

CAMARILLO HEALTH CARE DISTRICT

Audit Reports, Management Discussion and Analysis, and Financial Statements

June 30, 2009

With Comparative Totals for 2008

Prepared by:

POINDEXTER AND COMPANY

Certified Public Accountant

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**Tax Planning & Consultation · Tax Return Preparation · Business Consultation
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Camarillo Health Care District
Table of Contents
June 30, 2009

Governing Board of Directors	ii
Independent Auditor's Report	1
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	2 - 3
Management Discussion and Analysis	4 - 7
Statement of Net Assets	8
Statement of Revenues, Expenses and Changes in Net Assets	9 - 10
Statement of Cash Flows	11
Notes to Financial Statements	12 - 18
Supplementary Information:	
Required Supplementary Information	19

Camarillo Health Care District
Governing Board of Directors
As of June 30, 2009

<u>Name</u>	<u>Office</u>
John Bailey, Pharm D., M.P.H	President
James Decker-Mahin, D. Min.	Vice President
Pamela Grothe, M.B.A.	Clerk of the Board
Richard S. Loft, M.D.	Director
Peggy O'Neill, R.N.	Director

Management

Jane Rozanski	Chief Executive Officer
Kara Partridge	Chief Administrative Officer
Susan Craig, C.P.A.	Chief Financial Officer
Sue Tatangelo	Chief Resource Officer
Craige LeBreton	Fiscal Operations Officer
Tammy Washington	Human Resources Officer

POINDEXTER & COMPANY

Certified Public Accountant

To the Board of Directors of
Camarillo Health Care District

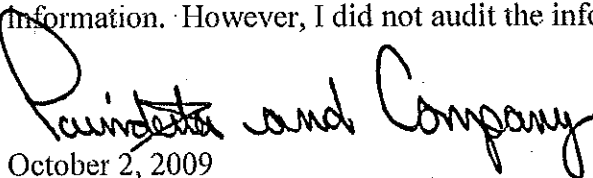
INDEPENDENT AUDITOR'S REPORT

I have audited the accompanying financial statements of Camarillo Health Care District as of and for the year ended June 30, 2009, as listed in the table of contents. These financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these financial statements based on my audit.

I conducted my audit in accordance with auditing standards generally accepted in the United States of America, the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

In my opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Camarillo Health Care District as of June 30, 2009, and the changes in financial position and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as accounting systems prescribed by the State Controller's Office and state regulations governing special districts.

The management discussion and analysis on pages four to seven is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States. I have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, I did not audit the information and express no opinion on it.


October 2, 2009

POINDEXTER & COMPANY

Certified Public Accountant

To the Board of Directors of
Camarillo Health Care District

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

I have audited the financial statements of the Camarillo Health Care District, as of and for the year ended June 30, 2009, and have issued my report thereon dated October 2, 2009. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Controller General of the United States; and the State Controller's Minimum Audit Requirements for California Special Districts.

Internal Control Over Financial Reporting

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

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

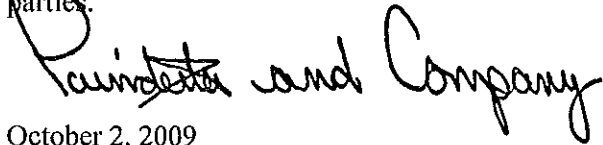
A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the District's internal control.

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

Compliance

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

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

P. Quintana and Company

October 2, 2009

Management's Discussion and Analysis
(For the year ended June 30, 2009)

This discussion and analysis of the Camarillo Health Care District's ("District") financial performance during the stated period, provides an overview of the District's operational activities that had an impact on the financial performance of the District.

This report consists of a series of financial statements with accompanying notes. The Statement of Net Assets reflects the financial position of the District at the end of the period. The Statement of Revenues, Expenses and Changes in Net Assets provide the results from operations through the fiscal year, and reflect how the operating results for the current period affected the Statement of Net Assets. The District uses a single enterprise fund for accounting and reporting the results of all operations. The statements referenced above include all assets and liabilities using an accrual basis of accounting, which is similar to accounting used by most private-sector companies. Accrual of current year's revenues and expenses are taken into account regardless of when cash is received or paid.

The notes that follow the financial statements provide additional information that is essential to a full understanding of the data provided in the financial statements.

The Financial Status of the District

The District is operated and reported as a single enterprise fund; there are no subsidiary fund statements presented as part of this report. The following is a summary of the net assets of the District and the change in those net assets from the prior fiscal year.

<u>Assets</u>	<u>2009</u>	<u>2008</u>
Current Assets	\$1,907,942	\$1,576,700
Restricted Assets	21,701	48,033
<u>Buildings and Equipment</u>	<u>1,929,191</u>	<u>1,887,217</u>
Total Assets	\$3,858,834	\$3,511,950
<u>Liabilities</u>		
Current Liabilities	\$367,595	\$302,467
<u>Net Assets</u>		
Restricted Net Assets	95,612	0
<u>Unrestricted Net Assets</u>	<u>3,395,627</u>	<u>3,209,483</u>
Total Liabilities and Net Assets	\$3,858,834	\$3,511,950

-
- The asset value of the District is up 9.9%, reflecting an increase in the investment fund balance.
 - Restricted net assets balance consists of the book value of contributed assets.

<u>Operating Revenues</u>	<u>2009</u>	<u>2008</u>
Program Revenues	\$1,026,550	\$923,783
Miscellaneous Revenue	14,938	12,479
Total Operating Revenues	\$1,041,488	\$936,262
<u>Non-Operating Revenues</u>		
Property Taxes	\$2,159,553	\$2,093,732
Grant Income	659,146	637,166
Contributions	4,522	10,361
Legacies & Bequests	127,589	141,019
Interest Income	29,796	37,570
Investment Activity	1,835	321
Other Non-Operating Revenue	11,027	4,422
Loss on Sale of Equipment	(2,448)	(6,187)
Total Non-Operating Revenues	\$2,991,020	\$2,918,404

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- Total Operating Revenues have increased by 11.2% over prior year, due to program growth.
 - Non-Operating Revenues have increased by 2.5% due to property tax distribution.

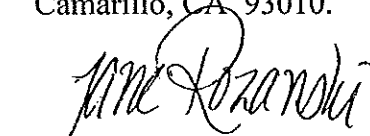
Actual Results versus Budget

The Board of Directors adopts an annual budget in June of each year for the following fiscal year, beginning on July 1. Performance to budget is monitored by the Board throughout the year. Following is a summary of actual results in comparison to budget.

	<u>Actual</u>	<u>Budget</u>
Total Operating Revenues	\$ 1,041,488	\$ 966,080
Less: Operating Expenses		
Salaries & Benefits	(2,246,477)	(2,322,805)
<u>Program & Admin. Expenses</u>	<u>(1,371,405)</u>	<u>(1,381,415)</u>
Net Operating Loss	(\$2,576,394)	(\$2,738,140)
Non-Operating Revenues		
Property Taxes	\$2,159,553	\$2,138,471
Grant Income	659,146	697,858
Contributions	4,522	8,300
Legacies & Bequests	127,589	127,589
Interest Income	29,796	35,000
Other Non-Operating Revenue	11,027	0
Investment Activity	1,835	0
<u>Gain (Loss) Sale of Equipment</u>	<u>(2,448)</u>	<u>5,000</u>
Total Non-Operating Revenues	\$2,991,020	\$3,012,218
<u>Less Depreciation</u>	<u>(\$233,916)</u>	<u>(\$201,140)</u>
Change in Net Assets	\$180,710	\$ 72,938

Requests for information:

This financial report is designed to provide a general overview of the District's finances for all those with an interest in the District's finances. Questions concerning any of the information provided in this report should be addressed to the Chief Administrative Officer, Camarillo Health Care District, 3639 E. Las Posas Road, Suite 117, Camarillo, CA 93010.


Jane Rozanski
Chief Executive Officer

Camarillo Health Care District
Statement of Net Assets
June 30, 2009
With Comparative Totals for 2008

	2009	2008
ASSETS		
CURRENT ASSETS		
Cash and cash equivalents (Note 2)	\$ 288,849	\$ 89,940
Investments (Note 2)	1,387,756	1,273,796
Accounts receivable	2,392	1,691
Other receivables	97,456	93,834
Grant receivable	117,350	98,550
Interest receivable	5,481	9,522
Prepaid expenses	8,658	9,367
Total Current Assets	1,907,942	1,576,700
Restricted cash and cash equivalents (Note 2)	21,701	48,033
Building and equipment, net of accumulated depreciation (Note 3)	1,929,191	1,887,217
Total Assets	\$ 3,858,834	\$ 3,511,950
LIABILITIES AND FUND EQUITY		
CURRENT LIABILITIES		
Accounts payable	\$ 173,491	\$ 85,898
Accrued expenses	185,051	184,792
Deferred revenue (Note 4)	9,053	31,777
Total Liabilities	367,595	302,467
NET ASSETS		
Invested in capital assets	1,929,191	1,887,217
Restricted net assets (Note 5)	95,612	
Unrestricted net assets	1,466,436	1,322,266
Total Liabilities and Fund Equity	\$ 3,858,834	\$ 3,511,950

Camarillo Health Care District
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009
With Comparative Totals for 2008

	2009	2008
OPERATING REVENUES		
Program revenues	\$ 1,026,550	\$ 923,783
Miscellaneous revenue	14,938	12,479
Total Operating Revenues	1,041,488	936,262
OPERATING EXPENSES		
Program Expenses		
Salaries, wages and benefits	2,204,754	2,047,089
Professional fees	312,220	288,662
Postage and printing	126,538	98,935
Supplies and activities	156,836	146,410
Depreciation	233,916	206,733
Insurance	37,569	36,181
Advertising and promotion	24,080	12,349
Utilities and telephone	47,997	48,927
Repairs and maintenance	87,732	80,975
Other program	73,259	66,956
Total Program Expenses	3,304,901	3,033,217
Administration Expenses		
Salaries, wages and benefits	41,723	45,572
Professional fees	295,317	245,663
Postage and printing	2,271	2,456
Supplies and activities	29,999	25,604
Insurance	19,765	21,105
Advertising and promotion	163	202
Utilities and telephone	14,150	12,452
Repairs and maintenance	8,788	7,555
Other administration	132,969	122,986
Bad debts	1,752	13,879
Total Administration Expenses	546,897	497,474
Total Operating Expenses	3,851,798	3,530,691
Operating Loss	(2,810,310)	(2,594,429)

Camarillo Health Care District
Statement of Revenues, Expenses and Changes in Net Assets
For the Year Ended June 30, 2009
With Comparative Totals for 2008

	<u>2009</u>	<u>2008</u>
NON-OPERATING REVENUES/(EXPENSES)		
Property taxes	2,159,553	2,093,732
Grant income	659,146	637,166
Contributions	4,522	10,361
Legacies and bequests	127,589	141,019
Interest income	29,796	37,570
Unrealized Gain/Loss on Investments	1,835	321
Other non-operating revenue	11,027	4,422
Loss on sale of equipment	<u>(2,448)</u>	<u>(6,187)</u>
 Total Non-Operating Revenues and Expenses	 <u>2,991,020</u>	 <u>2,918,404</u>
 Change in Net Assets	 180,710	 323,975
 CHANGES IN RETAINED EARNINGS		
Net Assets at Beginning of Year	3,209,483	2,885,508
Contributed capital	95,612	
Depreciation transfer on contributed capital	<u>5,434</u>	
 Net Assets at End of Year	 <u>\$ 3,491,239</u>	 <u>\$ 3,209,483</u>

Camarillo Health Care District
Statement of Cash Flows
For Year Ended June 30, 2009
With Comparative Totals for 2008

	2009	2008
Cash Flows From Operating Activities		
Cash receipts from customers	\$ 1,001,373	\$ 900,096
Other operating receipts	5,451	11,668
Cash payments to other suppliers of goods or services and other operating expenses	(1,282,319)	(1,195,700)
Cash payments to employees for services	(2,245,250)	(2,085,351)
Net Cash Provided/(Used) By Operating Activities	(2,520,745)	(2,369,287)
Cash Flows From Investing Activities		
Purchase of building and equipment	(189,975)	(201,647)
Proceeds from the sale or maturity of investments	1,901,861	1,415,000
Interest income	33,837	40,962
Purchase of investments	(2,004,188)	(1,824,659)
Other income	11,027	4,422
Proceeds from Sale of Equipment	2,885	
Net Cash Provided/(Used) By Investing Activities	(244,553)	(565,922)
Cash Flows From Non-capital Financing Activities		
Property taxes collected	2,165,418	2,090,504
Grant revenue received	640,346	713,091
Contributions received	132,111	151,380
Net Cash Provided/(Used) By Non-capital Financing Activities	2,937,875	2,954,975
Net Increase/(Decrease) In Cash And Cash Equivalents	172,577	19,766
Cash And Cash Equivalents At Beginning Of Year	137,973	118,207
Cash And Cash Equivalents At End Of Year	\$ 310,550	\$ 137,973
Reconciliation of Operating Income to Net Cash Provided By Operating Activities		
Operating loss	\$ (2,810,310)	\$ (2,594,429)
Adjustments to Reconcile Net Income to Net Cash Provided by Operating Activities		
Bad debts	1,752	13,879
Depreciation	233,916	206,733
(Increase)/Decrease in Assets:		
Accounts receivable	(2,453)	(13,352)
Other receivables	(9,487)	(811)
Prepaid expenses	709	9,536
Increase/(Decrease) in Liabilities:		
Accounts payable	87,593	29,907
Accrued expenses	259	(10,815)
Deferred revenue	(22,724)	(10,335)
Net Cash Provided/(Used) By Operating Activities	\$ (2,520,745)	\$ (2,369,687)
Non-Cash Investing Transactions		
Vehicles acquired through contribution or grant	\$ (140,033)	

Camarillo Health Care District
Notes to Financial Statements
June 30, 2009

Note 1 -SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of the Entity:

Camarillo Health Care District is a political subdivision of the State of California, classified as a public not-for-profit local government special district. The District encompasses the Greater Camarillo area which includes Somis, the Las Posas Valley, and a portion of the Santa Rosa Valley. The District's overall goal is to provide quality health and wellness related services to meet the needs of all District residents.

In fiscal year 2004, the District implemented GASB Statement No. 34, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments (GASB Statement No. 34), GASB Statement 37, Basic Financial Statements - and Management's Discussion and Analysis - for State and Local Governments: Omnibus which provides additional guidance for the implementation of GASB Statement 34, and GASB Statement 38, Certain Financial Statement Disclosures which changes note disclosure requirements for governmental entities.

GASB Statement No. 34 established a new financial reporting model for state and local governments that included the addition of management's discussion and analysis.

Basis of Accounting:

The Camarillo Health Care District is accounted for as an enterprise fund in accordance with generally accepted accounting principles as applied to governmental units. Enterprise funds are used to account for operations that are either (a) financed and operated in a manner similar to private business enterprises where the expenses of providing goods or services to the general public, including depreciation, are recovered through user charges, or (b) governed by the decision that periodic determination of revenues earned, expenses incurred, and net income are appropriate for capital maintenance, public policy, management control, or other purposes. Because the Camarillo Health Care District is accounted for as an enterprise fund, the District uses the economic resources measurement focus and the accrual basis of accounting is used for financial statement reporting purposes. Revenues are recognized when they are earned, and expenses are recognized when they are incurred. The District applies all GASB pronouncements as well as the Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless these pronouncements conflict or contradict GASB pronouncements. With this measurement focus all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Assets. The net assets are segregated into invested in capital, restricted net assets and unrestricted net assets. Unrestricted resources are used first to fund a restricted purpose only after the restricted resources are depleted.

Reporting Entity:

The District's reporting entity includes all significant operation and revenue sources which the District Board of Directors exercises oversight responsibility and determined under the criteria established by the National Council on Governmental Accounting Statement No. 3, as adopted by FASB. Oversight responsibility is determined on the basis of selection of the governing board, designation of management, ability to significantly influence operations, accountability for fiscal matters, and the scope of public service. There are no component units included within the reporting entity.

Camarillo Health Care District

Notes to Financial Statements

June 30, 2009

Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Cash and Cash Equivalents:

For purposes of the statement of cash flows, the District considers any purchase of highly liquid investments with a remaining maturity of three months or less to be cash equivalents.

Investments:

Investments are recorded at fair market value as of June 30, 2009, which approximates cost.

Compensated Absences:

The District has recorded an accrual for compensated absences in accordance with the District policy of paying for unused vacation time of any employee upon separation. Sick leave is not included in the accrual as the District does not pay for unused sick time upon employee termination.

Budgets:

The District annually adopts a budget prior to and for the upcoming fiscal year, which includes anticipated expenditures and their means of financing. Once adopted, the budget as approved is subject to amendment as considered necessary.

Income Taxes:

The District is exempt from income taxes.

Fixed Assets and Depreciation:

The District capitalizes assets purchased with a cost greater than \$1,000 and an estimated useful life greater than one year. Minor expenditures for renewal and betterments are charged to expense. Fixed assets are recorded at cost, and are depreciated over the estimated useful lives of the assets from the date of acquisition ranging from one to thirty years, based on straight line or accelerated methods of depreciation.

Tax Revenues:

Tax revenues are received by the District pursuant to its status as a political subdivision of the State of California.

Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Estimates and assumptions include, but are not limited to:

- depreciation
- compensated absences
- allowance for uncollectible receivables
- investments
- inventory

Camarillo Health Care District
Notes to Financial Statements
June 30, 2009

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS

Cash and cash equivalents, and investments consist of the following as of June 30,

	2009	2008
FDIC or privately insured accounts	\$ 310,550	\$ 137,973
Local Agency Investment Fund (LAIF)	1,360,728	1,248,844
County Treasury Investment	27,028	24,952
Total	1,698,306	1,411,769
Less Investments	(1,387,756)	(1,273,796)
Total cash and cash equivalents	310,550	137,973
Less restricted cash (scholarships, Guild & Wellness funds)	(21,701)	(48,033)
Total unrestricted cash and cash equivalents	\$ 288,849	\$ 89,940

It is the District's policy to maintain all investments in insured accounts bearing the District's name. Cash in excess of estimated current requirements of the District are deposited in the State of California Local Agency Investment Fund (LAIF). LAIF deposits earn interest based on the District's pro rata share of funds on deposit. In accordance with the Governmental Accounting Standards Board Statement 3 (Deposits with Financial Institutions, GASB 3), the cash in LAIF is to be categorized to indicate the level of credit risk assumed by the Fund at year end. Substantially all LAIF investments are insured or registered and held by the Fund or its agent in the agent's nominee name, with subsidiary records listing the Fund as the legal owner. Accordingly, said cash investment would be included in "Category 1" as defined by GASB 3.

The District's investments in County Treasury Investments are classified for credit risk purposes as "Category 2" investments, which include investments that are insured or registered or for which the securities are held by the District or its agent in the District's name.

In 1998, the District established a 10 year financial strategic plan for the purpose of projected future use of cash, cash equivalents, and investments which is reviewed and revised bi-annually.

The carrying amount of cash in banks was \$309,355. The corresponding bank statement balances were \$364,264. The California Government Code requires all financial institutions to secure a local governmental agency's deposits by pledging governmental securities as collateral. The market value of pledged securities must equal 110% of an agency's deposits. California law also allows financial institutions to secure an agency's deposits by pledging first trust deed mortgage notes having a value of 150% of an agency's total deposits, and collateral is considered to be held in the name of the District. All cash held by financial institutions is, therefore, entirely insured or collateralized.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2009

Note 2 - CASH AND CASH EQUIVALENTS AND INVESTMENTS (Continued)

Statutes authorize the District to invest in obligations of the U.S. Treasury, U.S. agencies, bankers' acceptances, repurchase and reverse repurchase agreements, commercial paper rated A-1 by Standard and Poor's Corporation or P-1 by Moody's Commercial Paper Record, certificates of deposit, money market checking accounts and the LAIF.

The District's allocable share of investments in LAIF at fair market value consist of the following as of June 30,

	2009	2008
United States Treasury investments	\$ 359,714	\$ 74,323
Federal agency investments	270,642	379,788
Corporate bonds and floaters	8,119	4,574
CD's, banks notes, and time deposits	271,099	433,668
IBRD Deb FR	8,063	
AB55 and other GF loans	386,530	190,146
Commercial paper	56,561	166,345
 Total	 \$ 1,360,728	 \$ 1,248,844

Note 3 - FIXED ASSETS

As of June 30, 2009, fixed assets were comprised of the following:

<u>Asset Description</u>	<u>Estimated Lives</u>	<u>Cost as of 6/30/08</u>	<u>Additions</u>	<u>Deletions</u>	<u>Cost as of 6/30/09</u>
Building and related improvements	3 to 30 years	\$ 2,379,453	\$ 23,212	\$ (13,602)	\$ 2,389,063
Lifeline units	1 to 8 years	651,895	62,864	(23,637)	691,122
IS equipment	2 to 7 years	256,613	70,958	(28,984)	298,587
Equipment and furnishings	2 to 20 years	188,339	20,759	(11,550)	197,548
Transportation vehicles	5 to 10 years	177,639	152,213	(80,568)	249,284
 Total Fixed Assets		 3,653,939	 330,006	 (158,341)	 3,825,604
Less Accumulated Depreciation		(1,766,722)	(272,903)	143,212	(1,896,413)
 Net Fixed Assets		 \$ 1,887,217	 \$ 57,103	 \$ (15,129)	 \$ 1,929,191

Note 4 - DEFERRED REVENUE

Deferred scholarship revenue is comprised of undisbursed donations received by the District which are designated by the donors for specific internal scholarship use. The District records restricted donations as deferred revenue until the restrictions are satisfied, at which time the donation is recorded as revenue.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2009

Note 5 - CONTRIBUTED CAPITAL

The changes in reserve for restricted assets consist of the following as of June 30,

	2009	2008
Beginning balance	\$ 0	\$ 27,757
Add vehicles acquired	140,033	
Corrections to prior year capital contributions	(29,237)	
Less depreciation expense on donated assets	(15,184)	(27,757)
 Net Reserve for Restricted Assets	 \$ 95,612	 \$ 0

The reserve for restricted assets as of June 30, 2009 consist of a total of eight transportation vehicles acquired under a Section 16 grant from the State of California Department of Transportation, a grant from the Ventura County Transportation Commission and a contribution from the County of Ventura. The District records depreciation on the contributed assets against reserve for restricted assets.

Note 6 - DEFINED BENEFIT PENSION PLAN

Plan Description

The District contributes to the California Public Employees Retirement System (PERS), an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments and death benefits to plan members and beneficiaries. PERS 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 city ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, California 95814.

Funding Policy

Participants are required to contribute 7% of their annual covered salary. The District makes the contributions required of District employees on their behalf and for their account. The District is required to contribute at an actuarially determined rate; the rate effective July 1, 2009 is 7.771% for all employees of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Cost

For fiscal year ended June 30, 2009, the District's annual pension cost of \$104,108 for PERS was equal to the District's required and actual contributions. The required contribution was determined as part of the June 30, 2006 actuarial valuation using the entry age normal actuarial cost method. The actuarial assumptions included (a) 7.75% investment rate of return (net of administrative expenses), (b) projected annual salary increases that vary by duration of service, (c) 3.25% to 14.45% per year cost-of-living adjustments and (d) 3.00% inflation. The actuarial value of PERS assets was determined using techniques that smooth the effects of short-term volatility in the market value of investments over a two to five year period (smoothed market value). PERS' unfunded actuarial accrued liability is being amortized as a level percentage of projected payroll on a closed basis. The remaining amortization period at June 30, 2009, was two years.

Camarillo Health Care District
Notes to Financial Statements
June 30, 2009

Note 6 - DEFINED BENEFIT PENSION PLAN (Continued)

Three year Trend Information for the Plan

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>% of APC Contributed</u>	<u>Net Pension Obligation</u>
06/30/2007	\$ 94,022	100%	\$ 0
06/30/2008	\$ 103,300	100%	\$ 0
06/30/2009	\$ 104,108	100%	\$ 0

Note 7 - RISK MANAGEMENT

The District is exposed to various risks of loss related to torts; theft of, errors and omissions; injuries to employees; and natural disasters. The District maintains insurance coverage through an independent carrier with limits of \$1,251,078 personal property/blanket building; \$500,000 employee dishonesty and forgery or alteration; \$500,000 accounts receivable and valuable papers; and \$250,000 loss of utilities.

The District is a participant of the Association of California Hospital Districts, Inc., ALPHA Fund Joint Powers Agreement (the "Fund") which is comprised of 41 participants and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Fund is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage; whereby the risk of loss is mitigated by the public entity pool. The Fund currently has \$1,000,000 of worker's compensation coverage.

The Fund provides coverage for workers' compensation insurance to its participants. Periodic deposits paid by each participant for the workers' compensation joint protection are computed based on independent actuarial computations taking into account factors such as the participants' number of employees, types of employees, annual budget, all relevant loss experience and rates established through the California Inspection Rating Bureau. The Fund may assess the participants in order to eliminate any deficiency in the fund balance of the Fund.

Under the terms of the Joint Powers Agreement, withdrawing or terminated member districts owe their pro rate share of the fund deficiency. A withdrawing or terminated member district's pro-rata share is based on its total contributions during its membership in the Fund as a percentage of the total contributions by all member districts during the same period.

Camarillo Health Care District

Notes to Financial Statements

June 30, 2009

Note 7 - RISK MANAGEMENT (Continued)

The District is a participant of the Beta Healthcare Group Joint Powers Authority Agreement (the "Group") which is comprised of local health care districts, counties, other governmental entities and qualified nonprofits which operate hospitals, clinics and other health-related facilities and is organized under a Joint Powers Agreement pursuant to the California Government Code. The purpose of the Group is to arrange and administer programs of insurance for the pooling of self-insured losses and to purchase excess insurance coverage; whereby the risk of loss is mitigated by the public entity pool. The Group currently has \$5,000,000 of auto liability, \$5,000,000 of comprehensive liability and \$1,000,000 of directors, officers and trustees liability coverage.

The Group provides coverage for above mentioned insurance to its participants. Periodic deposits paid by each participant for the insurance joint protection are computed based on individual coverage contracts.

Camarillo Health Care District
 Required Supplementary Information
 June 30, 2009

Funded Status of PERS

Valuation Date	Entry Age Normal Accrual Liability	Actuarial Value of Assets	Unfunded Liability/ (Excess Assets)	Funded Status	Annual Covered Payroll	UAAL As a % of Payroll
6/30/2005	\$484,351,523	\$459,996,995	\$24,354,528	95.0%	\$174,127,476	14.0%
6/30/2006	\$478,122,215	\$454,602,459	\$23,519,756	95.1%	\$170,458,082	13.8%
6/30/2007	\$498,934,859	\$479,520,670	\$19,414,189	96.1%	\$171,052,819	11.3%