

**PLEASANT VALLEY
RECREATION AND PARK DISTRICT**

**FINANCIAL STATEMENTS
JUNE 30, 2014**

PLEASANT VALLEY RECREATION AND PARK DISTRICT
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FINANCIAL SECTION



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INDEPENDENT AUDITORS' REPORT

Board of Directors
Pleasant Valley Recreation and Park District
Camarillo, California

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Valley Recreation and Park District (District), as and for the fiscal year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free of material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Pleasant Valley Recreation and Park District, as of June 30, 2014, and the respective changes in financial position for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter*Change in Accounting Principles*

As discussed in note 1 to the basic financial statements effective July 1, 2013, the Pleasant Valley Recreation and Park District adopted Governmental Accounting Standards Board (GASB) Statement No. 65, *Items Previously Reported as Assets and Liabilities*, GASB Statement No. 66, *Technical Correction – 2012*, GASB Statement No. 67, *Financial Reporting for Pension Plans*, and GASB Statement No. 70, *Accounting and Financial Reporting for Non-exchange Financial Guarantees*. Our opinion is not modified with respect to this matter.

Other Matters*Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis on pages 3 through 8, the budgetary comparison information on pages 33 and 34, and the schedule of funding progress for the Post Employment Benefits Other than Pensions on page 35, 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 inquires of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquires, 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated December 15, 2014, on our consideration of the Pleasant Valley Recreation and Park District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Other Reporting Required by Government Auditing Standards

We have previously audited the District's basic financial statements as of and for the fiscal year ended June 30, 2013, and we expressed unmodified audit opinions on those audited financial statements in our report dated October 25, 2013. In our opinion, the summarized comparative information presented herein as of and for the year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Moss, Remy & Hartgraves LLP

Santa Maria, California
December 15, 2014

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

This discussion and analysis of the Pleasant Valley Recreation and Park District (PVRPD) financial performance provides an overall review of the PVRPD financial activities for the fiscal year ended June 30, 2014. The intent of this narrative is to provide a complete overview of PVRPD's financial performance. Readers should review this in conjunction with the basic financial statements which follow this section.

FINANCIAL HIGHLIGHTS
GOVERNMENTAL FUNDS

- During the fiscal year ending June 30, 2014, PVRPD's fund balances increased \$92 thousand (3.7%)
- Total revenues increased \$169 thousand (2.1%) primarily due to tax revenues.
- Total expenses decreased by \$1.1 million (12.8%) with Salaries and Benefits down by \$685 thousand (15.6%) and an increase in Materials and Services expense of \$22,834 (0.7%)
- Capital Outlay decreased by \$573,930 (92.2%)

OVERVIEW OF THIS FINANCIAL REPORT

The Government-wide financial statements are presented on an "economic resources" measurement focus and uses an accrual basis of accounting similar to those used by private sector companies. Accordingly, all of the PVRPD's assets and liabilities, including capital assets and long-term liabilities are included in the accompanying Statement of Net Position. The Statement of Net Position includes all of the District's investments in resources (Assets) and the obligations to creditors (Liabilities). The Statement of Activities presents changes in net position measuring the success over the past year and is used to determine credit worthiness.

Government-wide Financial Statements

Statement of Activities and Statement of Net Position

The Government-wide financial statements are designed to provide readers with a broad overview of the District's finances. The Statement of Net Position and the Statement of Activities answer the question if the District is improving or deteriorating. These statements include all assets and liabilities using the accrual basis of accounting. All changes in net position is reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. These two statements report the District's net position and changes in the net position. The difference between assets and liabilities, or net position can measure the District's financial health.

Governmental Funds Financial Statements

Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balance

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

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

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

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

Notes to Basic Financial Statements

The notes provide additional information that is essential to fully understanding the data provided in the government-wide and fund financial statement.

Other Information

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplemental information concerning the District's budgetary status and funding progress of its retirement plan.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Statement of Net Position

Net Position may serve over time as a useful indicator of a government's financial position. District assets are above liabilities by \$28.6 million as of June 30, 2014.

Condensed Statement of Assets
June 30,

	2014	2013
Assets:		
Current assets	\$ 2,976,829	\$ 2,976,299
Non-current assets	-	664,700
Capital assets, net	40,897,284	41,996,347
Total assets	43,874,113	45,637,346
Liabilities:		
Current liabilities	612,958	708,443
Long-term - due in one year	343,335	309,631
Long-term - due in more than one year	14,311,302	14,537,973
Total liabilities	15,267,595	15,556,047
Net Position:		
Net investment in capital assets	28,382,284	30,016,640
Restricted for specified park projects	617,452	464,306
Unrestricted	(393,218)	(399,647)
Total net position	\$ 28,606,518	\$ 30,081,299

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

The largest portion of the District's net position reflects its investment of \$40.9 million in capital assets (land, buildings, improvements, equipment, infrastructure, and a minimal amount of construction in progress, all net of accumulated depreciation). The District uses these capital assets to provide services to citizens and is not available for future spending.

The second largest portion is the long term debt the District incurred in 2009 for the development of Pleasant Valley Fields Sports Complex formally known as Village at the Park. Certificates of Participation sold for an amount of \$12.6 million with a maturity date of June 30, 2039.

The assets of the District exceed the liabilities by \$28.6 million as of June 30, 2014. Unrestricted net position is in a negative position which is an indicator that the District has used its reserves and needs to reduce spending to be able to build up for the future.

Statement of Activities

As shown on the table below, the District's net position decreased by \$1.5 million during the fiscal year ending June 30, 2014. This is an improvement from the decrease of \$1.52 million during the fiscal year ending June 30, 2013. The decreases are primarily an accounting entry for depreciation expense in the amount of \$1.1 million each year.

Condensed Statement of Activities

	June 30,	
	2014	2013
Revenues:		
Program Revenues		
Charges for services	\$ 2,198,520	\$ 2,136,425
Operating grants & contributions	98,042	128,365
Capital grants & contributions	136,864	191,021
General Revenues		
Property taxes	5,392,670	5,210,601
Investment income	6,207	10,526
Other	88,939	75,402
Total Revenues	7,921,242	7,752,340
Expenses:		
Recreation & park operations	\$ 8,731,323	\$ 9,277,486
Net position:	\$ (810,081)	\$ (1,525,146)
Net position - beginning of year	30,081,299	31,606,445
Prior period adjustment	(664,700)	
Net position - end of year	\$ 28,606,518	\$ 30,081,299

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Charges for services includes programs and class fees, facility rental fees, cell tower income, senior services income, activity guide advertising income, and indemnity income. Property tax revenue, the District's primary source of revenue, increased by \$182 thousand or 3.5%. Donations for Capital Improvement Projects (CIP) decreased \$17 thousand (56.3%) District interest income is down \$4 thousand (41.0%) due to less funds available for investments and a lower rate of return. Other income increased by \$14 thousand or 18.0%.

GOVERNMENTAL FUND FINANCIAL STATEMENT ANALYSIS

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

At the close of fiscal year 2013-2014, District governmental funds reported a combined ending fund balance of \$2.6 million an increase of \$92 thousand in comparison with the prior year. Assigned and non-spendable fund balances exceed unassigned fund balance meaning there are no funds available for future spending.

The following are the District's major funds:

General Fund

The General Fund is the District's primary operating fund. It showed a decrease of \$59 thousand in fund balance for the year ending June 30, 2014. Expenditures exceeded revenues by \$38 thousand.

Special Assessment District Special Revenue Fund

The Special Assessment District Fund accounts for district-wide assessment for park maintenance and capital projects. It showed an increase of \$151 thousand in fund balance with an increase in revenues of \$13 thousand and a decrease in expenditures of \$38 thousand.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

District investments in capital assets for its governmental activities as of June 30, 2014, totaled over \$40.9 million (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements, equipment, infrastructure, and construction in progress. The total decrease in value of capital assets for fiscal year 2013-2014 was 1.1 million from the previous fiscal year due to depreciations. (For more information on capital assets see Note 4 in the Financial Statements)

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

Capital Assets (net of accumulated depreciation)

	June 30	
	2014	2013
Land	\$ 22,732,253	\$ 22,732,253
Buildings	\$ 6,864,246	\$ 7,209,280
Improvements	\$ 10,780,060	\$ 11,409,678
Equipment	\$ 516,116	\$ 592,930
Construction in Progress	\$ 4,609	\$ 52,206
	\$ 40,897,284	\$ 41,996,347

Long-term Debt

The District's long-term debt as of the period ending June 30, 2014 is \$14.7 million. That is a \$193 thousand decrease from the ending of June 30, 2013. There are two sources of long-term debt obligations: \$12.52 for the development of Pleasant Valley Fields Sports Complex and \$1.69 million loan for refinancing the CalPERS Side-Fund. (For more information on long-term obligations see Notes 5 through 9 in the Financial Statements)

Outstanding Long-Term Debt

	June 30	
	2014	2013
Compensated Absences	\$ 369,338	\$ 374,524
Other Post-Employment Benefits	\$ 81,299	\$ 53,080
Pension Related Note	\$ 1,689,000	\$ 1,820,000
Certificates-of-Participation	\$ 12,515,000	\$ 12,600,000
Total Outstanding Long-term Debt	\$ 14,654,637	\$ 14,847,604

ECONOMIC FACTORS

The District's primary revenue source is property taxes, which have been flat since 2008 matching the current housing market trend, but is starting to signs of improvement. The Ventura County Assessor's office is reporting a slight 4.92% increase for fiscal year 2014-2015. The District has not received any fees from developers (Quimby Fees) since 2006, however the Springville housing complex is currently under construction and once the first unit sells (time line for first sale is July 2014) the District will receive \$615 thousand in fiscal year 2014-2015.

Managing District resources in an environment of flat revenues compounded by increasing costs is a challenge facing the District. Consequently, resources for future capital maintenance,

PLEASANT VALLEY RECREATION AND PARK DISTRICT
Management's Discussion and Analysis
Fiscal Year Ended June 30, 2014

replacement, and new park and facility development must be either acquired from resources currently available in operating expenses, or additional revenue sources must be identified.

The state implemented pension reform on January 1, 2013 creating a third tier retirement program with a new 2% at 62 formula for employees new to CalPERS. The District's other two plans are 2.5% at 55 and 2% at 60. On July 1, 2013 the Board of Directors took action that increased the employee contributions to the maximum allowed by state statute. The new formula along with other legislative changes to pension systems will drive employer contribution rates down in years to come.

REQUEST FOR INFORMATION

The District's financial report is designed to provide citizens, taxpayers, creditors, and investors with a general overview of PVRPD's finances and show accountability for the money it receives. Questions regarding any of the information provided in this report or to request additional information, please contact the District's General Manager at the Pleasant Valley Recreation and Park District, 1605 E. Burnley Street, Camarillo, California 93010 or call (805) 482-1996.

BASIC FINANCIAL STATEMENTS

PLEASANT VALLEY RECREATION AND PARK DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2014
With Comparative Totals for June 30, 2013

	Total Governmental Activities	
	2014	2013
ASSETS		
Cash and investments	\$ 2,767,549	\$ 2,790,101
Accrued interest receivable	2,575	2,776
Accounts receivable	82,337	41,520
Property taxes and assessments receivable	112,747	127,872
Prepaid items	11,621	14,030
Deferred charges		664,700
Capital assets - not being depreciated	22,736,862	22,784,459
Depreciable capital assets, net of accumulated depreciation	<u>18,160,422</u>	<u>19,211,888</u>
Total assets	<u>43,874,113</u>	<u>45,637,346</u>
LIABILITIES		
Accounts payable	237,182	243,868
Accrued salaries and benefits	103,446	186,381
Unearned revenue and customer deposits	40,640	42,719
Accrued interest payable	231,690	235,475
Long-term liabilities - due in one year		
Compensated absences	92,335	93,631
Pension related debt	146,000	131,000
Certificates of participation	105,000	85,000
Long-term liabilities - due in more than one year		
Compensated absences	277,003	280,893
Post-employment benefits payable	81,299	53,080
Pension related debt	1,543,000	1,689,000
Certificates of participation	<u>12,410,000</u>	<u>12,515,000</u>
Total liabilities	<u>15,267,595</u>	<u>15,556,047</u>
NET POSITION		
Net investment in capital assets	28,382,284	30,016,640
Restricted for specified park projects	617,452	464,306
Unrestricted	<u>(393,218)</u>	<u>(399,647)</u>
Total net position	<u>\$ 28,606,518</u>	<u>\$ 30,081,299</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 STATEMENT OF ACTIVITIES
 FISCAL YEAR ENDED JUNE 30, 2014
 With Comparative Totals for Fiscal Year Ended June 30, 2013

Functions/Programs	Expenses	Program Revenues		Net (Expenses) Revenue and Changes in Net Position	2013	
		Charges for Services	Operating Contributions and Grants			Capital Contributions and Grants
Governmental Activities:						
Recreation and park operations:	\$ 8,731,323	\$ 2,198,520	\$ 98,042	\$ 136,864	\$ (6,297,897)	\$ (6,821,675)
Total governmental activities	\$ 8,731,323	\$ 2,198,520	\$ 98,042	\$ 136,864	(6,297,897)	(6,821,675)
General Revenues:						
Property taxes				5,392,670	5,210,601	
Investment earnings				6,207	10,526	
Other revenues				88,939	75,402	
Total general revenues				5,487,816	5,296,529	
Change in net position				(810,081)	(1,525,146)	
Net position - beginning of fiscal year				30,081,299	31,606,445	
Prior-period adjustment				(664,700)		
Net position - beginning of fiscal year, restated				29,416,599	31,606,445	
Net position - end of fiscal year				\$ 28,606,518	\$ 30,081,299	

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
BALANCE SHEET - GOVERNMENTAL FUNDS
JUNE 30, 2014
With Comparative Totals for June 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds	
			2014	2013
ASSETS				
Cash and investments	\$ 1,940,482	\$ 827,067	\$ 2,767,549	\$ 2,790,101
Accrued interest receivable	2,425	150	2,575	2,776
Accounts receivable	64,114	18,223	82,337	41,520
Property taxes and assessments receivable	112,747		112,747	127,872
Due from other fund	21,352		21,352	92,850
Prepaid expenditures	11,621		11,621	14,030
Total assets	<u>\$ 2,152,741</u>	<u>\$ 845,440</u>	<u>\$ 2,998,181</u>	<u>\$ 3,069,149</u>
LIABILITIES AND FUND BALANCES				
Liabilities				
Accounts payable and accrued expenditures	\$ 237,182		\$ 237,182	\$ 243,868
Accrued salaries and benefits	103,446		103,446	186,381
Due to other fund		21,352	21,352	92,850
Deposits	20,454		20,454	12,719
Unearned revenue	20,186		20,186	30,000
Total liabilities	<u>381,268</u>	<u>21,352</u>	<u>402,620</u>	<u>565,818</u>
Fund Balances				
Nonspendable:				
Prepays	11,621		11,621	14,030
Restricted:				
Specified park projects reserve		617,452	617,452	464,306
Committed:				
Accrued interest payable		206,636	206,636	208,478
Assigned:				
Compensated absences	369,338		369,338	374,524
Post-employment benefits payable	81,299		81,299	53,080
Pension-related debt	1,689,000		1,689,000	1,820,000
Unassigned	<u>(379,785)</u>		<u>(379,785)</u>	<u>(431,087)</u>
Total fund balances	<u>1,771,473</u>	<u>824,088</u>	<u>2,595,561</u>	<u>2,503,331</u>
Total liabilities and fund balances	<u>\$ 2,152,741</u>	<u>\$ 845,440</u>	<u>\$ 2,998,181</u>	<u>\$ 3,069,149</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE
 SHEET TO THE STATEMENT OF NET POSITION
 JUNE 30, 2014

Total fund balances - governmental funds \$ 2,595,561

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets: In governmental funds, only current assets are reported. In the statement of net position, all assets are reported, including capital assets and accumulated depreciation. Net capital assets consist of:

Capital assets at historical costs	\$ 56,302,465	
Accumulated depreciation	<u>(15,405,181)</u>	
		40,897,284

Interest payable: In governmental funds, interest on long-term debt is not recognized until the period in which it matures and is paid. In the government-wide statements of activities, it is recognized in the period it is incurred.	(231,690)
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Long-term liabilities: In governmental funds, only current liabilities are reported. In the statement of net position, all liabilities, including long-term liabilities, are reported. Long-term liabilities relating to governmental activities consist of:

Certificates of participation	(12,515,000)	
Note payable	(1,689,000)	
Compensated absences	(369,338)	
Other postemployment benefits	<u>(81,299)</u>	
		<u>(14,654,637)</u>

Total net position - governmental activities	<u>\$ 28,606,518</u>
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The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 GOVERNMENTAL FUNDS
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 FISCAL YEAR ENDED JUNE 30, 2014
 With Comparative Totals for Fiscal Year Ended June 30, 2013

	General Fund	Special Revenue Fund	Total Governmental Funds	
			2014	2013
Revenues				
Property taxes	\$ 5,392,670	\$ -	\$ 5,392,670	\$ 5,210,601
Charges for services:				
Special assessments		994,381	994,381	980,148
Registration and other fees	813,959		813,959	790,203
Facility and other rental fees	390,180		390,180	366,074
Operating grants and contributions	98,042		98,042	128,365
Capital grants and contributions	136,864		136,864	191,021
Investment earnings	5,257	950	6,207	10,526
Other revenues	88,939		88,939	75,402
Total revenues	<u>6,925,911</u>	<u>995,331</u>	<u>7,921,242</u>	<u>7,752,340</u>
Expenditures				
Salaries and benefits	3,564,070	119,266	3,683,336	4,368,689
Materials and services	3,220,489	38,623	3,259,112	3,236,278
Capital outlay	47,894		47,894	621,824
Debt service:				
Principal	131,000	85,000	216,000	141,021
Interest		622,670	622,670	618,684
Total expenditures	<u>6,963,453</u>	<u>865,559</u>	<u>7,829,012</u>	<u>8,986,496</u>
Excess of revenues over (under) expenditures	<u>(37,542)</u>	<u>129,772</u>	<u>92,230</u>	<u>(1,234,156)</u>
Other Financing Sources (Uses)				
Transfers in		21,352	21,352	92,850
Transfers out	(21,352)		(21,352)	(92,850)
Total other financing sources and uses	<u>(21,352)</u>	<u>21,352</u>		
Net change in fund balances	(58,894)	151,124	92,230	(1,234,156)
Fund balances - beginning of fiscal year	<u>1,830,367</u>	<u>672,964</u>	<u>2,503,331</u>	<u>3,737,487</u>
Fund balances - end of fiscal year	<u>\$ 1,771,473</u>	<u>\$ 824,088</u>	<u>\$ 2,595,561</u>	<u>\$ 2,503,331</u>

The accompanying notes are an integral part of this financial statement.

**PLEASANT VALLEY RECREATION AND PARK DISTRICT
RECONCILIATION OF GOVERNMENTAL FUNDS STATEMENT OF REVENUES,
EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
JUNE 30, 2014**

Total net change in fund balances - governmental funds \$ 92,230

Amounts reported for governmental activities in the statement of activities are different because:

In governmental funds, the costs of capital assets are reported as expenditures in the period when the assets are acquired. In the statement of activities, costs of individual capital assets in excess of the capitalization threshold of \$5,000 are allocated over their estimated useful lives as depreciation expense. The difference between capital outlay expenditures which were capitalized and depreciation expense and the cost of capital assets disposed of for the period is:

Capital outlays which were capitalized as capital assets	\$	47,894	
Depreciation expense		(1,141,754)	
Loss on disposal of capital assets		<u>(5,203)</u>	
			(1,099,063)

In governmental funds, compensated absences are measured by the amounts paid during the period. In the statement of activities, compensated absences are measured by the amounts earned. The differences between compensated absences paid and compensated absences earned was:

5,186

In governmental funds, repayments of long-term debt are reported as expenditures. In the government-wide statements, repayments of long-term debt are reported as reductions of liabilities.

216,000

In governmental funds, interest on long-term debt is recognized in the period that it becomes due. In the government-wide statement of activities, it is recognized in the period that it is incurred. Unmatured interest owing at the end of the period, less matured interest paid during but owing from the prior period was:

3,785

In statement of activities, the long-term liability for other postemployment benefits is recognized. This does not require the use of current financial resources and is not reported in governmental funds.

(28,219)

Total change in net position - governmental activities

\$ (810,081)

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 JUNE 30, 2014
 With Comparative Totals for June 30, 2013

	<u>Part-Time Employees Retirement Trust Fund</u>	
	<u>2014</u>	<u>2013</u>
Assets		
Cash and investments	\$ 63,074	\$ 65,144
Total assets	<u>\$ 63,074</u>	<u>\$ 65,144</u>
Net Position		
Retirement funds payable to recipients	63,074	65,144
Total net position	<u>\$ 63,074</u>	<u>\$ 65,144</u>

The accompanying notes are an integral part of this financial statement.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
 Fiscal Year Ended June 30, 2014
 With Comparative Totals for Fiscal Year Ended June 30, 2013

	Part-Time Employees Retirement Trust Fund	
	2014	2013
Additions		
Contributions to retirement trust fund	\$ 3,970	\$ 5,003
Investment earnings	219	451
Total revenues	<u>4,189</u>	<u>5,454</u>
Deductions		
Claims paid or payable to claimants:	6,259	9,999
Total deductions	<u>6,259</u>	<u>9,999</u>
Change in net position	(2,070)	(4,545)
Net position - beginning of fiscal year	<u>65,144</u>	<u>69,689</u>
Net position - end of fiscal year	<u>\$ 63,074</u>	<u>\$ 65,144</u>

The accompanying notes are an integral part of this financial statement.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Organization and Reporting Entity

The Pleasant Valley Recreation & Park District (the District) is located in and around the city of Camarillo, approximately 10 miles inland from the Pacific Ocean. The District was formed in January 1962 under the State Public Resource Code of California. The District serves an area of approximately 44 square miles and has grown from one park to 27 parks since its inception 51 years ago. Within the District, a variety of recreational facilities exists including: indoor swimming pool, lighted ball fields, tennis courts, racquetball courts, a running track, children's play equipment, picnic shelters, barbecues and much more. General administration and management of the District is under the direction of a five member Board of Directors and a General Manager.

The District's basic financial statements include the operations of which the District's Board of Directors exercises oversight responsibility. There are no component units included in this report which meet the criteria of the GASB Statement No. 14, *The Financial Reporting Entity*, as amended by GASB Statements No. 39 and No. 61.

B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation

The District's basic financial statements are prepared in conformity with accounting principles generally accepted in the United States of America. The Governmental Accounting Standards Board is the acknowledged standard setting body for establishing accounting and financial reporting standards followed by governmental entities in the United States of America.

The *basic financial statements* of the District are composed of the following:

- Government-wide financial statements
- Fund financial statements
- Notes to the basic financial statements

Government-wide Financial Statements

Government-wide financial statements display information about the reporting government as a whole. These statements include separate columns for the governmental activities of the primary government. Eliminations have been made in the Statement of Activities so that certain allocated expenses are recorded only once (by the function to which they were allocated). However, general government expenses have not been allocated as indirect expenses to the various functions of the District.

Government-wide financial statements are presented using the *economic resources measurement focus* and the *accrual basis of accounting*. Under the economic resources measurement focus, all (both current and long-term) economic resources and obligations of the reporting government are reported in the government-wide financial statements. *Basis of accounting* refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Under the accrual basis of accounting, revenues, expenses, gains, losses, assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place. Revenues, expenses, gains, losses, assets, and liabilities resulting from nonexchange transaction are recognized in accordance with the requirements of GASB Statement No. 33.

The types of transactions reported as program revenues for the District are to be reported in three categories, if applicable: 1) charges for services, 2) operating grants and contributions, and 3) capital grants and contributions. Charges for services include revenues from customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function. Grant and contributions include revenues restricted to meeting the operational or capital requirements of a particular function. Program revenues are netted with program expenses in the statement of activities to present the net cost of each program. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Amounts paid to acquire capital assets are capitalized as assets in the government-wide financial statements, rather than reported as an expenditure. Proceeds of long-term debt are recorded as a liability in the government-wide financial statements, rather than as an other financing source. Amounts paid to reduce long-term indebtedness of the reporting government are reported as a reduction of the related liability, rather than as an expenditure.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (continued)

Fund Financial Statements

Fund financial statements report detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major governmental fund is presented in a separate column, and all nonmajor funds are aggregated into one column, however the District has no nonmajor funds. Fiduciary funds are reported by fund type.

The accounting and financial treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a flow of current financial resources measurement focus. With the measurement focus, only current assets and current liabilities are generally included on the balance sheet. The Statement of Revenues, Expenditures, and Changes in Fund Balances for these funds present increases, (i.e., revenues and other financing sources) and decreases (i.e. expenditures and other financing uses) in net position.

Fiduciary funds are reported using the economic resources measurement focus.

Governmental Funds

In the fund financial statements, governmental funds are presented using the *modified - accrual basis of accounting*. Their revenues are recognized when they become *measurable* and *available* as net current position. *Measurable* means that the amounts can be estimated, or otherwise determined. *Available* means that the amounts were collected during the reporting period or soon enough thereafter to be available to finance the expenditures accrued for the reporting period. Revenue recognition is subject to the measurable and *availability* criteria for the governmental funds in the fund financial statements. *Exchange transactions* are recognized as revenues in the period in which they are earned (i.e., the related goods or services are provided). *Locally imposed derived tax revenues* are recognized as revenues in the period in which the underlying exchange transaction upon which they are based takes place. *Imposed nonexchange* transactions are recognized as revenues in the period for which they were imposed. If the period of use is not specified, they are recognized as revenues when an enforceable legal claim to the revenues arises or when they are received, whichever occurs first. *Government-mandated and voluntary nonexchange transactions* are recognized as revenues when all applicable eligibility requirements have been met.

In the fund financial statements, governmental funds are presented using the *current financial resources measurement focus*. This means that only current assets and current liabilities are generally included on their balance sheets. The reported fund balance is considered to be a measure of "available spendable resources." Governmental fund operating statements present increases (revenues and other financing sources) and decreases (expenditures and other financing uses) in net position. Accordingly, they are said to present a summary of sources and uses of "available spendable resources" during a period.

Non-current portions of long-term receivables due to governmental funds are reported on their balance sheets in spite of their spending measurement focus. Special reporting treatments are used to indicate, however, that they should not be considered "available spendable resources," since they do not represent net current position. Recognition of governmental fund type revenue represented by non-current receivables are deferred until they become current receivables. Because of their spending measurement focus, expenditure recognition for governmental fund types excludes amounts represented by noncurrent liabilities. Since they do not affect net position, such long-term amounts are not recognized as governmental fund type expenditures or fund liabilities.

Amounts expended to acquire capital assets are recorded as *expenditures* in the fiscal year that resources were expended, rather than as fund assets. The proceeds of long-term debt are recorded as *other financing sources* rather than as a fund liability. Amounts paid to reduce long-term indebtedness are reported as fund expenditures.

When both restricted and unrestricted resources are combined in a fund, expenditures/expense are considered to be paid first from restricted resources, and then from unrestricted resources.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

B. Basis of Accounting, Measurement Focus, and Financial Statement Presentation (continued)

The District reports the following major governmental funds:

- **General Fund** is the primary operating fund of the District. It is used to account for all financial resources except those required to be accounted for in another fund.
- **Special Revenue Fund** is used for the assessment revenues and expenditures from a special assessment for specific park and recreation facilities and operations.

The District reports the following fiduciary fund:

- **Part-Time Employees Retirement Trust Fund** holds funds in trust for part-time employees who are enrolled in the non-elective deferred compensation plan arrangement for the benefit of employees who are not covered by another retirement system maintained by the District (see note 11).

Basis of accounting refers to when revenues and expenditures are recognized in the accounts and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental funds use the modified accrual basis of accounting. Fiduciary funds use the accrual basis of accounting.

C. Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America, as prescribed by the GASB and the AICPA, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures/expenses during the reporting period. Actual results could differ from those estimates.

D. Investments and Investment Policy

The District has adopted an investment policy directing the General Manager to deposit funds in financial institutions. No more than 30% of the District's total investment portfolio will be invested in a single security type or with a single financial institution with the exceptions of U.S. Government Treasury securities and LAIF. Investments are to be made in the following areas:

U.S. Government Securities	Repurchase Agreements
Banker's Acceptances	Local Agency Investment Fund (LAIF)
Commercial Paper	Money Market Accounts
Negotiable Certificates of Deposit	Savings Deposits

Changes in fair value that occur during a fiscal year are recognized as unrealized gains or losses and reported for that fiscal year. Investment income comprises of investment earnings, changes in fair value, and any gains or losses realized upon the liquidation or sale of investments.

Local Agency Investment Fund

LAIF is regulated by California Government Code (Code) Section 16429 and is under the management of the State of California Treasurer's Office with oversight provided by the Local Agency Investment Advisory Board.

LAIF is carried at fair value based on the value of each participating dollar as provided by LAIF. The fair value of the District's position in LAIF is the same as the value of its pooled shared. Investments in securities of the U.S. government or its agencies are carried at fair value based on quoted market prices. Bank balances are secured by the pledging of a pool of eligible securities to collateralize the District's deposits with the bank in accordance with the Code.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

E. Property Taxes and Special Assessments

The County of Ventura Assessor's Office assesses all real and personal property within the County each year. The County of Ventura Tax Collector's Office bills and collects the District's share of property taxes and special assessments. The County of Ventura Treasurer's Office remits current and delinquent property tax collections to the District throughout the year. Property tax in California is levied in accordance with Article 13A of the State Constitution at one percent (1%) of countywide assessed valuations.

Property taxes and special assessments receivable at year-end are related to property taxes collected by the County of Ventura which have not been credited to the District's cash balance as of June 30. The property tax calendar is as follows:

Lien date	January 1
Levy date	July 1
Due dates	November 1 and March 1
Collection dates	December 10 and April 10

F. Prepaid Items

Certain payments to vendors reflect costs or deposits applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements.

G. Capital Assets

Capital assets are recorded in the government-wide financial statements. Included in capital assets are PV Fields assets, land, buildings, building improvements, equipment, furniture and fixtures and vehicles. District policy has set the capitalization threshold for reporting capital assets at \$5,000. Donated assets are recorded at estimated fair market value at the date of donation. Capital outlay is recorded as expenditures of the governmental funds and as assets in the government-wide financial statements to the extent the District's capitalization threshold is met. Depreciation is recorded on a straight-line basis over the estimated useful lives of the assets as follows:

Description	Years	Description	Years
PV Fields — Buildings	39	Land improvements	15
PV Fields — Land grading	39	Assessment assets	15
PV Fields — Land improvements	39	Buildings, structures and improvements	10 to 39
PV Fields — Lighting	39	Furniture fixtures and office equipment	5 to 7
PV Fields — Other assets	5	Machinery and heavy equipment	3 to 10
PV Fields — Playground equipment	15	Playground equipment	15
PV Fields — Turf and landscaping	10	Vehicles	5
FB Fields — Ball Fields	20	FB Fields — Land improvements	20
FB Fields — Lighting	20	FB Fields — Land Grading	20
FB Fields — Turf and Landscape	20		

H. Compensated Absences

The District's policy is to permit full time and part-time year-round employees to accumulate earned vacation time, sick leave, and compensating time. Earned vacation time shall be earned by each employee subject to the accrual limitations and policies as follows:

Years of Service	Annual Accrual	Maximum Accrual
Less than 5 years of service	80	240
Over 5 years but less than 11	120	360
Over 11 years but less than 12	128	384
Over 12 years but less than 13	136	408
Over 13 years but less than 14	144	432
Over 14 years but less than 16	152	456
16 years or more	160	480
Part-time year-round	40	80

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

H. Compensated Absences (continued)

Sick leave that is not used shall accumulate during subsequent years without limitation for full-time employees and will be capped at 80 hours for part-time year-round employees. Sick leave cannot be converted to vacation time, but in order to reward employees who do not utilize all of their sick leave, the District will compensate employees fifty percent (50%) of the unused sick leave after 20 years of employment and compensate employees with 5 to 20 years at twenty-five percent (25%) of the unused sick leave.

I. Budgets

The budget is reported on the same basis as the fund types and on a basis consistent with accounting principles generally accepted in the United States of America. Additional appropriations or other changes during the fiscal year may be submitted by the department for Board review and approval.

J. Net Position

GASB Statement No. 63 requires that the difference between assets added to the deferred outflows of resources and liabilities added to the deferred inflows of resources be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is net investment in capital assets consist of capital assets, net of accumulated depreciation, and reduced by the outstanding principal of related debt. Restricted net position is the portion of net position that has external constraints placed on it by creditors, grantors, contributors, laws, or regulations of other governments, or through constitutional provisions or enabling legislation. Unrestricted net position consists of net position that does not meet the definition of net investment in capital assets or restricted net position.

K. Fund Balances

In the financial statements, governmental funds report fund balances as nonspendable, restricted, committed, assigned or unassigned based primarily on the extent to which the District is bound to honor constraints on how specific amounts can be spent.

- Nonspendable fund balance — amounts that cannot be spent because they are either (a) not spendable in form or (b) legally or contractually required to be maintained intact.
- Restricted fund balance — amounts with constraints placed on their use that are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions enabling legislation.
- Committed fund balance — amounts that can only be used for specific purposes determined by formal action of the District's highest level of decision-making authority (the Board of Directors) and that remain binding unless removed in the same manner. The underlying action that imposed the limitation needs to occur no later than the close of the reporting period.
- Assigned fund balance — amounts that are constrained by the District's intent to be used for specific purposes. The intent can be established at either the highest level of decision-making, or by a body or an official designated for that purpose.
- Unassigned fund balance — the residual classification for the District's general fund that includes amounts not contained in the other classifications. In other funds, the unassigned classification is used only if expenditures incurred for specific purposes exceed the amounts restricted, committed, or assigned to those purposes.

The Board of Directors established, modifies or rescinds fund balance commitments and assignments by passage of an ordinance or resolution. This is done through adoption of the budget and subsequent budget amendments that occur throughout the year.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, followed by the unrestricted, committed, assigned and unassigned resources as they are needed.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

K. Fund Balances (continued)

Fund Balance Policy

The District believes that sound financial management principles require that sufficient funds be retained by the District to provide a stable financial base at all times. To retain this stable financial base, the District needs to maintain an unrestricted fund balance in its funds sufficient to fund cash flows of the District and to provide financial reserves for unanticipated expenditures and/or revenue shortfalls of an emergency nature. Committed, assigned and unassigned fund balances are considered unrestricted.

The purpose of the District's fund balance policy is to maintain a prudent level of financial resources to protect against reducing service levels or raising taxes and fees because of temporary revenue shortfalls or unpredicted one-time expenditures.

L. Comparative Data/Totals Only

Comparative total data for the prior fiscal year has been presented in certain accompanying financial statements in order to provide an understanding of the changes in the District's financial position and operations. Also, certain prior fiscal amounts have been reclassified to conform to the current fiscal year financial statements presentation.

M. New Accounting Pronouncements

Governmental Accounting Standards Board Statement No. 65

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 65, "Items Previously Reported as Assets and Liabilities." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to establish accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities. Implementation of the GASB Statement No. 65 impacted the fiscal year ended June 30, 2014, by removing the deferred charges asset, see Note 16 Prior-period adjustment.

Governmental Accounting Standards Board Statement No. 66

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 66, "Technical Correction - 2012." This Statement is effective for periods beginning after December 15, 2012. The objective of this Statement is to improve accounting and financial reporting for a governmental financial reporting entity by resolving conflicting guidance that resulted from GASB Statement No. 54 "Fund Balance Reporting and Governmental Fund Type Definitions," and GASB Statement No. 62 "Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements." Since the release of these Statements, questions have arisen concerning differences between the provisions in Statement No. 54 and Statement No. 10, *Accounting and Financial Reporting for Risk Financing and Related Insurance Issues*, regarding the reporting of risk financing activities. Questions also have arisen about differences between Statement No. 62 and Statements No. 13, *Accounting for Operating Leases with Scheduled Rent Increases*, regarding the reporting of certain operating lease transactions, and No. 48, *Sales and Pledges of Receivables and Future Revenues and Intra-Equity Transfers of Assets and Future Revenues*, concerning the reporting of the acquisition of a loan or a group of loans and the recognition of servicing fees related to mortgage loans that are sold. Implementation of the GASB Statement No. 66 did not have an impact on the District's financial statements for the fiscal year ended June 30, 2014.

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

N. New Accounting Pronouncements (continued)

Governmental Accounting Standards Board Statement No. 67

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 67, "Financial Reporting for Pension Plans." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement replaces the requirements of Statements No. 25, "Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans" and No. 50 "Pension Disclosures" as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements No. 25 and No. 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. Implementation of the GASB Statement No. 67 did not have an impact on the District's financial statements for the fiscal year ended June 30, 2014.

Governmental Accounting Standards Board Statement No. 70

For the fiscal year ended June 30, 2014, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 70, "Accounting and Financial Reporting for Non-exchange Financial Guarantees." This Statement is effective for periods beginning after June 15, 2013. The objective of this Statement is to improve the recognition, measurement, and disclosure guidance for state and local governments that have extended or received financial guarantees that are non-exchange transactions. Implementation of the GASB Statement No. 70 did not have an impact on the District's financial statements for the fiscal year ended June 30, 2014.

NOTE 2 - CASH AND INVESTMENTS

Cash at June 30, 2014, consists of the following:

Cash on hand	\$ 1,260
Deposits held with financial institutions	1,281,037
Deposits held with California Local Agency Investment Fund (LAIF)	<u>1,548,326</u>
Total cash and investments	<u>\$ 2,830,623</u>

Cash and investments are presented on the accompanying basic financial statements, as follows:

Cash and investments, statement of net position	\$ 2,767,549
Cash in and investments, statement of fiduciary net position	<u>63,074</u>
Total cash and investments	<u>\$ 2,830,623</u>

Authorized Deposits and Investments

Under provisions of the District's investment policy, and in accordance with Section 53601 of the California Government Code, the District may invest in certain types of investments as listed in Note 1(D) to the financial statements.

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 California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: 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 a depository regulated under state law (unless so waived by the governmental unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 2 - CASH AND INVESTMENTS (continued)

Custodial Credit Risk (Continued)

by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits. Of the bank balance, with the District's bank, up to \$3.2 million is collateralized in accordance with the Code; however, the collateralized securities are not held in the District's name.

Investments securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the government, and are held by either the counterparty or the counterparty's trust department or agent but not in the government's name. Investments in external pools, such as cash in county treasury, are not exposed to custodial credit risk because their existence is not evidenced by securities that exist in physical or book entry form.

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. The longer the maturity an investment has the greater its fair value has sensitivity to changes in market interest rates. The District's investment policy follows the Code as it relates to limits on investment maturities as a means of managing exposure to fair value losses arising from increasing interest rates.

Credit Risk

State law limits investments in commercial paper, corporate bonds, and mutual bond funds to the top two ratings issued by nationally recognized statistical rating organizations. The District has no investment policy that would further limit its investment choices. LAIF investment funds are unrated.

Concentration of Credit Risk

The District's investment policy contains various limitations on the amounts that can be invested in any one governmental agency or non-governmental issuer as stipulated by the California Government Code. The District's deposit portfolio with governmental agencies, LAIF, is 18.6% of the District's total depository and investment portfolio. There were no investments in any one non-governmental issuer that represent 5% or more of the District's total investments.

NOTE 3 - INTERFUND TRANSACTIONS

Interfund transactions are reported as either loans, services provided, reimbursements, or transfers. Loans are reported as interfund receivables and payables, as appropriate, and are subject to elimination upon consolidation. Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures/expenses. Reimbursements occur when one fund incurs a cost, charges the appropriate benefiting fund, and reduces its related cost as a reimbursement. All other interfund transactions are treated as transfers. Transfers among governmental funds are netted as part of the reconciliation to the government-wide financial statements.

Interfund Transfers

Interfund transfers consist of operating transfers from funds receiving revenue to funds through which the resources are to be expended.

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
Major Funds:		
General Fund	\$ -	\$ 21,352
Special Revenue Fund	<u>21,352</u>	<u> </u>
Totals	<u>\$ 21,352</u>	<u>\$ 21,352</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
June 30, 2014

NOTE 4 – CAPITAL ASSETS

Capital assets activity for the fiscal year ended June 30, 2014, was as follows:

	<u>Balance July 1, 2013</u>	<u>Additions/ Tranfers</u>	<u>Deletions/ Transfers</u>	<u>Balance June 30, 2014</u>
Non-depreciable capital assets				
Land	\$ 22,732,253	\$ -	\$ -	\$ 22,732,253
Construction in progress	52,206	24,804	(72,401)	4,609
Total non-depreciable capital assets	<u>\$ 22,784,459</u>	<u>\$ 24,804</u>	<u>\$ (72,401)</u>	<u>\$ 22,736,862</u>
Depreciable capital assets:				
PV Fields-Buildings	3,849,407			3,849,407
PV Fields-Land grading	807,164			807,164
PV Fields-Land improvements	4,390,266			4,390,266
PV Fields-Lighting	2,271,285			2,271,285
PV Fields-Other assets	49,626			49,626
PV Fields-Playground equipment	86,177			86,177
PV Fields-Turf and landscaping	2,553,936			2,553,936
Freedom ball fields	516,963			516,963
Freedom ball fields lighting	225,128			225,128
Freedom ball fields land grading	305,852			305,852
Freedom ball fields turfs & landscaping	518,363			518,363
Freedom ball fields land improvements	452,855			452,855
Land Improvements	7,533,562	16,709	72,401	7,622,672
Assessment assets	128,560			128,560
Buildings, structures and improvements	7,989,019			7,989,019
Furniture, fixtures and office equipment	275,932			275,932
Machinery and heavy equipment	439,357	6,381		445,738
Playground equipment	717,773			717,773
Vehicles	404,326		(45,439)	358,887
Total depreciable capital assets	<u>33,515,551</u>	<u>23,090</u>	<u>26,962</u>	<u>33,565,603</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 4 – CAPITAL ASSETS (continued)

	Balance July 1, 2013	Additions/ Transfers	Deletions/ Transfers	Balance June 30, 2014
Accumulated depreciation:				
PV Fields-Buildings	337,234	98,703		435,937
PV Fields-Land grading	70,713	20,697		91,410
PV Fields-Land improvements	384,617	112,571		497,188
PV Fields-Lighting	198,980	58,238		257,218
PV Fields-Other assets	25,436	7,665		33,101
PV Fields-Playground equipment	19,629	5,745		25,374
PV Fields-Turf and landscaping	872,595	255,394		1,127,989
Freedom ball fields	12,924	25,848		38,772
Freedom ball fields lighting	5,628	11,256		16,884
Freedom ball fields land grading	7,646	15,293		22,939
Freedom ball fields turfs & landscaping	12,959	25,918		38,877
Freedom ball fields land improvements	11,321	22,643		33,964
Land Improvements	6,632,074	162,299		6,794,373
Assessment assets	84,799	8,571		93,370
Buildings, structures and improvements	4,291,912	246,331		4,538,243
Furniture, fixtures and office equipment	240,510	9,123		249,633
Machinery and heavy equipment	376,388	8,916		385,304
Playground equipment	327,870	41,614		369,484
Vehicles	390,428	4,929	(40,236)	355,121
Total accumulated depreciation	<u>14,303,663</u>	<u>1,141,754</u>	<u>(40,236)</u>	<u>15,405,181</u>
Total depreciable capital assets, net	<u>\$ 19,211,888</u>	<u>\$ (1,118,664)</u>	<u>\$ 67,198</u>	<u>\$ 18,160,422</u>
Total capital assets, net	<u>\$ 41,996,347</u>	<u>\$ (1,093,860)</u>	<u>\$ (5,203)</u>	<u>\$ 40,897,284</u>

Construction in Progress

	2014	2013
The balance consists of the following:		
Freedom park ballfield project	\$ -	
Springville dog park project		
Cam grove outdoor education project		35,463
Freedom park ballfield scoreboard	4,609	16,743
Total construction in progress	<u>\$ 4,609</u>	<u>\$ 52,206</u>

Depreciation expense for the fiscal year ended June 30, 2014, was \$1,141,754.

NOTE 5 – COMPENSATED ABSENCES

Compensated absences comprise unpaid vacation leave, sick leave and compensating time off which is accrued as earned. The District's liability for compensated absences is determined annually. The changes to compensated absences balances at June 30, were as follows:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due within One year
Compensated absences	<u>\$ 374,524</u>	<u>\$ 123,197</u>	<u>\$ (128,383)</u>	<u>\$ 369,338</u>	<u>\$ 92,335</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 6 – PENSION RELATED DEBT – CALPERS SIDE-FUND

As of June 30, 2003, CalPERS implemented risk-pooling for the District's agent multiple-employer public employee defined benefit pension plan. As a result, the District's defined benefit pension plan with CalPERS converted from an agent multiple-employer plan to a cost sharing multiple-employer plan. This change in the type of the plan created the CalPERS Side-Fund, which CalPERS financed at a 7.75% interest rate. CalPERS actuarially calculated the amount needed to bring the District into the cost sharing multiple-employer plan on an equal basis with other governmental agencies who had less than 100 active and retired employees combined. The reason that CalPERS switched these governmental agencies into the cost sharing multiple-employer plan was to smooth the annual costs related to the pension benefit over a longer period of time resulting in a lower cost of service to the governmental agencies.

A portion of the District's annual required contributions to CalPERS are actuarially determined and shared by all governmental agencies within the cost sharing risk pool. Also, the District is required to make annual payments to pay-down the CalPERS Side-Fund, as well. The responsibility for paying-down the District's CalPERS Side-Fund is specific to the District and is not shared by all governmental agencies within the cost sharing risk pool. Therefore, the Side Fund falls under the definition of pension related debt, as described in GASB Statement No. 27 and recorded as liability on the District's financial statements.

On August 31, 2012, the District refinanced the pension-related debt (CalPERS side-fund liability) of \$1,881,661 to lower the interest rate to 4.450% which resulted in an economic gain of \$692,862 from the interest expense savings on the pension-related debt. The cost of debt issuance was \$48,443. Principal and interest are payable semi-annually on August 31 and February 28 each fiscal year as follows:

Fiscal Year			
Ending June 30,	Principal	Interest	Total
2015	\$ 146,000	\$ 73,603	\$ 219,603
2016	158,000	66,972	224,972
2017	171,000	59,808	230,808
2018	186,000	52,043	238,043
2019	200,000	43,610	243,610
2020-2023	828,000	76,384	904,384
Total	<u>\$ 1,689,000</u>	<u>\$ 372,420</u>	<u>\$ 2,061,420</u>

NOTE 7 – CERTIFICATES OF PARTICIPATION – SERIES 2009

In July 2009, the District issued \$12,775,000 in Certificates-of-Participation - Series 2009 under a 30 year lease agreement with the California Special District Association (CSDA) Financing Corporation (Corporation). The District and the Corporation entered into a site-lease dated July 1, 2009. Under the site-lease agreement, the District leased its Camarillo Community Center and the land under the PV Fields sports complex to the Corporation. Concurrently, the District and Corporation entered into a lease agreement dated July 1, 2009 whereas the District leased-back its Camarillo Community Center and the land under the PV Fields sports complex for the purpose of financing the PV Fields sports complex construction project.

Interest is payable semi-annually on March 1st and September 1st of each year while principal payments are made on September 1st of each year, commencing September 1, 2009 with interest rates ranging from 6.500% to 4.125%. Annual debt service payments are as follows:

Fiscal Year			
Ending June 30,	Principal	Interest	Total
2015	\$ 105,000	\$ 616,496	\$ 721,496
2016	130,000	609,021	739,021
2017	150,000	601,865	751,865
2018	175,000	595,096	770,096
2019	195,000	587,277	782,277
2020-2024	1,375,000	2,776,726	4,151,726
2025-2029	2,200,000	2,363,348	4,563,348
2030-2034	3,330,000	1,686,594	5,016,594
2035-2039	4,855,000	657,922	5,512,922
Total	<u>\$ 12,515,000</u>	<u>\$ 10,494,345</u>	<u>\$ 23,009,345</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 8 – POSTEMPLOYMENT BENEFITS PAYABLE OTHER THAN PENSIONS

Plan Description

The District pays a portion of the cost of health insurance for retirees under any group plan offered by CalPERS, subject to certain restrictions as determined by the District. The District offers post-employment medical benefits to retired employees who satisfy the eligibility rules (5-years of service). Dependents are also eligible to receive benefits. Retirees may enroll in any plan available through the District's CalPERS medical program. The contribution requirements of Plan members and the District are established and may be amended by the Board of Directors. The District will reimburse the retiree for retiree and/or retiree's dependent health insurance premiums (medical) up to a maximum of \$119 per month. At June 30, 2014, there were twenty-seven eligible employees, with six retirees currently receiving benefits.

Funding Policy

The District accounts for this benefit on a pay-as-you-go basis. Postemployment expenditures are made from the General Fund, which is maintained on the modified accrual basis of accounting. For the fiscal year ended June 30, 2014, the District paid \$10,031 in contributions.

Annual OPEB Cost and Net OPEB Obligation

The annual required contribution (ARC) represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The following table shows the components of the District's annual OPEB cost for the current fiscal year, the amount actually contributed to the Plan, and changes in the District's net OPEB obligation for the postemployment healthcare benefits:

Annual required contribution	\$ 38,298
Interest on net OPEB obligation	2,177
Adjustment to annual required contribution	<u>(2,225)</u>
Annual OPEB cost (expense)	38,250
Contributions made	<u>(10,031)</u>
Increase (decrease in net OPEB obligation)	28,219
Net OPEB obligation, beginning of fiscal year	<u>53,080</u>
Net OPEB obligation, end of fiscal year	<u><u>\$ 81,299</u></u>

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the Plan, and the net OPEB obligation for 2014, were as follows:

<u>For Fiscal Year Ended</u> <u>June 30</u>	<u>Annual OPEB</u> <u>Cost</u>	<u>% of Annual</u> <u>OPEB Cost</u> <u>Contributed</u>	<u>Net OPEB</u> <u>Obligation</u>
2012	\$ 33,390	23.11%	\$ 25,675
2013	\$ 35,766	23.37%	\$ 53,080
2014	\$ 38,250	26.22%	\$ 81,299

Funded Status and Funding Progress

As of July 1, 2013, the actuarial accrued liability for benefits was \$432,444, all of which was unfunded. The covered payroll (annual payroll of active employees covered by the Plan) was \$2,074,478, and the ratio of the unfunded actuarial accrued liability to the covered payroll was 20.8 percent.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Amounts determined regarding the funded status of the Plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents information about the actuarial value of the Plan's assets and the actuarial accrued liabilities for benefits.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 8 – POSTEMPLOYMENT BENEFITS PAYABLE OTHER THAN PENSIONS (Continued)

Actuarial Methods and Assumptions

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

Based on the historical and expected returns of the District's short-term investment portfolio, a discount rate of 4.0 percent was used. In addition, the entry age normal cost method was used. The amortization period is 30 years, level percent of payroll.

NOTE 9 – LONG-TERM DEBT

The following is a summary of long-term liability for the fiscal year ended June 30, 2014:

	Balance July 1, 2013	Increases	Decreases	Balance June 30, 2014	Due within One year
Compensated absences	\$ 374,524	\$ 123,197	\$ (128,383)	\$ 369,338	\$ 92,335
Notes payable - pension related debt	1,820,000		(131,000)	1,689,000	146,000
Certificates of participation	12,600,000		(85,000)	12,515,000	105,000
Other post employment benefits	53,080	38,250	(10,031)	81,299	
Total	<u>\$ 14,847,604</u>	<u>\$ 161,447</u>	<u>\$ (354,414)</u>	<u>\$ 14,654,637</u>	<u>\$ 343,335</u>

NOTE 10 – DEFERRED COMPENSATION SAVINGS PLAN – FULL-TIME EMPLOYEES

For the benefit of its employees, the District participates in two 457 Deferred Compensation Programs (Programs). The purpose of these Programs is to provide deferred compensation for public employees that elect to participate in the Programs. Generally, eligible employees may defer receipt of a portion of their salary until termination, retirement, death or unforeseeable emergency.

Federal law requires deferred compensation assets to be held in trust for the exclusive benefit of the participants. Accordingly, the District is in compliance with this legislation. Therefore, these assets are not the legal property of the District, and are not subject to claims of the District's general creditors. Market value of the plan assets held in trust by ICMA Retirement Corporation and MetLife at June 30, 2014 was \$700,213 and \$62,545, respectively.

The District has implemented GASB Statement No. 32, *Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*. Since the District has little administrative involvement and does not perform the investing function for this plan, the assets and related liabilities are not shown on the statement of net position.

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN – PART-TIME EMPLOYEES

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

With certain limitations, a Participant may elect the time and manner by which his or her deferred amounts will be distributed. The election must be made prior to the date any such amounts become payable to the Participant. If the Participant fails to make a timely election concerning distribution of the deferred amounts, the amounts shall be in a lump sum distribution as prescribed by the Plan. The manner and time of benefit payout must meet the distribution requirements of the Internal Revenue Code Section 401(a) and 457(d)(2).

NOTE 11 – DEFERRED COMPENSATION SAVINGS PLAN – PART-TIME EMPLOYEES (Continued)

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

In 2011, the assets of the Plan were transferred to the Part-Time Employees Retirement Trust Fund, with the District remaining the trustee of the Plan, and held as a fiduciary fund of the District in the accompanying financial statements.

NOTE 12 – DEFINED BENEFIT PENSION PLAN

The District contributes to the California Public Employees' Retirement Systems (CalPERS), a cost-sharing multiple-employer defined benefit pension plan. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by State statute and the COG's policies. CalPERS issues a separate comprehensive annual financial report. Copies of CalPERS' annual financial report may be obtained from the CalPERS Executive Office, 400 Q Street, Sacramento, CA 95812.

The contribution rate for plan members in the CalPERS 2.5% at 55 years-old Risk Pool Retirement Plan is 8% of their annual covered salary. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension cost (APC) percentage of payroll for fiscal years 2014, 2013 and 2012 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal years 2014, 2013 and 2012, the District's annual contributions for the CalPERS plan were equal to the District's required and actual contributions for each fiscal year as follows:

Three Years CalPERS Funding Information

Fiscal Year	Annual Pension Cost (APC)	Percentage of APC Contributed	Net Pension Obligation	APC Percentage of Payroll	
2011-2012	\$ 608,093	100%	\$ -	27.995%	July to Dec
				* 19.995%	Jan to June
2012-2013	\$ 472,830	100%	-	20.649%	July to Aug
				* 13.307%	Aug to June
2013-2014	\$ 429,209	100%	-	14.083%	

* On January 4, 2012, the District's CalPERS contract was amended to provide for Section 20690.

Two Tier Plan

On March 12, 2011, the District approved a two tier plan for employees who become eligible to participate in the District's CalPERS defined benefit pension plan after that date. New participants in the plan will participate in the CalPERS 2.0% @ 60 years-old Risk Pool Retirement Plan.

The contribution rate for plan members in the CalPERS 2.0% at 60 years-old Risk Pool Retirement Plan is 7% of their annual covered salary. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension cost (APC) percentage of payroll for the fiscal years as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal year 2014, 2013, and 2012, the District's annual contributions for the CalPERS plan were equal to the District's required and actual contributions for each fiscal year as follows:

PLEASANT VALLEY RECREATION AND PARK DISTRICT
 NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 12 – DEFINED BENEFIT PENSION PLAN (continued)

Three Years CalPERS Funding Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2011-2012	\$ 15,706	100%	\$ -	7.733%
2012-2013	\$ 16,699	100%	\$ -	7.846%
2013-2014	\$ 24,998	100%	\$ -	8.049%

Three Tier Plan

On January 1, 2013, the District complied with the State mandate for employees who become eligible to participate in the District's CalPERS defined benefit pension plan after that date. New participants in the plan will participate in the CalPERS 2.0% @ 62 years-old Risk Pool Retirement Plan.

The contribution rate for plan members in the CalPERS 2.0% at 62 years-old Risk Pool Retirement Plan is 6% of their annual covered salary. Also, the District is required to contribute the actuarially determined remaining amounts necessary to fund the benefits for its members. The required employer contribution rates are equal to the annual pension cost (APC) percentage of payroll for fiscal years 2014 as noted below. The contribution requirements of the plan members are established by State statute, and the employer contribution rate is established and may be amended by CalPERS. For fiscal year 2014, the District's annual contributions for the CalPERS plan were equal to the District's required and actual contributions for each fiscal year as follows:

First Year CalPERS Funding Information

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>	<u>APC Percentage of Payroll</u>
2013-2014	\$ 36,840	100%	\$ -	6.000%

NOTE 13 – RISK MANAGEMENT

The District is a member of the Park and Recreation District Employee Compensation with the California Association for Park and Recreation Insurance (CAPRI). The following disclosures are made in compliance with GASB Code Section J50.103:

A. Description of CAPRI

CAPRI is comprised of 63 members and is organized under a Joint Exercise Powers Agreement pursuant to the California Government Code. The purpose of the CAPRI is to arrange and administer programs of insurance, risk management, and loss prevention for the pooling of self-insured losses and to purchase excess insurance coverage.

CAPRI is governed by a separate board of directors, which is comprised of seven directors elected from the member districts. The board controls the operations of CAPRI, including selection of management and approval of operating budgets.

B. Self-Insurance Programs of CAPRI

General and auto liability, public officials and employees' liability programs have total risk financing insurance limits of \$1,000,000 with various deductibles of \$5,000 to \$15,000 per occurrence. Excess insurance has been purchased by the District above the self-insurance limits. In addition to the above, the District also has the following insurance coverage:

- All-Risks property loss coverage including boiler and machinery coverage, is subject to a \$2,000 deductible per occurrence payable by the District.
- Flood and earthquake coverage with an annual aggregate limit of \$100,000 per occurrence for all member districts. The deductible for all loss or damage arising from the risks of flood is \$20,000 and/or earthquake is \$50,000 per occurrence or 5% of the value of the building, contents and/or structure, whichever is greater.
- Workers' compensation insurance up \$250,000 limits.

PLEASANT VALLEY RECREATION AND PARK DISTRICT
NOTES TO BASIC FINANCIAL STATEMENTS
 June 30, 2014

NOTE 13 – RISK MANAGEMENT (Continued)

B. Self-Insurance Programs of CAPRI (Continued)

Settled claims have not exceeded any of the coverage amounts in any of the last three fiscal years and there were no reductions in the District's insurance coverage during the years ending June 30, 2014, 2013 and 2012. Liabilities are recorded when it is probable that a loss has been incurred and the amount of the loss can be reasonably estimated net of the respective insurance coverage. Liabilities include an amount for claims that have been incurred but not reported (IBNR). There were no IBNR claims payable as of June 30, 2014, 2013 and 2012.

NOTE 14 – CONTINGENCIES

Litigation

In the ordinary course of operations, the District is subject to other claims and litigation from outside parties. After consultation with legal counsel, the District believes the ultimate outcome of such matters will not materially affect its financial condition.

NOTE 15 – EXCESS OF EXPENDITURES OVER APPROPRIATIONS

Excess of expenditures over appropriations in any individual funds are as follows:

<u>General Fund</u>	<u>Excess Expenditures</u>
Materials and services	\$ 173,339
<u>Special Revenue Fund</u>	
Salaries and benefits	\$ 5,916
Materials and services	\$ 17,231
Debt service	\$ 20

NOTE 16 – PRIOR-PERIOD ADJUSTMENT

A prior-period adjustment of \$664,700 was made which negatively effects the government-wide statement of activities to reduce the net position as of June 30, 2013 due to a change in accounting principals as detailed in Note 1, part M. Under GASB 65, the costs to issue long-term debt are now expensed when incurred rather than amortized over the life of the debt.

NOTE 17 – SUBSEQUENT EVENTS

Management has evaluated subsequent events through the date the financial statements were available for issuance which is December 15, 2014.

REQUIRED SUPPLEMENTARY INFORMATION

PLEASANT VALLEY RECREATION AND PARK DISTRICT

GENERAL FUND

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL

For Fiscal Year Ended June 30, 2014

	General Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Property taxes	\$ 5,530,500	\$ 5,341,500	\$ 5,392,670	\$ 51,170
Charges for services:				
Registration and other fees	739,550	778,100	813,959	35,859
Facility and other rental fees	392,350	373,150	390,180	17,030
Operating grants and contributions	89,325	98,575	98,042	(533)
Capital grants and contributions	290,800	191,000	136,864	(54,136)
Investment earnings	3,750	2,050	5,257	3,207
Other revenues	74,850	83,950	88,939	4,989
Total revenues	<u>7,121,125</u>	<u>6,868,325</u>	<u>6,925,911</u>	<u>57,586</u>
Expenditures				
Salaries and benefits	3,827,600	3,633,200	3,564,070	69,130
Materials and services	3,233,175	3,047,150	3,220,489	(173,339)
Capital outlay	110,000	110,000	47,894	62,106
Debt service:				
Principal	210,600	210,600	131,000	79,600
Interest				
Total expenditures	<u>7,381,375</u>	<u>7,000,950</u>	<u>6,963,453</u>	<u>37,497</u>
Excess of revenues over (under) expenditures	<u>(260,250)</u>	<u>(132,625)</u>	<u>(37,542)</u>	<u>95,083</u>
Other Financing Sources (Uses)				
Transfers out			(21,352)	(21,352)
Total other financing sources and uses			<u>(21,352)</u>	<u>(21,352)</u>
Net change in fund balance	(260,250)	(132,625)	(58,894)	73,731
Fund balance - beginning of fiscal year	<u>1,830,367</u>	<u>1,830,367</u>	<u>1,830,367</u>	
Fund balance - end of fiscal year	<u>\$ 1,570,117</u>	<u>\$ 1,697,742</u>	<u>\$ 1,771,473</u>	<u>\$ 73,731</u>

PLEASANT VALLEY RECREATION AND PARK DISTRICT
SPECIAL REVENUE FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
For Fiscal Year Ended June 30, 2013

	Special Revenue Fund			Variance with Final Budget Positive (Negative)
	Budgeted Amounts		Actual	
	Original	Final		
Revenues				
Charges for services:				
Special assessments	\$ 999,900	\$ 999,900	\$ 994,381	\$ (5,519)
Investment earnings	3,300	3,300	950	(2,350)
Total revenues	<u>1,003,200</u>	<u>1,003,200</u>	<u>995,331</u>	<u>(7,869)</u>
Expenditures				
Salaries and benefits	113,350	113,350	119,266	(5,916)
Materials and services	32,250	21,392	38,623	(17,231)
Capital outlay	148,700	148,700		148,700
Debt service:				
Principal	85,000	85,000	85,000	
Interest	622,650	622,650	622,670	(20)
Total expenditures	<u>1,001,950</u>	<u>991,092</u>	<u>865,559</u>	<u>125,533</u>
Excess of revenues over (under) expenditures	<u>1,250</u>	<u>12,108</u>	<u>129,772</u>	<u>117,664</u>
Other Financing Sources (Uses)				
Transfers in			21,352	21,352
Total other financing sources and uses			<u>21,352</u>	<u>21,352</u>
Net change in fund balance	1,250	12,108	151,124	139,016
Fund balance - beginning of fiscal year	<u>672,964</u>	<u>672,964</u>	<u>672,964</u>	
Fund balance - end of fiscal year	<u>\$ 674,214</u>	<u>\$ 685,072</u>	<u>\$ 824,088</u>	<u>\$ 139,016</u>

PLEASANT VALLEY RECREATION AND PARK DIST.
 SCHEDULE OF FUNDING PROGRESS FOR POSTEMPLOYMENT BENEFITS
 OTHER THAN PENSIONS
 FOR THE FISCAL YEAR ENDED JUNE 30, 2014

The following table provides required supplementary information regarding the District's postemployment healthcare benefits.

SCHEDULE OF FUNDING PROGRESS

<u>Valuation Date</u>	<u>Actuarial Asset Value</u>	<u>Actuarial Accrued Liability (AAL)</u>	<u>Unfunded Liability (Excess Assets)</u>	<u>Funded Ratio</u>	<u>Annual Covered Payroll</u>	<u>UAAL as a % of Covered Payroll</u>
7/1/2011	\$ -	\$ 377,581	\$ 377,581	0.0%	\$ 2,344,700	16.1%
7/1/2012	\$ -	\$ 404,568	\$ 404,568	0.0%	\$ 2,512,874	16.1%
7/1/2013	\$ -	\$ 432,444	\$ 432,444	0.0%	\$ 2,074,478	20.8%