CAMERON PARK COMMUNITY SERVICES DISTRICT

BASIC FINANCIAL STATEMENTS
AND
REQUIRED SUPPLEMENTARY INFORMATION

JUNE 30, 2005

CAMERON PARK COMMUNITY
SERVICES DISTRICT

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors
Cameron Park Community Services District
Cameron Park, California

I have audited the accompanying general purpose financial statements of Cameron Park Community Services District (the "District") as of and for the year ended June 30, 2005, as listed in the table of contents. These basic financial statements are the responsibility of the District's management. My responsibility is to express an opinion on these basic financial statements based on my audit.

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 Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the general purpose financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the general purpose financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall general purpose financial statement presentation. I believe that my audit provides a reasonable basis for my opinion.

The District has not presented "Management's Discussion and Analysis" which is not a required part of the financial statements, but supplementary information required by accounting principles generally accepted in the United States of America.

In my opinion, the basic financial statements referred to above present fairly, in all material respects, the financial position of the Cameron Park Community Services District as of June 30, 2005, and the results of its operations for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

My examination was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The Supplementary Information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the basic financial statements of the District. Such information has been subjected to the auditing procedures applied in the examination of the general purpose financial statements and, in my opinion, is fairly presented in all material respects in relation to the general purpose financial statements taken as a whole.

In accordance with *Government Auditing Standards*, I have also issued a report dated December 21, 2005 on my consideration of the Cameron Park Community Services District's internal control over financial reporting and my tests of its compliance with certain provisions and 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 my audit.

December 21, 2005
Michael T. Doody, CPA

CAMERON PARK COMMUNITY SERVICES DISTRICT

STATEMENT OF NET ASSETS AND

GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2005

	General Fund	Nonmajor Governmental Funds	Total	Adjustments	Statement of Net Assets
ASSETS					
Cash and investments (Note 2)	$ 520,314	$ 3,049,246	$ 3,569,560	$ -	$ 3,569,560
Assessments receivable	-	7,175	7,175	-	7,175
Other receivables	417,377	23,664	441,041	-	441,041
Due from other funds (Note 4)	-	72,069	72,069	(72,069)	-
Capital assets, net of accumulated depreciation (Note 3)	-	-	-	10,972,136	10,972,136
TOTAL ASSETS	$ 937,691	$ 3,152,154	$ 4,089,845	$ 10,900,067	$ 14,989,912
LIABILITIES AND FUND BALANCES					
LIABILITIES					
Accounts payable	$ 246,066	$ 31,592	$ 277,658	$ -	$ 277,658
Salaries and benefits payable	29,970	3,349	33,319	-	33,319
Due to other agencies	70,000	-	70,000	-	70,000
Due to other funds (Note 4)	53,879	18,190	72,069	(72,069)	-
Compensated absences	-	-	-	47,488	47,488
Note payable (Note 5)	56,979		56,979	-	56,979
TOTAL LIABILITIES	456,894	53,131	510,025	(24,581)	485,444
FUND BALANCES					
Reserved for:					
Parks development	-	1,774,515	1,774,515	(1,774,515)	-
Unreserved:					-
Designated for fire prevention and suppression	-	854,544	854,544	(854,544)	-
Undesgnated	480,797	469,964	950,761	(937,161)	13,600
TOTAL FUND BALANCES	480,797	3,099,023	3,579,820	(3,566,220)	13,600
TOTAL LIABILITIES AND FUND BALANCES	$ 937,691	$ 3,152,154	$ 4,089,845		
NET ASSETS:					
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT				10,972,136	10,972,136
RESTRICTED FOR PARK DEVELOPMENT				1,774,515	1,774,515
UNRESTRICTED				1,757,817	1,757,817
TOTAL NET ASSETS				$ 14,504,468	$ 14,504,468

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

CAMERON PARK COMMUNITY SERVICES DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE STATEMENT OF NET ASSETS

June 30, 2005

Fund balances - total governmental funds		$ 3,579,820
Amounts reported for governmental activities in the statement of net assets are different because:		
Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds:		
Governmental capital assets	$ 12,403,694	
Less: accumulated depreciation	(1,431,558)	10,972,136
Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. Those liabilities consist of:		
Accrued compensated absences		(47,488)
Net assets - governmental activities		$ 14,504,468

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

CAMERON PARK COMMUNITY SERVICES DISTRICT

STATEMENT OF ACTIVITIES AND
GOVERNMENTAL FUND REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCES

For the Year Ended June 30, 2005

	General Fund	Nonmajor Governmental Funds	Total	Adjustments	Statement of Activities
EXPENDITURES/EXPENSES					
Public safety - fire protection	$ 2,542,869	$ 49,137	$ 2,592,006	$ -	$ 2,592,006
Parks	561,122	8,853	569,975	-	569,975
Recreation	306,398	-	306,398	-	306,398
CC & R enforcement	-	82,982	82,982	-	82,982
Lighting and landscaping districts	-	127,802	127,802	-	127,802
Administration	234,163	-	234,163	-	234,163
Depreciation	-	-	-	281,961	281,961
Capital outlay	766,403	-	766,403	(752,803)	13,600
Debt service:					-
Principal	51,441	-	51,441	(51,441)	-
Interest and fiscal charges	7,003	-	7,003	-	7,003
TOTAL EXPENDITURES	4,469,399	268,774	4,738,173	(522,283)	4,215,890
PROGRAM REVENUES:					
Charges for current services	207,870	38,322	246,192	-	246,192
NET PROGRAM EXPENSE					3,969,698
GENERAL REVENUES:					
Property taxes	2,664,393	-	2,664,393	-	2,664,393
Intergovernmnetal	773,139	44,115	817,254	-	817,254
Direct benefits assessments	-	298,030	298,030	-	298,030
Development fees	-	1,225,872	1,225,872	-	1,225,872
Investment earnings	14,253	-	14,253	-	14,253
Other	170,273	51,984	222,257	-	222,257
TRANSFERS - INTERNAL	85,968	(85,968)	-	-	-
TOTAL GENERAL REVENUES AND TRANSFERS	3,915,896	1,534,033	5,449,929	-	5,242,059
EXCESS (DEFICIT) OF REVENUES AND TRANSFERS IN OVER EXPENDITURES AND TRANSFERS OUT	(553,503)	1,303,581	750,078	522,283	1,272,361
CHANGE IN NET ASSETS	-	-	-		
FUND BALANCE/NET ASSETS:					
BEGINNING OF YEAR	1,034,300	1,795,442	2,829,742	10,402,365	13,232,107
END OF YEAR	$ 480,797	$ 3,099,023	$ 3,579,820	$ 10,402,365	$ 14,504,468

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

CAMERON PARK COMMUNITY SERVICES DISTRICT

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE GOVERNMENT-WIDE STATEMENT OF ACTIVITIES - GOVERNMENTAL FUNDS

For the Year Ended June 30, 2005

Net changes in fund balances - total governmental funds		$ 750,078
Amounts reported for governmental activities in the statement of activities are different because:		
Governmental funds report capital outlay as expenditures. In the statement of activities, however, the cost of those assets is allocated over their useful lives as depreciation expense.		
Capital outlay	$ 752,803	
Depreciation expense	(281,961)	470,842
Repayment of debt reduces long-term liabilities in the statement of net assets.		
Principal repayments	51,441	51,441
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in government funds.		
Change in net assets - governmental activities		$ 1,272,361

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

CAMERON PARK COMMUNITY SERVICES DISTRICT

STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE
BUDGET AND ACTUAL
GENERAL FUND

For the Year Ended June 30, 2005

	Budgeted Amounts			Variance With Final Budget Positive
	Original	Final	Actual	(Negative)
REVENUES				
Property taxes	$ 2,440,205	$ 2,440,205	$ 2,664,393	$ 224,188
Intergovernmental	821,407	821,407	773,139	(48,268)
Interest and rent	16,595	16,595	14,253	(2,342)
Charges for current services	302,800	302,800	207,870	(94,930)
Other	638,795	638,795	170,273	(468,522)
TOTAL REVENUES	4,219,802	4,219,802	3,829,928	(389,874)
EXPENDITURES				
Current:				
General government	272,647	272,647	234,163	38,484
Fire protection	2,862,440	2,862,440	2,542,869	319,571
Parks	494,279	494,279	561,122	(66,843)
Recreation	361,433	361,433	306,398	55,035
Capital outlay	519,000	519,000	766,403	(247,403)
Debt service:				-
Principal	51,739	51,739	51,441	298
Interest and fiscal charges	7,000	7,000	7,003	(3)
TOTAL EXPENDITURES	4,568,538	4,568,538	4,469,399	99,139
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	(348,736)	(348,736)	(639,471)	(290,735)
OTHER FINANCING SOURCES AND USES				
Transfers in	80,000	80,000	85,968	5,968
Transfers out	-	-	-	-
TOTAL OTHER FINANCING SOURCES (USES)	80,000	80,000	85,968	5,968
NET CHANGES IN FUND BALANCES	(268,736)	(268,736)	(553,503)	(284,767)
FUND BALANCES AT BEGINNING OF YEAR	-	-	1,034,300	1,034,300
FUND BALANCES AT END OF YEAR	$ (268,736)	$ (268,736)	$ 480,797	$ 749,533

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

Note 1: Summary of Significant Accounting Policies

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

A. Reporting Entity

The District was duly organized and formed on June 26, 1961, pursuant to the Community Services District Law of the State of California (Division 2 of Title 6 of the Government Code, Section 61000, et seq.). The District was primarily formed to provide fire protection and park and recreation services district but has the authority to provide many other services, including police protection, garbage collection and disposal, water, sewer, electric, street lighting, and mosquito abatement. The District is governed by a five-member elected Board of Directors.

The District has defined its reporting entity in accordance with GASB Statement No. 14, "The Financial Reporting Entity," which provides guidance for determining which governmental activities, organizations, and functions should be included in its reporting entity.

The District levies assessments and provides services to eighteen Lighting and Landscaping Districts which are operated under the Lighting and Landscaping Act of 1972. All parcels within each Lighting and Landscaping District are assessed at varying rates depending upon the increased property values created by the installation of nearby public improvements.

B. Basis of Presentation - Government-wide financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component units. The effect of interfund activity has been removed from these statements. 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 and charges for support. The District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Certain indirect costs are allocated from the general government activity to the recreation and park activity based on relative percentages or prior year actual operating expenditures. Program revenues include 1) charges to customers who purchase, use or directly benefit from the goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Note 1: Summary of Significant Accounting Policies(continued)

B. Basis of Presentation - Government-wide financial statements(continued)

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue when reimbursable costs are incurred under the accrual basis of accounting.

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

C. Basis of presentation - Fund Financial Statements

The accounts of the District are organized on the basis of funds. A fund is a separate accounting entity with a self-balancing set of accounts. Each fund was established for the purpose of accounting for specific activities in accordance with applicable regulations, restrictions, or limitations. Separate financial statements are provided for each governmental fund. Major individual governmental funds are reported as separate columns in the fund financial statements.

The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, liabilities, fund equity, revenues, and expenditures as appropriate. Government resources are allocated to and accounted for in individual funds based upon the purposes for which they are to be spent and the means by which spending activities are controlled. The various funds are grouped into five generic fund types and two account groups as follows:

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets and current liabilities 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.

The modified accrual basis of accounting is used by all governmental fund types. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual (i.e., when they become both measurable and available). "Measurable" means that 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. Expenditures under the modified accrual basis of accounting are generally recognized when the related fund liability is incurred. An exception to this rule is principal and interest on general long-term debt which are recorded as fund liabilities when due.

Note 1: Summary of Significant Accounting Policies (continued)

C. Basis of presentation - Fund Financial Statements (continued)

The District reports the following major governmental fund types:

The General Fund is the District's primary operating fund. It is used to account for all activities, except those required to be accounted for in another fund.

D. Budgets

Budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP). Annual appropriated budgets are adopted and amended as required for the General Fund, the CC & R Special Revenue Fund, the Impact Fee Special Revenue Fund and for active Lighting and Landscaping Special Revenue Funds. For each legally adopted operating budget, expenditures may not exceed budgeted appropriations at the activity level. The legal appropriation basis is at the level called "Department" (e.g., Parks) or an entire fund (e.g., CC & R Special Revenue Fund). The general fund completed the year within its legally authorized budget as well as those special revenue funds with adopted budgets.

E. Cash and Investments

The District pools cash resources of its various funds to facilitate the management of cash. Cash applicable to a particular fund is readily identifiable. The balance in the pooled cash and investment account is available to meet current operating requirements.

F. Interfund Transactions

Interfund transactions are reflected as either loans, services provided, reimbursements, or transfers. Loans are reported as receivables and payables, as appropriate, and are referred to as either "due from/due to other funds."

Services provided, deemed to be at market or near market rates, are treated as revenues and expenditures. Reimbursements occur when one fund incurs a cost, charges the appropriate benefitting fund and reduces its cost as a reimbursement. All other interfund transactions are treated as transfers.

G. Capital Assets

Capital assets for governmental fund types are not capitalized in the funds used to acquire or construct them. Capital acquisitions are reflected as an expenditure in the governmental fund, and the related assets are reported in the government-wide financial statements. Capital assets, owned by the District, are stated at historical cost or estimated historical cost, if actual historical cost is not available.

Note 1: Summary of Significant Accounting Policies (continued)

G. Capital Assets

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

Structures and improvements	5 to 30 years
Equipment	3 to 20 years

It is the policy of the District to capitalize all land, structures and improvements, and equipment, except assets costing less than $1,500.

H. Compensated Absences

An employee accumulates vacation time in accordance with the employee's respective "Memorandum of Understanding." The amount of vacation and sick time vested and accrued depends on years of service and date of hire. Vacation vested may be accumulated up to various maximum hours and is paid in full upon termination or retirement. Sick leave time may be accumulated without limit and applied toward retirement. Upon termination, other than retirement from active service, sick leave is forfeited.

I. Property Taxes

All property taxes are collected and allocated by the County of El Dorado to the various taxing entities. Property taxes are determined annually as of January 1 and attach as an enforceable lien on real property as of July 1. Taxes are due November 1 and February 1 and are delinquent if not paid by December 10 and April 10, respectively. The District participates in the County "Teeter Plan" method of property tax distribution. Under the Teeter Plan, the County remits property taxes to the District based on assessments, not on collections, according to the following schedule: 55 percent in December, 40 percent in April, and 5 percent at the end of the fiscal year. Property tax is recognized when it is available and measurable. The District considers property tax as available if it is received within 60 days after fiscal year end.

J. Net Assets

The government-wide financial statements utilize a net assets presentation. Net assets are categorized as invested capital assets (net of related debt), restricted and unrestricted.

Invested in Capital Assets, Net of Related Debt - This category groups all capital assets into one component of net assets. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category. The District has no outstanding debt that was used to acquire capital assets.

Note 1: Summary of Significant Accounting Policies(continued)

J. Net Assets

Restricted Net Assets - This category presents external restrictions imposed by creditors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation.

Unrestricted Net Assets - This category represents net assets of the District not restricted for any project or other purpose.

K. Fund Balance Reserves and Designations

In the fund financial statements, fund balance reserved are those portions of the fund balance that are not available for appropriation or expenditure and/or are legally segregated for a specific future use. The reserved fund balance for Park Development is required to be segregated in accordance with provisions of the Government Code.

Designations of unreserved fund balances in governmental fund financial statements indicate District management's tentative plans for use of financial resources in a future period. Such plans or intent are subject to change and have not been legally mandated.

L. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles (GAAP) 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 expenditures during the reporting period. Actual results could differ from those estimates.

Note 2: Cash and Investments

The District follows the practice of pooling cash and investments of all funds. Cash and investments are maintained with the County of El Dorado Treasurer in a pooled investment portfolio (the "Pooled Investment Portfolio") and consist of the following:

	Percent Holding
•Local Agency Investment Fund	11.74%
•Treasury securities - coupon11.31%	
•Treasury securities - discount	29.88%
•Certificates of deposit - bank	29.49%
•Bank acceptances	3.00%
•Commercial paper - discount	8.58%
•Federal agency issues - discount	6.00%
	100.00%

Note 2: Cash and Investments (continued)

The annual effective rate of return on invested funds for the fiscal year ended June 30, 2005 was 2.88%.

A. Custodial Credit Risk

At June 30, 2005, the carrying amount of the deposits held at the County of El Dorado was $3,569,560. Investments in external investment pools, such as the El Dorado County's Pooled Investment Portfolio, are not exposed to custodial risk because their existence is not evidenced by securities that exist in physical or book form.

B. Authorized Investments

California statutes authorize the District to invest idle or surplus funds in a variety of credit instruments as provided for in California Government Code Section 53600, Chapter 4-Financial Affairs.

The Government Code allows investments in the following instruments:

–Securities of the United States Government, or its agencies
–Small Business Administration loans
–Certificates of Deposit (or Time Deposits) placed with commercial banks and/or savings and loan companies
–Negotiable Certificates of Deposit
–Banker's Acceptances
–Commercial paper and medium-term corporate notes
–Local Agency Investment Fund (State Pool and County Pool) Demand Deposits
–Repurchase Agreements (Repos)
–Passbook Savings Account Demand Deposits
–Reverse Repurchase Agreements
–County Cash Pool

C. Fair Value Reporting - Investments

The District has adopted provisions of Governmental Accounting Standards Board (GASB) 31, "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." GASB 31 establishes accounting and financial standards for investments in interest-earning investment contracts, external investment pools, and mutual funds. The statement requires all applicable investments to be reported at fair value on the balance sheet. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced sale. All investment income, including change in fair market of investments, is recognized as revenue in the operating statement.

The County of El Dorado's Pooled Investment Portfolio is a governmental investment pool managed and directed by the County of El Dorado and is not registered with the Securities and Exchange Commission. An oversight committee, comprised of County officials and various participants, provides oversight to the management of the fund. The District is a voluntary participant in the investment pool. The District reports its investment in the Investment Pool at the fair value provided by the County Treasurer, which is not materially different than cost. The balance available for withdrawal is based on the accounting records maintained by the County, which are on an amortized cost basis.

Note 2: Cash and Investments (continued)

D. 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. As of the year end, the weighted average maturity of the investments contained in the County's Pooled Investment Portfolio was approximately sixty-seven days.

E. Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The Pool does not have a rating provided by a nationally recognized statistical rating organization.

Note 3: Capital Assets

A summary of changes in the District's capital assets is as follows:

	July 1, 2004	Additions	Deletions	Adjustments	June 30, 2005
Land	$ 8,093,000	$ --	$ --	$ --	$ 8,093,000
Structures and improvements	1,963,440	670,434	--	--	2,633,874
Equipment	1,580,865	95,969	--	--	1,676,834
Totals	$ 11,637,305	$ 766,403	$ --	$ --	$ 12,403,708
Less: accumulated depreciation	(1,149,597)	(281,961)	--	--	(1,431,558)
Capital assets, net	$ 10,487,708	$ 484,428	$ --	$ --	$ 10,972,136

Note 4: Interfund Transactions

Interfund balances at June 30, 2005 are as follows:

Due from the General Fund :	
CC & R Special Revenue Fund - Non major	$ 20,000
Impact Fee Special Revenue Fund - Non major	42,000
Quimby Special Revenue Fund - Non-major	10,000
Fire Prevention - Non major	69
Total due other funds	$ 72,069

These balances resulted from the time lag between the dates that goods and services are provided and the date that payments are made between funds.

Note 5: Long-Term Debt

The following is a summary of debt transactions for the year ended June 30, 2005:

Note Payable to the California Department of Forestry (CDF)

Pre-1996 annuitant post retirement health benefit contributions owed the CDF per agreement. Original amount, $410,223, secured by a promissory note, including interest equal to the Variable Pooled Money Investment account rate. Payment paid annually on December 3.	$ 56,979

The following is a summary of changes in the District's Long-Term Debt for the fiscal year ended June 30, 2005:

	July 1, 2004	Additions	Retirements	Adjustments	June 30, 2005
Compensated absences	$ 51,377	$ --	$ (3,889)	$ --	$ 47,488
Note payable	104,533	--	(47,554)	--	56,979
Totals	$ 155,910	$ --	$ (51,443)	$ --	$ 104,467

The note payable will be extinguished in the 2005/2006 fiscal year.

Note 6 : District Employee's Retirement Plan (Defined Benefit Pension Plan)

A. Plan Description

The District's defined benefit pension plan, the California Public Employees' Retirement System, provides retirement and disability benefits, annual cost of living adjustments, and death benefits to plan members and beneficiaries. The California Public Employees' Retirement System is part of the Public Agency portion of the California Public Employees' Retirement System (CalPERS), an agent multiple-employer plan administered by CalPERS, which acts as a common investment and administrative agent for participating public employers within the State of California. A menu of benefit provisions as well as other requirements are established by State statutes within the Public Employees' Retirement Law. The District selects optional benefit provisions from the benefit menu by contract with CalPERS and adopts those benefits through local ordinance (other local methods). CalPERS issues a separate comprehensive annual financial report. Copies of the CalPERS annual financial report may be obtained from the CalPERS Executive Office in Sacramento, California.

B. Funding Policy

The District is required to contribute the actuarially determined amounts necessary to fund the benefits for its members. The actuarial methods and assumptions used are those adopted bythe CalPERS Board of Administration. The required employer contribution rate for fiscal 2004-2005 was 10.359%. The contribution requirements of the employer is established by State statute and may be amended by CalPERS.

Note 6: District Employee's Retirement Plan (Defined Benefit Pension Plan) (continued)

C. Annual Pension Cost

For fiscal year 2004-2005, the District's annual pension cost of $54,727 was equal to the District's required and actual contributions. The required contribution for fiscal year 2004-2005 was determined as part of the June 30, 2002 actuarial valuation using an entry age normal actuarial cost method with the contributions determined as a percent of pay. The actuarial assumptions included (a) 8.25% investment rate of return (net of administrative expenses); (b) projected salary increases that vary by duration of service ranging from 3.75% to 14.20% depending on age, service, and type of employment; (c) 3.75% overall payroll growth; and (d) an inflation rate of 3.50%. The actuarial value of the plan's assets was determined using a technique that smooths the effect of short term volatility in the market value of investments over a two to five year period depending on the size of investment gains and losses. The plan's unfunded actuarial accrued liability (or excess assets) is being amortized as a level percentage of projected payroll on a closed basis.

The schedule of funding progress below shows the recent history of the actuarial value of assets, actuarial accrued liability, their relationship, and the relationship of the unfunded actuarial accrued liability to payroll.

Safety Plan

Valuation Date	Accrued Liability	Actuarial Value of Assets	Unfunded Liability (Excess Assets)	Funded Status	Annual Covered Payroll	Under (Over) Funded Actuarial Liability as a % of Covered Payroll
June 30, 2000	$ 3,307,297	$ 4,503,164	$ (1,195,867)	136.2%	$ 3,073,176	N/A
June 30, 2001	$ 3,526,733	$ 4,658,188	$ (1,131,455)	132.1%	$ 3,063,251	N/A
		Miscellaneous Plan				
June 30, 2000	$ 952,506	$ 1,066,329	$ (113,823)	111.9%	$ 328,129	-34.689%
June 30, 2001	$ 1,071,321	$ 1,140,365	$ (66,044)	106.4%	$ 432,763	-16.000%
June 30, 2002	$ 1,212,105	$ 1,100,249	$ 111,856	90.8%	$ 473,054	23.600%

Note 7: Deferred Compensation Plan

District employees may defer a portion of their compensation under the District's sponsored Deferred Compensation Plan created in accordance with Internal Revenue Code Section 457. Under this plan, participants are not taxed on the deferred portion of their compensation until distributed to them.

The laws governing deferred compensation plan assets require plan assets to be held by a trust for the exclusive benefit of plan participants and their beneficiaries. Since the assets held under these plans are not the District's property and are not subject to Board control, they have been excluded from these financial statements.

Note 8: Post Employment Benefits Other Than Pensions

The District provides health care benefits through PERS to eligible retired employees. Benefits provided during the year ended June 30, 2005 amounted to $10,435 and covered two retired employees.

Note 9: 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; and natural disasters. The District participates in the Special District Risk Management Authority (SDRMA), an intergovernmental risk-sharing, joint powers authority (risk-sharing pool) established to provide an independently managed, self-insurance program for members. The purpose of SDRMA is to spread the adverse effect of losses among the members and to purchase excess insurance as a group, thereby reducing its expense.

The District contributes its pro-rata share of anticipated losses to a pool administered by SDRMA. Should actual losses among participants be greater than the anticipated losses, the District will be assessed its pro rata share of that deficiency. Conversely, if the actual losses are less than anticipated, the District will be refunded its pro rata share of the excess. Settled claims have not exceeded commercial excess liability coverage in any of the past three fiscal years.

Note 10: Designations of Fund Equity

The District has established "designations" of fund equity to segregate fund balances for future replacement of fire suppression equipment, fire development projects, fire prevention and fire safety.

SUPPLEMENTARY INFORMATION

COMBINING FUND STATEMENTS
NON-MAJOR GOVERNMENTAL FUNDS

CAMERON PARK COMMUNITY SERVICES DISTRICT

COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
June 30, 2005

	CC & R	Quimby Act	Fire Development	Fire Safe Project	Fire Prevention	Fire Equipment Replacement	AB 1600 Impact Fees	Silver Springs Pond	Lighting and Landscping	Total Nonmajor Governmental Funds
ASSETS										
Cash and investments	$ 136,091	$ 218,202	727,693	$ 49,832	$ 28,702	$ 54,896	$ 1,484,448	$ 2,589	$ 346,793	$ 3,049,246
Assessments receivable	2,748	-	-	-	-	-	-	-	4,427	7,175
Other receivables	-	-	3,799	-	-	-	19,865	-	-	23,664
Due from other funds	20,000	10,000	-	-	69	-	42,000	-	-	72,069
TOTAL ASSETS	$ 158,839	$ 228,202	$ 731,492	$ 49,832	28,771	$ 54,896	$ 1,546,313	$ 2,589	$ 351,220	$ 3,152,154
LIABILITIES AND FUND BALANCES										
LIABILITIES										
Accounts payable	$ 2,171	$ -	$ -	$ 10,447	$ -	$ -	$ -	-	$ 18,974	31,592
Salaries and benefits payable	3,349	-	-	-	-	-	-	-	-	3,349
Due to other funds	-	-	-	-	-	-	-	-	18,190	18,190
TOTAL LIABILITIES	5,520	-	-	10,447	-	-	-	-	37,164	53,131
FUND BALANCES										
Undesgnated	153,319	228,202	731,492	39,385	28,771	54,896	1,546,313	2,589	314,056	0 3,099,023
TOTAL LIABILITIES AND FUND BALANCES	$ 158,839	$ 228,202	$ 731,492	$ 49,832	$ 28,771	$ 54,896	$ 1,546,313	$ 2,589	$ 351,220	$ 3,152,154

CAMERON PARK COMMUNITY SERVICES DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
For the Year Ended June 30, 2005

	CC & R	Quimby Act	Fire Development	Fire Safe Project	Fire Prevention	Fire Equipment Replacement	AB 1600 Impact Fees	Silver Springs Pond	Lighting and Landscping	Total Nonmajor Governmental Funds
REVENUES										
Assessments	$ 77,062	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 220,968	$ 298,030
Developer fees	-	-	327,693	-	15,280	-	882,899	-	-	1,225,872
Use of money and property	2,104	4,020	11,215	-	611	838	20,025	48	5,254	44,115
Charges for current services	38,322	-	-	-	-	-	-	-	-	38,322
Other	272	-	-	40,000	345	10,795	-	-	572	51,984
TOTAL REVENUES	117,760	4,020	338,908	40,000	16,236	11,633	902,924	48	226,794	1,658,323
EXPENDITURES										
General government	82,982	-	3,278	35,580	10,279	-	8,853	-	127,802	268,774
EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES	34,778	4,020	335,630	4,420	5,957	11,633	894,071	48	98,992	1,389,549
OTHER FINANCING SOURCES AND USES										
Transfers in	-	-	-	-	-	-	-	-	-	-
Transfers out	-	-	(85,968)	-	-	-	-	-	-	(85,968)
TOTAL OTHER FINANCING SOURCES (USES)	-	-	(85,968)	-	-	-	-	-	-	(85,968)
NET CHANGES IN FUND BALANCES	34,778	4,020	249,662	4,420	5,957	11,633	894,071	48	98,992	1,303,581
Fund balances (deficit) at beginning of year	118,541	224,182	481,830	34,965	22,814	43,263	652,242	2,541	215,064	1,795,442
Fund balances (deficit) at end of year	$ 153,319	$ 228,202	$ 731,492	$ 39,385	$ 28,771	$ 54,896	$ 1,546,313	$ 2,589	314,056	$ 3,099,023

GENERAL FUND SCHEDULES

CAMERON PARK COMMUNITY SERVICES DISTRICT

GENERAL FUND
SCHEDULE OF REVENUES

For the Year Ended June 30, 2005

	Administration	Fire Protection	Parks	Recreation	Total
Taxes:					
Current secured	$ 266,307	$ 1,684,375	$ 363,788	$ 106,523	$ 2,420,993
Current unsecured	-	41,807	14,489	-	56,296
Supplemental property taxes	-	137,646	47,703	-	185,349
Prior unsecured	-	323	112	-	435
Penalties and costs	-	980	340	-	1,320
Total taxes	266,307	1,865,131	426,432	106,523	2,664,393
Intergovernmental:					
Homeowner's property tax relief	-	28,194	9,768	-	37,962
State/JPA		724,099	-	-	724,099
Other	4,778	6,300	-	-	11,078
Total intergovernmental	4,778	758,593	9,768	-	773,139
Charges for current services:					
Fees	-	-	-	180,898	180,898
Special events		-	-	26,972	26,972
Total charges for current services	-	-	-	207,870	207,870
Use of money and property:					
Interest	4,275	-	5,879	4,099	14,253
Other:					
Franchise fees	1,279	-	-	-	1,279
Miscellaneous	33,978	122,296	-	12,720	168,994
Total other	35,257	122,296	-	12,720	170,273
Total revenues	$ 310,617	$ 2,746,020	$ 442,079	$ 331,212	$ 3,829,928

CAMERON PARK COMMUNITY SERVICES DISTRICT

GENERAL FUND
SCHEDULE OF EXPENDITURES
For the Year Ended June 30, 2005

	Administration	Fire Protection	Parks	Recreation	Total
Expenditures					
Salaries and wages	$ 105,139	$ 2,342,114	$ 161,536	$ 113,974	$ 2,722,763
Payroll taxes and employee benefits	47,011	38,084	83,722	43,473	212,290
Total salaries and employee benefits	152,150	2,380,198	245,258	157,447	2,935,053
Services and supplies:					
Fire protection and inspection	-	7,927	-	-	7,927
Snow removal	-	17,973	-	-	17,973
Contractual services	-	-	43,192	45,105	88,297
Special district director services	6,020	2,300	1,850	1,550	11,720
Equipment - minor	-	86	1,067	-	1,153
Special department expense	545	6,988	174	17,650	25,357
Volunteers	-	3,048	-	-	3,048
Special projects	-	-	-	37,810	37,810
El Dorado County - web development charges	1,215	-	-	1,787	3,002
Staff development	189	1,021	660	289	2,159
Agricultural	-	421	29,670	-	30,091
Clothing	-	-	757	-	757
Elections outreach	9,943	-	-	-	9,943
Duplicating	-	-	-	1,548	1,548
Communications	-	17,742	2,194	-	19,936
Telephone	7,102	8,785	1,253	351	17,491
Fire and safety supplies	-	6,421	-	-	6,421
Agency administration fee	3,942	-	-	-	3,942
Audit and accounting services	5,450	-	-	-	5,450
External data processing	144	-	-	-	144
Food expense	236	320	-	4,033	4,589
Fuel	-	13,702	7,410	-	21,112
Household expense	490	459	4,160	28	5,137
Insurance	-	16,185	14,056	9,796	40,037
Maintenance - builings and equipment	302	35,181	174,875	791	211,149
Memberships	2,812	50	250	145	3,257
Office	4,422	2,574	523	675	8,194
Postage	954	264	15	536	1,769
Transportation reimbursements	1,501	100	334	347	2,282
Professional services	9,036	342	5,821	325	15,524
Legal	9,737	1,161	400	-	11,298
Publications and legal notices	470	43	674	1,800	2,987
Rents and leasses	14,371	2,081	781	23,780	41,013
Utilities	1,857	16,075	24,259	605	42,796
Small tools	-	-	1,047	-	1,047
Other	1,275	1,422	442	-	3,139
Total services and supplies	82,013	162,671	315,864	148,951	709,499
Capital outlay:					
Structures and improvements	-	656,134	13,600	700	670,434
Equipment	-	83,518	12,451	-	95,969
Total capital outlay	-	739,652	26,051	700	766,403
Debt service:					
Principal	-	51,441	-	-	51,441
Interest	-	7,003	-	-	7,003
	-	58,444	-	-	58,444
Total expenditures	$ 234,163	$ 3,340,965	$ 587,173	$ 307,098	$ 4,469,399

OTHER REPORTS

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

To the Board of Directors
Cameron Park Community Services District
Cameron Park, California

I have audited the general purpose financial statements of the Cameron Park Community Services District (the "District") as of and for the fiscal year ended June 30, 2005, and have issued my report thereon dated December 21, 2005. 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 Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether the District's general purpose financial statements are free of material misstatement, I 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 general-purpose 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 that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing my audit, I considered the District's internal control over financial reporting in order to determine my auditing procedures for the purpose of expressing my opinion on the general purpose financial statements and not to provide assurance on the internal control over financial reporting. My 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 general purpose 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. I noted no matters involving the internal control over financial reporting and its operation that I consider to be material weaknesses.

This report is intended for the information of the audit committee, management, the Board of Directors, and the State Controller's Office of the State of California. However, this report is a matter of public record and its distribution is not limited.

December 21, 2005
Michael T. Doody, CPA