

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

FINANCIAL STATEMENTS

JUNE 30, 2019

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Camptonville Community Services District
Camptonville, California

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Camptonville Community Services District (District) as of and for the fiscal year ended June 30, 2019, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the Camptonville Community Services District, California, as of June 30, 2019, and where applicable, cash flows thereof for the fiscal year then ended in conformity with U.S. generally accepted accounting principles.

Other Matters

Required Supplementary Information

The Camptonville Community Services District has not presented the Management Discussion and Analysis that accounting principles generally accepted in the United States has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Accounting principles generally accepted in the United States of America require that the budgetary comparison information on page 22 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basis financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



Larry Bain, CPA,
An Accounting Corporation
March 16, 2020

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**STATEMENT OF NET POSITION
JUNE 30, 2019**

| | <u>Governmental</u> <u>Activities</u> | <u>Business-type</u> <u>Activities</u> | <u>Total</u> |
|--|--|---|---------------------|
| Assets | | | |
| Cash and investments | \$ 145,109 | \$ 73,309 | \$ 218,418 |
| Accounts receivable | | 6,920 | 6,920 |
| Capital assets: | | | |
| Nondepreciable capital assets | | | |
| Land | | 29,734 | 29,734 |
| Construction in progress | 25,526 | | 25,526 |
| Depreciable capital assets | | | |
| Water plant | | 2,148,051 | 2,148,051 |
| Structures and improvements | 355,913 | 2,500 | 358,413 |
| Equipment and vehicles | 509,286 | 18,457 | 527,743 |
| Less accumulated depreciation | <u>(486,097)</u> | <u>(388,940)</u> | <u>(875,037)</u> |
| Total capital assets (net of accumulated depreciation) | <u>404,628</u> | <u>1,809,802</u> | <u>2,214,430</u> |
| Total assets | <u>\$ 549,737</u> | <u>\$ 1,890,031</u> | <u>\$ 2,439,768</u> |
| Liabilities | | | |
| Current liabilities: | | | |
| Accrued expense | \$ 400 | \$ - | \$ 400 |
| Due within one year | <u>3,751</u> | | <u>3,751</u> |
| Non-current liabilities | | | |
| Due in more than one year | <u>16,037</u> | | <u>16,037</u> |
| Total Liabilities | <u>20,188</u> | <u>-</u> | <u>20,188</u> |
| Net Position | | | |
| Net investment in capital assets | 404,628 | 1,809,802 | 2,214,430 |
| Restricted for endowment | 1,156 | | 1,156 |
| Unrestricted | <u>123,765</u> | <u>80,229</u> | <u>203,994</u> |
| Total Net Position | <u>\$ 529,549</u> | <u>\$ 1,890,031</u> | <u>\$ 2,419,580</u> |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| Functions/programs | Expenses | Program Revenues | | | Net (Expense) Revenue and Changes in Net Position | | |
|-----------------------------------|-------------------|-------------------------|-------------------------------------|---------------------------------------|--|-----------------------------|---------------------|
| | | Charges for Services | Capital Grants and Contributions | Operating Grants and Contributions | Governmental Activities | Business-type Activities | Total |
| Governmental Activities: | | | | | | | |
| Public Protection-Fire Department | \$ 84,807 | \$ 2,240 | \$ 39,575 | \$ 10,000 | \$ (32,992) | \$ - | \$ (32,992) |
| Community Development | 10,590 | 180 | | | (10,410) | | (10,410) |
| Health and Welfare-Cemetery | 87 | - | | | (87) | | (87) |
| Total Governmental Activities | <u>95,484</u> | <u>2,420</u> | <u>39,575</u> | <u>10,000</u> | <u>(43,489)</u> | | <u>(43,489)</u> |
| Business-type activities: | | | | | | | |
| Water | <u>124,592</u> | <u>55,157</u> | | | | (69,435) | (69,435) |
| Total Business-type Activities | <u>124,592</u> | <u>55,157</u> | - | | | (69,435) | (69,435) |
| Total | <u>\$ 220,076</u> | <u>\$ 57,577</u> | <u>\$ 39,575</u> | <u>\$ 10,000</u> | <u>(43,489)</u> | <u>(69,435)</u> | <u>(112,924)</u> |
| General Revenues: | | | | | | | |
| Taxes and assessments: | | | | | | | |
| Assessment | | | | | 39,956 | 2,122 | 42,078 |
| Property Tax | | | | | 193 | | 193 |
| Other | | | | | 13,628 | | 13,628 |
| Investment income | | | | | 2,509 | 185 | 2,694 |
| Total general revenues | | | | | <u>56,286</u> | <u>2,307</u> | <u>58,593</u> |
| Change in net position | | | | | 12,797 | (67,128) | (54,331) |
| Net position - beginning | | | | | 516,752 | 1,957,159 | 2,473,911 |
| Net position - ending | | | | | <u>\$ 529,549</u> | <u>\$1,890,031</u> | <u>\$ 2,419,580</u> |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**GOVERNMENTAL FUNDS
BALANCE SHEET
JUNE 30, 2019**

| | <u>General (Fire) Fund</u> | <u>Major Fund Community Center</u> | <u>Nonmajor Fund Cemetery Fund</u> | <u>Total Governmental Funds</u> |
|--|--------------------------------|--|--|---|
| Assets | | | | |
| Cash and investments | \$ 139,581 | \$ - | \$ 5,528 | \$ 145,109 |
| Prepaid expense | - | | | - |
| Grant receivable | - | | | - |
| Total Assets | <u>\$ 139,581</u> | <u>\$ -</u> | <u>\$ 5,528</u> | <u>\$ 145,109</u> |
| Liabilities and Fund Equity | | | | |
| Liabilities | | | | |
| Accrued expense | \$ - | \$ 400 | \$ - | \$ 400 |
| Total Liabilities | <u>-</u> | <u>400</u> | | <u>400</u> |
| Fund Equity | | | | |
| Fund balances | | | | |
| Nonspendable | | | | |
| for endowment | | | 1,156 | 1,156 |
| Assigned for cemetery | | | 4,372 | 4,372 |
| Assigned for community center | | (400) | | (400) |
| Unassigned | 139,581 | | | 139,581 |
| Total Fund Equity | <u>139,581</u> | <u>(400)</u> | <u>5,528</u> | <u>144,709</u> |
| Total Liabilities and Fund Equity | <u>\$ 139,581</u> | <u>\$ -</u> | <u>\$ 5,528</u> | <u>\$ 145,109</u> |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
JUNE 30, 2019

| | | |
|--|----|-----------------------|
| Fund Balances of Governmental Funds | \$ | 144,709 |
| Amounts reported for governmental activities in the Statement of Net Position are different because: | | |
| Capital assets, net of accumulated depreciation, are not current financial resources and are not included in the governmental funds. | | 404,628 |
| Long-term debt is not due and payable in the current period and therefore is not reported in the funds. | | <u>(19,788)</u> |
| Net position of governmental activities | \$ | <u><u>529,549</u></u> |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <u>General Fund</u> | <u>Major Fund Community Center</u> | <u>Nonmajor Fund Cemetery Fund</u> | <u>Total Governmental Funds</u> |
|---|--------------------------|--|--|---|
| Revenues | | | | |
| Property taxes | \$ - | \$ - | \$ 193 | \$ 193 |
| Assessments | 39,956 | | | 39,956 |
| Intergovernmental revenues | 49,575 | | | 49,575 |
| Use of money and property | 2,400 | | 109 | 2,509 |
| Charges for current services | 2,240 | 180 | | 2,420 |
| Other | 1,221 | 12,407 | | 13,628 |
| | <u>95,392</u> | <u>12,587</u> | <u>302</u> | <u>108,281</u> |
| Total Revenues | | | | |
| Expenditures | | | | |
| Current: | | | | |
| Public protection-fire | 59,791 | | | 59,791 |
| Health and welfare | | | 87 | 87 |
| Community services | | 10,590 | | 10,590 |
| Capital outlay | 73,000 | 2,489 | | 75,489 |
| | <u>132,791</u> | <u>13,079</u> | <u>87</u> | <u>145,957</u> |
| Total Expenditures | | | | |
| Excess (Deficit) of Revenues Over (Under) | | | | |
| Expenditures Before Other Financing Sources | <u>(37,399)</u> | <u>(492)</u> | <u>215</u> | <u>(37,676)</u> |
| Other Financing Sources | | | | |
| Proceeds of debt | 19,788 | | | 19,788 |
| | <u>19,788</u> | | | <u>19,788</u> |
| Total Other Financing Sources | | | | |
| Net Change in Fund Balances | <u>(17,611)</u> | <u>(492)</u> | <u>215</u> | <u>(17,888)</u> |
| Fund Balances, July 1, 2018 | <u>157,192</u> | \$ <u>92</u> | \$ <u>5,313</u> | \$ <u>162,597</u> |
| Fund Balances, June 30, 2019 | \$ <u><u>139,581</u></u> | \$ <u><u>(400)</u></u> | \$ <u><u>5,528</u></u> | \$ <u><u>144,709</u></u> |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN NET POSITION
TO THE STATEMENT OF ACTIVITIES
FOR THE FISCAL YEAR ENDED JUNE 30, 2019

| | | |
|--|----|----------|
| Net change in fund balances - total governmental funds | \$ | (37,676) |
|--|----|----------|

Amounts reported for governmental activities in the Statement of Activities differs from the amounts reported in the Statement of Revenues, Expenditures and Changes in Fund Balances because:

Governmental funds report capital outlays as expenditures. However, in the Statement of Activities the costs of those assets are allocated over their estimated useful lives as depreciation expense or are allocated to the appropriate functional expense when the cost is below the capitalization threshold. This and the net effect of various other transactions involving capital assets increased net position as follows:

| | | |
|--|--|-----------------|
| General government capital outlay expenditures | | 75,489 |
| Depreciation expense | | <u>(25,016)</u> |

| | | |
|---|----|----------------------|
| Change in net position of governmental activities | \$ | <u><u>12,797</u></u> |
|---|----|----------------------|

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**PROPRIETARY FUND
STATEMENT OF NET POSITION
JUNE 30, 2019**

| | Water | Totals |
|--|--------------|--------------|
| Current assets: | | |
| Cash and investments | \$ 73,309 | \$ 73,309 |
| Accounts receivable | 6,920 | 6,920 |
| Total current assets | 80,229 | 80,229 |
| Noncurrent Assets | | |
| Capital assets: | | |
| Nondepreciable capital assets: | | |
| Land | 29,734 | 29,734 |
| Depreciable capital assets | | |
| Water plant | 2,148,051 | 2,148,051 |
| Structures and improvements | 2,500 | 2,500 |
| Equipment and vehicles | 18,457 | 18,457 |
| Less accumulated depreciation | (388,940) | (388,940) |
| Total capital assets (net of accumulated depreciation) | 1,809,802 | 1,809,802 |
| Total noncurrent assets | 1,809,802 | 1,809,802 |
| Total Assets | \$ 1,890,031 | \$ 1,890,031 |
| Liabilities | | |
| Current liabilities: | | |
| Accrued expenses | \$ - | \$ - |
| Total current liabilities | - | - |
| Total Liabilities | - | - |
| Net position: | | |
| Net investment in capital assets | 1,809,802 | 1,809,802 |
| Unrestricted | 80,229 | 80,229 |
| Total Net Position | \$ 1,890,031 | \$ 1,890,031 |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**PROPRIETARY FUND
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
JUNE 30, 2019**

| | Water | Totals |
|---------------------------------------|--------------|--------------|
| Operating Revenues | | |
| Charges for services | \$ 55,157 | \$ 55,157 |
| Total Operating Revenues | 55,157 | 55,157 |
| Operating Expenses | | |
| Wages | 21,428 | 21,428 |
| Services and supplies | 29,942 | 29,942 |
| Depreciation expense | 73,222 | 73,222 |
| Total Operating Expenses | 124,592 | 124,592 |
| Operating Inome | (69,435) | (69,435) |
| Non-operating Revenue (Expense) | | |
| Interest revenue | 185 | 185 |
| Assessment income | 2,122 | 2,122 |
| Total Non-operating Revenue (Expense) | 2,307 | 2,307 |
| Change in net position | (67,128) | (67,128) |
| Net Position, July 1, 2018 | 1,957,159 | 1,957,159 |
| Net Position, June 30, 2019 | \$ 1,890,031 | \$ 1,890,031 |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**PROPRIETARY FUND
STATEMENT OF CASH FLOWS
JUNE 30, 2019**

| | <u>Water</u> | <u>Totals</u> |
|--|------------------|------------------|
| Cash Flows from Operating Activities | | |
| Cash received from customers | \$ 53,430 | \$ 53,430 |
| Cash payments to suppliers | (28,204) | (28,204) |
| Cash payments to employees | (21,428) | (21,428) |
| Net Cash Provided (Used) By Operating Activities | <u>3,798</u> | <u>3,798</u> |
| Cash Flows from Non-Capital Financing Activities | | |
| Receipts from assessment income | <u>2,122</u> | <u>2,122</u> |
| Net Cash Provided (Used) By Noncapital Financing Activities | <u>2,122</u> | <u>2,122</u> |
| Cash flows from investing activities: | | |
| Interest received on investments | <u>185</u> | <u>185</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | 6,105 | 6,105 |
| Cash and Cash Equivalents, July 1, 2018 | <u>67,204</u> | <u>67,204</u> |
| Cash and Cash Equivalents, June 30, 2019 | <u>\$ 73,309</u> | <u>\$ 73,309</u> |
| Reconciliation of Cash and Cash Equivalents: | | |
| Cash and investments | <u>\$ 73,309</u> | <u>\$ 73,309</u> |
| Reconciliation of operating income to net cash flows from operating activities: | | |
| Operating income | \$ (69,435) | \$ (69,435) |
| Noncash items included in operating loss: | | |
| Depreciation | 73,222 | 73,222 |
| Changes in: | | |
| Prepaid expense | 1,920 | 1,920 |
| Accounts receivable | (1,727) | (1,727) |
| Accounts payable | (182) | (182) |
| Net Cash Provided (Used) By Operating Activities | <u>\$ 3,798</u> | <u>\$ 3,798</u> |

The notes to the financial statements are an integral part of this statement

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies

The Camptonville Community Services District (District) was formed in 1987 to provide fire and water service. In 1993, Camptonville Community Services District began managing the Camptonville Cemetery, owned by the Camptonville Cemetery District. Both Districts are governed by the same five-member Board of Directors elected by voters within the District boundaries. In accordance with Governmental Accounting Standards Board (GASB) Statement 61, the District reports legally separate entities as blended component units if the District's Board of Directors are financially accountable for the entities and the relationship between the District and entities is such that in substance they are one entity. As the Board of Directors for the Camptonville Community Services District is the same as the Board of Directors for the Camptonville Cemetery District, Camptonville Cemetery District is a blended component unit of Camptonville Community Services District. As the Camptonville Cemetery District's activities are therefore blended with those of the Camptonville Community Service District, the two Districts are presented as though they were one entity. No separate financial statements are issued for the Camptonville Cemetery District.

Camptonville Community Services District (CCSD) supplies drinking water to approximately 70 connections within a 0.25 square mile area comprising the community of Camptonville. Water is diverted from Campbell Gulch and extracted using groundwater well as necessary. The water is treated using filtration and chlorination prior to being delivered to residents and businesses.

The Camptonville Volunteer Fire Department (CVFD), operated by CCSD, provides fire protection for both wild land and structural fires within the District boundaries, which comprises a 56.4 square mile area, which is a larger sphere of influence than the water service area. District volunteers also serve as first responders in medical emergencies and collaborate with other fire departments in the region under mutual aid agreements.

During the 2015-16 fiscal year, the District began operating the Community Center. All community center activity is recorded in a separate major special revenue fund.

The accounting policies of the Camptonville Community Services District conform to 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).

A. Reporting Entity

The District has defined its reporting entity in accordance with generally accepted accounting principles, which provides guidance for determining which governmental activities, organizations, and functions should be included in the reporting entity. In evaluating how to define the District for financial reporting purposes, management has considered all potential component units. The primary criterion for including a potential component unit within the reporting entity is the governing body's financial accountability. A primary governmental entity is financially accountable if it appoints a voting majority of a component unit's governing body and it is able to impose its will on the component unit, or if there is a potential for the component unit to provide specific financial benefits to, or impose specific financial burdens on, the primary government. A primary government may also be financially accountable if a component unit is fiscally dependent on the primary governmental entity regardless of whether the component unit has a separately elected governing board, a governing board appointed by a higher level of government, or a jointly appointed board.

No operations of other entities met the aforementioned oversight criteria for inclusion or exclusion from the accompanying financial statements in accordance with the Governmental Accounting Standards Board Statement #61.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

B. Basis of Accounting

The government-wide and proprietary fund financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned or, for property tax revenues, in the period for which levied. Expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Revenue from sales tax is recognized when the underlying transactions take place. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized when both measurable and available. Measurable means the amount of the transaction can be determined and available means collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Resources not available to finance expenditures and commitments of the current period are recognized as deferred revenue or as a reservation of fund balance. The District considers property taxes available if collected within sixty-days after year-end.

Expenditures are recorded when the related fund liability is incurred. Principal and interest on general long-term debt, as well as compensated absences and claims and judgments are recorded only when payment is due. General capital acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financial sources.

When applicable, the District reports deferred revenue on its combined balance sheet. Deferred revenue arises when a potential revenue source does not meet both the measurable and available criteria for recognition in the current period. Deferred revenues also arise when resources are received by the District before it has legal claim to them, as when grant monies are received prior to the occurrences of qualifying expenditures. In subsequent periods, when both revenue recognition criteria are met, or when the District has legal claim to the resources, deferred revenue is removed from the combined balance sheet and revenue is recognized.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from non-exchange transactions or ancillary activities.

C. Basis of Presentation

Government-Wide Financial Statements

The statement of net position and statement of activities display information about the primary government (the District) and its blended component units. These statements include the financial activities of the overall government, except for fiduciary activities. These statements distinguish between the governmental and business-type activities of the District. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees charged to external parties.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

C. Basis of Presentation (Continued)

The statement of activities demonstrates the degree to which the program expenses of a given function are offset by program revenues. Program expenses include direct expenses, which are clearly identifiable with a specific function. Program revenues include 1) charges paid by the recipient of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead as general revenues.

When both restricted and unrestricted net position are available, unrestricted resources are used only after the restricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds and blended component units. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in separate columns. All remaining governmental and enterprise funds are separately aggregated and reported as non-major funds.

The District reports the following major governmental funds:

General Fund - This fund accounts for all the financial resources not required to be accounted for in another fund. This fund consists primarily of the general government type activities of the fire department.

Community Center – This fund accounts for the activities of the Community Center.

The District reports the following non-major governmental special revenue funds:

Cemetery Fund – This fund accounts for the activities of the Cemetery.

The District reports the following major enterprise fund.

Water Fund – The Water Fund accounts for activities to provide water service to District residents. This activity is financed primarily by user charges and is accounted for similar to the private sector.

D. Budget and Budgeting

Budget integration is employed as a management control device. Budgets are formally adopted for the General (Fire) and Cemetery Funds by the Board of Directors and take effect the following July 1. The budget for the Water Fund is a management tool and not a legal requirement.

E. Restricted Assets

Restricted assets are financial resources generated for a specific purpose such as construction of improvements and financing of debt obligations. These assets are for the benefit of a distinct group and as such are legally or contractually restricted from an external source.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

F. Cash and Cash Equivalents

For purposes of the statement of cash flows, the District defines cash and cash equivalents as bank account balances available on demand and investment account balances that can be easily converted to cash within three months (such as the District's investment in the Yuba County Treasurer's Pool).

All investments are reported at fair value, which is either the market price or amortized cost.

G. Operating/Non-Operating Revenue

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal revenues and expenses.

H. Property Taxes

Secured property taxes are levied on July 1 and are payable in two installments on November 10 and February 10, which become delinquent after December 10 and April 10, respectively. Unsecured property taxes are payable in one installment on or before August 31. Yuba County (County) bills and collects the property taxes and allocates a portion to the District. Property tax revenues are recognized in the fiscal year for which they become available. Available means when due, or past due and receivable within the current period and collected within the current period or expected to be collected soon enough thereafter to be used to pay liabilities of the current period.

I. Capital Assets

All capital assets are valued at historical cost or estimated historical cost if actual historical cost is not available. Contributed capital assets are recorded at fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding \$1,000.

The purpose of depreciation is to spread the cost of capital assets equitably among all users over the life of these assets. The amount charged to depreciation expense each fiscal year represents that year's pro rata share of the cost of capital assets. GASB Statement No. 34 requires that all capital assets with limited useful lives be depreciated over their estimated useful lives. Depreciation is provided using the straight line method which means the costs of the capital asset is divided by its expected useful life in years and the result is charged to expense each year until the capital asset is fully depreciated. The District has assigned the useful lives listed below to capital assets:

| | |
|----------------------------|-------------|
| Buildings and improvements | 20-25 years |
| Water System | 20-60 years |
| Equipment | 5-10 years |

J. Net Position

GASB Statement No. 34 requires that the difference between assets and liabilities be reported as net position. Net position is classified as either net investment in capital assets, restricted, or unrestricted.

Net position that is invested 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 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.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 1: Summary of Significant Accounting Policies (Continued)

K. 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 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, 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.

Note 2: Cash and Investments

Cash and investments at June 30, 2019, consisted of the following:

| | | |
|----------------------------|----|---------|
| Checking accounts | \$ | 51,183 |
| Certificate of deposit | | 36,241 |
| Cash with County | | 130,994 |
| Total cash and investments | \$ | 218,418 |

A. Investments Authorized by the California Government Code and the Entity's Investment Policy

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

| Authorized Investment Type | Maximum Maturity | Percentage of Portfolio | Investment in One Issuer |
|--------------------------------------|---------------------|----------------------------|-----------------------------|
| Investment pools authorized under CA | | | |
| Statutes governed by Government Code | N/A | None | \$40 million |
| U.S. Treasury Obligations | 5 years | None | None |
| Bank Savings Accounts | N/A | 25% | None |
| Federal Agencies | 5 years | 75% | None |
| Commercial Paper | 180 days | 20% | None |
| Negotiable Certificates of Deposit | 180 days | 20% | None |
| Re-Purchase Agreements | 180 days | 20% | None |
| Corporate Debt | 5 years | 25% | None |

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 2: Cash and Investments (Continued)

B. Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. Information about the sensitivity of the fair values of the District's investments to market interest rate fluctuations is provided by the following table that shows the distribution of the District's investment maturity:

| <u>Investment Type</u> | <u>Totals</u> | <u>Remaining Maturity (in Months)</u> | |
|------------------------|-------------------|---------------------------------------|-------------------------|
| | | <u>12 Months or Less</u> | <u>13-48 Months</u> |
| Yuba County* | \$ 130,994 | \$ 130,994 | \$ - |
| Totals | <u>\$ 130,994</u> | <u>\$ 130,994</u> | <u>\$ -</u> |

*Not subject to categorization

C. Concentrations of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments to one issuer exceeding those limits.

D. 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 deposit or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker-dealer) to a transaction, a government will not be able to recover the value of its investment of collateral securities that are in the possession of another party. The California Government Code and the District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits; The California Government Code requires that a financial institution secured deposits made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the government unit). The fair value of the pledged securities in the collateral pool must equal at least 110% of the total amount deposited by the public agencies. California law also allows financial institutions to secure the District's deposits by pledging first deed mortgage notes having a value of 150% of the secured public deposits.

At June 30, 2019, the District's deposits balance, including certificates of deposit, was \$101,384 and the carrying amount was \$87,424. The difference between the bank balance and the carrying amount was due to normal outstanding checks and/or deposits in transit. Of the bank balance, all was covered by the Federal Depository Insurance and none was covered by collateral held in the pledging bank's trust department in the District's name.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 2: Cash and Investments (Continued)

E. Investment in Government Pool

Investments are accounted for in accordance with the provisions of GASB Statement No. 31, which requires governmental entities to report certain investments at fair value in the balance sheet and recognize the corresponding change in fair value of investments in the year in which the change occurred. The District reports its investment in the Sacramento County investment pool at fair value based on quoted market information obtained from fiscal agents or other sources if the change is material to the financial statements.

Note 3: Capital Assets

Capital Assets at June 30, 2019, consist of the following:

| | Balance July 1, 2018 | Additions | Retirements/ Adjustments | Balance June 30, 2019 |
|--|-------------------------|--------------------|-----------------------------|--------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Construction in progress | \$ 23,037 | \$ 2,489 | \$ - | \$ 25,526 |
| Capital assets, being depreciated: | | | | |
| Buildings and improvements | 355,913 | | - | 355,913 |
| Equipment | 441,681 | 73,000 | (5,395) | 509,286 |
| Total capital assets, being depreciated | 797,594 | 73,000 | | 865,199 |
| Less accumulated depreciation: | (466,476) | (25,016) | 5,395 | (486,097) |
| Governmental activities capital assets, net | <u>\$ 354,155</u> | <u>\$ 50,473</u> | <u>\$ 5,395</u> | <u>\$ 404,628</u> |
| Business-Type Activities | | | | |
| Capital assets, not being depreciated: | | | | |
| Land | \$ 29,734 | \$ - | \$ - | \$ 29,734 |
| Construction in progress | - | | | - |
| Capital assets, being depreciated: | | | | |
| Equipment | 18,457 | | | 18,457 |
| Structures and improvements | 2,500 | | | 2,500 |
| Water System | 2,148,051 | | | 2,148,051 |
| Total capital assets, being depreciated | 2,169,009 | - | | 2,169,008 |
| Less accumulated depreciation: | (315,718) | (73,222) | | (388,940) |
| Total capital assets, being depreciated, net | 1,853,291 | (73,222) | | 1,780,068 |
| Business-type activities capital assets, net | <u>\$ 1,883,025</u> | <u>\$ (73,222)</u> | <u>\$ -</u> | <u>\$ 1,809,802</u> |

The total amount of depreciation expense included in public protection functional expense in the Statement of Activities at June 30, 2019 was \$25,016.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 4: Long Term Liabilities

A summary of the changes in the District's long-term liabilities reported in the governmental activities column of the government-wide financial statements for the year ended June 30, 2019:

| Governmental Activities | Balance | Additions | Retirements/ | Balance | Current Portion |
|---|--------------|-----------|--------------|---------------|-----------------|
| | July 1, 2018 | | Adjustments | June 30, 2019 | |
| YCWA Loan | \$ - | \$ 19,788 | \$ - | \$ 19,788 | \$ 3,751 |
| Governmental activities long-term liabilities | \$ - | \$ 19,788 | \$ - | \$ 19,788 | \$ 3,751 |

Governmental Activities:

Yuba County Water Agency Loan

On April 3, 2019 the District entered into a loan agreement with Yuba County Water Agency whereby the District borrowed \$19,788 for a term of 5 years at an interest rate of 4% to assist with the purchase of a fire apparatus. The loan payments are due annually beginning May 15, 2020 through May 15, 2024 as follows:

| Fiscal Year | Principal | Interest | Total |
|--------------|-----------|----------|-----------|
| End June 30, | | | |
| 2020 | \$ 3,751 | \$ 622 | \$ 4,373 |
| 2021 | 3,806 | 567 | 4,373 |
| 2022 | 3,936 | 437 | 4,373 |
| 2023 | 4,072 | 301 | 4,373 |
| 2024 | 4,213 | 160 | 4,373 |
| Totals | \$ 19,778 | \$ 2,087 | \$ 21,865 |

Note 5: Net Position

Government-Wide Statements

Net position is the excess of all the District's assets over all its liabilities, regardless of fund. Net position is divided into three categories under GASB Statement No. 34. These categories apply only to net position, which is determined at the government-wide level, and at the fund level in proprietary funds only (net position are not reported in governmental funds). The categories are described below:

Net Investment in Capital Assets – This component of net position consists of capital assets, net of accumulated depreciation and reduced by any outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets. This category of net position is considered non-expendable.

Restricted Net Position – This component of net position of constraints placed on net position used through external constraints imposed by creditors (such as through debt covenants), grantors, contributors or laws or regulations of other governments. If includes net position constraints by law, constitutional provisions or enabling legislations.

Unrestricted Net Position – This component of net position consists of net position that does not meet the definition of "restricted" or "net investment in capital assets." The District's Board of Directors may designate portions of unrestricted net position for particular purposes.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 5: Net Position (Continued)

When expending funds for a purpose for which both restricted and unrestricted net position are available, the District uses restricted net position first prior to using unrestricted net position.

Fund Statements

In accordance with GASB Statement 54, the District segregates governmental fund balance into separate classifications based primarily on the extent to which the District is obligated to honor constraints on the specific purposes for which amounts in the funds can be spent. The following classifications of fund balance are presented on the District's balance sheet as of June 30, 2019:

Nonspendable fund balance – represents the portion of fund balance that cannot be spent because it is not spendable form because it is tied up in items such as prepaid expenses and the principle of a permanent endowment that cannot be liquidated and used for other purposes.

Assigned fund balance – represents amounts intended for a specific purpose by the District's management that are not subject to legal restrictions imposed by external parties and have not been set aside by specific action of the Board of Directors.

Unassigned fund balance – represents amounts that are available for expenditure for any purpose desired by the District.

When incurring an expense or expenditure for which a combination of restricted, committed, assigned, and/or unassigned fund balances are available, fund balances are liquidated in the following order, if applicable: restricted, then committed, then assigned, and finally unassigned.

Note 6: Revenue Limitation Imposed by California Proposition 218

Proposition 218, which was approved by the voters in November 1996, will regulate the District's ability to impose, increase, and extend taxes and assessments. Any new, increase, or extended taxes and assessments subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes and assessments are subject to voter initiative process and may be rescinded in the future years by the voters.

Note 7: Stewardship, Compliance and Accountability

Actual expenditures for capital outlay were over the budgeted amount established by the Board of Directors by \$73,000.

Note 8: Risk Management

The District is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees, natural disasters, and delivery of water. To mitigate these risks, the District is a member of the Golden State Risk Management Authority, a risk management joint powers authority with over 190 governmental agencies as members. The District has had no settlements that exceeded its insurance coverage in any of the last three years. A summary of the audited financial statements of the Golden State Risk Management Authority is presented in the Authority's annual report and can be obtained online at www.gsrma.org.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2019

Note 9: Commitments and Contingencies

Grants

Amounts received or receivable from grant and lending agencies are subject to audit and adjustment by grantor and lending agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures that may be disallowed by the grantor or lender cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Commitments

The District had engineering and professional service commitments as of June 30, 2019.

Note 10: Subsequent Events

Subsequent events were reviewed through March 16, 2020, the date these financial statements were available for distribution.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT

**REQUIRED SUPPLEMENTARY INFORMATION
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE FISCAL YEAR ENDED JUNE 30, 2019**

| | <u>Original Budget</u> | <u>Final Budget</u> | <u>Actual</u> | Variance Favorable <u>(Unfavorable)</u> |
|-----------------------------------|----------------------------|-------------------------|-------------------|---|
| Revenues | | | | |
| Special assessments | \$ 40,000 | \$ 40,000 | \$ 39,956 | \$ (44) |
| Intergovernmental revenues | 20,516 | 20,516 | 49,575 | 29,059 |
| Charges for current services | | | 2,240 | 2,240 |
| Use of money and property | 1,000 | 1,000 | 2,400 | 1,400 |
| Other revenues and reimbursements | <u>3,500</u> | <u>3,500</u> | <u>1,221</u> | <u>(2,279)</u> |
| Total Revenues | <u>65,016</u> | <u>65,016</u> | <u>95,392</u> | <u>30,376</u> |
| Expenditures | | | | |
| Public protection-fire | 65,016 | 65,016 | 59,791 | 5,225 |
| Capital outlay | <u>-</u> | <u>-</u> | <u>73,000</u> | <u>(73,000)</u> |
| Total Expenditures | <u>65,016</u> | <u>65,016</u> | <u>132,791</u> | <u>(67,775)</u> |
| Change in Fund Balances* | \$ <u>-</u> | \$ <u>-</u> | (37,399) | \$ <u>(37,399)</u> |
| Fund Balances, July 1, 2018 | | | <u>157,192</u> | |
| Fund Balances, June 30, 2019 | | | \$ <u>119,793</u> | |

*Reserve carryover used to balance the budget.

CAMPTONVILLE COMMUNITY SERVICES DISTRICT
Note To the Required Supplementary Information
June 30, 2019

Note 1: Budgets and Budgetary Accounting

As required by State law the District prepares and legally adopts a final operating budget. Public hearings were conducted on the proposed and final budget to review all appropriations and the sources of financing.

The budgets for the general fund (Fire) and the Cemetery Fund are adopted on the modified accrual basis of accounting. These budgets are the only legally adopted budgets.

At the object level, actual expenditures cannot exceed budgeted appropriations. Management can transfer budgeted amounts between expenditure accounts within an object without the approval of the Board of Directors. Significant amendments and appropriation transfers between objects or funds must be approved by the Board of Directors. Appropriations lapse at fiscal year-end.

The budgetary data presented in the accompanying financial statements includes all revisions approved by the Board of Directors.