

**CAMERON PARK COMMUNITY
SERVICES DISTRICT**

CAMERON PARK, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2012

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INDEPENDENT AUDITORS' REPORT

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

We have audited the accompanying basic financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cameron Park Community Services District (the "District") as of and for the year ended June 30, 2012, which collectively comprise the District's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the District's management. Our responsibility is to express an opinion on these financial statements based on my audit.

We conducted our audit in accordance with U.S. generally accepted auditing standards and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the basic financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the basic financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall basic financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion the basic financial statements referred to above present fairly, in all material respects, the financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District as of June 30, 2012, and the results of its operations for the fiscal year then ended in conformity with U.S. generally accepted accounting principles, as well as accounting systems prescribed by the State Controller's office and state regulations governing special districts.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis (pages 3-6) and the required supplementary information (page 26), as listed in the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Our audit was conducted for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplementary data (pages 27-28) is presented for the purpose of additional analysis and is not a required part of the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly presented in all material respects in relation to the financial statements taken as a whole.

R. J. Ricciardi, Inc.

R. J. Ricciardi, Inc.
Certified Public Accountants

San Rafael, California
October 10, 2013

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2012

Cameron Park Community Services District's (the "District") Management's Discussion and Analysis (MD&A) is designed to (a) assist the reader in focusing on significant financial issues, (b) provide an overview of the District's financial activity, (c) identify changes in the District's financial position (its ability to address the next and subsequent year challenges), and (d) identify individual fund issues or concerns.

Since the MD&A is designed to focus on the current year's activities, resulting changes and currently known facts, please read it in conjunction with the District's basic financial statements.

OVERVIEW OF FINANCIAL STATEMENTS

This annual report consists of three parts: management's discussion and analysis (this section), the basic financial statements and required supplementary information. The basic financial statements include two kinds of statements that present different views of the District.

The first two statements are government-wide financial statements that provide both short-term and long-term information about the District's overall financial status.

The remaining statements are fund financial statements that focus on individual parts of the District, reporting the District's operation in more detail than the government-wide statements.

The fund financial statements are composed of:

- Governmental fund statements which tell how basic services were financed in the short term, as well as what remains for future spending.

The Statement of Net Assets and the Statement of Activities

The Statement of Net Assets and Statement of Activities report information about the District as a whole and about its activities. These statements include all assets and liabilities of the District using the accrual basis of accounting, which is similar to the accounting used by private-sector companies. All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid.

These two statements report the District's net assets as well as changes to those net assets. Net assets are the difference between assets and liabilities, which is one way to measure the District's financial health, or financial position. Over time, increases or decreases in the District's net assets are one indicator of whether its financial health is improving or deteriorating. To assess the overall health of the District, you need to consider additional non-financial factors including the condition of the District's buildings and other facilities.

REPORTING THE DISTRICT'S MOST SIGNIFICANT FUNDS

Fund Financial Statement

The fund financial statements provide more detailed information about the District's most significant funds; not the District as a whole. Funds are accounting devices for District use to keep track of specific sources of funding and spending on particular programs:

- Some funds are required by law and covenants.
- The District establishes other funds to control and manage money for particular purposes or to show that certain revenues have been properly used.

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2012

Governmental Funds

The District's basic services are reported in governmental funds, which generally focus on how money flows into and out of those funds and the balances left at year end that are available for spending. These funds are reported using an accounting method called modified accrual accounting, which measures cash, and all other financial assets that can readily be converted to cash. The governmental fund statements provide a detailed short-term view of fund information, which helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental fund statements that explains the relationship (or differences) between them.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

The following table summarizes the District's net assets as of June 30, 2012:

Table 1
Governmental Activities Net Assets

	2012	2011
Assets:		
Current and other assets	\$ 6,321,880	\$ 6,363,531
Capital assets, net of accumulated depreciation	22,471,101	22,667,742
Total assets	28,792,981	29,031,273
Liabilities:		
Current liabilities	410,784	253,739
Long-term debt outstanding	8,693,453	8,771,243
Total liabilities	9,104,237	9,024,982
Net assets:		
Invested in capital assets, net of related debt	14,100,080	14,130,347
Unrestricted	5,588,664	5,875,944
Total net assets	\$ 19,688,744	\$ 20,006,291

The District's net assets were \$19,688,744 for the fiscal year ended June 30, 2012. Of this amount, \$5,588,664 was unrestricted.

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2012

The following table summarizes the District's change in net assets for the year ended June 30, 2012:

	2012	2011
Table 2		
<u>Changes in Net Assets</u>		
Revenues		
Program revenues:		
Charges for services	\$ 703,605	\$ 672,670
Operating contributions and grants	900,591	942,742
Subtotal program revenues	1,604,196	1,615,412
General revenues:		
Property taxes	4,279,108	4,347,082
Interest income	14,141	20,003
Total revenues	5,897,445	5,982,497
 Program Expenses		
General Government	406,537	868,529
Recreation	610,938	294,859
Public safety - fire protection	3,422,929	3,927,680
Parks	512,859	558,347
Facility	907,022	212,410
Interest and fees	354,904	485,156
Total expenses	6,215,189	6,346,981
 Change in Net Assets	 \$ (317,744)	 \$ (364,484)

Government Activities

For the 2012 fiscal year, the total District revenues were \$5,897,445 and the total District expenses were \$ 6,215,189. The difference of (\$317,744) is the decrease in net assets bringing the total net assets to \$19,688,744 on June 30, 2012. The main sources of revenue for the District are charges for services, operating grants and property taxes. The cost of all governmental activities was \$6,215,189 this year. District taxpayers ultimately financed \$4,279,108 for these activities through local taxes and assessments.

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
 For the Year Ended June 30, 2012

Capital Assets

At June 30, 2012, the District had \$22,471,101 in a broad range of capital assets, including land, buildings and furniture and equipment.

Table 3
Capital Assets at Year End

	2012	2011
Land	\$ 8,093,000	\$ 8,093,000
Land and park improvement	269,756	269,756
Building and structure	15,751,758	15,751,758
Furniture and equipment	3,083,620	2,659,009
Accumulated depreciation	<u>(4,727,033)</u>	<u>(4,105,781)</u>
Net capital assets	<u>\$ 22,471,101</u>	<u>\$ 22,667,742</u>

Debt Administration

The District made all scheduled repayments of existing debt. Each of the District's debt issues is discussed in detail in Note 5 to the basic financial statements. As of June 30, 2012, the District's debt comprised:

General obligation bond	\$ 8,285,000
Fire truck lease	86,021
Other post employment benefits	93,618
Compensated absences	<u>71,755</u>
Total	<u>\$ 8,536,394</u>

Economic Outlook and Major Initiatives

Financial planning is based on specific assumptions from recent trends, State of California economic forecasts and historical growth patterns in the various communities served by the District.

The economic condition of the District as it appears on the balance sheet reflects financial stability and the potential for organizational growth. The District will continue to maintain a watchful eye over expenditures and remain committed to sound fiscal management practices to deliver the highest quality service to the citizens of the area.

Contacting the District Financial Management

This financial report is designed to provide citizens, taxpayers, investors and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have any questions regarding this report or need additional financial information, contact the General Manager, Cameron Park Community Services District, 2502 Country Club Drive, Cameron Park, California, 95682.

Cameron Park Community Services District

STATEMENT OF NET ASSETS

June 30, 2012

ASSETS:

Cash and investments	\$	5,996,338
Accounts receivable		140,484
Bond issuance costs, net		185,058
Non-depreciable capital assets		8,093,000
Depreciable capital assets, net		<u>14,378,101</u>
Total assets		<u>28,792,981</u>

LIABILITIES:

Accounts payable		196,968
Accrual payroll		68,624
Accrued interest		145,192
Long-term liabilities:		
Due within one year:		
General obligation bond		155,000
Fire truck lease		42,060
Due after one year:		
Unamortized bond premium, net		157,059
General obligation bond		8,130,000
Compensated absences		71,755
Other post employment benefits		93,618
Fire truck lease		<u>43,961</u>
Total due after one year		<u>8,496,393</u>
Total liabilities		<u>9,104,237</u>

NET ASSETS:

Invested in capital assets, net of related debt		14,100,080
Unrestricted		<u>5,588,664</u>
Total net assets	\$	<u>19,688,744</u>

The accompanying notes are an integral part of these financial statements

Cameron Park Community Services District

STATEMENT OF ACTIVITIES

For the year ended June 30, 2012

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	<u>Net (Expense) Revenue and Changes in Net Assets</u>
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
General government	\$ 406,537	\$ -	\$ 895,641	\$ -	\$ 489,104
Recreation	610,938	639,756	4,950	-	33,768
Public safety	3,422,929	97,805	-	-	(3,325,124)
Parks	512,859	-	-	-	(512,859)
Facility	907,022	-	-	-	(907,022)
Interest and fees	354,904	-	-	-	(354,904)
Total governmental activities	<u>\$ 6,215,189</u>	<u>\$ 737,561</u>	<u>\$ 900,591</u>	<u>\$ -</u>	<u>(4,577,037)</u>
General revenues:					
Taxes					4,092,635
Franchise fees					152,517
Use of money and property					<u>14,141</u>
Total general revenues					<u>4,259,293</u>
Change in net assets					<u>(317,744)</u>
Net assets beginning of period					<u>20,006,488</u>
Net assets ending of period					<u>\$ 19,688,744</u>

The accompanying notes are an integral part of these financial statements

Cameron Park Community Services District
 GOVERNMENTAL FUNDS
BALANCE SHEET
 June 30, 2012

	General	Fire Development	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 2,931,770	\$ 1,186,287	\$ 1,878,281	\$ 5,996,338
Accounts receivable	124,737	-	15,747	140,484
Due from other funds	13,429	-	90,101	103,530
Total assets	\$ 3,069,936	\$ 1,186,287	\$ 1,984,129	\$ 6,240,352
 <u>LIABILITIES</u>				
Accounts payable	\$ 177,964	\$ -	\$ 19,004	\$ 196,968
Accrued expenses	67,355	-	1,269	68,624
Due to other funds	74,060	-	29,470	103,530
Total liabilities	319,379	-	49,743	369,122
 <u>FUND BALANCES</u>				
Committed - stabilization reserve	65,000			65,000
Assigned - specific purposes	-	1,186,287	1,934,386	3,120,673
Unassigned	2,685,557	-	-	2,685,557
Total fund balances	2,750,557	1,186,287	1,934,386	5,871,230
 Total liabilities and fund balances	\$ 3,069,936	\$ 1,186,287	\$ 1,984,129	\$ 6,240,352

The accompanying notes are an integral part of these financial statements

Cameron Park Community Services District
 Reconciliation of the
GOVERNMENTAL FUNDS - BALANCE SHEET
 with the Governmental Activities
STATEMENT OF NET ASSETS
 For the year ended June 30, 2012

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	5,871,230
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Amounts reported for Governmental Activities in the Statement of Net Assets are different from those reported in the Governmental Funds above because of the following:

CAPITAL ASSETS

Capital Assets used in Governmental Activities are not current assets or financial resources and therefore are not reported in the Governmental Funds		22,471,101
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LONG-TERM ASSETS AND LIABILITIES

The assets and liabilities below are not due and payable in the current period and therefore are not reported in the Funds:

Fire truck lease		(86,021)
Unamortized bond premium, net		(157,059)
Accrued interest payable		(145,192)
General obligation bond		(8,285,000)
Unamortized bond issuance cost, net		185,058
Other post employment benefits		(93,618)
Non-current portion of compensated absences		(71,755)
		(71,755)

NET ASSETS OF GOVERNMENTAL ACTIVITIES	\$	19,688,744
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The accompanying notes are an integral part of these financial statements

Cameron Park Community Services District
 GOVERNMENTAL FUNDS
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
 For the year ended June 30, 2012

	General	Fire Development	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 3,244,259	\$ -	\$ 848,376	\$ 4,092,635
Franchise fees	152,517	-	-	152,517
Intergovernmental	895,641	-	-	895,641
Charges for services	639,756	-	97,805	737,561
Donations	-	-	4,950	4,950
Interest	9,793	3,516	832	14,141
Total revenues	<u>4,941,966</u>	<u>3,516</u>	<u>951,963</u>	<u>5,897,445</u>
Expenditures:				
General government	318,950	-	87,587	406,537
Recreation	293,639	-	-	293,639
Public safety	3,003,892	398,000	156,468	3,558,360
Parks	512,859	-	-	512,859
Facility	465,812	-	373,703	839,515
Debt service:				
Principal	-	-	125,000	125,000
Interest	-	-	353,904	353,904
Total expenditures	<u>4,595,152</u>	<u>398,000</u>	<u>1,096,662</u>	<u>6,089,814</u>
Excess (deficit) of revenues over (under) expenditures	<u>346,814</u>	<u>(394,484)</u>	<u>(144,699)</u>	<u>(192,369)</u>
Other financing sources (uses):				
Transfers in	-	-	130,000	130,000
Transfers out	<u>(130,000)</u>	<u>-</u>	<u>-</u>	<u>(130,000)</u>
Total other financing sources (uses)	<u>(130,000)</u>	<u>-</u>	<u>130,000</u>	<u>-</u>
Net change in fund balances	216,814	(394,484)	(14,699)	(192,369)
Fund balances, beginning of period	<u>2,533,743</u>	<u>1,580,771</u>	<u>1,949,085</u>	<u>6,063,599</u>
Fund balances, end of period	<u>\$ 2,750,557</u>	<u>\$ 1,186,287</u>	<u>\$ 1,934,386</u>	<u>\$ 5,871,230</u>

The accompanying notes are an integral part of these financial statements

Cameron Park Community Services District
RECONCILIATION OF THE NET CHANGE IN FUND BALANCES -
TOTAL GOVERNMENTAL FUNDS
with the
CHANGE IN NET ASSETS OF GOVERNMENTAL ACTIVITIES
For the year ended June 30, 2012

Total net change in fund balances - governmental funds	\$ (192,369)
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CAPITAL ASSETS TRANSACTIONS

Governmental Funds report capital outlays as expenditures. However, in the Statement of Activities, the cost of those assets is capitalized and allocated over their estimated useful lives and reported as depreciation expense.

The capital outlay expenditures are therefore added back to the fund balance	424,611
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Depreciation expense is deducted from the fund balance	(621,252)
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LONG-TERM DEBT PROCEEDS AND PAYMENT

Bond proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Assets. Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Assets the repayment reduces long-term liabilities.

Repayment of debt principal is added back to the fund balance	166,384
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ACCRUAL OF NON-CURRENT ITEMS

The amounts below included in the Statement of Activities do not provide (or require) the use of current financial resources and therefore are not reported as revenue or expenditures in the governmental funds (net change):

Accrued bond interest	2,268
Amortization of bond issuance costs and premium	(1,323)
Other post employment benefits	(93,618)
Long-term compensated absences	<u>(2,445)</u>

Changes in net assets of governmental activities	<u>\$ (317,744)</u>
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The accompanying notes are an integral part of these financial statements

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

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 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 or component units.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments 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.

The government-wide financial statements are reported using the *economic resources measurement focus* and the *full 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.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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.

Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting.

The District may fund programs with a combination of cost-reimbursement grants, categorical block grants, and general revenues. Thus, both restricted and unrestricted net assets may be available to finance program expenditures. The District's policy is to first apply restricted grant resources to such programs, followed by general revenues if necessary.

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.

Fire Development Special Revenue Fund - this fund was established to account for the purchase of capital equipment to support public safety services.

Other Governmental Funds are comprised of several non-major funds that include funds for separate smaller landscaping districts, funds reserved for specific capital acquisitions, fire prevention and safety and other miscellaneous fund balances.

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, and 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).

General fund expenditures were under appropriations in the amount of \$142,171.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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 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 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.

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

- o Structures and improvements: 5 to 30 years
- o 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 \$5,000.

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 from year to year. Upon non-disciplinary separation from the District, after one year of consecutive District employment, the District will pay to represented employees 30% of accumulated sick leave up to 960 hours. Upon retirement at age 55 or over after at least 5 years of consecutive District employment, or upon industrial disability retirement, the District will pay to represented employees 60% of accumulated sick leave up to 960 hours. In the event of death of the employee, the District will pay to the employee's designated beneficiary 100% of accumulated sick leave up to 960 hours.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

I. Property

All property taxes are collected and allocated by the County of El Dorado (the County) 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

GASB Statement No. 34 adds the concept of Net Assets, which is measured on the full accrual basis, to the concept of Fund Balance, which is measured on the modified accrual basis.

Net assets are the excess of all the District's assets over all its liabilities, regardless of fund. Net assets are divided into three captions under GASB Statement No. 34. These captions apply only to net assets, which is determined only at the Government-wide level, and are described below:

Invested in Capital, net of related debt describes the portion of net assets that is represented by the current net book value of the District's capital assets, less the outstanding balance of any debt issued to finance these assets.

Restricted describes the portion of net assets that is restricted as to use by the terms and conditions of agreements with outside parties, governmental regulations, laws, or other restrictions that the District cannot unilaterally alter. These include amounts for debt service requirements.

Unrestricted describes the portion of net assets that is not restricted to use.

K. Fund Equity

The accompanying basic financial statements reflect certain changes that have been made with respect to the reporting of the components of Fund Balances for governmental funds. In previous years, fund balances for governmental funds were reported in accordance with previous standards that included components for reserved fund balance, unreserved fund balance, designated fund balance, and undesignated fund balance. Due to the implementation of GASB Statement No. 54, the components of the fund balances of governmental funds now reflect the component classifications described below. In the fund financial statements, governmental fund balances are reported in the following classifications:

Nonspendable fund balance includes amounts that are not in a spendable form, such as prepaid items or supplies inventories, or that are legally or contractually required to remain intact, such as principal endowments.

Restricted fund balance includes amounts that are subject to externally enforceable legal restrictions imposed by outside parties (i.e., creditors, grantors, contributors) or that are imposed by law through constitutional provisions or enabling legislation.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (concluded)

K. Fund Equity (concluded)

Committed fund balance includes amounts whose use is constrained by specific limitations that the government imposes upon itself, as determined by a formal action of the highest level of decision-making authority. The Board of Directors serves as the District's highest level of decision-making authority and has the authority to establish, modify or rescind a fund balance commitment via minutes action.

Assigned fund balance includes amounts intended to be used by the District for specific purposes, subject to change, as established either directly by the Board of Directors or by management officials to whom assignment authority has been delegated by the Board of Directors.

Unassigned fund balance is the residual classification that includes spendable amounts in the General Fund that are available for any purpose.

When expenditures are incurred for purposes for which both restricted and unrestricted (committed, assigned or unassigned) fund balances are available, the District specifies that restricted revenues will be applied first. When expenditures are incurred for purposes for which committed, assigned or unassigned fund balances are available, the District's policy is to apply committed fund balance first, then assigned fund balance, and finally unassigned fund balance.

L. Use of Estimates

The process of preparing financial statements in conformity with U.S. generally accepted accounting principles requires the use of estimates and assumptions regarding certain types of assets, liabilities, revenues, and expenditures/expenses. Such estimates primarily relate to unsettled transactions and events as of the date of the financial statements. Accordingly, upon settlement, actual results may differ from estimated amounts.

NOTE 2 - CASH AND INVESTMENTS

The District participates in the El Dorado County Treasury. El Dorado County (the County) pools its funds with those of other districts in the County and invests the cash. These pooled funds are carried at cost, which approximates market value. Interest earned is deposited quarterly into participating funds. Any investment losses are proportionately shared by all funds in the pool.

The County is authorized to deposit cash and invest excess funds by California Government Code Section 53648 et seq. The funds maintained by the County are either secured by federal depository insurance or are collateralized.

Furthermore, the County Treasurer has a written investment policy, approved by the Board of Supervisors, which is more restrictive than state code as to terms of maturity and type of investment. Also, the County has an investment committee, which performs regulatory oversight for its pool as required by California Government Code Section 27134.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2012

NOTE 2 - CASH AND INVESTMENTS (concluded)

Cash balances from all funds are combined and invested to the extent possible pursuant to the District Board Approved Investment Policy and Guidelines and State Government Code.

Deposits and Investments	Carrying Amount	Market Value	Investment Risk
Cash in County Treasury	\$ 3,514,715	\$ 3,514,715	AA
Cash in bank	2,481,623	2,481,623	N/A
Total cash and investments	\$ 5,996,338	\$ 5,996,338	

A. Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. The custodial credit risk for deposits and investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover the value of its investment or collateral securities that are in the possession of another party.

California Law requires banks and savings and loan associations to pledge government securities with a market value of 110% of the District's cash on deposit or first trust deed mortgage notes with a value of 150% of the deposit as collateral for these deposits. Under California Law, this collateral is held in the District's name and places the District ahead of general creditors of the institution.

B. Authorized Investments

California statutes authorizes 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:

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

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 3 - CAPITAL ASSETS

An analysis of capital assets as of June 30, 2012, is as follows:

<u>Governmental Activities</u>	<u>Balance</u> <u>June 30, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance</u> <u>June 30, 2012</u>
Capital assets, not being depreciated:				
Land	\$ 8,093,000	\$ -	\$ -	\$ 8,093,000
Construction in progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total capital assets, not being depreciated	<u>8,093,000</u>	<u>-</u>	<u>-</u>	<u>8,093,000</u>
Capital assets, being depreciated:				
Land improvements	269,756	-	-	269,756
Buildings and structures	15,751,758	-	-	15,751,758
Furniture and equipment	<u>2,659,009</u>	<u>424,611</u>	<u>-</u>	<u>3,083,620</u>
Total capital assets, being depreciated	<u>18,680,523</u>	<u>424,611</u>	<u>-</u>	<u>19,105,134</u>
Less accumulated depreciation for:				
Land improvements	59,117	15,627	-	74,744
Buildings and structures	1,876,728	468,927	-	2,345,655
Furniture and equipment	<u>2,169,936</u>	<u>136,698</u>	<u>-</u>	<u>2,306,634</u>
Total accumulated depreciation	<u>4,105,781</u>	<u>621,252</u>	<u>-</u>	<u>4,727,033</u>
Total capital assets being depreciated-net	<u>14,574,742</u>	<u>(196,641)</u>	<u>-</u>	<u>14,378,101</u>
Capital assets - net	<u>\$22,667,742</u>	<u>\$ (196,641)</u>	<u>\$ -</u>	<u>\$22,471,101</u>
<u>Depreciation allocation:</u>				
Public safety	\$ 303,953			
Recreation	<u>317,299</u>			
Total	<u>\$ 621,252</u>			

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 4 - INTER-FUND RECEIVABLES AND PAYABLES

Current inter-fund balances arise in the normal course of business and are expected to be repaid shortly after the end of the fiscal year. At June 30, 2012, inter-fund balances comprised the following:

<u>Fund</u>	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
General Fund	\$ 13,429	\$ 74,060
AB 1600	60,032	-
CC & R	20,000	-
Quimby Act	10,000	-
Maintenance	-	18,190
Fire Prevention	<u>69</u>	<u>11,280</u>
Totals	<u>\$ 103,530</u>	<u>\$ 103,530</u>
	<u>Transfers In</u>	<u>Transfers Out</u>
General Fund	\$ -	\$ 130,000
Fire equipment replacement Fund	<u>130,000</u>	-
Total	<u>\$ 130,000</u>	<u>\$ 130,000</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of debt transactions for the year ended June 30, 2012:

General Obligation Bonds, Series A

On August 24, 2005, the District issued \$8,685,000 in general obligation bonds. The bonds were issued at a premium of \$274,347. The bonds were issued for the purpose of constructing a new community center. The bonds were issued with maturities ranging from 1 to 25 years and carry interest that vary from 3.5% to 5.0%.

The general obligation bonds 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. The following is a summary of changes in long-term debt as of June 30, 2012:

	<u>Balance June 30, 2011</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance June 30, 2012</u>
General obligation bond	\$ 8,410,000	\$ -	\$ 125,000	\$ 8,285,000
Fire truck lease	127,405		41,384	86,021
Other Post Employment Benefits		93,618		93,618
Compensated absences	<u>69,310</u>	<u>2,445</u>	<u>-</u>	<u>71,755</u>
Total	<u>\$ 8,606,715</u>	<u>\$ 96,063</u>	<u>\$ 166,384</u>	<u>\$ 8,536,394</u>
Unamortized issuance costs	<u>\$ 193,870</u>		<u>\$ 8,812</u>	<u>\$ 185,058</u>
Unamortized premium	<u>\$ 164,538</u>		<u>\$ 7,479</u>	<u>\$ 157,059</u>

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 5 - LONG-TERM DEBT (concluded)

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 nineteen years are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 155,000	\$ 348,460	\$ 503,460
2014	175,000	341,860	516,860
2015	200,000	334,360	534,360
2016	225,000	325,579	550,579
2017	155,485	458,460	613,945
2018	159,478	478,678	638,156
2019	290,000	315,179	605,179
2020	325,000	303,060	628,060
2021	360,000	289,360	649,360
2022	400,000	273,960	673,960
2023	430,000	256,945	686,945
2024	475,000	238,155	713,155
2025	515,000	217,365	732,365
2026	560,000	194,650	754,650
2027	610,000	167,500	777,500
2028	665,000	135,625	800,625
2029	730,000	100,750	830,750
2030	790,000	62,750	852,750
2031	<u>1,065,037</u>	<u>21,500</u>	<u>1,086,537</u>
Total	<u>\$ 8,285,000</u>	<u>\$ 4,864,196</u>	<u>\$ 13,149,196</u>

General Obligation Bonds, Series A

On September 1, 2007, the District entered into a lease with Kansas State Bank for \$ 270,000. The proceeds were used for the purchase of a fire truck. The lease matures in September 2013 with an interest rate of 4.5%. Principal and interest payments are due annually on September 1. Debt service requirements for the next two years are as follows:

<u>Year Ending June 30</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2013	\$ 42,060	\$ 3,889	\$ 45,949
2014	<u>43,961</u>	<u>1,988</u>	<u>45,949</u>
Total	<u>\$ 86,021</u>	<u>\$ 5,877</u>	<u>\$ 91,898</u>

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2012

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description:

The District contributes to the California Public Employees' Retirement System (PERS); an agent multiple-employer public employee defined benefit pension plan. PERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. PERS acts as a common investment and administrative agent for participating public entities within the State of California. Benefit provisions and all other requirements are established by state statute and District ordinance. Copies of PERS' annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, CA 95814.

Funding Policy:

The District makes the contributions required of District employees on their behalf and for their account in an amount equal to either one-half or all of the employee's contribution requirement; in other words, the District pays either 3.5% or 7% of an employee's annual covered salary (aka "employee share") on behalf of the employee, depending upon the employee's contract. The District is required to contribute at an actuarially determined rate; the current rate is 18.486% for non-safety employees, of annual covered payroll. The contribution requirements of plan members and the District are established and may be amended by PERS.

Annual Pension Cost:

For 2012, the District's annual pension cost of \$84,284 for PERS was equal to the District's required and actual contributions. The required contribution was determined as part of the June 30, 2011 actuarial valuation using the entry age normal actuarial cost method.

A summary of principle assumptions and methods used to determine the Annual Required Contribution (ARC) is shown below.

- Actuarial Cost Method Entry Age Actuarial Cost Method
- Amortization Method Level Percent of Payroll
- Average Remaining Period 6 (Safety) and 20 (Misc) Years as of the Valuation Date
- Asset Valuation Method 15-Year Smoothed Market
- Actuarial Assumptions
- Investment Rate of Return 7.5% (net of administrative expenses)
- Projected Salary Increase 3.30% to 14.20% depending on age, service, and type of employment
- Inflation 3.00%
- Payroll Growth 3.25%
- Individual Salary Growth - A merit scale varying by duration of employment coupled with an assumed annual inflation component of 2.75% and an annual production growth of 0.25%

Three-Year Trend Information for PERS:

<u>Fiscal Year</u>	<u>Annual Pension Cost (APC)</u>	<u>APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/2010	\$ 101,269	100%	\$ -
6/30/2011	97,429	100%	-
6/30/2012	84,284	100%	-

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2012

NOTE 6 - DEFINED BENEFIT PENSION PLAN (concluded)

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 (dollar amount in hundreds).

Miscellaneous

	(A)	(B)	(C)	(D)	(E)	(F)
		Actuarial	Unfunded	Funded	Annual	UAAL as a
Valuation	Accrued	Value of	Liabilities	Ratio	Covered	% Of
<u>Date</u>	<u>Liabilities</u>	<u>Assets</u>	<u>[(A)-(B)]</u>	<u>[(B)/(A)]</u>	<u>Payroll</u>	<u>{[(A)-</u>
						<u>(B)]/(E)]</u>
6/30/2009	\$3,104,798,222	\$2,758,511,101	\$346,287,121	88.9%	\$742,981,488	46.6%
6/30/2010	\$3,309,064,934	\$2,946,408,106	\$362,656,828	89.0%	\$748,401,352	48.5%
6/30/2011	\$3,619,835,876	\$3,203,214,899	\$416,620,977	88.5%	\$759,263,518	54.9%

Safety

	(A)	(B)	(C)	(D)	(E)	(F)
		Actuarial	Unfunded	Funded	Annual	UAAL as a
Valuation	Accrued	Value of	Liabilities	Ratio	Covered	% Of
<u>Date</u>	<u>Liabilities</u>	<u>Assets</u>	<u>[(A)-(B)]</u>	<u>[(B)/(A)]</u>	<u>Payroll</u>	<u>{[(A)-</u>
						<u>(B)]/(E)]</u>
6/30/2009	\$480,513,699	\$442,936,897	\$37,576,802	92.2%	\$0	0.0%
6/30/2010	\$509,198,137	\$466,195,860	\$43,002,277	91.6%	\$0	0.0%
6/30/2011	\$677,648,972	\$608,911,358	\$68,737,614	89.9%	\$0	0.0%

NOTE 7 - DEFERRED COMPENSATION PLAN

The District offers its employees a deferred compensation plan (the "Plan") created in accordance with Internal Revenue Code Section 457. The Plan, available to all full-time and permanent part-time employees, permits them to defer a portion of their salary until future years. Under this plan, participants are not taxed on the deferred portion of the compensation until distributed to them; distributions may be made only at termination, retirement, death or in an emergency as defined by the Plan.

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, are not managed by the District and are not subject to claims by general creditors of the District, they have been excluded from these financial statements.

NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT

Plan Description. The District's defined benefit post-employment healthcare plan, Cameron Park Community Services District Other Post-Employment Benefit Program, provides medical benefits to eligible retired District employees and their beneficiaries. The contribution requirements of plan members and the District are established and may be amended by the District's governing board. Depending on the number of years of service and the circumstances surrounding retirement, employees may be eligible to receive health care insurance cost reimbursement of between 50%-100%.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2012

NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (continued)

Funding Policy. Under GASB 45, the District is required to expense the *annual required contribution of the employer (ARC)*, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (of funding excess) over a period not to exceed thirty years. The current ARC rate is 28.1% percent of annual covered payroll. The District has not contributed to a trust for the pre-funding of OPEB; therefore, the District's funding policy is currently pay-as-you-go.

Annual OPEB Cost and Net OPEB Obligation/(Asset)

The following table shows the components of the District's Annual OPEB Cost for the fiscal years ended June 30, 2012, the amounts actually contributed to the plan (including administrative costs), and changes in the District's Net OPEB Obligation/(Asset):

	June 30, 2012
Annual Required Contributions	\$ 163,545
Interest on Net OPEB Obligation/(Asset)	-
Adjustment to Annual Required Contributions	-
Annual OPEB cost (expense)	163,545
Contributions made	(69,927)
Increase in Net OPEB Obligation/(Asset)	93,618
Net OPEB Obligation/(Asset) – beginning of year	-
Net OPEB Obligation/(Asset) – end of year	\$ 93,618

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation was as follows, based on the District's actuarial valuation as of July 1, 2011:

Fiscal Year Ended	Annual OPEB Cost	Employer OPEB Contributions	Percentage of Annual OPEB Cost Contributed	Net OPEB Obligation
6/30/12	\$ 163,545	\$ 69,927	43%	\$ 93,618

Funded Status and Funding Progress. The funded status of the plan as of July 1, 2011, was as follows:

Valuation Date	(A) Actuarial Value of Assets	(B) Actuarial Accrued Liability	(C) Unfunded Liability (Excess Assets) [(B)-(A)]	(D) Funded Ratio [(A)/(B)]	(E) Annual Covered Payroll	(F) UAAL as a % of Payroll {[(B)-(A)]/(E)}
7/01/11	\$ -	\$ 1,990,747	\$ 1,990,747	0%	\$ 581,998	342%

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2012

NOTE 8 - POST-EMPLOYMENT BENEFITS OTHER THAN RETIREMENT (concluded)

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and the assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

Actuarial Methods and Assumptions. Projections of benefits for financial reporting purposes are based on the substantive Plan (the Plan as understood by the employer and the Plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and Plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the July 1, 2011 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% percent investment rate of return (net of administrative expenses), which is the expected long-term investment return on plan assets and an annual healthcare cost trend rate of 8% - initially 7% for fiscal year 2012, reduced by decrements to an ultimate rate of 5% after three years. Annual increase in projected payroll is not applicable. The actuarial value of assets was determined based on the market value of investments (\$0). The UAAL is being amortized as a level percentage of projected payroll on an open basis. The amortization period is thirty years with 30 years remaining as of June 30, 2012.

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 - CONTINGENT LIABILITIES

The District is involved in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of counsel, the resolution of these matters will not have a material adverse effect on the financial condition of the District.

Cameron Park Community Services District
GENERAL FUND
SCHEDULE OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
Budget and Actual
For the year ended June 30, 2012
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget</u>
	<u>Original</u>	<u>Final</u>		
Revenues:				
Property taxes	\$ 2,887,146	\$ 2,887,146	\$ 3,244,259	\$ 357,113
Franchise fees	150,000	150,000	152,517	2,517
Intergovernmental	1,004,585	1,004,585	895,641	(108,944)
Charges for services	486,212	486,212	639,756	153,544
Interest	8,000	8,000	9,793	1,793
Total revenues	<u>4,535,943</u>	<u>4,535,943</u>	<u>4,941,966</u>	<u>406,023</u>
Expenditures:				
General government	351,974	351,974	318,950	33,024
Recreation	278,281	278,281	293,639	(15,358)
Public safety	3,199,692	3,199,692	3,003,892	195,800
Facility	369,999	369,999	465,812	(95,813)
Parks	537,377	537,377	512,859	24,518
Total expenditures	<u>4,737,323</u>	<u>4,737,323</u>	<u>4,595,152</u>	<u>142,171</u>
Excess (deficit) of revenues over (under) expenditures	<u>(201,380)</u>	<u>(201,380)</u>	<u>346,814</u>	<u>548,194</u>
Other financing sources (uses):				
Transfers out	-	-	(130,000)	(130,000)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(130,000)</u>	<u>(130,000)</u>
Net change in fund balances	<u>\$ (201,380)</u>	<u>\$ (201,380)</u>	216,814	<u>\$ 418,194</u>
Fund balances, beginning of period			<u>2,533,743</u>	
Fund balances, end of period			<u>\$ 2,750,557</u>	

Cameron Park Community Services District
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2012

	CC& R 2	Quimby Act 3	AB 1600 4	Fire Training 5	Fire Equipment Replacement 7	Fire Safe Project 8	Fire Prevention 9	Maintenance 30-48	Community Center 70	Fund 71	Cap Projects 73	Per Capita Grant 80	Promotional Grant 81	Debt Service 90	Total Governmental Funds
<u>ASSETS</u>															
Cash and investments	\$ 182,617	\$ 15,658	\$ 85,705	\$ 55,402	\$ 230,383	\$ 5,633	\$ 39,310	\$ 786,311	\$ (49,621)	\$ 11,008	\$ (10,000)	\$ 154,427	\$ 2,637	\$ 368,811	\$ 1,878,281
Accounts receivable	1,828	-	-	-	-	-	-	13,919	-	-	-	-	-	-	15,747
Due from other funds	20,000	10,000	60,032	-	-	-	69	-	-	-	-	-	-	-	90,101
Total assets	<u>204,445</u>	<u>25,658</u>	<u>145,737</u>	<u>55,402</u>	<u>230,383</u>	<u>5,633</u>	<u>39,379</u>	<u>800,230</u>	<u>(49,621)</u>	<u>11,008</u>	<u>(10,000)</u>	<u>154,427</u>	<u>2,637</u>	<u>368,811</u>	<u>1,984,129</u>
<u>LIABILITIES</u>															
Accounts payable	-	-	-	-	18,674	230	100	-	-	-	-	-	-	-	19,004
Accrued expenses	1,269	-	-	-	-	-	-	-	-	-	-	-	-	-	1,269
Due to other funds	-	-	-	-	-	-	11,280	18,190	-	-	-	-	-	-	29,470
Other liabilities	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total liabilities	<u>1,269</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,674</u>	<u>230</u>	<u>11,380</u>	<u>18,190</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,743</u>
<u>FUND BALANCES</u>															
Assigned for:															
Specific purposes	203,176	25,658	145,737	55,402	211,709	5,403	27,999	782,040	(49,621)	11,008	(10,000)	154,427	2,637	368,811	1,934,386
Total fund balances	<u>203,176</u>	<u>25,658</u>	<u>145,737</u>	<u>55,402</u>	<u>211,709</u>	<u>5,403</u>	<u>27,999</u>	<u>782,040</u>	<u>(49,621)</u>	<u>11,008</u>	<u>(10,000)</u>	<u>154,427</u>	<u>2,637</u>	<u>368,811</u>	<u>1,934,386</u>
Total liabilities and fund balances	<u>\$ 204,445</u>	<u>\$ 25,658</u>	<u>\$ 145,737</u>	<u>\$ 55,402</u>	<u>\$ 230,383</u>	<u>\$ 5,633</u>	<u>\$ 39,379</u>	<u>\$ 800,230</u>	<u>\$ (49,621)</u>	<u>\$ 11,008</u>	<u>\$ (10,000)</u>	<u>\$ 154,427</u>	<u>\$ 2,637</u>	<u>\$ 368,811</u>	<u>\$ 1,984,129</u>

Cameron Park Community Services District
NON-MAJOR GOVERNMENTAL FUNDS
STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES
For the year ended June 30, 2012

	CC& R 2	Quimby Act 3	AB 1600 4	Fire Training 5	Fire Equipment Replacement 7	Fire Safe Project 8	Fire Prevention 9	Maintenance 30-48	Community Center 70	Fund 71	Cap projects 73	Per Capita Grant 80	Promotional Grant 81	Debt Service 90	Total Governmental Funds
Revenues:															
Property taxes	\$ 81,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 250,764	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 516,324	\$ 848,376
Intergovernmental	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Charges for services	11,694	-	-	49,267	33,956	-	2,888	-	-	-	-	-	-	-	97,805
Donations	-	-	-	-	-	-	-	4,000	-	950	-	-	-	-	4,950
Interest	361	79	226	41	86	-	39	-	-	-	-	-	-	-	832
Total revenues	93,343	79	226	49,308	34,042	-	2,927	254,764	-	950	-	-	-	516,324	951,963
Expenditures:															
General government	83,989	-	-	-	-	-	-	-	-	-	-	-	2,798	800	87,587
Public safety	-	-	-	92,114	45,950	121	18,283	-	-	-	-	-	-	-	156,468
Facility	-	37,321	-	-	-	-	-	245,519	49,621	41,242	-	-	-	-	373,703
Debt service:															
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-	125,000	125,000
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-	353,904	353,904
Total expenditures	83,989	37,321	-	92,114	45,950	121	18,283	245,519	49,621	41,242	-	-	2,798	479,704	1,096,662
Excess (deficit) of revenues over (under) expenditures	9,354	(37,242)	226	(42,806)	(11,908)	(121)	(15,356)	9,245	(49,621)	(40,292)	-	-	(2,798)	36,620	(144,699)
Other financing sources (Uses):															
Issuance of debt	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	-	-	130,000	-	-	-	-	-	-	-	-	-	130,000
Transfers out	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Uses)	-	-	-	-	130,000	-	-	-	-	-	-	-	-	-	130,000
Net change in fund balances	9,354	(37,242)	226	(42,806)	118,092	(121)	(15,356)	9,245	(49,621)	(40,292)	-	-	(2,798)	36,620	(14,699)
Fund balances, beginning of period	193,822	62,900	145,511	98,208	93,617	5,524	43,355	772,795	-	51,300	(10,000)	154,427	5,435	332,191	1,949,085
Fund balances, end of period	\$ 203,176	\$ 25,658	\$ 145,737	\$ 55,402	\$ 211,709	\$ 5,403	\$ 27,999	\$ 782,040	\$ (49,621)	\$ 11,008	\$ (10,000)	\$ 154,427	\$ 2,637	\$ 368,811	\$ 1,934,386