

**CV STARR CENTER**  
**FINANCIAL STATEMENTS**  
**JUNE 30, 2014**

**CV STARR CENTER  
FINANCIAL STATEMENTS**

**JUNE 30, 2014**

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**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
CV Starr Center  
Fort Bragg, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the CV Starr Center (Center), an enterprise fund of the City of Fort Bragg, as of and for the fiscal year ended June 30, 2014, and the related notes to the 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 from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America 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 auditor's 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 the 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 opinion.

## **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the Center as of June 30, 2014, and the respective changes in financial position and cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in Note 1, the financial statements present only the CV Starr Center and do not purport to, and do not, present fairly the financial position of the City of Fort Bragg as of June 30, 2014, the changes in its financial position, or, where applicable, its cash flows for the fiscal year then ended in accordance with accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

## *Change in Accounting Principle*

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

## **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated February 3, 2015, on our consideration of the Center'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 Center's internal control over financial reporting and compliance.

## **Report on Summarized Comparative Information**

We have previously audited the Center's financial statements as of and for the fiscal year ended June 30, 2013, and our report dated February 4, 2014, expressed an unmodified opinion on those audited financial statements. In our opinion, the summarized comparative information presented herein as of and for the fiscal year ended June 30, 2013, is consistent, in all material respects, with the audited financial statements from which it has been derived.

*Moss, Levy & Hartzheim*

Moss, Levy & Hartzheim, LLP  
Culver City, California  
February 3, 2015

**CV STARR CENTER**  
**STATEMENT OF NET POSITION**

**June 30, 2014**

With Comparative Statement as of June 30, 2013

	2014	2013
<b>ASSETS</b>		
Cash on Hand	\$ 462	\$ 327
Cash in Bank	181,675	
Accounts Receivable	3,223	4,172
Deposits Receivable		695
Inventory	446	483
<b>TOTAL ASSETS</b>	<b>185,806</b>	<b>5,677</b>
 <b>LIABILITIES</b>		
<b>CURRENT LIABILITIES</b>		
Bank Overdraft		771
Accounts Payable	91,937	13,836
Accrued Wages	37,869	34,487
Accrued Liabilities		10,780
Gift Certificates Payable	2,631	
Unearned Revenue	13,391	12,059
Compensated Absences	13,780	8,397
Due to City of Fort Bragg	60,927	60,500
<b>TOTAL CURRENT LIABILITIES</b>	<b>220,535</b>	<b>140,830</b>
 <b>LONG TERM LIABILITIES</b>		
Due to City of Fort Bragg	123,189	184,104
<b>TOTAL LONG TERM LIABILITIES</b>	<b>123,189</b>	<b>184,104</b>
 <b>TOTAL LIABILITIES</b>	<b>343,724</b>	<b>324,934</b>
 <b>NET POSITION</b>		
Unrestricted	(157,918)	(319,257)
<b>TOTAL NET POSITION (DEFICIT)</b>	<b>\$ (157,918)</b>	<b>\$ (319,257)</b>

See accompanying notes to basic financial statements

**CV STARR CENTER**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**For the Fiscal Year Ended June 30, 2014**

With Comparative Statement for the Fiscal Year Ended June 30, 2013

<b>Operating Revenues</b>	2014	2013
Charges for Services	\$ 634,494	\$ 590,992
Contributions from City of Fort Bragg	1,029,220	581,000
Total Operating Revenues	<u>1,663,714</u>	<u>1,171,992</u>
<b>Operating Expenses</b>		
Aquatics	226,769	209,367
Administration	186,482	201,174
Bank Fees	3,165	175
Comcast TV - Fitness	1,120	1,100
Communications	1,217	1,603
County/LAFCO Fees	1,439	
Credit Card Processing	7,719	6,290
Domain and Internet	1,146	856
Dues and Memberships	2,441	150
Enrichment Programs	10,725	7,296
Facility	39,618	34,751
Fitness Programs	97,174	74,041
Grounds	8,085	4,859
Guest Services	107,613	83,467
Insurance	88,545	70,432
Laundry Rental Service	20,348	2,407
Legal and Accounting	5,944	1,915
Licenses and Permits	4,555	5,056
Maintenance	107,962	97,190
Marketing	26,047	23,354
Miscellaneous	4	299
Office Supplies Expense	4,813	183
Outside Services	5,096	2,877
Payroll Tax Expense	72,163	63,296
Pool Supplies	56,183	55,739
Printing and Duplication	546	1,960
Program Expenses	20,797	7,413
Recruitment	1,503	1,997
Rentals/Leases	4,318	2,832
Repairs	6,671	4,648
Salaries Expense	42,288	42,290
Scholarships	380	
Security and Alarm Monitoring	1,372	1,924
Staff Memberships	23,410	
Staff Training	1,983	4,038
Start Up Costs		244,604
Supplies	13,208	22,477
Travel	1,686	2,671
Uniforms	4,589	4,790
Utilities	324,154	222,447
Total Operating Expenses	<u>1,533,278</u>	<u>1,511,968</u>
Operating Income (Loss)	<u>130,436</u>	<u>(339,976)</u>
<b>Non-Operating Revenues (Expenses)</b>		
Refunds and Rebates	29,634	17,050
Merchandise Sales, net	3,182	4,717
Interest Expense	(1,913)	(1,048)
Total Non-Operating Revenues (Expenses)	<u>30,903</u>	<u>20,719</u>
Net Income (Loss)	161,339	(319,257)
Total Net Position (Deficit), Beginning of Fiscal Year	<u>(319,257)</u>	<u></u>
Total Net Position (Deficit), End of Fiscal Year	<u>\$ (157,918)</u>	<u>\$ (319,257)</u>

See accompanying notes to basic financial statements

**CV STARR CENTER**  
**STATEMENT OF CASH FLOWS**  
**For the Fiscal Year Ended June 30, 2014**

With Comparative Statement for the Fiscal Year Ending June 30, 2013

	2014	2013
Cash Flows From Operating Activities		
Cash Received from Customers	\$ 639,406	\$ 598,879
Contributions received from City of Fort Bragg	1,029,220	581,000
Payments to Suppliers for Goods and Services	(901,787)	(965,142)
Payments to Employees and Related Items	(554,673)	(480,504)
Net Cash Flows Provided (Used) by Operating Activities	212,166	(265,767)
Cash Flows From Capital and Related Financing Activities		
Proceeds from Issuance of Long Term Debt		244,604
Principal Payment on Long-Term Debt	(60,488)	
Interest Payments	(1,913)	(1,048)
Net Cash Flows Provided (Used) by Capital and Related Financing Activities	(62,401)	243,556
Cash Flows From Non-Capital and Related Financing Activities		
Other Income	32,816	21,767
Net Cash Flows Provided by Non-Capital and Related Financing Activities	32,816	21,767
Net Increase in Cash	182,581	(444)
Cash, Beginning of Fiscal Year	(444)	
Cash, End of Fiscal Year	\$ 182,137	\$ (444)
Reconciliation of Cash to Amounts Reported on the Statement of Net Position:		
Cash on Hand	\$ 462	\$ 327
Cash in Bank	181,675	
Bank Overdraft		(771)
Total Reported on the Statement of Net Position	\$ 182,137	\$ (444)
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operations:		
Operating Income (Loss)	\$ 130,436	\$ (339,976)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:		
(Increase) Decrease in Accounts Receivable	949	(4,172)
(Increase) Decrease in Inventory	37	(483)
(Increase) Decrease in Deposits Receivable	695	(695)
Increase (Decrease) in Accounts Payable	78,101	13,836
Increase (Decrease) in Accrued Wages	3,382	34,487
Increase (Decrease) in Accrued Liabilities	(10,780)	10,780
Increase (Decrease) in Gift Certificates Payable	2,631	
Increase (Decrease) in Unearned Revenue	1,332	12,059
Increase (Decrease) in Compensated Absences	5,383	8,397
Total Adjustments	81,730	74,209
Net Cash Provided (Used) by Operating Activities	\$ 212,166	\$ (265,767)

See accompanying notes to basic financial statements

**CV STARR CENTER**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 1: Summary of Significant Accounting Policies**

**A. Reporting Entity**

On March 6, 2012, the voters in the City of Fort Bragg passed Measure A which enacted Ordinance No. 902-2012, authorizing the City of Fort Bragg to levy a half-cent sales tax to make funds (sales tax revenues) available for the operation and maintenance of the CV Starr Community Center, including Sigrid & Harry Spath Aquatic Facility and surrounding property. The City of Fort Bragg took title to the CV Starr Community Center in May 2012 and on May 10, 2012 entered into an agreement with the Mendocino Coast Recreation and Park District for the operation and management of the Center to provide recreational services and activities for the health and welfare of City residents and others in the Mendocino Coast region.

The Center keeps their own books and records to account for the daily operations of the Center. Each month, a transfer of sales tax revenue is made from the City of Fort Bragg's CV Starr Center enterprise fund to the CV Starr Center's bank account.

**B. Method of Accounting**

The Center uses the accrual basis of accounting. The Center's policy is to record all assets, liabilities, revenues, and expenses on the accrual basis of accounting and the flow of economic resources measurement focus. Under this method, revenue is recognized when earned and expenses are recognized when the related liability is incurred. Receivables have been recorded as revenue and provisions have been made for uncollectible amounts, if required.

**C. Inventories**

Materials and supplies are valued at cost using the first-in-first-out method.

**D. Capital Assets**

Land, structures, and improvements are recorded at cost at the time of purchase, or if constructed, at the completion of the construction. Capital assets are defined by the Center as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are valued at cost where historical records are available and at an estimated historical cost where no historical records exist. Donated fixed assets are valued at their estimated fair value on the date received. Depreciation is recorded using the straight-line method over the estimated useful lives of the assets. As of June 30, 2014, the capital assets of the Center are included on the City of Fort Bragg's comprehensive annual financial report as title to those capital assets vest with the City of Fort Bragg.

Interest is capitalized on the construction of major assets acquired with debt. The amount of interest to be capitalized is calculated by offsetting interest expense incurred from the date of the borrowing until completion of the project with interest earned on invested proceeds over the same period. For the fiscal year ended June 30, 2014, there were no projects meeting the criteria for interest capitalization.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized. Improvements are capitalized and depreciated over the remaining useful lives of the related capital assets, as applicable.

**CV STARR CENTER**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**D. Capital Assets (Continued)**

Land and construction in progress are not depreciated. Property, plant, and equipment of the Center are depreciated using the straight-line method using the following useful lives:

<u>Depreciable Asset</u>	<u>Estimated Life</u>
Buildings	40 - 75 years
Machinery and equipment	3 - 40 years

**E. Use of Estimates**

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants (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 expenses during the reporting period. Actual results could differ from those estimates.

**F. Proprietary Fund Accounting**

The Center has one fund which is considered a proprietary fund.

Proprietary Fund Financial Statements include a Statement of Net Position, a Statement of Revenues, Expenses, and Changes in Net Position, and a Statement of Cash Flows.

In accordance with GASB Statement No. 62, the Center has opted to apply all applicable GASB pronouncements and all Financial Accounting Standards Board (FASB) Statements and Interpretations, Accounting Principles Board (APB) Opinions, and Accounting Research Bulletins (ARB) issued on or before November 30, 1989, unless they conflict with or contradict GASB pronouncements.

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

**G. Compensated Absences**

Earned vacation payable upon termination is accrued as compensated absences. The accrual includes the Center's share of payroll taxes. Employees' continuous years of service determines the number of vacation hours earned and the maximum number of accumulated vacation hours. A maximum of 240 hours of vacation may be accumulated.

**H. Comparative Data**

Comparative total data for the prior fiscal year has been presented in the accompanying financial statements in order to provide an understanding of changes in the Center's financial position, operations, and cash flows. Certain reclassifications have been made to the prior fiscal year financial statements to conform to the current fiscal year presentation.

**CV STARR CENTER**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**I. New Accounting Pronouncements**

*Governmental Accounting Standards Board Statement No. 65*

For the fiscal year ended June 30, 2014, the Center 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 did not have an impact on the Center's financial statements for the fiscal year ended June 30, 2014.

*Governmental Accounting Standards Board Statement No. 66*

For the fiscal year ended June 30, 2014, the Center 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 Statement 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 Center's financial statements for the fiscal year ended June 30, 2014.

*Governmental Accounting Standards Board Statement No. 67*

For the fiscal year ended June 30, 2014, the Center 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 Center's financial statements for the fiscal year ended June 30, 2014.

**CV STARR CENTER**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 1: Summary of Significant Accounting Policies (Continued)**

**I. New Accounting Pronouncements (Continued)**

*Governmental Accounting Standards Board Statement No. 70*

For the fiscal year ended June 30, 2014, the Center 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 Center's financial statements for the fiscal year ended June 30, 2014.

**Note 2: Cash**

Classification

The cash is classified in the financial statements as shown below:

Statement of Net Position:

Cash on Hand	\$ 462
Cash in Bank	<u>181,675</u>
 Total Cash	 <u><u>\$ 182,137</u></u>

Cash and Investments as of June 30, 2014 consists of the following:

Cash on Hand	\$ 462
Cash in Bank	<u>181,675</u>
 Total Cash	 <u><u>\$ 182,137</u></u>

Investments Authorized by the California Government Code and the Center's Investment Policy

The table below identifies the investment types that are authorized for the CV Starr Center (Center) by the California Government Code (or the Center's investment policy, where more restrictive). The table also identifies certain provisions of the California Government Code (or the Center's investment policy, where more restrictive) that address interest rate risk, credit risk, and concentration of risk. This table does not address investments of debt proceeds held by bond trustee that are governed by the provisions of debt agreements of the Center, rather than the general provisions of the California Government Code or the Center's investment policy.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Local Agency Investment Fund (State Pool)	N/A	None	\$50 Million
U. S. Treasury Obligations	5 years	None	None
U. S. Government Agency Issues	5 years	None	None
Repurchase Agreements	90 days	None	None
Bankers Acceptance (must be dollar denominated)	9 months	40%	None
Commercial Paper - A Rated Minimum	6 months	15%	None
Time Certificates of Deposit - FDIC Insured	5 years	30%	None
General Obligations of any State or Political Subdivision - AA Rated Minimum	5 years	30%	None
Money Market Mutual Funds Holding Cash and U. S. Government Obligations	N/A	None	None

**CV STARR CENTER**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 2: Cash (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 California Government Code and the Center'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 by the public agencies. California law also allows financial institutions to secure the Center's deposits by pledging first trust deed mortgage notes having a value of 150% of the secured public deposits.

The Center had no deposits with financial institutions in excess of federal depository insurance limits as of June 30, 2014.

**Note 3: Long-Term Debt**

**Changes in Long-Term Debt**

The following is a summary of changes in long-term debt for the Center for the fiscal year ended June 30, 2014:

	Balance at July 1, 2013	Additions	Repayments	Balance at June 30, 2014	Due Within One Year
Due to City of Fort Bragg	\$ 244,604	\$ -	\$ (60,488)	\$ 184,116	\$ 60,927
Compensated Absences	8,397	5,383		13,780	13,780
Total	<u>\$ 253,001</u>	<u>\$ 5,383</u>	<u>\$ (60,488)</u>	<u>\$ 197,896</u>	<u>\$ 74,707</u>

The details of the long-term debt are as follows:

**A. Due to City of Fort Bragg**

The City of Fort Bragg advanced the Center \$244,604 for start-up costs during the fiscal year ended June 30, 2013. Quarterly payments of \$15,526 are due beginning September 30, 2013, with final payment due June 30, 2017, at an interest rate of .725%.

The remaining debt service payments are as follows:

Fiscal Year Ending June 30,	Principal	Interest	Total
2015	\$ 60,927	\$ 1,170	\$ 62,097
2016	61,368	729	62,097
2017	61,821	281	62,102
Totals	<u>\$ 184,116</u>	<u>\$ 2,180</u>	<u>\$ 186,296</u>

**CV STARR CENTER**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 3: Long-Term Debt (Continued)**

**B. Compensated Absences**

Included in accrued liabilities are accruals for fully vested accumulated vacation pay. The Center does not pay for accrued and unused sick days upon termination of employment. Unused vacation benefits for employees with more than six months service may be compensated for all accrued vacation earned up to the date of termination, up to a maximum of thirty days. As of June 30, 2014, the compensated leave balance, including employer payroll taxes, was \$13,780.

**Note 4: 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.

**Note 5: Joint Powers Agreement**

The Center is exposed to various risks of loss related to torts and injuries to employees or guests. The Center provides liability and workers' compensation insurance through California Association for Park and Recreation Indemnity. The California Association for Park and Recreation Indemnity is a joint powers agency comprised of California special districts, known as CAPRI. CAPRI provides liability and workers compensation coverage through a self-funded arrangement which requires that the Center pay quarterly and annual premiums to CAPRI for its insurance coverage. The following coverage was provided to the Center for the fiscal year ended June 30, 2014 coverage period:

Comprehensive General Liability (including Automobile Liability Coverage) coverage with a \$1,000,000 limit per occurrence for personal injury and property damage to which the coverage applies. CAPRI also purchases an excess policy from CSAC Excess Insurance Authority with limits of \$24 million excess of \$1million (General Liability, Automobile Liability and Public Officials and Employee Liability coverage). There is no deductible for General Liability claims.

Public Officials and Employee Liability coverage with a \$25,000,000 annual aggregate limit per member agency because of a wrongful act(s) which occurs during the coverage period for which the coverage applies. For each covered claim for employment practices liability there is a \$20,000 deductible payable by the member agency or other covered party which shall be applied to any payment for judgment or settlement and to payments for defense costs as they are incurred.

Workers' Compensation Coverage with \$250,000 in limits. CAPRI purchases an excess policy from CSAC-EIA with statutory limits. There is no deductible for the Workers Compensation Program.

The contributions paid by the Center for Liability and Workers' Compensation coverages for the fiscal year ended June 30, 2014, was \$9,080 and \$22,963, respectively.

**CV STARR CENTER**  
**Notes to Financial Statements**  
**June 30, 2014**

**Note 6:    Subsequent Events**

In preparing the accompanying financial statements, the Center's management has reviewed all known events that have occurred after June 30, 2014, and through February 3, 2015, the date when this financial statement was available to be issued, for inclusion in the financial statement and footnotes.

