Financial Statements	18-27
Combined Statement of Revenues, Expenditures and Changes in Fund Balances – Budget and Actual – General Fund	28
Notes to Required Supplementary Information	29
Report on Internal Control Over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with Government Auditing Standards	30-31

INDEPENDENT AUDITOR'S REPORT

Board of Directors
Camp Meeker Recreation and Park District

I have audited the accompanying financial statements of the governmental activities and major fund of the Camp Meeker Recreation and Park District (District) as of and for the year ended June 30, 2010, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express opinions 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activity, and major fund of the Camp Meeker Recreation and Park District as of June 30, 2010, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

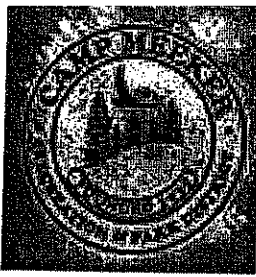
In accordance with *Government Auditing Standards*, I have also issued my report dated November 12, 2010 on my consideration of District's internal control over financial reporting and my tests of its compliance with certain provisions of laws, regulations, contracts, and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of my audit.

The management's discussion and analysis and budgetary comparison information on pages 2 through 8 and pages 28 through 29, respectively, are not a required part of the basic financial statements but are supplementary information required by the Governmental Accounting Standards Board. 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.



Larry D. Johnson
Certified Public Accountant

November 12, 2010
Santa Rosa, CA



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MANAGEMENT DISCUSSION AND ANALYSIS (Unaudited)

Our discussion and analysis of the District's financial performance provides an overview of financial activities for the year ending June 30, 2010. Please read this in conjunction with the financial statements as listed in the Table of Contents.

FINANCIAL HIGHLIGHTS

- Assets exceeded liabilities by \$4,090,285 as of June 30, 2010. Of this amount, \$1,768,844 represents its depreciated cost of Capital Assets less the debt. The remaining \$2,321,441 may be used to meet the District's ongoing obligations to its citizens. Some Funds are restricted for debt service and capital projects (in the amount of \$1,131,434), however.
- The District increased its net assets for the year by \$127,234 per its "Statement of Activities". This is a slight decrease over last year's surplus.
- The District made their scheduled loan payments. Principal payments of \$23,000 were paid on the USDA loan reducing the remaining balance to \$1,469,500. Also, the DWR loan was reduced by \$67,151 leaving a balance of \$936,614.
- The District spent \$150,245 in capitalizable assets in all funds during the year.
- The District received \$117,522 in federal funding for the Dutch Bill Creek bridge improvements.

USING THIS ANNUAL REPORT

This annual report consists of a series of financial statements. The Statement of Net Assets and the Statement of Activities (on pages 9-10) provide information about the activities of the District as a whole and present a longer-term view of the District's finances. Fund financial statements start on page 11. These statements tell how these services were financed in the short term as well as what remains for future spending. Fund financial statements also report the District's operations in more detail than the government-wide statements by providing information about the District's most financially significant funds. This District, however, has one major fund, (general fund) and lumps all other governmental funds together for reporting purposes. The District also has an Enterprise Fund for reporting its water operations.

REPORTING THE DISTRICT AS A WHOLE

The Statement of Net Assets and the Statement of Activities

Our analysis of the District as a whole begins on page 3. One of the most important questions asked about the District's finances is, "Is the District as a whole better off or worse as a result of the year's activities?" The Statement of Net Assets and the Statement of Activities report information about the District as a whole and about its activities in a way that helps answer this question. These statements include all assets and liabilities using the accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. These two statements report the District's *net assets* and changes in them. You can think of the District's net assets, the difference between assets, what the District owns, and liabilities, what the District owes, as one way to measure

the District's financial health, or *financial position*. Over time, *increases or decreases* in the District's net assets are one indicator of whether its *financial health* is improving or deteriorating. You will need to consider other nonfinancial factors, however, such as changes in the District's jurisdiction, the availability of capital projects, and continuing local government support to assess the *overall health* of the District.

REPORTING THE DISTRICT'S GOVERNMENTAL FUNDS (FUND FINANCIAL STATEMENTS)

Government Funds:

The District's services are reported in its governmental funds. These funds focus on how money flows into and out of those funds and the balances left at year-end that are available for spending. These funds are reported using an accounting method called *modified accrual* accounting, which measures cash and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed *short-term view* of the District's operations and the services it provides. Governmental fund information helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. We describe the relationship (or differences) between governmental *activities* (reported in the Statement of Net Assets and the Statement of Activities) and governmental funds in a reconciliation in a separate statement.

The District's Enterprise Fund is reported on the full accrual basis as in prior years.

Notes to the Financial Statements:

The notes provide additional information that is essential to a full understanding of the data provided in the governmental-wide and fund financial statements. The notes to the financial statements can be found on pages 18-27 of this report.

Other Information:

We also report on "Required Supplementary Information". This consists of a budget to actual comparison. Notes on budgetary procedures are provided for this report. This information begins on page 29.

THE DISTRICT AS A WHOLE

SUMMARIZED STATEMENT OF NET ASSETS

Assets:	<u>6/30/10</u>		<u>6/30/09</u>	
Cash	\$ 1,262,963	19.2%	\$ 1,244,974	19.1%
Other Current Assets	26,702	0.4%	24,657	0.4%
Capital Assets (Net)	5,174,058	78.5%	5,112,077	78.6%
Non Current Note Receivable	<u>125,000</u>	<u>1.9%</u>	<u>125,000</u>	<u>1.9%</u>
	<u>\$ 6,588,723</u>	<u>100.0%</u>	<u>\$ 6,506,708</u>	<u>100.0%</u>
Liabilities:				
Current Assets	\$ 184,511	7.4%	\$ 47,392	1.9%
Long Term Liabilities	<u>2,313,927</u>	<u>92.6%</u>	<u>2,496,265</u>	<u>98.1%</u>
	<u>\$ 2,498,438</u>	<u>100.0%</u>	<u>\$ 2,543,657</u>	<u>100.0%</u>
Net Assets:				
Invested in Capital Assets	\$ 1,768,844	43.2%	\$ 2,611,802	65.9%
Restricted Net Assets	1,131,434	27.7%	1,123,053	28.3%
Unrestricted Net Assets	<u>1,190,007</u>	<u>29.1%</u>	<u>228,196</u>	<u>5.8%</u>
	<u>\$ 4,090,285</u>	<u>100.0%</u>	<u>\$ 3,963,051</u>	<u>100.0%</u>

The District's largest portion of net assets is their capital assets at 78.5%. Capital assets such as land, building, the water system and pipeline, and equipment are used to provide recreation and water to its citizens. These assets are not available for future spending.

The District has a large amount of long term debt which comprises 92.6% of its total liabilities. This debt was incurred for purchase and improvements of the water system and pipeline.

The unrestricted net assets of \$1,190,007 are available for the District's future obligations.

SUMMARY STATEMENT OF ACTIVITIES

	<u>6/30/10</u>		<u>6/30/09</u>	
Program Revenues – Water Operations	\$ 217,152	39.4%	\$ 205,498	38.6%
General Revenues:				
Property Taxes	68,749	12.5%	67,976	12.8%
Property Taxes – Flat Charges	127,800	23.2%	127,740	24.0%
Federal Grants	117,522	21.3%	-	-
Other Gov't Agency Revenue	6,673	1.2%	83,595	15.7%
Other General Revenues	<u>13,885</u>	<u>2.5%</u>	<u>47,682</u>	<u>9.0%</u>
Total Revenues	551,781	<u>100.0%</u>	532,491	<u>100.0%</u>
Program Expenses:				
Services & Supplies	224,292	52.8%	205,420	53.0%
Depreciation	88,265	20.8%	83,735	21.6%
Interest on Long Term Debt	<u>111,990</u>	<u>26.4%</u>	<u>98,635</u>	<u>25.4%</u>
Total Expenses	424,547	<u>100.0%</u>	387,790	<u>100.0%</u>
Increase in Net Assets	127,234		144,701	
Net Assets, Beginning of Year	<u>3,963,051</u>		<u>3,818,350</u>	
Net Assets, End of Year	<u>\$ 4,090,285</u>		<u>\$ 3,963,051</u>	

The District received 39.4% of its revenue from water billings. Both real property tax and the flat tax together comprise 35.7% of the District's revenue.

Program expenses include depreciation in this statement which totals \$83,735 for 6/30/09 and \$88,265 for 6/30/10 (similar to a profit making entity).

GOVERNMENTAL FUNDS

The District has two major governmental funds; its' General Fund and Water Capital Replacement Fund. The focus on governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. This information is helpful in assessing the District's financing requirements. The unreserved fund balance may serve as a useful measure of a government's net resources available for spending in the future. The other capital projects and debt service funds do not meet "Major Fund" criteria, and thus, are lumped together for reporting purposes.

SUMMARIZED GOVERNMENTAL FUNDS BALANCE SHEET

Assets:	<u>6/30/2010</u>	<u>6/30/2009</u>	<u>Difference</u>
Cash	\$ 1,245,412	\$ 1,209,597	\$ 35,815
Other Assets	-	-	-
Total Assets	<u>\$ 1,245,412</u>	<u>\$ 1,209,597</u>	<u>\$ 35,815</u>
Liabilities & Fund Balances:			
Liabilities	\$ 42,023	\$ 24,568	\$ 17,455
	42,023	24,568	17,455
Fund Equity:			
Reserved Fund Balances	1,131,434	1,123,053	8,381
Unreserved Fund Balances	<u>71,955</u>	<u>61,976</u>	<u>9,979</u>
	<u>1,203,389</u>	<u>1,185,029</u>	<u>18,360</u>
Total Liabilities & Fund Equity	<u>\$ 1,245,412</u>	<u>\$ 1,209,597</u>	<u>\$ 35,815</u>

SUMMARIZED STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES – ALL GOVERNMENTAL FUNDS

Revenues:	<u>6/30/2010</u>	<u>6/30/2009</u>	<u>Difference</u>
Property Taxes	\$ 68,749	\$ 67,976	\$ 773
Other Revenues	<u>242,627</u>	<u>206,104</u>	<u>36,523</u>
	311,376	274,080	37,296
Expenditures & Transfers:			
Operating Expenses	58,722	63,943	(5,221)
Capital Asset Purchases	129,899	55,149	74,750
Debt Service - Principal	90,151	87,726	2,425
Debt Service - Interest	111,990	98,635	13,355
Net Transfers (in) Out	<u>(97,746)</u>	<u>(116,471)</u>	<u>18,725</u>
	293,016	188,982	104,034
Excess of Revenues Over Expenditures	<u>\$ 18,360</u>	<u>\$ 85,098</u>	<u>\$ (66,738)</u>

The increases in Excess of Revenues over Expenditures increased by \$18,360 which shows a general improvement in financial condition over the last year.

The balance sheets reflect an increase in the unreserved fund balance by \$9,979 over last year. Reserved funds increased by \$8,381.

INDIVIDUAL FUND ACTIVITY (NON-MAJOR)

REVENUES, EXPENSES AND CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS
For The Year Ended June 30, 2010

	Capital Improvements Funds			Debt Service Funds			Total Other Non Major Total
	Replacement Improvement Fund	Dam Fund	Sewer Fund	State DWR Debt Service Fund (E58237)	State DWR Debt Reserve Fund (E58237)	Federal Debt Service Fund (A&B Debt)	
Revenues:							
Interest Income	\$ 236	\$ 214	\$ -	\$ 213	\$ 898	\$ 1,239	\$ 2,800
Federal Grants	-	117,522	-	-	-	-	117,522
Water Agency Reimbursements	-	-	-	-	-	-	-
Sale of Water – Debt Repayment	-	-	-	-	-	84,075	84,075
Miscellaneous Income	-	-	-	-	-	-	-
Total Revenues	236	117,736	-	213	898	85,314	204,397
Expenditures:							
Salaries & Benefits	-	-	-	-	-	-	-
Operating Expenses	-	722	-	-	-	-	722
Fixed Assets	-	125,399	-	-	-	-	125,399
Debt Service	-	-	-	-	-	-	-
Principal	-	-	-	-	-	23,000	90,151
Interest	-	-	-	67,151	-	82,183	111,990
Total Expenditures	-	126,121	-	67,151	29,807	105,183	328,262
Excess (Deficiency) of Revenues Over (Under) Expenditures	236	(8,385)	-	(96,745)	898	(19,869)	(123,865)
Other Financing Sources (Uses):							
Transfers Out	-	-	-	-	(8,905)	-	(8,905)
Transfers In	5,370	1,630	-	102,484	-	19,167	125,651
Total Other Sources	5,370	1,630	-	102,484	(8,905)	19,167	119,746
Excess of Revenues Over Expenditures & Other Financing Sources	5,606	(6,755)	-	5,739	(8,007)	(702)	(4,119)
Fund Balance, Beginning of Year	\$ 26,428	\$ 23,940	\$ 49	\$ 32,047	\$ 106,971	\$ 132,841	\$ 322,276
Fund Balance, End of Year	\$ 32,034	\$ 17,185	\$ 49	\$ 37,786	\$ 98,964	\$ 132,139	\$ 318,157

The District maintains three capital improvements funds and three debt service funds which are combined as "Other Governmental Funds". A Water Capital Replacement Fund is separately reported as a Major Fund.

ECONOMIC FACTORS AND 10/11 BUDGET

1. The District, for the 10/11 year, projects little change from prior year operations as follows:

	General Fund		
	10/11	6/30/2010	
	Budget	Fund Basis	Difference
		Actual	
Revenues:			
Property Taxes	\$ 68,400	\$ 68,749	\$ (349)
Other Revenues	9,600	10,730	(1,130)
Total Revenues	<u>78,000</u>	<u>79,479</u>	<u>(1,479)</u>
Expenditures:			
Operating Expenses	68,345	58,000	10,345
Capital Asset Purchases	8,700	4,500	4,200
Contingencies	-	-	-
Total Expenditures	<u>77,045</u>	<u>62,500</u>	<u>14,545</u>
Excess (Deficiency) of Revenues Over Expenditures	955	16,979	13,066
Other Financing Sources (Uses):			
Transfers In	-	-	-
Transfers Out	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Total Other Sources	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures & Other Financing Sources	<u>\$ (6,045)</u>	<u>\$ 9,979</u>	<u>\$ (13,066)</u>

CAPITAL ASSETS AND DEBT ADMINISTRATION

Debt Administration

At the end of the year the District had net long term obligations of \$2,406,114 as follows:

	6/30/10	Interest Rate
USDA Loan	\$ 1,469,500	3.013%
DWR Loan	<u>936,614</u>	4.875%
	<u>\$ 2,406,114</u>	

These loans require 10/11 payments of \$191,702 (includes interest) which have been budgeted for.

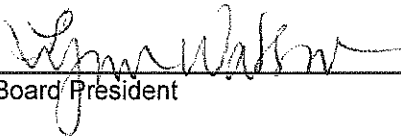
Capital Assets

The District's investment in Capital Assets for its governmental activity as of 6/30/10 totals \$6,368,145. After considering accumulated depreciation, the net amount is \$5,107,748. The original cost of the water system and pipeline is the District's largest asset at \$5,167,309. The net capital assets in the District's Enterprise Fund (Water Operations) totals \$66,310. During the year, \$150,245 was expended for capital assets as follows:

	<u>Governmental Fund Additions</u>	<u>Water Operations Fund Additions</u>
Kitchen Improvements	\$ 4,500	\$ -
Engineering Costs	125,398	20,347
	<u>\$ 129,898</u>	<u>\$ 20,347</u>

REQUEST FOR INFORMATION

This financial report is designed to provide our citizens and taxpayers with a general overview of our finances and to show the accountability for the money received. If you have any questions about this report or need additional financial information, contact the District's Board President at P.O. Box 461, Camp Meeker, CA 95419.



Board President

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

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
ASSETS:			
Cash in Banks	\$ -	\$ 17,551	\$ 17,551
Cash in County Treasury	1,245,412	-	1,245,412
Accounts Receivable (Net)	-	20,548	20,548
Direct Charges Receivable	-	6,154	6,154
Capital Assets:			
Land	310,331	11,400	321,731
Water System & Pipeline	5,605,163	-	5,605,163
Buildings & Improvements	434,960	-	434,960
Equipment	17,691	62,807	80,498
	<u>6,368,145</u>	<u>74,207</u>	<u>6,442,352</u>
Less: Accumulated Depreciation	(1,260,397)	(7,897)	(1,268,294)
Total Capital Assets, Net of Accum. Deprec.	5,107,748	66,310	5,174,058
Other Non- Current Asset			
Note Receivable	125,000	-	125,000
Total Assets	<u>\$ 6,478,160</u>	<u>\$ 110,563</u>	<u>\$ 6,588,723</u>
LIABILITIES			
Accounts Payable	\$ 8,929	\$ 15,603	\$ 24,532
Water Fees Paid In Advance	-	11,181	11,181
Cash in Treasury (Deficit)	-	23,517	23,517
Interest Payable	33,094	-	33,094
Long Term Debt- Due within one year	92,187	-	92,187
	<u>134,210</u>	<u>50,301</u>	<u>184,511</u>
Non-Current Liabilities:			
Long Term Debt- Due beyond one year	2,313,927	-	2,313,927
Total Liabilities	<u>\$ 2,448,137</u>	<u>\$ 50,301</u>	<u>\$ 2,498,438</u>
NET ASSETS			
Invested in Capital Assets, Net of Related Debt	\$ 1,702,534	\$ 66,310	1,768,844
Restricted for Debt Service	268,889	-	268,889
Restricted for Capital Projects	862,545	-	862,545
Unrestricted (Deficit)	1,196,055	(6,048)	1,190,007
Total Net Assets	<u>\$ 4,030,023</u>	<u>\$ 60,262</u>	<u>\$ 4,090,285</u>

The accompanying notes are an integral part of the financial statements

CAMP MEEKER RECREATION AND PARK DISTRICT
STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2010

	<u>Governmental Activities</u>	<u>Business-Type Activity</u>	<u>Total</u>
Program Expenses			
Recreation, Park & Water Operations			
Salaries & Benefits	\$ 1,341	\$ -	\$ 1,341
Services & Supplies	57,381	165,570	222,951
Depreciation	86,021	2,244	88,265
Interest on Long Term Debt	111,990	-	111,990
Total Program Expenses	<u>256,733</u>	<u>167,814</u>	<u>424,547</u>
Program Revenues			
Charges for Services- Water Operations	<u>101,775</u>	<u>115,377</u>	<u>217,152</u>
Total Program Revenues	<u>101,775</u>	<u>115,377</u>	<u>217,152</u>
Net Program (Expense) Revenue	(154,958)	(52,437)	(207,395)
General Revenues & Transfers			
Property Taxes	68,749	-	68,749
Direct Charges	-	127,800	127,800
Federal Revenue	117,522	-	117,522
Other Gov't Agencies	-	6,673	6,673
Intergovernmental Revenues	639	-	639
Interest Income	10,622	69	10,691
Miscellaneous Income	12,068	(9,513)	2,555
Net Transfers	97,746	(97,746)	-
Total General Revenues	<u>307,346</u>	<u>27,283</u>	<u>334,629</u>
Increase in Net Assets	152,388	(25,154)	127,234
Net Assets, Beginning of Year	<u>3,877,635</u>	<u>85,416</u>	<u>3,963,051</u>
Net Assets, End of Year	<u>\$ 4,030,023</u>	<u>\$ 60,262</u>	<u>\$ 4,090,285</u>

The accompanying notes are an integral part of the financial statements

**CAMP MEEKER RECREATION AND PARK DISTRICT
BALANCE SHEET- GOVERNMENTAL FUND TYPES
6/30/2010**

	<u>General Fund</u>	<u>Water Capital Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
ASSETS:				
Cash in County Treasury	\$ 72,968	\$ 813,277	\$ 359,167	\$ 1,245,412
Total Assets	<u>\$ 72,968</u>	<u>\$ 813,277</u>	<u>\$ 359,167</u>	<u>\$ 1,245,412</u>
LIABILITIES & FUND BALANCES				
Liabilities:				
Accounts Payable	\$ 1,013	\$ -	\$ 7,916	\$ 8,929
Interest Payable	-	-	33,094	33,094
Total Liabilities	<u>1,013</u>	<u>-</u>	<u>41,010</u>	<u>42,023</u>
Fund Equity:				
Reserved for Capital Projects	-	813,277	49,268	862,545
Reserved for Debt Service	-	-	268,889	268,889
Unreserved	71,955	-	-	71,955
Total Fund Balances	<u>71,955</u>	<u>813,277</u>	<u>318,157</u>	<u>1,203,389</u>
TOTAL LIABILITIES & FUND BALANCES	<u>\$ 72,968</u>	<u>\$ 813,277</u>	<u>\$ 359,167</u>	<u>\$ 1,245,412</u>

The accompanying notes are an integral part of the financial statements

**CAMP MEEKER RECREATION AND PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET ASSETS
June 30, 2010**

TOTAL FUND BALANCES- GOVERNMENTAL FUND \$ 1,203,389

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

Capital assets used in the operation of governmental funds are not financial resources and, therefore, are not reported in the general fund. These assets consist of:

Land	\$ 310,331	
Water System & Pipeline	5,605,163	
Buildings & Improvements	434,960	
Equipment	17,691	
	<u>6,368,145</u>	
Less: Accumulated Depreciation	<u>(1,260,397)</u>	
Total Capital Assets, Net of Accum. Deprec.	<u>\$ 5,107,748</u>	5,107,748

Non Current Notes Receivable 125,000

Long- Term liabilities are not due and payable in the Current period and, therefore, are not reported in the general fund. This consists of:

Long Term Debt (2,406,114)

NET ASSETS OF GOVERNMENTAL ACTIVITIES \$ 4,030,023

The accompanying notes are an integral part of the financial statements

**CAMP MEEKER RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES- GOVERNMENTAL FUND TYPES
For The Year Ended June 30, 2010**

	<u>General Fund</u>	<u>Water Capital Replacement Fund</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES				
Property Taxes	\$ 68,749	\$ -	\$ -	\$ 68,749
Interest Income	622	7,200	2,800	10,622
Intergovernmental Revenues	639	-	-	639
Federal Grant Revenue	-	-	117,522	117,522
Miscellaneous Income	9,469	2,600	-	12,069
Sale of Water- Debt Repayment	-	-	84,075	84,075
Sale of Water- Capital Replacement	-	17,700	-	17,700
Total Revenues	<u>79,479</u>	<u>27,500</u>	<u>204,397</u>	<u>311,376</u>
EXPENDITURES				
Salaries & Benefits	1,341	-	-	1,341
Operating Expenses	56,659	-	722	57,381
Capital Asset Purchases	4,500	-	125,399	129,899
Debt Service:			-	
Principal	-	-	90,151	90,151
Interest	-	-	111,990	111,990
Total Expenditures	<u>62,500</u>	<u>-</u>	<u>328,262</u>	<u>390,762</u>
Excess (Deficiency) of Revenues Over Expenditures	16,979	27,500	(123,865)	(79,386)
Other Financing Sources (Uses):				
Transfers Out	(7,000)	(15,000)	(8,905)	(30,905)
Transfers In	-	-	128,651	128,651
Total Other Sources	<u>(7,000)</u>	<u>(15,000)</u>	<u>119,746</u>	<u>97,746</u>
Excess (Deficiency) of Revenues Over Expenditures & Other Financing Sources	9,979	12,500	(4,119)	18,360
Fund Balance, Beginning of Year	<u>61,976</u>	<u>800,777</u>	<u>322,276</u>	<u>1,185,029</u>
Fund Balance, End of Year	<u>\$ 71,955</u>	<u>\$ 813,277</u>	<u>\$ 318,157</u>	<u>\$ 1,203,389</u>

The accompanying notes are an integral part of the financial statements

**CAMP MEEKER RECREATION AND PARK DISTRICT
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUND TYPES
TO THE STATEMENT OF ACTIVITIES
For The Year Ended June 30, 2010**

NET CHANGE IN FUND BALANCES- GOVERNMENTAL FUND TYPE	\$	18,360
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Amounts reported for governmental activities in the Statement of Activities are different because:

Governmental funds report capital outlays as expenditures. In the statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Differences are as follows:

Current year depreciation expense		(86,021)
Capital Asset Purchases		129,899

Some revenue and expenses reported in the Statement of Activities do not require the application of current financial resources and therefore are not reported as revenues or expenditures in governmental funds, as follows:

Change in long term debt- principal portion		90,150
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CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES	<u>\$</u>	<u>152,388</u>
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The accompanying notes are an integral part of the financial statements

CAMP MEEKER RECREATION AND PARK DISTRICT
STATEMENT OF FUND NET ASSETS- ENTERPRISE FUND
June 30, 2010

	Water Operations
ASSETS:	
Cash in Banks	\$ 17,551
Accounts Receivable (Net of Allowance for Doubtful Accounts)	20,548
Direct Charges Receivable	6,154
Capital Assets:	
Land	11,400
Equipment	62,807
Less: Accumulated Depreciation	(7,897)
Total Capital Assets, net of accumulated Depreciation	<u>66,310</u>
Total Assets	<u>\$ 110,563</u>
LIABILITIES	
Water Fees Paid in Advance	\$ 11,181
Cash in Treasury (Deficit)	23,517
Accounts Payable	15,603
Total Liabilities	<u>\$ 50,301</u>
NET ASSETS	
Invested in Capital Assets, Net of Related Debt	\$ 66,310
Unrestricted (Deficit)	(6,048)
Total Net Assets	<u>\$ 60,262</u>

The accompanying notes are an integral part of the financial statements

CAMP MEEKER RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
ENTERPRISE FUND
For The Year Ended June 30, 2010

	Water Operations
Operating Revenue	
Charges For Services -Water Operations	\$ 115,377
Total Operating Revenues	<u>115,377</u>
Operating Expenses	
Services and Supplies	165,570
Depreciation	2,244
Total Operating Expenses	<u>167,814</u>
Operating Income	(52,437)
Non Operating Revenue (Expense)	
Direct Charges	127,800
Other Gov't Agencies -interest income	6,673
Interest Income	69
Miscellaneous Income	(9,513)
Total Other Sources	<u>125,029</u>
Net Income (Loss) before Transfers	72,592
Transfers In	15,000
Transfer out	(112,746)
	<u>(97,746)</u>
Change in Net Assets	(25,154)
Net Assets, Beginning of Year	<u>85,416</u>
Net Assets, End of Year	<u><u>\$ 60,262</u></u>

The accompanying notes are an integral part of the financial statements

**CAMP MEEKER RECREATION AND PARK DISTRICT
STATEMENT OF CASH FLOWS- ENTERPRISE FUND
For the Year Ended June 30, 2010**

	Water Operations
Cash Flows From Operating Activities	
Receipt of Utility Fees	\$ 112,323
Payments to Suppliers for Goods & Services	(156,733)
Net Cash Flows Used by Operating Activities	<u>(44,410)</u>
Cash Flows From Non-Capital And Related Financing Activities	
Direct Charges Received	125,968
Transfers In	15,000
Transfers Out	(112,746)
Miscellaneous Income	(9,513)
Net Cash Flows Provided by Non-Capital and Related Financing Activities	<u>18,709</u>
Cash Flows From Capital And Related Financing Activities	
Fixed Asset Acquisitions	(20,348)
Financing From Sonoma County	21,481
Net Cash Flows Provided by Capital and Related Financing Activities	<u>1,133</u>
Cash Flows From Investing Activities	
Other Gov't Agencies -interest income	6,673
Interest Income	69
Net Change in Cash and Cash Equivalents	<u>(17,826)</u>
Cash and Cash Equivalents, Beginning of Year	<u>35,377</u>
Cash and Cash Equivalents, End of Year	<u>\$ 17,551</u>
Reconciliation of Cash to Balance Sheet:	
Cash in County Treasury	\$ -
Cash in Banks and on Hand	17,551
	<u>\$ 17,551</u>
Reconciliation of Operating Income (Loss) To Net Cash Provided (Used) By Operating Activities:	
Operating Income (Loss)	\$ (52,437)
Adjustments To Reconcile Operating Loss To Net Cash Used By Operating Activities:	
Depreciation Expense	2,244
Change in Assets & Liabilities:	
(Increase) Decrease in Accounts Receivable	(213)
Increase (Decrease) in Water Fees Paid in Advance	(2,841)
Increase (Decrease) in Accounts Payable	8,837
Net Cash (Used) Provided By Operating Activities	<u>\$ (44,410)</u>

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

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements

June 30, 2010

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization

The Camp Meeker Recreation and Park District was formed by resolution of the Board of Supervisors of the County of Sonoma as a special district under and pursuant to provisions of the Government Code 61000 of the State of California. The District serves taxpayers and residents in a specific unincorporated area of the County of Sonoma, the boundaries of which are set by resolution of the Board of Supervisors. The District's governmental powers are exercised through a Board of Directors.

B. Significant Accounting Policies

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

1. Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the primary government and its component units. *Governmental activities*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *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 segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *accrual basis of accounting*, as are proprietary fund and fiduciary fund financial statements. 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 revenue as soon as all eligibility requirements imposed by the grantor have been met.

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Amounts reports as *program revenues* include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements

June 30, 2010

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

contributions, including special assessments. Internally dedicated resources are reported as *general revenues* rather than as program revenues. Likewise, *general revenues* include all taxes.

When both restricted and unrestricted resources are available for use, it is the government's policy to use unrestricted resources first, then restricted resources as they are needed.

2. Governmental Fund Financial Statements

Governmental Fund Financial Statements include a Balance Sheet and a Statement of Revenues, Expenditures and Changes in Fund Balances for its governmental funds. 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's General Fund is its only major governmental fund.

The new model as defined in GASB Statement No. 34 establishes criteria (percentage of the assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds.

The District reports the following major governmental funds:

General Fund – The general fund is the primary operating fund of the District. It is used to account for all financial resources of the general government, except those required to be accounted for in another fund.

Water Capital Replacement Fund - This fund received the funds from the Occidental Community Services District and is used as funds for future capital replacement.

The non-major funds have been combined in a single column in the fund Financial Statements. See pages 12 & 14, "Other Governmental Funds".

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 Sheet. The Statement of Revenues, Expenditures and Changes in Fund Balances presents increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net current assets. Under the modified accrual basis of accounting, revenues are recognized in the accounting period in which they become both measurable and available to finance expenditures of the current period. Accordingly, 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 taxes. Expenditures are recorded in the accounting period in which the related fund liability is incurred.

Reconciliation of the Fund Financial Statements to the Government-wide Financial Statements is provided to explain the differences created by the integrated approach.

Proprietary Fund Financial Statements include a Statement of Net Assets, a Statement of Revenues, Expenses and Changes in Fund Net Assets, and a Statement of Cash Flows for its only proprietary fund.

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements

June 30, 2010

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Proprietary funds are accounted for using the "economic resources" measurement focus and the accrual basis of accounting. Accordingly, all assets and liabilities (whether current or non-current) are included on the Statement of Net Assets. The Statement of Revenues, Expenses and Changes in Fund Net Assets presents increases (revenues) and decreases (expenses) in total 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. In these funds, receivables have been recorded as revenue and provisions have been made for uncollectible amounts. In accordance with GASB Statement No. 20, *Accounting and Financial Reporting for Proprietary Funds and Other Government Entities that Use Proprietary Fund Accounting*, the District applies all GASB pronouncements currently in effect as well as Financial Accounting Standard Board Statements and Interpretations, Accounting Principles Board Opinions and Accounting Research Bulletins of the Committee on Accounting Procedure issued on or before November 30, 1989.

Operating revenues in the proprietary funds are those revenues that are generated from the primary operations of the fund. All other revenues are reported as non-operating revenues. Operating expenses are those expenses that are essential to the primary operations of the fund. All other expenses are reported as non-operating expenses.

3. Capital Assets

Capital assets, which include land, buildings and improvements, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$2,000, and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Buildings and improvements and equipment of the primary government, is depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Water System & Pipeline	75
Equipment	5 to 15

4. Fund Equity

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are not available for appropriation or are legally restricted by outside parties for use for a specific purpose. Designations of fund balance represent tentative management plans that are subject to change.

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements

June 30, 2010

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

5. Deposits and Investments

As authorized by Health and Safety Code Section 13854(a), the District maintains its operating cash in accounts with the Sonoma County Treasurer, who acts as a disbursing agent. Consequently, the District benefits from the Treasurer's practice of pooling cash and investments of certain funds. Interest earned on these pooled investments is allocated and apportioned quarterly to the District, based on the average daily balance for each quarter.

6. Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results may differ from those estimates.

7. Net Assets

In the government-wide financial statements, net assets are classified into two components – invested in capital assets and unrestricted. These classifications are defined as follows:

- Invested in capital assets – This component of net assets consists of capital assets, including restricted capital assets, net of accumulated depreciation.
- Unrestricted net assets – This component of net assets consists of net assets that do not meet the definition of "restricted" or "invested in capital assets, net of related debt".

8. Cash and Investments

Investment in the Sonoma County Treasurer's Investment Pool

The District's cash is pooled with the Sonoma County Treasurer, who acts as a disbursing agent for the District. If material, the fair value of the District's investment in this pool is reported in the financial statements at amounts based upon the District's pro-rata share of the fair value provided by the Treasury Pool for the entire Treasury Pool portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on accounting records maintained by the Treasury Pool, which are recorded on an amortized cost basis. Interest earned on investments pooled with the County is allocated quarterly to the appropriate fund based on its respective average daily balance for that quarter. The Treasury Oversight Committee has regulatory oversight for all monies deposited into the Treasury Pool.

As of June 30, 2010, the District's share of the decrease in fair value of investments was not material.

Investment Guidelines

The District's pooled cash and investments are invested pursuant to investment policy guidelines established by the County Treasurer and approved by the Board of Supervisors. The objectives of the policy are, in order of priority: safety of capital, liquidity and maximum rate of return. The

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements

June 30, 2010

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

policy addresses the soundness of financial institutions in which the County will deposit funds, types of investment instruments as permitted by the California Government Code 53601, and the percentage of the portfolio that may be invested in certain instruments with longer terms to maturity.

A copy of the Treasury Pool investment policy is available upon request from the Sonoma County Treasurer at 585 Fiscal Drive, Room 100-F, Santa Rosa, California, 95403-2871.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. As a means of limiting its exposure to fair value losses arising from rising interest rates, one of the ways that the Treasury Pool manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments and by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturing evenly over time as necessary to provide the cash flow and liquidity needed for operations.

As of June 30, 2010, approximately 67 percent of the securities in the Treasury Pool had maturities of one year or less. Of the remainder, only 2.2 percent had a maturity of more than five years.

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Treasury Pool does not have a rating provided by a nationally recognized statistical rating organization.

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository 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. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party. The California Government Code and the Treasury Pool's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits and securities lending transactions:

- ⇒ The California Government Code requires that a financial institution secure deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by depository regulated under stated law. The market value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies.

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements
June 30, 2010

NOTE 1—SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

⇒ The California Government Code limits the total of all securities lending transactions to 20% of the fair value of the investment portfolio.

With respect to investments, custodial credit risk generally applies only to direct investments in marketable securities. Custodial credit risk does not apply to a local government's indirect investment in securities through the use of mutual funds or government investment pools (such as the Treasury Pool).

Concentration of Credit Risk

The investment policy of the County contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. For a listing of investments in any one issuer (other than U.S. Treasury securities, mutual funds, or external investment pools) that represent 5% or more of total County investments, refer to the 6/30/09 Sonoma County CAFR (last available report).

NOTE 2—PROPERTY TAXES

The County of Sonoma is responsible for assessing, collecting, and distributing property taxes in accordance with state law. Liens on real property are established on January 1 for the ensuing fiscal year. The property tax is levied as of July 1 on all taxable property located in the County of Sonoma. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10, respectively. Additionally, supplemental property taxes are levied on a pro rata basis when changes in assessed valuation occur due to sales transactions or the completion of construction.

Since the passage of California's Proposition 13, beginning with fiscal year 1978/1979, general property taxes are based either on a flat 1% rate applied to the 1975/1976 full value or on 1% of the sales price of the property on sales transactions and construction after the 1975/1976 valuation. Taxable values on properties (exclusive of increases related to sales and construction) can rise at a maximum of 2% per year.

On June 29, 1993, the Board of Supervisors adopted the "Teeter" Alternate Method of Property Tax Allocation. This method allocates property taxes based on the total property tax billed. At year-end the County advances cash to each taxing jurisdiction equal to its current year delinquent property taxes. In exchange, the County receives the penalties and interest on delinquent taxes when collected. The penalties and interest are used to pay the interest cost of borrowing the cash used for the advances.

NOTE 3—DIRECT CHARGES

Beginning the fiscal year ending 6/30/1999, the District adopted Ordinance #8 and Resolution 97-3 for a direct charge of \$350 per year for each living unit. The purpose of the direct charge is to fund repayment of the 1995 DWR loan and 1998 USDA loan. The rate set is \$350/year.

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements

June 30, 2010

NOTE 4—LONG TERM DEBT

Activity in the District's long term obligations was as follows:

	<u>7/1/2009</u> <u>Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>6/30/2010</u> <u>Balance</u>	<u>Current</u> <u>Portion</u>
USDA Loan	\$ 1,492,500	\$ -	\$ 23,000	\$ 1,469,500	\$ 23,000
DWR Loan	<u>1,003,765</u>	<u>-</u>	<u>67,151</u>	<u>936,614</u>	<u>69,187</u>
	<u>\$ 2,496,265</u>	<u>\$ -</u>	<u>\$ 90,151</u>	<u>\$ 2,406,114</u>	<u>\$ 92,187</u>

State Funding (DWR Loan)

Through a special Act (Statute 1994, Chapter 39) of the California Legislature, Camp Meeker Recreation and Park District was empowered in 1994 to take over the ownership and operation of the community's Water Distribution System after it was abandoned by the previous private owners and operators and placed into receivership. In order to meet the California Department of Health Services' standards for safe drinking water as defined in Chapter 7, Section 4010, Part 1 of Division 5 of the Health and Safety Code, the District initiated the Water Distribution System Improvement Project with the objective to renovate, improve, and replace portions of the existing inadequate distribution system.

To partially finance the construction for this capital project, the District was awarded by the California Department of Water Resources, under the Safe Drinking Water Bond Law of 1988, a grant for \$400,000 and a \$1,600,000 loan, for a total of \$2,000,000 in State funding. The District is not required to repay the grant award. However, the District is required to expend the loan portion of the funding prior to requesting grant funds.

The term of the loan is twenty-five (25) years from the date of the final disbursement of funds to the District, at a per annum interest rate of 3.0315 percent on the unpaid balance and includes an additional 5 percent loan administration fee (\$80,000), for an original total of \$1,680,000 to be repaid by the District. Repayment of the loan is made on a semiannual basis. The current balance is \$936,614.

To ensure that the semiannual payments are made when due, the District is required to maintain a reserve in the amount of two payments for the period of the first ten years of the loan. The reserve is to be maintained and administered by the designated fiscal agent, the Sonoma County Auditor-Controller's Office.

Federal Funding (USDA Loan)

The federal government also provided grants and loans for the "New Water Distribution and Storage Facility." Funding by the U.S. Department of Agriculture (U.S.D.A) was provided, initially, in the form of a \$1,360,000 loan and an RUS grant of \$1,540,000. Due to cost overruns, an additional loan of \$300,500 and a grant of \$199,500 was awarded. The Repayment is over a 40-year term at 4.875%. The current balance is \$1,469,500.

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements
June 30, 2010

NOTE 4—LONG TERM DEBT (Continued)

An estimated Repayment Schedule is as follows:

<u>Year Ended June 30,</u>	<u>State Loan DWR Repayment</u>	<u>Federal Loan USDA Repayment</u>	<u>Total</u>
2011	\$ 97,064	\$ 94,638	\$ 191,702
2012	97,064	95,016	192,080
2013	97,064	94,822	191,886
2014	97,064	95,079	192,143
2015	97,064	94,763	191,827
2016-2020	485,320	474,378	959,698
2021-2025	145,848	473,369	619,217
2026-2030	-	472,781	472,781
2031-2035	-	470,361	470,361
2036-2040	-	444,357	444,357
Subtotal	<u>1,116,488</u>	<u>2,809,564</u>	<u>3,926,052</u>
Less: Amount Representing Interest	<u>(179,874)</u>	<u>(1,340,064)</u>	<u>(1,519,938)</u>
Total Liability at 6/30/10	<u>\$ 936,614</u>	<u>\$ 1,469,500</u>	<u>\$ 2,406,114</u>

Principal and Interest requirements to maturity for both loans are as follows:

<u>Year Ended June 30,</u>	<u>State Loan – DWR</u>		<u>Federal Loan – USDA</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2011	\$ 69,187	\$ 27,877	\$ 23,000	\$ 71,638
2012	71,248	25,816	24,500	70,517
2013	73,526	23,538	25,500	69,323
2014	75,722	21,342	27,000	68,079
2015	78,035	19,029	28,000	66,763
2016-2020	427,373	57,947	162,500	311,878
2021-2025	141,523	4,325	205,000	268,369
2026-2030	-	-	259,500	213,281
2031-2035	-	-	326,500	143,861
2036-2040	-	-	388,000	56,355
	<u>\$ 936,614</u>	<u>\$ 179,874</u>	<u>\$ 1,469,500</u>	<u>\$ 1,340,064</u>

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements

June 30, 2010

NOTE 5—CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended June 30, 2010 was as follows:

Business Type Activities:	<u>Balance 7/1/2009</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Balance 6/30/2010</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 11,400	\$ -	\$ -	\$ 11,400
Engineering Costs	<u>8,148</u>	<u>-</u>	<u>8,148</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	19,548	-	8,148	11,400
Capital Assets, Being Depreciated:				
Water System	-	20,347	(8,148)	28,495
Equipment	<u>34,312</u>	<u>-</u>	<u>-</u>	<u>34,312</u>
Total Capital Assets, Being Depreciated	34,312	20,347	(8,148)	62,807
Less: Accumulated Depreciation	<u>(5,653)</u>	<u>(2,244)</u>	<u>-</u>	<u>(7,897)</u>
Total Capital Assets, Being Depreciated, Net	<u>28,659</u>	<u>18,103</u>	<u>(8,148)</u>	<u>54,910</u>
Governmental Activities, Capital Assets, Net	<u>\$ 48,207</u>	<u>\$ 18,103</u>	<u>\$ -</u>	<u>\$ 66,310</u>

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:	
Water Operations	<u>\$ 2,244</u>
Total Depreciation Expense – Governmental Activities	<u>\$ 2,244</u>

Governmental Activities:	<u>Balance 7/1/2009</u>	<u>Additions</u>	<u>Transfers/ Retirements</u>	<u>Balance 6/30/2010</u>
Capital Assets, Not Being Depreciated:				
Land	\$ 310,331	\$ -	\$ -	\$ 310,331
Engineering Costs	<u>312,456</u>	<u>-</u>	<u>312,456</u>	<u>-</u>
Total Capital Assets, Not Being Depreciated	622,787	-	312,456	310,331
Capital Assets, Being Depreciated:				
Water System & Pipeline	5,167,309	125,398	(312,456)	5,605,163
Buildings & Improvements	430,460	4,500	-	434,960
Equipment	<u>17,691</u>	<u>-</u>	<u>-</u>	<u>17,691</u>
Total Capital Assets, Being Depreciated	5,615,460	129,898	(312,456)	6,057,814
Less: Accumulated Depreciation	<u>(1,174,376)</u>	<u>(86,021)</u>	<u>-</u>	<u>(1,260,397)</u>
Total Capital Assets, Being Depreciated, Net	<u>4,441,084</u>	<u>43,877</u>	<u>(312,456)</u>	<u>4,797,417</u>
Governmental Activities, Capital Assets, Net	<u>\$ 5,063,871</u>	<u>\$ 43,877</u>	<u>\$ -</u>	<u>\$ 5,107,748</u>

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Financial Statements
June 30, 2010

NOTE 5—CAPITAL ASSET ACTIVITY (Continued)

Depreciation expense was charged to functions/programs of the primary government as follows:

Governmental Activities:

Recreation & Park	\$ 86,021
Total Depreciation Expense – Governmental Activities	<u>\$ 86,021</u>

A. Direct Charge Receivable

Direct charges collected are apportioned to the District to supplement the Water Fund alone for operating costs. Not all of the assessments are collected as of June 30, 2010; therefore, the remainder of the uncollected assessments are considered direct charges receivable. All assessments are deemed collectible and no allowance for doubtful accounts has been recorded.

Direct Charge Receivable at 6/30/10	<u>\$ 6,154</u>
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B. Receivables – Water Fund

The District also reports receivables in its Enterprise Fund for uncollected water charges. The District has the ability to shut off service for non-payers, however, some homes have little or no equity upon foreclosure, short sale, etc. and bad debts may occur. Therefore, an allowance for doubtful accounts has been established.

Receivable – Water at 6/30/10	\$ 24,848
Less: Allowance for Doubtful Accounts	<u>(4,300)</u>
	<u>\$ 20,548</u>

C. Non Current Note Receivable (Statement of Net Assets)

On 2/11/03 the Boards of Occidental Community Services District and Camp Meeker Recreation and Park District agreed to share water, develop additional water sources, and maintain a common main line transmission pipe. Conditions precedent to the agreement was for Occidental Community Services District to receive a \$1,600,000 federal grant and pay Camp Meeker \$640,000 for a 32% capacity. To date, \$515,000 has been received. The system is now operational.

Terms of the \$125,000 Note Receivable include annual payments of \$6,672.50 per year (i.e. an amortized payment schedule based on a forty (40) year amortization period, bearing simple interest on the unpaid balance at an annual rate of 4.375%, from the date of completion of the project), with the entire balance of unpaid principal and accrued interest all due and payable five (5) years from the date of the completion of the project.

The District received \$6,672 during the year which was all allocated to interest income.

SUPPLEMENTARY INFORMATION

**CAMP MEEKER RECREATION AND PARK DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES
Budget and Actual - General Fund
For The Year Ended June 30, 2010**

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
REVENUES				
Property Taxes	\$ 62,900	\$ 62,900	\$ 68,749	\$ 5,849
Interest Income	1,000	1,000	622	(378)
Intergovernmental Revenues	-	-	639	639
State Loan		(5,500)	-	5,500
Miscellaneous Income	5,400	5,400	9,469	4,069
Total Revenues	<u>69,300</u>	<u>63,800</u>	<u>79,479</u>	<u>15,679</u>
EXPENDITURES				
Salaries & Benefits	1,655	1,655	1,341	314
Operating Expenses	65,250	60,250	56,659	3,591
Capital Asset Purchases	22,500	22,500	4,500	18,000
Contingencies	2,500	5,000	-	5,000
Total Expenditures	<u>91,905</u>	<u>89,405</u>	<u>62,500</u>	<u>26,905</u>
Excess (Deficiency) of Revenues Over Expenditures	(22,605)	(25,605)	16,979	42,584
Other Financing Sources (Uses):				
Transfers In	-	-	-	-
Transfers Out	(5,000)	(7,000)	(7,000)	-
Total Other Sources	<u>(5,000)</u>	<u>(7,000)</u>	<u>(7,000)</u>	<u>-</u>
Excess (Deficiency) of Revenues Over Expenditures & Other Financing Sources	<u>\$ (27,605)</u>	<u>\$ (32,605)</u>	9,979	<u>\$ 42,584</u>
Fund Balance, Beginning of Year			61,976	
Fund Balance, End of Year			<u>\$ 71,955</u>	

The accompanying notes are an integral part of the financial statements

CAMP MEEKER RECREATION AND PARK DISTRICT
Notes to Required Supplementary Information
June 30, 2010

NOTE 1—BUDGETARY INFORMATION

Annual budgets are adopted on a non-GAAP basis for all governmental funds. All annual appropriations lapse at fiscal year-end.

The Board reviews proposed preliminary and final budgets at public meetings and the final budget must be adopted no later than December 31.

The appropriated budget is prepared by character and subobject. Transfers of appropriations between characters require the approval of the board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the character level. The board made several supplemental budgetary appropriations throughout the year.

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year. The District had no encumbrances outstanding at June 30.

REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

Board of Directors
Camp Meeker Recreation and Park District

I have audited the financial statements of the governmental activities, and the major fund of the Camp Meeker Recreation and Park District as of and for the fiscal year ended June 30, 2010, which collectively comprise the Camp Meeker Recreation and Park District's basic financial statements and have issued my report thereon dated November 12, 2010. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control over Financial Reporting

In planning and performing my audit, I considered Camp Meeker Recreation and Park District's internal control over financial reporting as a basis for designing my auditing procedures for the purpose of expressing my opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Camp Meeker Recreation and Park District's internal control over financial reporting. Accordingly, I do not express an opinion on the effectiveness of Camp Meeker Recreation and Park District's internal control over financial reporting.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects Camp Meeker Recreation and Park District's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of Camp Meeker Recreation and Park District's statements that is more than inconsequential will not be prevented or detected by Camp Meeker Recreation and Park District's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by Camp Meeker Recreation and Park District's internal control.

My consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. I did not identify any deficiencies in internal control over financial reporting that I consider to be material weaknesses, as defined above.

Larry D. Johnson

Certified Public Accountant

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Camp Meeker Recreation and Park District's financial statements are free of material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

I noted certain other matters that I reported to management of Camp Meeker Recreation and Park District in a separate letter dated November 12, 2010.

This report is intended solely for the information and use of the Camp Meeker Recreation and Park District management, others within the organization, and the board and is not intended to be and should not be used by anyone other than these specified parties.



Larry D. Johnson
Certified Public Accountant

November 12, 2010
Santa Rosa, California