

**COUNTY OF VENTURA
FILLMORE - PIRU
MEMORIAL DISTRICT**

FINANCIAL STATEMENTS

JUNE 30, 2011



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

**County of Ventura
Fillmore – Piru Memorial District
Financial Statements
June 30, 2011**

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ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscca.net

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Fillmore, California

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INDEPENDENT AUDITOR'S REPORT

We have audited the accompanying financial statements of the governmental activities and the major fund of the County of Ventura Fillmore - Piru Memorial District (District), as of and for the fiscal year ended June 30, 2011, which collectively comprise the basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express opinions on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the basic financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities and the major fund of the County of Ventura Fillmore - Piru Memorial District, as of June 30, 2011, and the respective changes in financial position for the fiscal year then ended in conformity with accounting principles generally accepted in the United States of America.

Management has omitted Management's Discussion and Analysis that accounting principles generally accepted in the United States of America required to be presented to supplement the basic financial statements. Such missing 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 operational, economic, or historical context. Our opinion on the basic financial statements is not affected by this missing information.

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

In accordance with *Government Auditing Standards*, we have also issued a report dated October 31, 2011, on our consideration of the District's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, 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 the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Rogers Anderson Malooly & Scott, LLP

December 8, 2011

**County of Ventura
Fillmore-Piru Memorial District
Statement of Net Assets
June 30, 2011**

ASSETS

Cash and investments	\$ 222,948
Accounts receivable	521
Interest receivable	211
Taxes receivable	4,110
Capital assets, net of depreciation	<u>147,193</u>
 Total assets	 <u>374,983</u>

LIABILITIES

Accounts payable and accrued liabilities	11,242
Refundable deposits	<u>2,850</u>
 Total liabilities	 <u>14,092</u>

NET ASSETS

Invested in capital assets	147,193
Unrestricted	<u>213,698</u>
 Total net assets	 <u><u>\$ 360,891</u></u>

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

**County of Ventura
Fillmore-Piru Memorial District
Statement of Activities
For the year ended June 30, 2011**

Governmental activities:	Expenses	Program Revenue		Net (expense) revenue and changes in net assets
EXPENSES		Charges for services	Operating grants and contributions	
Community development	\$ 163,246	\$ 43,475	\$ -	\$ (119,771)
Total	\$ 163,246	\$ 43,475	\$ -	(119,771)
 GENERAL REVENUES				
Taxes:				
Property taxes				84,231
Special assessments				27,219
Investment earnings				948
Other revenues				6,525
Total general revenues				118,923
Change in net assets				(848)
Net assets, beginning of year				361,739
Net assets, end of year				\$ 360,891

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

**County of Ventura
Fillmore-Piru Memorial District
Balance Sheet
Governmental Fund
June 30, 2011**

	<u>General Fund</u>
ASSETS	
Cash and investments	\$ 222,948
Accounts receivable	521
Interest receivable	211
Taxes receivable	<u>4,110</u>
Total assets	<u><u>\$ 227,790</u></u>
LIABILITIES AND FUND BALANCE	
Liabilities:	
Accounts payable and accrued liabilities	\$ 11,242
Refundable deposits	<u>2,850</u>
Total liabilities	<u>14,092</u>
Fund balance:	
Unassigned	<u>213,698</u>
Total fund balance	<u>213,698</u>
Total liabilities and fund balance	<u><u>\$ 227,790</u></u>
Total Fund Balance - Governmental Fund	\$ 213,698
Amounts reported for <i>governmental activities</i> in the statement of net assets are different because:	
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	<u>147,193</u>
Net assets of governmental activities	<u><u>\$ 360,891</u></u>

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

County of Ventura
Fillmore-Piru Memorial District
Statement of Revenues, Expenditures and Changes in Fund Balance
Governmental Fund
For the year ended June 30, 2011

	General Fund
REVENUES	
Property taxes	\$ 84,231
Special assessments	27,219
Investment earnings	948
Charges for services	900
Rents and concessions	34,175
Youth programs	8,400
Other	6,525
Total revenues	162,398
EXPENDITURES	
Current:	
Salaries and benefits	71,913
Insurance	5,320
Administrative	4,800
Professional fees	1,195
Repairs and maintenance	25,734
Supplies	14,110
Utilities	24,677
Other	3,120
Total expenditures	150,869
Net change in fund balance	11,529
Fund balance, beginning of year	202,169
Fund balance, end of year	\$ 213,698

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

County of Ventura
Fillmore-Piru Memorial District
Reconciliation of the Statement of Revenues, Expenditures and
Changes in Fund Balance of Governmental Fund to the
Statement of Activities
For the year ended June 30, 2011

Net change in fund balance - total governmental fund	\$	11,529
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Amounts reported for *governmental activities* in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which depreciation expense (\$12,377) exceeded capitalized capital outlay in the current period.

(12,377)

Change in net assets of governmental activities	\$	<u>(848)</u>
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(848)

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

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 1: Summary of significant accounting policies

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

a. Description of the reporting entity

The Fillmore - Piru Memorial District was organized on September 19, 1950, under the provisions of Division G, Section 1170 through 1291 of the Military and Veterans Code of the State of California. It is governed by a board of five directors who must be registered electors of and residing in the District. Directors are elected to four-year terms and receive no compensation for their services or for performance of their duties.

The District may sue and be sued. It has the right to eminent domain and perpetual succession. Legal representation may be furnished by the County Counsel of Ventura.

The District owns land, buildings, furnishings, and equipment located at 511 Second Street, Fillmore, California. Civic, religious, and educational organizations are allowed to use various portions of the buildings and facilities at a nominal rental; however, there is no charge to veteran's organizations and such other organizations as the Board of Directors designate.

As of December, 1992, the City of Fillmore and the District entered into a Joint Powers Agreement under which the City would perform administrative, operational, and maintenance services for the District. This action was taken pursuant to California Government Code Section 6500 et seq and Section 2 of the California Military and Veterans Code.

b. Basis of presentation

Government-wide statements: The Statement of Net Assets and the Statement of Activities include the financial activities of the overall District government.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 1: Summary of significant accounting policies (continued)

b. Basis of presentation (continued)

The Statement of Activities presents a comparison between direct expenses and program revenues for each function of the District's activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include charges paid by the recipients of goods or services offered by the programs. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund financial statements: The fund financial statements provide information about the District's fund. Separate statements for each governmental fund are presented. The emphasis of fund financial statements is on major individual funds, each of which is displayed in a separate column.

c. Major funds

GASB Statement No. 34 defines major funds and requires that the District's major governmental type fund be identified and presented separately in the fund financial statements. Major funds are defined as funds that have either assets, liabilities, revenues or expenditures equal to or greater than ten percent of their fund-type total and five percent of the grand total.

The District reported the following major governmental fund in the accompanying financial statements:

The *General Fund* is the general operating fund of the District and accounts for all revenues and expenditures.

d. Basis of accounting

The government-wide financial statements are reported using the economic resources measurement focus and the full accrual basis of accounting. Revenues are recorded when *earned* and expenses are recorded at the time liabilities are *incurred*, regardless of when the related cash flows take place.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 1: Summary of significant accounting policies (continued)

d. Basis of accounting (continued)

Governmental funds are reported using the current *financial resources* measurement focus and the *modified accrual* basis of accounting. Under this method, revenues are recognized when *measurable and available*. The District considers all revenues reported in the governmental fund to be available if the revenues are collected within sixty days after fiscal year-end. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent that they have matured. Capital asset acquisitions are reported as *expenditures* in governmental funds. Proceeds of long-term debt and acquisitions under capital leases are reported as *other financing sources*.

Non-exchange transactions which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements, and donations. On the accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations are recognized in the fiscal year in which all eligibility requirements have been satisfied.

Under the terms of grant agreements, the District funds certain programs by a combination of specific cost-reimbursement grants, categorical block grants, and general revenues. Thus, when program expenses are incurred, there are both restricted and unrestricted net assets available to finance the program. The District's policy is to first apply cost-reimbursement grant resources to such programs, followed by general revenues.

e. Policies and procedures

Property taxes

Property taxes in the State of California are administered for all local agencies at the county level, and consist of secured, unsecured, and utility tax rolls. The following is a summary of major policies and procedures:

Property valuations - are established by the Assessor of the County of Ventura for the secured and unsecured property tax rolls; the utility property tax rolls are valued by the State Board of Equalization. Under the provisions of Article XIII A of the State Constitution (Proposition 13 adopted by the voters on June 6, 1978), properties are assessed at 100% of full value. From this base of assessment, subsequent annual increases in valuation are limited to a maximum of 2%. However, increases to full value are allowed for property improvements or upon change in ownership. Personal property is excluded from these limitations, and is subject to annual reappraisal.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 1: Summary of significant accounting policies (continued)

e. Policies and procedures (continued)

Tax levies - are limited to 1% of full market value which results in a tax rate of \$1.00 per \$100 assessed valuation, under the provisions of Proposition 13. Tax rates for voter-approved indebtedness are excluded from this limitation.

Tax levy dates - are attached annually on January 1 preceding the fiscal year for which the taxes are levied. The fiscal year begins July 1 and ends June 30 of the following year. Taxes are levied on both real and unsecured personal property as it exists at that time. Liens against real estate, as well as the tax on personal property, are not relieved by subsequent renewal or change in ownership.

Tax collections - are the responsibility of the county tax collector. Taxes and assessments on secured and utility rolls, which constitute a lien against the property, may be paid in two installments: the first is due on November 1 of the fiscal year and is delinquent if not paid by December 10; and the second is due on March 1 of the fiscal year and is delinquent if not paid by April 10. Unsecured personal property taxes do not constitute a lien against real property unless the taxes become delinquent. Payment must be made in one installment, which is delinquent if not paid by August 31 of the fiscal year. Significant penalties are imposed for late payments.

Tax levy apportionments - due to the nature of the maximum levy, it is not possible to identify general purpose tax rates for specific entities. Under state legislation adopted subsequent to the passage of Proposition 13, apportionments to local agencies are made by the county auditor-controller based primarily on the ratio that each agency represented of the total levy for the three years prior to fiscal year 1979.

Property tax administration fees - the State of California FY 1990-91 Budget Act authorized counties to collect an administrative fee for collection and distribution of property taxes. Property taxes are recorded as net of administrative fees withheld during the fiscal year.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 1: Summary of significant accounting policies (continued)

e. Policies and procedures (continued)

Cash and investments

Investments are reported in the statement of net assets at fair value.

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

Capital assets

Capital assets, which include property, machinery, and equipment, are reported in the applicable governmental activities columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of \$5,000 or more and an estimated useful life in excess of one year. Such capital assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair value at the date of donation. The cost of normal maintenance and repairs that do not add to the value of the capital asset or materially extend capital asset lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Capital assets</u>	<u>Years</u>
Buildings	25 to 50
Improvements other than buildings	20
Vehicles	8 to 20
Equipment and machinery	5 to 20

Periodic restoration and maintenance costs on particular items are charged to expense as incurred.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 1: Summary of significant accounting policies (continued)

e. Policies and procedures (continued)

Net assets and fund equity

In the government-wide financial statements, net assets are reported in three categories: invested in capital assets; restricted net assets, and unrestricted net assets. Restricted net assets represent net assets restricted by parties outside of the District (such as creditors, grantors, contributors, and laws and regulations of other governments). The District's other restricted net assets are temporarily restricted (ultimately, expendable assets). All other net assets are considered unrestricted.

Beginning with the current fiscal year, the District implemented GASBS No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*. This statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of the spending constraints placed on the purposes for which resources can be used:

Non-spendable – amounts that are not in a spendable form (such as inventory) or are required to be maintained intact.

Restricted – amounts constrained to specific purposes by their providers (such as grantors, bondholders and higher levels of government), through constitutional provisions or by enabling legislation.

Committed – amounts constrained to specific purposes by a government itself, using the highest level of decision-making authority; to be reported as committed, amounts cannot be used for any other purpose unless the government takes the same highest level action to remove or change the constraint.

Assigned – amounts a government intends to use for a specific purpose; intent can be expressed by the governing body or by an official or body to which the governing body delegates the authority.

Unassigned – amounts that are for any purpose; positive amounts are reported only in a general fund.

The District's Board establishes, modifies and/or rescinds fund balance commitments by passage of an ordinance.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 1: Summary of significant accounting policies (continued)

f. Use of estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

g. Budgetary data

General budget policies

The District's governing board approves each year's budget submitted by the District staff prior to the beginning of the new fiscal year. Public hearings are conducted prior to its adoption by the governing board. The budget is prepared by function and activity, current year estimates and requested appropriations for the next fiscal year. Supplemental appropriations, where required during the period, are also approved by the governing board. In most cases, expenditures may not exceed appropriations. At fiscal year-end, all operating budget appropriations lapse.

Budget basis of accounting

Budgets for governmental funds are adopted on a basis consistent with accounting principles generally accepted in the United States of America (USGAAP).

Note 2: Cash and investments

Cash and investments as of June 30, 2011 are classified in the accompanying financial statements as follows:

Statement of net assets:

Cash and investments	<u>\$ 222,948</u>
Total cash and investments	<u><u>\$ 222,948</u></u>

**County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011**

Note 2: Cash and investments (continued)

Cash and investments held by the District at June 30, 2011 consist of the following:

Petty cash	\$ 500
Deposits with financial institutions	44,697
Investments	<u>177,751</u>
 Total cash and investments	 <u><u>\$ 222,948</u></u>

Investments authorized by the California Government Code and the District's investment policy

The table below identifies the investment types that are authorized for the District by the California Government Code (or the District's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the District's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized investment type</u>	<u>Maximum maturity</u>	<u>Maximum percentage of portfolio</u>	<u>Maximum investment in one issue</u>
U.S. Treasury Obligations	2 years	75%	None
U.S. Agency Securities	2 years	75%	None
Certificates of Deposit	2 years	30%	None
Savings Accounts	N/A	85%	None
Money Market Mutual Fund (U.S. Treasury)	N/A	None	10%
Ventura County Pooled Investment Funds	N/A	30%	None
Local Agency Investment Fund (LAIF)	N/A	100%	None

Disclosures relating to 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 to changes in market interest rates. One of the ways that the District 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 maturity evenly over time as necessary to provide the cash flow and liquidity needed for operations.

**County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011**

Note 2: Cash and investments (continued)

Disclosures relating to interest rate risk (continued)

Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investments by maturity.

Investment type	Remaining maturity (in months)			
	12 or less	13 - 24	25 - 60	More than 60
Local Agency Investment Fund (State Pool)	\$ 177,751	\$ -	\$ -	\$ -

Investments with fair values highly sensitive to interest rate fluctuations

The District has no investments that are highly sensitive to interest rate fluctuations (to a greater degree than already indicated in the information provided above).

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. Presented below is the minimum rating required by (where applicable) the California Government Code, the District's investment policy, or debt agreements, and the actual rating, as of fiscal year end, for each investment type.

Investment type	Minimum legal rating	Exempt from disclosure	Rating as of fiscal year end		
			AAA	AA	Not rated
Local Agency Investment Fund (State Pool)	N/A	\$ -	\$ -	\$ -	\$ 177,751

Concentration of credit risk

The investment policy of the District contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by the California Government Code. The District has no investments in any one issuer (other than U.S. Treasury securities, mutual funds, and external investment pools) that represent 5% or more of total District investments.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 2: Cash and investments (continued)

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 (e.g., broker-dealer) 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 District'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: 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 government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited 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.

As of June 30, 2011, the District maintained no deposits with financial institutions in excess of federal depository insurance limits.

Investment in state investment pool

The District is a voluntary participant in the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis.

Note 3: Capital assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are valued at their estimated fair value on the date contributed. The capitalization policy of the District is to capitalize all capital assets with a cost of \$5,000 or more.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these capital assets. The amount charged to depreciation expense each fiscal year represents that fiscal year's pro rata share of the cost of capital assets.

**County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011**

Note 3: Capital assets (continued)

GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Alternatively, the "modified approach" may be used for certain capital assets. Depreciation is not provided under this approach, but all expenditures on these assets are expensed, unless they are additions or improvements.

Depreciation of all capital assets is charged as an expense against operations each year and the total amount of depreciation taken over the years, called accumulated depreciation, is reported on the statement of net assets as a reduction in the book value of capital assets.

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

	<u>Beginning balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending balance</u>
<u>Governmental activities:</u>				
Improvements to land	\$ 14,813	\$ -	\$ -	\$ 14,813
Buildings	201,863	-	-	201,863
Furniture, fixtures, and equipment	231,000	-	-	231,000
Total capital assets, being depreciated	<u>447,676</u>	<u>-</u>	<u>-</u>	<u>447,676</u>
Less accumulated depreciation for:				
Improvements to land	(11,450)	(740)	-	(12,190)
Buildings	(201,863)	-	-	(201,863)
Furniture, fixtures, and equipment	<u>(74,793)</u>	<u>(11,637)</u>	<u>-</u>	<u>(86,430)</u>
Total accumulated depreciation	<u>(288,106)</u>	<u>(12,377)</u>	<u>-</u>	<u>(300,483)</u>
Total capital assets, being depreciated, net	<u>159,570</u>	<u>(12,377)</u>	<u>-</u>	<u>147,193</u>
Governmental activities capital assets, net	<u>\$ 159,570</u>	<u>\$ (12,377)</u>	<u>\$ -</u>	<u>\$ 147,193</u>

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 4: Defined benefit pension plan - PERS

Plan description

The City of Fillmore contributes to the State of California Public Employees Retirement System (PERS), a cost-sharing, multiple-employer public employee retirement system that acts as a common investment and administrative agent for California cities which participate in this retirement plan.

All full-time and certain part-time City employees who operate the Fillmore - Piru Memorial District, are eligible to participate in PERS. A detail description of the plan and funding progress can be found in the City of Fillmore's annual financial report.

Note 5: Risk management

The District is covered by insurance under the City of Fillmore's insurance coverage. The City of Fillmore is a member of the California Joint Powers Insurance Authority, CJPIA, for the purpose of pooling their losses and claims of general liability with those of other member cities. The City of Fillmore, through the CJPIA, has a self-insured retention of \$10,000 per claim. The amount exceeding the self-insured retention amount will be shared among the pool up to a maximum of \$250,000 for employers' liability claims. For claims greater than \$250,000 up to \$10,000,000, coverage is provided by the CJPIA.

The CJPIA is governed by the Board of Directors which is composed of one representative and an alternate selected by the City Council of that City. Each board member has one vote.

For general liability claims, the pool will share the loss among its members up to a maximum of \$10,000,000 (combined single limit per occurrence). The general liability pool is funded by an annual deposit based on prior claims activity. A retrospective amount is charged if claim costs are in excess of that amount. If costs are less, a refund is received. Claims, expenditures and liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. These losses include an estimate of claims that have been incurred, but not reported. The District funds all claims payable, including those incurred but not reported, in its annual deposit. Therefore, no liability is shown on the District's financial statements. In addition, the District participates in the all risky property protection program underwritten by the Home Insurance Company. There have been no significant changes in insurance coverage from the prior year. During the past three fiscal years, the amount of settlements reached has not exceeded the amount of insurance coverage.

Information regarding claims incurred, but not reported for the District is not available.

County of Ventura
Fillmore-Piru Memorial District
Notes to Basic Financial Statements
June 30, 2011

Note 6: Commitments and contingencies

There are certain claims against the District which have been denied and referred to the District's insurance carrier. The District believes that none of these claims will exceed insurance coverage.

Under the terms of federal, county, and state grants, periodic audits are required and certain costs may be questioned as not appropriate expenditures under the terms of the grants. Such audits could lead to reimbursements to the grantor agencies. If some expenditures were disallowed, the District believes such disallowances, if any, would be immaterial.

Required Supplementary Information
County of Ventura
Fillmore-Piru Memorial District
Budgetary Comparison Schedule – Special Revenue Fund (General)
For the year ended June 30, 2011

	General			Variance with final budget
	Original budget	Final budget	Actual	
REVENUES				
Property taxes	\$ 80,392	\$ 80,392	\$ 84,231	\$ 3,839
Special assessments	27,000	27,000	27,219	219
Investment earnings	1,200	1,200	948	(252)
Charges for services	1,300	1,300	900	(400)
Rents and concessions	41,000	41,000	34,175	(6,825)
Youth programs	7,500	7,500	8,400	900
Other	5,450	5,450	6,525	1,075
Total revenues	<u>163,842</u>	<u>163,842</u>	<u>162,398</u>	<u>(1,444)</u>
EXPENDITURES				
Current:				
Salaries and benefits	71,656	71,656	71,913	(257)
Insurance	5,320	5,320	5,320	-
Administrative	4,800	4,800	4,800	-
Professional fees	-	-	1,195	(1,195)
Repairs and maintenance	24,295	24,295	25,734	(1,439)
Supplies	10,500	10,500	14,110	(3,610)
Utilities	24,150	24,150	24,677	(527)
Other	4,300	4,300	3,120	1,180
Total expenditures	<u>145,021</u>	<u>145,021</u>	<u>150,869</u>	<u>(5,848)</u>
Net change in fund balance	<u>\$ 18,821</u>	<u>\$ 18,821</u>	11,529	<u>\$ (7,292)</u>
Fund balance, beginning of year			<u>202,169</u>	
Fund balance, end of year			<u>\$ 213,698</u>	



ROGERS, ANDERSON, MALODY & SCOTT, LLP
CERTIFIED PUBLIC ACCOUNTANTS, SINCE 1948

735 E. Carnegie Dr. Suite 100
San Bernardino, CA 92408
909 889 0871 T
909 889 5361 F
ramscca.net

PARTNERS

Phillip H. Waller, CPA
Brenda L. Odle, CPA, MST
Terry P. Shea, CPA
Kirk A. Franks, CPA
Matthew B. Wilson, CPA, MSA
Scott W. Manno, CPA
Leena Shanbhag, CPA, MST
Jay H. Zercher, CPA (Retired)

MANAGERS / STAFF

Nancy O'Rafferty, CPA, MBA
Bradferd A. Welebir, CPA, MBA
Jenny Liu, CPA, MST
Katie L. Millsom, CPA
Papa Matar Thiaw, CPA, MBA
Maya S. Ivanova, CPA, MBA
Danielle E. Odgers, CPA
William C. Clayton, CPA
Scott Millsom, CPA
Peter E. Murray, CPA
Genivive Schwarzkopf, CPA
Megan Hackney, CPA

MEMBERS

American Institute of
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California Society of
Certified Public Accountants

The Members of the Board of Directors
County of Ventura
Fillmore - Piru Memorial District
Fillmore, California

**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***

We have audited the financial statements of the governmental activities and the major fund of the County of Ventura Fillmore-Piru Veteran Memorial District, California (District) as of and for the year ended June 30, 2011, which collectively comprise the District's basic financial statements and have issued our report thereon dated December 8, 2011. 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.

Internal control over financial reporting

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

A deficiency in internal control 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 and correct, misstatements on a timely basis. *A material weakness* is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis.

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

Compliance and other matters

As part of obtaining reasonable assurance about whether the District's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grants 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 our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

This report is intended solely for the information and use of the Board of Directors and management and is not intended to be and should not be used by anyone other than these specified parties.

Rogers Anderson Maloney & Scott, LLP

December 8, 2011