

**CAMERON PARK COMMUNITY SERVICES DISTRICT**  
**BASIC FINANCIAL STATEMENTS**  
**AND**  
**REQUIRED SUPPLEMENTARY INFORMATION**  
**JUNE 30, 2007**

**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, 2007, 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.

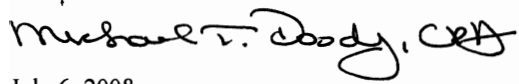
I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that I plan and 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, 2007, 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 July 6, 2008 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.

Handwritten signature of Michael T. Doody, CPA in black ink.

July 6, 2008  
Michael T. Doody, CPA

**CAMERON PARK COMMUNITY SERVICES DISTRICT**

STATEMENT OF NET ASSETS AND  
GOVERNMENTAL FUNDS BALANCE SHEET

June 30, 2007

	General Fund	Community Center Capital Projects Fund	Nonmajor Governmental Funds	Total	Adjustments	Statement of Net Assets
<b>ASSETS</b>						
Cash and investments (Note 2)	\$ 524,324	\$ 9,290,296	\$ 3,933,514	\$ 13,748,134	\$ -	\$ 13,748,134
Assessments receivable	-	-	6,255	6,255	-	6,255
Accounts receivable	631,378	-	-	631,378	-	631,378
Due from other governments	93,812	-	-	93,812	-	93,812
Due from other funds (Note 4)	678,529	349,365	72,069	1,099,963	(1,099,963)	-
Capital assets, net of accumulated depreciation (Note 3)	-	-	-	-	12,206,457	12,206,457
Bond issuance costs, net	-	-	-	-	254,139	254,139
<b>TOTAL ASSETS</b>	<b>\$ 1,928,043</b>	<b>\$ 9,639,661</b>	<b>\$ 4,011,838</b>	<b>\$ 15,579,542</b>	<b>\$ 11,360,633</b>	<b>\$ 26,940,175</b>
<b>LIABILITIES AND FUND BALANCES</b>						
<b>LIABILITIES</b>						
Accounts payable	\$ 168,122	\$ -	\$ 28,824	\$ 196,946	\$ -	\$ 196,946
Salaries and benefits payable	10,420	-	-	10,420	-	10,420
Accrued bond interest payable	-	-	-	-	153,280	153,280
Due to other funds (Note 4)	405,394	665,099	29,470	1,099,963	(1,099,963)	-
Compensated absences	-	-	-	-	100,701	100,701
G.O. Bond payable	-	-	-	-	8,465,578	8,465,578
Unamortized bond premium - G.O. Bonds	-	-	-	-	229,449	229,449
<b>TOTAL LIABILITIES</b>	<b>583,936</b>	<b>665,099</b>	<b>58,294</b>	<b>1,307,329</b>	<b>7,849,045</b>	<b>9,156,374</b>
<b>FUND BALANCES</b>						
Reserved for:						
Parks development and Community Center	-	8,974,562	1,987,053	10,961,615	(10,961,615)	-
Unreserved:						
Designated for fire prevention and suppression	-	-	1,000,771	1,000,771	(1,000,771)	-
Undesignated	1,344,107	-	965,720	2,309,827	(2,309,827)	-
<b>TOTAL FUND BALANCES</b>	<b>1,344,107</b>	<b>8,974,562</b>	<b>3,953,544</b>	<b>14,272,213</b>	<b>(14,272,213)</b>	<b>-</b>
<b>TOTAL LIABILITIES AND FUND BALANCE</b>	<b>\$ 1,928,043</b>	<b>\$ 9,639,661</b>	<b>\$ 4,011,838</b>	<b>\$ 15,579,542</b>		
<b>NET ASSETS:</b>						
INVESTED IN CAPITAL ASSETS, NET OF RELATED DEBT					3,511,430	3,511,430
RESTRICTED FOR PARK DEVELOPMENT					1,987,053	1,987,053
RESTRICTED FOR DEBT SERVICE					287,249	287,249
RESTRICTED FOR COMMUNITY CENTER CAPITAL PROJECT					8,974,562	8,974,562
RESTRICTED FOR FIRE DEVELOPMENT, TRAINING AND PREVENTION					1,000,771	1,000,771
UNRESTRICTED					2,022,736	2,022,736
<b>TOTAL NET ASSETS</b>					<b>\$ 17,783,801</b>	<b>\$ 17,783,801</b>

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, 2007

Fund balances - total governmental funds \$ 14,272,213

Amounts reported for governmental activities in the statement of net assets are different because:

Capital assets and bond issue costs used in governmental activities are not financial resources and, therefore, are not reported in the funds:

Governmental capital assets	\$ 14,323,912	
Less: accumulated depreciation	<u>(2,117,455)</u>	12,206,457
 Bond issue costs related to the G.O. Bond	 274,250	
Less: accumulated amortization	<u>(20,111)</u>	254,139

Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds. In addition, interest on long-term debt is recorded in the funds when paid and not when incurred.

General obligation bonds	(8,465,578)	
Less: amortization of bond premium/bond accretion	<u>(229,449)</u>	(8,695,027)
 Accrued interest payable - G.O. Bonds		 (153,280)
Accrued compensated absences		<u>(100,701)</u>

Net assets - governmental activities \$ 17,783,801

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, 2007

	General Fund	Community Center Capital Projects Fund	Nonmajor Governmental Funds	Total	Adjustments	Statement of Activities
<b>EXPENDITURES/EXPENSES</b>						
Public safety - fire protection	\$ 2,749,068	\$ -	\$ 11,548	\$ 2,760,616	\$ -	\$ 2,760,616
Parks	566,819	-	2,230	569,049	-	569,049
Recreation	335,810	-	-	335,810	-	335,810
CC & R enforcement	-	-	69,670	69,670	-	69,670
Lighting and landscaping districts	-	-	200,622	200,622	-	200,622
Administration	235,558	-	-	235,558	40,147	275,705
Depreciation	-	-	-	-	371,190	371,190
Capital outlay	766,832	192,443	2,698	961,973	(751,808)	210,165
Debt service:						
Principal	56,979	-	60,000	116,979	(116,979)	-
Interest and fiscal charges	350	-	369,424	369,774	11,680	381,454
<b>TOTAL EXPENDITURES</b>	<u>4,711,416</u>	<u>192,443</u>	<u>716,192</u>	<u>5,620,051</u>	<u>(445,770)</u>	<u>5,174,281</u>
<b>PROGRAM REVENUES:</b>						
Charges for current services	251,549	-	90,586	342,135	-	342,135
<b>NET PROGRAM EXPENSE</b>						<u>4,832,146</u>
<b>GENERAL REVENUES:</b>						
Property taxes	3,384,658	-	-	3,384,658	-	3,384,658
Intergovernmental	854,487	-	190,562	1,045,049	-	1,045,049
Direct benefits assessments	-	-	738,047	738,047	-	738,047
Development fees	-	-	526,707	526,707	-	526,707
Investment earnings	17,859	456,120	-	473,979	-	473,979
Other	690,164	-	-	690,164	-	690,164
<b>TOTAL GENERAL REVENUES</b>	<u>4,947,168</u>	<u>456,120</u>	<u>1,455,316</u>	<u>6,858,604</u>		<u>6,858,604</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	487,301	263,677	829,710	1,580,688	445,770	2,026,458
<b>OTHER FINANCING SOURCES (USES)</b>						
Transfers - internal	654,981	-	(640,047)	14,934	-	14,934
Proceeds from the issuance of G.O. Bonds	-	-	-	-	-	-
Costs of issuance - G.O. Bonds	-	-	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>654,981</u>	<u>-</u>	<u>(640,047)</u>	<u>14,934</u>	<u>-</u>	<u>14,934</u>
<b>EXCESS (DEFICIT) OF REVENUES AND OTHER FINANCING SOURCES (USES)</b>	1,142,282	263,677	189,663	1,595,622	445,770	2,041,392
<b>CHANGE IN NET ASSETS</b>	-	-	-	-	-	-
<b>FUND BALANCE/NET ASSETS:</b>						
<b>BEGINNING OF YEAR</b>	201,825	8,710,885	3,763,881	12,676,591	3,122,797	15,799,388
<b>PRIOR PERIOD ADJUSTMENT</b>		-	-	-	(56,979)	(56,979)
<b>BEGINNING OF YEAR, AS RESTATED (Note 11)</b>	<u>201,825</u>	<u>8,710,885</u>	<u>3,763,881</u>	<u>12,676,591</u>	<u>3,065,818</u>	<u>15,742,409</u>
<b>END OF YEAR</b>	<u>\$ 1,344,107</u>	<u>\$ 8,974,562</u>	<u>\$ 3,953,544</u>	<u>\$ 14,272,213</u>	<u>\$ 3,511,588</u>	<u>\$ 17,783,801</u>

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, 2007

Net changes in fund balances - total governmental funds \$ 1,595,622

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	\$ 751,808	
Depreciation expense	<u>(371,190)</u>	380,618

Governmental funds report principal payments as expenditures, In the statement of activities, however, principal payments serve to reduce the loan balance reported as a liability in the Statement of Net Assets.

116,979

Some expenses are recorded in fund statements when due while, in the Statement of Activities these expenses are accrued as a function of time.

Accrued interest expense and amortization		(11,680)
Compensated absences		(40,147)

Proceeds stemming from debt are reported as other financing sources in fund financial statements but are recorded as long-term liabilities in the Statement of Net Assets. In addition, costs related to the issuance of debt are recorded as other financing uses in the funds but are recorded as assets in the Statement of Net Assets and amortized over time.

Proceeds from the issuance of G.O. Bonds	-	
Costs of issuance - G.O. Bonds	<u>-</u>	<u>-</u>

Change in net assets - governmental activities \$ 2,041,392

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, 2007

	Budgeted Amounts		Actual	Variance With Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Property taxes	\$ 2,764,083	\$ 2,764,083	\$ 3,384,658	\$ 620,575
Intergovernmental	884,624	884,624	854,487	(30,137)
Interest and rent	12,043	12,043	17,859	5,816
Charges for current services	281,290	281,290	251,549	(29,741)
Other	-	-	690,164	690,164
<b>TOTAL REVENUES</b>	<u>3,942,040</u>	<u>3,942,040</u>	<u>5,198,717</u>	<u>1,256,677</u>
<b>EXPENDITURES</b>				
Current:				
General government	240,463	240,463	235,558	4,905
Fire protection	2,912,153	2,912,153	2,749,068	163,085
Parks	548,668	548,668	566,819	(18,151)
Recreation	360,842	360,842	335,810	25,032
Capital outlay	877,932	877,932	766,832	111,100
Debt service:				
Principal	58,903	58,903	56,979	1,924
Interest and fiscal charges	-	-	350	(350)
<b>TOTAL EXPENDITURES</b>	<u>4,998,961</u>	<u>4,998,961</u>	<u>4,711,416</u>	<u>287,545</u>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<u>(1,056,921)</u>	<u>(1,056,921)</u>	<u>487,301</u>	<u>1,544,222</u>
<b>OTHER FINANCING SOURCES AND USES</b>				
Transfers in	802,882	802,882	654,981	(147,901)
Transfers out	-	-	-	-
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<u>802,882</u>	<u>802,882</u>	<u>654,981</u>	<u>(147,901)</u>
<b>NET CHANGES IN FUND BALANCES</b>	<u>(254,039)</u>	<u>(254,039)</u>	<u>1,142,282</u>	<u>1,396,321</u>
<b>FUND BALANCES AT BEGINNING OF YEAR</b>	<u>254,165</u>	<u>254,165</u>	<u>201,825</u>	<u>(52,340)</u>
<b>FUND BALANCES AT END OF YEAR</b>	<u>\$ 126</u>	<u>\$ 126</u>	<u>\$ 1,344,107</u>	<u>\$ 1,343,981</u>

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

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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:

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

**Capital Projects Fund** - this fund was established to account for the construction of a new community center.

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 benefiting 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.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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 \$2,000.

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.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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. In addition, financial resources for the construction of the Community Center have been segregated in accordance with the provisions of the bond agreement.

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	9.78%
•Treasury securities - discount	21.18%
•Certificates of deposit - bank	46.16%
•Bank acceptances	14.88%
•Commercial paper - discount	8.00%
	<u>100.00%</u>

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

Note 2: Cash and Investments (continued)

The annual effective rate of return on invested funds for the fiscal year ended June 30, 2007 was 4.84%.

A. Custodial Credit Risk

At June 30, 2007, the carrying amount of the deposits held at the County of El Dorado was \$13,748,134. 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.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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:

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Deletions</u>	<u>Adjustments</u>	<u>June 30, 2007</u>
Land and land improvements	\$ 8,156,251	\$ --	\$ --	\$ --	\$ 8,156,251
Structures and improvements	2,763,555	265,974	--	--	3,029,529
Construction-in-progress	473,356	333,798	--	--	807,154
Equipment	<u>2,178,926</u>	<u>152,036</u>	--	16	<u>2,330,978</u>
Totals	\$ 13,572,088	\$ 751,808	\$ --	\$ --	\$ 14,323,912
Less: accumulated depreciation	<u>(1,746,265)</u>	<u>(371,190)</u>	--	--	<u>(2,117,455)</u>
Capital assets, net	<u>\$ 11,825,823</u>	<u>\$ 380,618</u>	<u>\$ --</u>	<u>\$ 16</u>	<u>\$ 12,206,457</u>

Note 4: Interfund Transactions

Interfund balances at June 30, 2007 are as follows:

	<u>Due From Other Funds</u>	<u>Due to Other Funds</u>
General Fund	\$ 678,529	\$ 405,394
Community Center - Capital Projects Fund - Major	349,365	665,099
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	11,280
Lighting and landscaping districts	-	18,190
	<u>\$ 1,099,963</u>	<u>\$ 1,099,963</u>

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

Note 4: Interfund Transactions (continued)

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, 2006:

General Obligation Bonds, Series A

On August 24, 2005, the District issued \$8,499,458 in general obligation bonds. The bonds were issued at a premium of \$274,347 for a total of \$8,773,805 in bond proceeds. The bonds were issued for the purpose of constructing a new community center. The bonds were issued in two forms: the first are terms bonds issued in the amount of \$8,275,000 with maturities ranging from 1 to 25 years and carry interest that vary from 3.5% to 5.0%; the second form are capital appreciation bonds were issued at a discount. These bonds, amounting to \$224,458, accrete interest annually and are due in 2016 and 2017. Both forms are general obligation bonds and are payable solely from *ad valorem* property taxes. The bond premium will be amortized from the date of issuance to August 1, 2016, the date the bonds become subject to call.

\$ 8,465,578

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.

\$ --

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

	<u>July 1, 2006</u>	<u>Additions</u>	<u>Retirements</u>	<u>Amortization of Bond Premium</u>	<u>June 30, 2007</u>
General obligation bonds - term	\$ 8,275,000	\$ --	\$ (60,000)	\$ --	\$ 8,215,000
Capital appreciation bonds	224,458	26,120	--	--	250,578
Total General obligation	8,499,458	26,120	(60,000)	--	8,465,578
Bond premium - G.O. Bonds	253,984	--	--	(24,535)	229,449
Compensated absences	60,554	40,147	--	--	100,701
Note payable	56,979	--	(56,979)	--	--
Totals	<u>\$ 8,870,975</u>	<u>\$ 66,267</u>	<u>\$ (116,979)</u>	<u>\$ (24,535)</u>	<u>\$ 8,795,728</u>

Interest expense was \$369,774 at June 30, 2007 and includes interest accretion on the capital appreciation bonds of \$26,120, amortization of bond premium of \$24,535 and bond issuance costs of \$10,970.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

Note 5: Long-Term Debt (continued)

Principal payments on the term bonds are due August 1 and interest is due on August 1 and February 1 of every year. Debt service requirements for the next five years are as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2007-2008	\$ 50,000	366,998	416,998
2008-2009	75,000	364,810	439,810
2009-2010	100,000	361,747	461,747
2010-2011	100,000	358,123	458,123
2011-2012	125,000	353,904	478,904
Thereafter	<u>7,765,000</u>	<u>4,568,652</u>	<u>12,333,652</u>
	<u>\$ 8,215,000</u>	<u>\$ 6,374,234</u>	<u>\$ 14,589,234</u>

The two Capital Appreciation Bonds, issued at a deep discount, accrete interest annually until the value of the bonds at maturity (2016 and 2017) are \$250,000 and \$270,000 or \$520,000. The value of the capital appreciation bonds at June 30, 2007 is as follows:

<u>Maturity</u>	<u>Accreted Value June 30, 2007</u>
8/1/2016	\$ 125,365
8/1/2017	<u>125,213</u>
	<u>\$ 250,578</u>

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 by the CalPERS Board of Administration. The required employer contribution rate for fiscal 2005-2006 was 10.359%. The contribution requirements of the employer is established by State statute and may be amended by CalPERS.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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

C. Annual Pension Cost

For fiscal year 2006-2007, the District's annual pension cost of \$58,892 was equal to the District's required and actual contributions. The required contribution for fiscal year 2006-2007 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.

**Three-Year Trend Information**

<u>Fiscal Year</u>	<u>Annual Pension Cost(APC)</u>	<u>Percentage of APC Contributed</u>
June 30, 2005	\$ 54,234	100%
June 30, 2006	52,748	100%
June 30, 2007	69,079	100%

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, 2007 amounted to \$7,200 and covered one retired employee.

**CAMERON PARK COMMUNITY  
SERVICES DISTRICT**

Notes to Financial Statements  
June 30, 2007

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.

Note 9: Risk Management (continued)

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.

Note 11: Prior Period Adjustment

The beginning fund balance of the general fund has been restated to account for an installment payment originally thought to be the final payment in the 2005-2006 fiscal year. The final payment of \$56,979 was due in the 2006/2007 fiscal year. See Note 5 for details of the debt.

**SUPPLEMENTARY INFORMATION**

**COMBINING FUND STATEMENTS  
NON-MAJOR GOVERNMENTAL FUNDS**

**CAMERON PARK COMMUNITY SERVICES DISTRICT**

COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS

June 30, 2007

	CC & R	Quimby Act	Fire Development & Training	Fire Safe Project	Fire Prevention	Fire Equipment Replacement	AB 1600 Impact Fees	Silver Springs Pond	Lighting and Landscaping	General Obligation Bonds Debt Service Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>											
Cash and investments	\$ 156,392	\$ 49,722	829,021	\$ 22,580	\$ 88,895	\$ 71,486	\$ 1,885,331	\$ 2,613	\$ 540,225	\$ 287,249	\$ 3,933,514
Assessments receivable	1,828	-	-	-	-	-	-	-	4,427	-	6,255
Due from other funds	20,000	10,000	-	-	69	-	42,000	-	-	-	72,069
<b>TOTAL ASSETS</b>	<u>\$ 178,220</u>	<u>\$ 59,722</u>	<u>\$ 829,021</u>	<u>\$ 22,580</u>	<u>88,964</u>	<u>\$ 71,486</u>	<u>\$ 1,927,331</u>	<u>\$ 2,613</u>	<u>\$ 544,652</u>	<u>287,249</u>	<u>\$ 4,011,838</u>
<b>LIABILITIES AND FUND BALANCES</b>											
<b>LIABILITIES</b>											
Accounts payable	\$ 3,134	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 25,690	\$ -	\$ 28,824
Salaries and benefits payable	-	-	-	-	-	-	-	-	-	-	-
Due to other funds	-	-	-	-	11,280	-	-	-	18,190	-	29,470
<b>TOTAL LIABILITIES</b>	<u>3,134</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,280</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>43,880</u>	<u>-</u>	<u>58,294</u>
<b>FUND BALANCES</b>											
Undesignated	175,086	59,722	829,021	22,580	77,684	71,486	1,927,331	2,613	500,772	287,249	3,953,544
<b>TOTAL LIABILITIES AND FUND BALANCES</b>	<u>\$ 178,220</u>	<u>\$ 59,722</u>	<u>\$ 829,021</u>	<u>\$ 22,580</u>	<u>\$ 88,964</u>	<u>\$ 71,486</u>	<u>\$ 1,927,331</u>	<u>\$ 2,613</u>	<u>\$ 544,652</u>	<u>287,249</u>	<u>\$ 4,011,838</u>

**CAMERON PARK COMMUNITY SERVICES DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
For the Year Ended June 30, 2007

	CC & R	Quimby Act	Fire Development & Training	Fire Safe Project	Fire Prevention	Fire Equipment Replacement	AB 1600 Impact Fees	Silver Springs Pond	Lighting and Landscaping	General Obligation Bonds Debt Service Fund	Total Nonmajor Governmental Funds
<b>REVENUES</b>											
Assessments	\$ 78,479	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 238,946	\$ 420,622	\$ 738,047
Developer fees	-	-	279,443	-	24,265	-	222,999	-	-	-	526,707
Use of money and property	6,970	11,575	33,742	-	3,635	3,051	103,585	129	21,003	6,872	190,562
Charges for current services	16,708	-	23,694	-	-	50,184	-	-	-	-	90,586
Other	-	-	-	-	-	-	-	-	-	-	-
<b>TOTAL REVENUES</b>	<b>102,157</b>	<b>11,575</b>	<b>336,879</b>	<b>-</b>	<b>27,900</b>	<b>53,235</b>	<b>326,584</b>	<b>129</b>	<b>259,949</b>	<b>427,494</b>	<b>1,545,902</b>
<b>EXPENDITURES</b>											
General government	69,670	-	1,995	-	-	-	2,230	-	200,622	502	275,019
Public safety - fire protection	-	-	-	9,553	-	-	-	-	-	-	9,553
Capital outlay	2,698	-	-	-	-	-	-	-	-	-	2,698
Debt service:											
Principal	-	-	-	-	-	-	-	-	-	60,000	60,000
Interest	-	-	-	-	-	-	-	-	-	368,922	368,922
<b>TOTAL EXPENDITURES</b>	<b>72,368</b>	<b>-</b>	<b>1,995</b>	<b>9,553</b>	<b>-</b>	<b>-</b>	<b>2,230</b>	<b>-</b>	<b>200,622</b>	<b>429,424</b>	<b>716,192</b>
<b>EXCESS (DEFICIT) OF REVENUES OVER EXPENDITURES</b>	<b>29,789</b>	<b>11,575</b>	<b>334,884</b>	<b>(9,553)</b>	<b>27,900</b>	<b>53,235</b>	<b>324,354</b>	<b>129</b>	<b>59,327</b>	<b>(1,930)</b>	<b>829,710</b>
<b>OTHER FINANCING SOURCES AND USES</b>											
Transfers in	-	-	-	-	-	-	-	-	34,230	-	34,230
Transfers out	(15,000)	(188,615)	(64,883)	-	-	(50,000)	(351,484)	-	(4,295)	-	(674,277)
<b>TOTAL OTHER FINANCING SOURCES (USES)</b>	<b>(15,000)</b>	<b>(188,615)</b>	<b>(64,883)</b>	<b>-</b>	<b>-</b>	<b>(50,000)</b>	<b>(351,484)</b>	<b>-</b>	<b>29,935</b>	<b>-</b>	<b>(640,047)</b>
<b>NET CHANGES IN FUND BALANCES</b>	<b>14,789</b>	<b>(177,040)</b>	<b>270,001</b>	<b>(9,553)</b>	<b>27,900</b>	<b>3,235</b>	<b>(27,130)</b>	<b>129</b>	<b>89,262</b>	<b>(1,930)</b>	<b>189,663</b>
Fund balances (deficit) at beginning of year	160,297	236,762	559,020	32,133	49,784	68,251	1,954,461	2,484	411,510	289,179	3,763,881
Fund balances (deficit) at end of year	<u>\$ 175,086</u>	<u>\$ 59,722</u>	<u>\$ 829,021</u>	<u>\$ 22,580</u>	<u>\$ 77,684</u>	<u>\$ 71,486</u>	<u>\$ 1,927,331</u>	<u>\$ 2,613</u>	<u>\$ 500,772</u>	<u>\$ 287,249</u>	<u>\$ 3,953,544</u>

**GENERAL FUND SCHEDULES**

**CAMERON PARK COMMUNITY SERVICES DISTRICT**

GENERAL FUND  
SCHEDULE OF REVENUES

For the Year Ended June 30, 2007

	Administration	Fire Protection	Parks	Recreation	Total
<b>Taxes:</b>					
Current secured	\$ 304,633	\$ 2,172,687	\$ 541,104	\$ 101,544	\$ 3,119,968
Current unsecured	-	48,348	16,756	-	65,104
Supplemental property taxes	-	145,467	50,414	-	195,881
Prior	-	907	314	-	1,221
Penalties and costs	-	1,844	640	-	2,484
<b>Total taxes</b>	<b>304,633</b>	<b>2,369,253</b>	<b>609,228</b>	<b>101,544</b>	<b>3,384,658</b>
<b>Intergovernmental:</b>					
Homeowner's property tax relief	-	27,486	9,526	-	37,012
State/JPA	-	793,299	-	-	793,299
Other	-	24,176	-	-	24,176
<b>Total intergovernmental</b>	<b>-</b>	<b>844,961</b>	<b>9,526</b>	<b>-</b>	<b>854,487</b>
<b>Charges for current services:</b>					
Fees	-	-	-	226,291	226,291
Special events	-	-	-	25,258	25,258
<b>Total charges for current services</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>251,549</b>	<b>251,549</b>
<b>Use of money and property:</b>					
Interest	2,948	10,910	2,555	1,446	17,859
<b>Other:</b>					
Franchise fees	21,216	-	-	-	21,216
Insurance proceeds - Station 89	-	626,945	-	-	626,945
Miscellaneous	41,621	-	342	40	42,003
<b>Total other</b>	<b>62,837</b>	<b>626,945</b>	<b>342</b>	<b>40</b>	<b>690,164</b>
<b>Total revenues</b>	<b>\$ 370,418</b>	<b>\$ 3,852,069</b>	<b>\$ 621,651</b>	<b>\$ 354,579</b>	<b>\$ 5,198,717</b>

**CAMERON PARK COMMUNITY SERVICES DISTRICT**

GENERAL FUND  
SCHEDULE OF EXPENDITURES

For the Year Ended June 30, 2007

	Administration	Fire Protection	Parks	Recreation	Total
Expenditures					
Salaries and wages	\$ 116,435	\$ 2,423,446	\$ 149,824	\$ 120,923	\$ 2,810,628
Payroll taxes and employee benefits	49,958	46,322	79,668	37,077	213,025
Total salaries and employee benefits	<u>166,393</u>	<u>2,469,768</u>	<u>229,492</u>	<u>158,000</u>	<u>3,023,653</u>
Services and supplies:					
Fire protection and inspection	-	7,004	680	-	7,684
Fire turnouts	-	2,156	-	-	2,156
Contractual services	-	3,783	160,003	55,874	219,660
Special district director services	7,650	800	300	250	9,000
Special department expense	60	22,472	3,579	25,894	52,005
Volunteers	-	8,092	-	-	8,092
Special projects - Summer Spectacular	-	13,467	-	17,776	31,243
El Dorado County - web development charges	1,178	-	-	-	1,178
Staff development	249	13,263	655	389	14,556
Transportation and travel	275	3,194	-	418	3,887
Mileage reimbursements	-	-	49	-	49
Agricultural	-	136	29,647	-	29,783
Clothing	-	1,872	1,601	1,748	5,221
Duplicating	67	1,083	-	3,724	4,874
Communications - radio dispatch	-	13,711	-	-	13,711
Telephone	3,460	13,059	2,950	46	19,515
Fire and safety supplies	-	8,182	-	-	8,182
Agency administration fee	817	817	849	817	3,300
Food expense	643	917	181	4,584	6,325
Fuel	-	29,870	5,516	249	35,635
Household expense	94	2,664	5,182	60	8,000
Insurance	2,010	20,213	16,584	11,683	50,490
Maintenance - buildings and equipment	1,331	51,450	39,767	1,330	93,878
Contract computer maintenance	6,114	-	-	-	6,114
Memberships	3,105	951	283	854	5,193
Office	2,453	5,110	766	714	9,043
Postage	481	399	206	474	1,560
Professional services	7,624	7,529	7,504	5,467	28,124
Legal	23,587	9,154	-	-	32,741
Publications and legal notices	343	-	-	1,880	2,223
Rents and leases	2,981	3,838	1,514	40,784	49,117
Utilities	3,753	26,121	54,103	805	84,782
Small tools	238	3,207	4,000	398	7,843
Other	652	4,786	1,408	1,592	8,438
Total services and supplies	<u>69,165</u>	<u>279,300</u>	<u>337,327</u>	<u>177,810</u>	<u>863,602</u>
Capital outlay:					
Structures and land improvements	882	-	597,581	142	598,605
Equipment	41,750	119,315	6,205	957	168,227
Total capital outlay	<u>42,632</u>	<u>119,315</u>	<u>603,786</u>	<u>1,099</u>	<u>766,832</u>
Debt service:					
Principal	-	56,979	-	-	56,979
Interest	-	350	-	-	350
Total debt service	<u>-</u>	<u>57,329</u>	<u>-</u>	<u>-</u>	<u>57,329</u>
Total expenditures	<u>\$ 278,190</u>	<u>\$ 2,925,712</u>	<u>\$ 1,170,605</u>	<u>\$ 336,909</u>	<u>\$ 4,711,416</u>

## **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, 2007, and have issued my report thereon dated July 6, 2008. 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.

July 6, 2008  
Michael T. Doody, CPA