



COUNTY OF LOS ANGELES
DEPARTMENT OF AUDITOR-CONTROLLER

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J. TYLER McCAULEY
AUDITOR-CONTROLLER

January 4, 2002

To: Supervisor Zev Yaroslavsky, Chairman
Supervisor Gloria Molina
Supervisor Yvonne Brathwaite Burke
Supervisor Don Knabe
Supervisor Michael D. Antonovich

From: J. Tyler ~~McCauley~~
Auditor-Controller

Subject: **AUDIT OF THE LOS ANGELES COUNTY REGIONAL PARK AND
OPEN SPACE DISTRICT FOR THE YEAR ENDED JUNE 30, 2001**

Pursuant to Government Code Section 26909, the financial statements of the Los Angeles County Regional Park and Open Space District have been audited for the year ended June 30, 2001. The attached reports conclude that no material weaknesses involving the District's internal controls over financial reporting were noted, and that the financial statements are presented fairly in conformance with generally accepted accounting principles and State regulations governing special districts.

JTM:JN:jh

Attachments

c: David E. Janssen, Chief Administrative Officer
Michael H. Smith, Interim Director, Department of Parks and Recreation
Curt Robertson, Administrator, Regional Park and Open Space District
Public Information Officer
Audit Committee Members

Board of Supervisors
Los Angeles County Regional Park and Open Space District
Los Angeles, California

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

We have audited the financial statements of the Los Angeles County Regional Park and Open Space District (the "District"), as of and for the year ended June 30, 2001, and have issued our report thereon dated November 6, 2001. We conducted our 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.

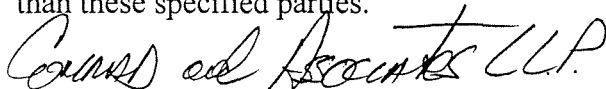
Compliance

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, 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 material instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the District's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses.

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



November 6, 2001

LOS ANGELES COUNTY REGIONAL PARK
AND OPEN SPACE DISTRICT

Financial Statements

Year Ended June 30, 2001

(With Independent Auditors' Report Thereon)

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Financial Statements

Year Ended June 30, 2001

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Board of Supervisors
Los Angeles County Regional Park
and Open Space District
Los Angeles, California

INDEPENDENT AUDITORS' REPORT

We have audited the financial statements of the Los Angeles County Regional Park and Open Space District (the "District") as of and for the year ended June 30, 2001, as listed in the table of contents. These financial statements are the responsibility of the management of the District. 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, 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 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 opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of the District at June 30, 2001, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America and State regulations governing special districts.

In accordance with *Government Auditing Standards*, we have also issued a report dated November 6, 2001 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 and grants. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be read in conjunction with this report in considering the results of our audit.

Conrad and Associates, L.L.P.

November 6, 2001

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Combined Balance Sheet - All Fund Types and Account Groups

June 30, 2001

(in Thousands)

	<u>Governmental Fund Types</u>		<u>Account Groups</u>	<u>Total (Memorandum Only)</u>
	<u>General</u>	<u>Debt Service</u>	<u>General Long-Term Debt</u>	
<u>Assets and Other Debits</u>				
Pooled cash and investments (note 3)	\$ 294,236	75,136	-	369,372
Assessments receivable	10,176	-	-	10,176
Interest receivable	5,178	461	-	5,639
Amount available in debt service fund	-	-	75,597	75,597
Amount to be provided for retirement of general long-term debt	-	-	362,423	362,423
Total assets and other debits	\$ 309,590	75,597	438,020	823,207
<u>Liabilities and Fund Balances</u>				
Liabilities:				
Accounts payable	\$ 5,846	-	-	5,846
Arbitrage payable	3,722	-	-	3,722
Due to Los Angeles County (note 2)	8,638	-	-	8,638
Deferred revenue	4,427	-	-	4,427
Bonds payable (note 4)	-	-	438,020	438,020
Total liabilities	22,633	-	438,020	460,653
Fund balances:				
Reserved (note 5)	161,636	75,597	-	237,233
Unreserved:				
Undesignated	125,321	-	-	125,321
Total fund balances	286,957	75,597	-	362,554
Total liabilities and fund balances	\$ 309,590	75,597	438,020	823,207

See accompanying notes to financial statements.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Combined Statement of Revenues, Expenditures and Changes in Fund Balances - All Governmental Fund Types

Year Ended June 30, 2001

(in Thousands)

	General	Debt Service	Total (Memorandum Only)
Revenues:			
Charges for services	\$ 76,816	-	76,816
Fines, forfeitures and penalties	936	-	936
Investment income	22,041	1,561	23,602
Miscellaneous	50	-	50
Total revenues	99,843	1,561	101,404
Expenditures:			
Current:			
Services and supplies	3,438	-	3,438
Park improvements	84,213	-	84,213
Debt service:			
Principal	-	24,500	24,500
Interest	-	23,565	23,565
Total expenditures	87,651	48,065	135,716
Excess (deficiency) of revenues over (under) expenditures	12,192	(46,504)	(34,312)
Other financing sources (uses):			
Operating transfers in	550	47,809	48,359
Operating transfers out	(47,809)	(550)	(48,359)
Total other financing sources (uses)	(47,259)	47,259	-
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(35,067)	755	(34,312)
Fund balances at beginning of year	322,024	74,842	396,866
Fund balances at end of year	\$ 286,957	75,597	362,554

See accompanying notes to financial statements.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Combined Statement of Revenues, Expenditures and Changes in Fund Balances -
Budget and Actual - All Governmental Fund Types

Year Ended June 30, 2001

(in Thousands)

	General Fund			Debt Service Fund		
	Budget	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)	Budget	Actual (Budgetary Basis)	Variance - Favorable (Unfavorable)
Revenues:						
Charges for services	\$ 75,592	76,475	883	-	-	-
Fines, forfeitures and penalties	724	936	212	-	-	-
Investment income	14,806	21,179	6,373	611	1,409	798
Miscellaneous	-	50	50	-	-	-
Total revenues	91,122	98,640	7,518	611	1,409	798
Expenditures:						
Current:						
Services and supplies	20,414	3,480	16,934	-	-	-
Park improvements	486,004	244,015	241,989	-	-	-
Debt Service:						
Principal	-	-	-	24,500	24,500	-
Interest	-	-	-	60,767	23,565	37,202
Fixed assets	1,938	1,792	146	-	-	-
Total expenditures	508,356	249,287 (a)	259,069	85,267	48,065	37,202
Excess (deficiency) of revenues over (under) expenditures	(417,234)	(150,647)	266,587	(84,656)	(46,656)	38,000
Other financing sources (uses):						
Operating transfers in	47,708	550	(47,158)	47,865	47,809	(56)
Operating transfers out	(95,023)	(47,809)	47,214	(550)	(550)	-
Debt proceeds	164,715	-	(164,715)	-	-	-
Encumbrances, beginning of year	185,929	185,929	-	-	-	-
Total other financing sources (uses)	303,329	138,670	(164,659)	47,315	47,259	(56)
Excess (deficiency) of revenues and other financing sources over (under) expenditures and other financing uses	(113,905)	(11,977)	101,928	(37,341)	603	37,944
Fund balances (deficit) at beginning of year	139,357	139,357	-	74,858	74,858	-
Fund balances at end of year (note 6)	\$ 25,452	127,380	101,928	37,517	75,461	37,944

(a) Includes encumbrances of \$161,636,000 outstanding at year-end.

See accompanying notes to financial statements.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

Year Ended June 30, 2001

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The following is a summary of the significant accounting policies of the Los Angeles County Regional Park and Open Space District (the "District"):

General

Proposition A was passed by the voters on November 3, 1992, which provided for the formation of the assessment district "Regional Park and Open Space District" (the "District"). The District is empowered to carry out the objectives of the Landscaping and Lighting Act of 1972. The objectives are to improve the quality of life in the County of Los Angeles through the preservation of beaches, parks, and wildlands; the construction, renovation and improvement of new and existing recreational facilities; and the restoration of rivers, streams, and trails. These powers are exercised through the County of Los Angeles (the "County") Board of Supervisors, which acts as the governing body of the District. Among its duties, it approves the District's budget, determines the District's assessment rates, approves contracts, and determines when to issue bonds authorized by the voters of the District. On November 5, 1996, the voters approved the Safe Neighborhood Parks Proposition 1996, which provided for the District to levy additional assessments and to amend the method of assessments within the District.

Reporting Entity

The District is a component financial reporting unit of the County of Los Angeles, as the governing board of the County also serves as the District's governing board, and the County is financially accountable for the District.

In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The decision to include a potential component unit in the reporting entity was made by applying the criteria set forth by generally accepted accounting principles ("GAAP"). The District does not have any components units.

The District is included as a component unit in the County financial reporting entity and is included in the County's comprehensive annual financial report for the year ended June 30, 2001. The financial resources and operations of the District are accounted for in the fund types and account groups discussed below.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Presentation

A fund is defined as an independent fiscal and accounting entity with a self-balancing set of accounts, which is segregated for the purpose of carrying on specific activities. Account groups are used to establish accounting control and accountability for the District's general long-term obligations. Account groups are not funds as they do not reflect available financial resources and related liabilities.

Governmental Fund Types

General Fund:

The General Fund is available for any authorized purpose and is used to account for all financial resources except those required to be accounted for in another fund.

Debt Service Funds:

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal and interest.

Account Groups

General Long-Term Debt Account Group:

The General Long-Term Debt Account Group is used to account for the unmatured principal of general obligation bonds and other general long-term obligations.

Basis of Accounting

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities (those expected to be collected or paid within one year) generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Basis of Accounting (Continued)

The District uses the modified accrual basis of accounting. Revenues are recognized when they become measurable and available to finance operations during the year. "Measurable" means the amount of the transaction can be determined and "available" means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Benefit assessments estimated to be collectible in future years are recorded as receivables and deferred revenue.

Those revenues susceptible to accrual are special assessments, interest revenue, and charges for services. Interest income and charges for current services are accrued when earned. Fines, forfeitures and penalties are not susceptible to accrual because generally they are not measurable until received in cash. Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred except for interest on long-term debt, which is recognized when payment is due.

Budgetary Data

In accordance with the provisions of Section 29000-29144 of the Government Code of the State of California (the "Government Code"), commonly known as the County Budget Act, a District budget is adopted on or before August 30 for each fiscal year. Budgets are adopted for the General Fund and the Debt Service Funds on a basis of accounting which is different from GAAP.

For budgetary purposes, outstanding commitments related to construction contracts and other purchases of goods and services are recorded as expenditures at the time contracts or purchase agreements are entered into. Under the GAAP basis, these obligations are only recognized when goods are received or services are rendered.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Budgetary Data (Continued)

Expenditures are controlled on the object level for all District budgets, except for fixed asset expenditures, which are controlled on the sub-object level. For budgetary purposes, the District classifies expenditures for County projects as fixed assets (due to its inclusion as a budgeted component unit of the County). For GAAP reporting, payments made to the County for County projects are classified as park improvements expenditures. There were no excesses of expenditures over the related appropriations within any fund at June 30, 2001.

Encumbrances, which are commitments related to executory contracts for goods or services, are recorded for budgetary control purposes in the General Fund. Encumbrance accounting is utilized to assure effective budgetary control and accountability. Encumbrances outstanding at year-end represent the estimated amount of the expenditures ultimately expected to result if the unperformed contracts in process at year-end are completed. Encumbrances outstanding at year-end do not constitute expenditures or liabilities. Unencumbered appropriations lapse at year-end and encumbrances outstanding at that time are reported as reservations of fund balances for subsequent year expenditures (see Notes 5 and 6).

Any excess of budgeted expenditures and other financing uses over revenue and other financing sources is financed by beginning available fund balance as provided for in the County Budget Act.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Cash and Investments

Investments are reported in the accompanying balance sheet at fair value, except for certain certificates of deposit and investment contracts that are reported at cost because they are not transferable and they have terms that are not affected by changes in market interest rates.

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 investments.

All cash and investment balances of the District are pooled and invested by the County Treasurer and are subject to withdrawal from the pool upon demand. Each fund's share in this pool is displayed in the accompanying financial statements as pooled *cash and investments*. Investment income earned by the pooled investments is allocated to the various funds based on fund's average cash and investment balance, as provided by California Government Code Section 53647.

Benefit Assessments

The District's primary revenue source is the assessments which are levied annually on each of the approximately 2.2 million parcels within the District's boundaries. The District, as authorized by the Government Code, levied an assessment on each parcel of real property within the District. The rate and method of apportionment used in levying annual assessments for various categories of property is established in the Engineer's Report for County of Los Angeles Landscaping and Lighting District No. 92-1. The level of each assessment is based on the size and use of each parcel and the resulting benefit each parcel will receive from the proposed projects. The estimation of such benefit is quantified in benefit points, which is based on the 1996 Proposition. The annual rate of each assessment may not exceed \$14.46 per benefit point. The annual assessment for any parcel will consequently equal the annual rate multiplied by the number of benefit points applicable to each parcel. The assessment may be levied annually for a period of 22 years.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Benefit Assessments (Continued)

The expenditures of the district that are funded from the proceeds of the annual assessments levied and collected are distributed as follows: a minimum of 80% (but not more than 85%) of the assessments are used for the payment of debt service on bonds, notes and other obligations issued by the District and for the direct capitalized costs incurred on approved projects; 15% of assessments are used for the maintenance and servicing of completed projects; and up to 5% of the assessment are used to pay for the District's ongoing administrative expenses.

The District has determined that measure of availability for the assessment revenue will be based on one year.

Fixed Assets

The District provides funding to other entities, including the County, for purposes of acquiring real property. Title to properties acquired is recorded in the name of the purchasing entity, not the District. Accordingly, there are no fixed assets recorded on the combined balance sheet.

Long-Term Obligations

Long-Term debt is recognized as a liability of the governmental fund when due. The remaining portion of such obligations is reported in the General Long-Term Debt Account Group (see Note 4).

Insurance

The contracts entered into by the District stipulate that the contractor shall indemnify, hold harmless from and against any and all liability to any third party for or from loss, damage or injury to persons or property in any manner arising out of, or incident to, the performance of the Contract.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICES (CONTINUED)

Total Columns on Financial Statements

Total columns on the accompanying combined financial statements are captioned "Memorandum Only" to indicate that they are presented only to facilitate financial analysis. Data in these columns do not purport to present financial position, results of operations, or changes in financial position of the District in conformity with generally accepted accounting principles. Such data is not comparable to a consolidation.

2. TRANSACTIONS WITH THE COUNTY AND OTHER AGENCIES

The County is responsible for providing all necessary employees to the District for purposes of performing all District functions. Costs related to these employees are billed to the District based upon actual time spent providing District services. Accordingly, the District has no salaries and employee benefit expenditures or supplies inventory. Accrued expenditures in the amount of \$8,638,000 as of June 30, 2001, for services provided by the County and other agencies for reimbursable projects, have been recorded as "Due to Los Angeles County".

3. CASH AND INVESTMENTS

Pooled Cash and Investments

As provided for by the Government Code, cash balances of the District are pooled and invested by the County Treasurer and are subject to withdrawal from the pool upon demand. The District's share of the total pooled cash and investments, included in the accompanying combined balance sheet under "Pooled cash and investments," was \$369,372,000 and represents approximately 3.01% of the total pool.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

3. CASH AND INVESTMENTS (CONTINUED)

Pooled Cash and Investments (Continued)

Interest earned on pooled investments is deposited monthly based upon the average daily deposit balance during the allocation period. Investment gains and losses are proportionately shared by the entities participating in the pool as an increase or reduction in interest earnings.

Investments

The California Government Code, and the Los Angeles County Treasurer and Tax Collector's investment policy generally authorize the District to invest in obligations of the United States Treasury, federal agencies, certain municipal obligations, asset-backed securities, bankers' acceptance, negotiable certificates of deposit, corporate and depository notes, floating rate notes, commercial paper, money market mutual funds, repurchase agreements and reverse repurchase agreements.

In accordance with the Governmental Accounting Standards Board ("GASB") Statement Number 3, "Deposits with Financial Institutions, Investments (including Repurchase Agreements), and Reverse Repurchase Agreements", individual investments of the District are categorized separately to give an indication of the level of credit risk assumed by the District at year-end. The defined categories are as follows: Category 1 - investments that are insured or registered or for which the securities are held by the District or its custodial agent, which must be a different institution other than the party through which the District purchased the securities, in the agent's nominee name, with subsidiary records listing the District as the legal owner. Category 2 - uninsured and unregistered investments for which the securities are held by the broker's or dealer's trust department or agent in the District's name (except for those securities that are held by the same department or agent that purchased the securities for the District). Category 3 - uninsured and unregistered investments for which the securities are held by the dealer's agent but not in the District's name. Category 3 also includes all securities held by the broker-dealer agent of the District (the party that purchased the securities for the District) regardless of whether or not the securities are being held in the District's name.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

3. CASH AND INVESTMENTS (CONTINUED)

Investments (Continued)

GASB Statement Number 3 exempts participating entities from classifying their pool investments in categories of credit risk. Credit risk information for the entire County Treasurer pool is presented in the County of Los Angeles Comprehensive Annual Financial Report for the Fiscal Year Ended June 30, 2001.

4. LONG-TERM OBLIGATIONS

On November 1, 1997, the District issued \$510,185,000 in Limited Obligation Improvement Bonds, Series 1997A, with interest rates ranging from 4.2% to 6.0%. The bonds were issued to advance refund the outstanding principal of the Series 1994A Bonds, and for acquisition, restoration, improvement, and preservation of beach, park, wildlife, and open space resources within the District. The bonds are payable from the proceeds of annual assessments levied on parcels within the district boundaries. Interest is payable April 1 and October 1 of each year. Final bonds mature in 2019.

The bond indentures require that the bond reserve be maintained in an amount, which is equal to the maximum amount of principal and interest becoming due in any single future six months period. The maximum amount of principal and interest becoming due in any single future six months period is \$37,201,488. The District has established a reserve account in accordance with the bond indenture. The reserve account has a balance of \$37,428,236 as of June 30, 2001.

A portion of the refunding bond proceeds were used to purchase U.S. Government Securities which were deposited in an irrevocable trust with an escrow agent to provide for all future debt service payments on the refunded bonds. Accordingly, the refunded bonds are considered defeased and the liabilities for these bonds have been removed from the General Long-Term Debt Account Group. As of June 30, 2001, \$147,330,000 of the defeased 1994 bonds remains outstanding.

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

4. LONG-TERM OBLIGATIONS (CONTINUED)

The following is a summary of the changes in outstanding bonded indebtedness during the fiscal year ended June 30, 2001:

<u>Balance at July 1, 2000</u>	<u>Additions 2000-01</u>	<u>Reductions 2000-01</u>	<u>Balance at June 30, 2001</u>
<u>\$462,520,000</u>	<u>-</u>	<u>24,500,000</u>	<u>438,020,000</u>

Future debt service requirements are as follows:

<u>Payment Date</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
10/1/01	25,725,000	11,476,488	37,201,488
4/1/02		10,833,363	10,833,363
10/1/02	17,560,000	10,833,363	28,393,363
4/1/03		10,351,113	10,351,113
10/1/03	18,525,000	10,351,113	28,876,113
4/1/04		9,832,041	9,832,041
10/1/04	19,565,000	9,832,041	29,397,041
4/1/05		9,375,916	9,375,916
10,1,05	20,475,000	9,375,916	29,850,916
4/1/06		8,875,947	8,875,947
10/1/06	21,475,000	8,875,947	30,350,947
4/1/07		8,298,806	8,298,806
10/1/07	22,630,000	8,298,806	30,928,806
4/1/08		7,690,625	7,690,625
10/1/08	23,845,000	7,690,625	31,535,625
4/1/09		7,034,888	7,034,888
10/1/09	25,160,000	7,034,888	32,194,888
4/1/10		6,342,987	6,342,987
10/1/10	26,540,000	6,342,987	32,882,987
4/1/11		5,613,138	5,613,138
10/1/11	28,000,000	5,613,138	33,613,138
4/1/12		4,843,137	4,843,137
10/1/12	29,540,000	4,843,137	34,383,137
4/1/13		4,030,788	4,030,788
10/1/13	31,165,000	4,030,788	35,195,788

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

4. LONG-TERM OBLIGATIONS (CONTINUED)

Future debt service requirements are as follows:

Payment Date	Principal	Interest	Total
4/1/14	\$	3,195,375	3,195,375
10/1/14	32,835,000	3,195,375	36,030,375
4/1/15		2,374,500	2,374,500
10/1/15	34,480,000	2,374,500	36,854,500
4/1/16		1,512,500	1,512,500
10/1/16	14,035,000	1,512,500	15,547,500
4/1/17		1,161,625	1,161,625
10/1/17	14,740,000	1,161,625	15,901,625
4/1/18		793,125	793,125
10/1/18	15,475,000	793,125	16,268,125
4/1/19		406,250	406,250
10/1/19	<u>16,250,000</u>	<u>406,250</u>	<u>16,656,250</u>
	<u>\$438,020,000</u>	<u>216,608,736</u>	<u>654,628,736</u>

5. FUND BALANCES

The following is a summary of reserved fund balances as of June 30, 2001, which are not available for appropriation and expenditure (in thousands):

	<u>General Fund</u>	<u>Debt Service Funds</u>
Reserved:		
Encumbrances	\$161,636	-
Debt service	<u>-</u>	<u>75,597</u>
Total Reserved Fund Balance	<u>\$161,636</u>	<u>75,597</u>

LOS ANGELES COUNTY REGIONAL PARK AND OPEN SPACE DISTRICT

Notes to Financial Statements

(Continued)

6. RECONCILIATION OF OPERATIONS ON MODIFIED ACCRUAL BASIS TO BUDGETARY BASIS

The District's Combined Statement of Revenues, Expenditures and Changes in Fund Balances – All Governmental Fund Types has been prepared on the modified accrual basis of accounting in accordance with GAAP. The Combined Statement of Revenues, Expenditures and Changes in Fund Balances - Budget and Actual on Budgetary Basis – All Governmental Fund Types has been prepared on the budgetary basis, which is different from GAAP. An explanation of these differences appears in Note 1.

The following schedule is a reconciliation of the budgetary and GAAP fund balances as of June 30, 2001 (in thousands):

	<u>General Fund</u>	<u>Debt Service Funds</u>
Fund balance - budgetary basis	\$127,380	75,461
Encumbrances outstanding at year-end	<u>161,636</u>	<u>-</u>
Subtotal	289,016	75,461
Adjustments:		
Revenue - Charges for services	(341)	-
Revenue - Investment income	(896)	136
Expenditures – Arbitrage Rebate	<u>(822)</u>	<u>-</u>
Fund balance - GAAP basis	<u>\$286,957</u>	<u>75,597</u>

7. CONTINGENT LIABILITIES

Claims and suits have been filed against the District in the normal course of business. The outcome of these matters is not presently determinable. However, in the opinion of management, the resolution of these matters is not expected to have a significant impact on the financial condition of the District.

There was one particular case filed against the District in January 2000 challenging the District's implementation of the at-risk youth hiring provisions of the 1992 and 1996 propositions. This litigation is currently at the pre-trial stage.