

**CAMERON PARK COMMUNITY
SERVICES DISTRICT**

CAMERON PARK, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2014

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INDEPENDENT AUDITORS' REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Cameron Park Community Services District, as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise Cameron Park Community Services District's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the State Controller's Minimum Audit Requirements for California Special Districts. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to Cameron Park Community Services District's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Cameron Park Community Services District's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Cameron Park Community Services District, as of June 30, 2014, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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.

Other Information

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
April 14, 2015

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2014

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 Position and the Statement of Activities

The Statement of Net Position 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 position as well as changes to that net position. Net position is 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 position 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, 2014

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 position as of June 30, 2014:

	Table 1	
	<u>Governmental Activities Net Position</u>	
	Governmental Activities	
	<u>2014</u>	<u>2013</u>
Current and other assets	\$ 7,026,814	\$ 6,739,422
Capital assets, net of accumulated depreciation	<u>21,343,449</u>	<u>21,782,629</u>
Total assets	<u>28,370,263</u>	<u>28,522,051</u>
Current liabilities	403,138	563,129
Long-term debt outstanding	<u>8,283,818</u>	<u>8,387,777</u>
Total liabilities	<u>8,686,956</u>	<u>8,950,906</u>
Net position:		
Invested in capital assets, net of related debt	13,245,668	13,458,548
Unrestricted	<u>6,437,639</u>	<u>6,112,597</u>
Total net position	<u>\$ 19,683,307</u>	<u>\$ 19,571,145</u>

The District's net position was \$19,683,307 for the fiscal year ended June 30, 2014.

The following table summarizes the District's change in net position for the year ended June 30, 2014:

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2014

Table 2
Changes in Net Position

	Governmental Activities	
	2014	2013
Revenues		
Program revenues:		
Charges for services	\$ 965,007	\$ 809,602
Operating contributions and grants	989,719	907,803
Subtotal program revenues	1,954,726	1,717,405
General revenues:		
Property taxes	4,355,227	4,299,501
Interest income	79,932	43,180
Total revenues	6,389,885	6,060,086
Program Expenses		
General government	537,128	421,963
Recreation	533,939	766,468
Public safety - fire protection	3,638,969	3,303,922
Parks	525,080	518,045
Maintenance	709,220	639,569
Interest and fees	333,387	527,517
Total expenses	6,277,723	6,177,484
Change in Net Position	\$ 112,162	\$ (117,398)

Government Activities

For the 2014 fiscal year, the total District revenues were \$6,389,885 and the total District expenses were \$6,277,723. The difference of (\$112,162) is the decrease in net position bringing the total net position to \$19,683,307 on June 30, 2014. The main sources of revenue for the District are charges for services, operating grants and property taxes. The cost of all governmental activities was \$6,277,723 this year. District taxpayers ultimately financed \$4,355,227 for these activities through local taxes and assessments.

Capital Assets

At June 30, 2014, the District had \$21,343,449 in a broad range of capital assets, including land, buildings and furniture and equipment.

Table 3
Capital Assets at Year End

	2014	2013
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	3,269,987	3,083,620
Accumulated depreciation	(6,041,052)	(5,415,506)
Net capital assets	\$ 21,343,449	\$ 21,782,628

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2014

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, 2014, the District's debt comprised:

General obligation bond	\$ 7,955,000
Other post employment benefits	282,031
Compensated absences	<u>104,006</u>
Total	<u>\$ 8,341,037</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 POSITION

June 30, 2014

ASSETS

Cash and investments	\$ 6,653,332
Accounts receivable	373,482
Non-depreciable capital assets	8,093,000
Depreciable capital assets, net	<u>13,250,449</u>
Total assets	<u>28,370,263</u>

LIABILITIES

Accounts payable	4,735
Accrued expenses	59,086
Accrued interest	139,317
Long-term liabilities:	
Due within one year:	
General obligation bond	200,000
Due after one year:	
Unamortized bond premium, net	142,781
General obligation bond	7,755,000
Compensated absences	104,006
Other post employment benefits	<u>282,031</u>
Total due after one year	<u>8,283,818</u>
Total liabilities	<u>8,686,956</u>

NET POSITION

Invested in capital assets, net of related debt	13,245,668
Unrestricted	<u>6,437,639</u>
Total net position	<u>\$ 19,683,307</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, 2014

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>			<u>Net (Expense)</u>
		<u>Charges for</u>	<u>Operating</u>	<u>Capital</u>	<u>Revenue and</u>
		<u>Services</u>	<u>Grants and</u>	<u>Grants and</u>	<u>Changes in</u>
			<u>Contributions</u>	<u>Contributions</u>	<u>Net Position</u>
					<u>Total</u>
					<u>Governmental</u>
					<u>Activities</u>
Governmental activities:					
General government	\$ 537,128	\$ -	\$ 989,719	\$ -	\$ 452,591
Recreation	533,939	775,067	-	-	241,128
Public safety	3,638,969	189,940	-	-	(3,449,029)
Parks	525,080	-	-	-	(525,080)
Facility	709,220	-	-	-	(709,220)
Interest and fees	333,387	-	-	-	(333,387)
	<u>333,387</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(333,387)</u>
Total governmental activities	<u>\$ 6,277,723</u>	<u>\$ 965,007</u>	<u>\$ 989,719</u>	<u>\$ -</u>	<u>(4,322,997)</u>
General revenues:					
Taxes					4,194,449
Franchise fees					160,778
Use of money and property					<u>79,932</u>
Total general revenues					<u>4,435,159</u>
Change in net position					<u>112,162</u>
Net position beginning of period					<u>19,571,145</u>
Net position ending of period					<u>\$ 19,683,307</u>

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

Cameron Park Community Services District
 GOVERNMENTAL FUNDS
BALANCE SHEET
 June 30, 2014

	General	Fire Development	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 3,114,093	\$ 1,249,645	\$ 2,289,594	\$ 6,653,332
Accounts receivable	355,849	-	17,633	373,482
Due from other funds	13,430	-	149,758	163,188
Total assets	\$ 3,483,372	\$ 1,249,645	\$ 2,456,985	\$ 7,190,002
<u>LIABILITIES</u>				
Accounts payable	\$ 2,004	\$ -	\$ 2,731	\$ 4,735
Accrued expenses	59,086	-	-	59,086
Due to other funds	74,061	-	89,127	163,188
Total liabilities	135,151	-	91,858	227,009
<u>FUND BALANCES</u>				
Committed - stabilization reserve	65,000	-	-	65,000
Assigned - specific purposes	-	1,249,645	2,365,127	3,614,772
Unassigned	3,283,221	-	-	3,283,221
Total fund balances	3,348,221	1,249,645	2,365,127	6,962,993
 Total liabilities and fund balances	 \$ 3,483,372	 \$ 1,249,645	 \$ 2,456,985	 \$ 7,190,002

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 POSITION
 For the year ended June 30, 2014

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	6,962,993
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Amounts reported for Governmental Activities in the Statement of Net Position 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		21,343,449
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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:

Unamortized bond premium, net		(142,781)
Accrued interest payable		(139,317)
General obligation bond		(7,955,000)
Other post employment benefits		(282,031)
Non-current portion of compensated absences		(104,006)
		(8,523,135)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	19,683,307
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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, 2014

	General	Fire Development	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 3,305,549	\$ -	\$ 888,900	\$ 4,194,449
Franchise fees	160,778	-	-	160,778
Intergovernmental	989,719	-	-	989,719
Charges for services	594,807	35,996	153,944	784,747
Donations	180,260	-	-	180,260
Interest	9,409	2,824	67,699	79,932
Total revenues	<u>5,240,522</u>	<u>38,820</u>	<u>1,110,543</u>	<u>6,389,885</u>
Expenditures:				
General government	434,538	-	102,590	537,128
Recreation	310,608	-	-	310,608
Public safety	3,296,958	-	22,983	3,319,941
Parks	525,080	-	-	525,080
Facility	476,603	-	232,617	709,220
Debt service:				
Principal	-	-	219,161	219,161
Interest	-	-	343,649	343,649
Total expenditures	<u>5,043,787</u>	<u>-</u>	<u>921,000</u>	<u>5,964,787</u>
Excess (deficit) of revenues over (under) expenditures	196,735	38,820	189,543	425,098
Fund balances, beginning of period	<u>3,151,486</u>	<u>1,210,825</u>	<u>2,175,584</u>	<u>6,537,895</u>
Fund balances, end of period	<u>\$ 3,348,221</u>	<u>\$ 1,249,645</u>	<u>\$ 2,365,127</u>	<u>\$ 6,962,993</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 POSITION OF GOVERNMENTAL ACTIVITIES
For the year ended June 30, 2014

Total net change in fund balances - governmental funds	\$	425,098
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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		186,367
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Depreciation expense is deducted from the fund balance		(625,546)
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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 Position.

Repayment of bond principal is an expenditure in the governmental funds, but in the Statement of Net Position the repayment reduces long-term liabilities.

Repayment of debt principal is added back to the fund balance		219,161
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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		3,123
Amortization of bond issuance costs and premium		7,139
Other post employment benefits		(93,358)
Long-term compensated absences		(9,822)
		(9,822)

Changes in net position of governmental activities	\$	112,162
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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, 2014

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The basic financial statements of 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 position 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, 2014

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 position 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 \$212,369.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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 expenditures 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:

- 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 \$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, 2014

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 Position

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

Net position is the excess of all the District's assets over all its liabilities, regardless of fund. Net position is divided into three captions under GASB Statement No. 34. These captions apply only to net position, 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 position 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 position 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 position 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, 2014

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.

M. Deferred Outflows and Inflows of Resources

Pursuant to GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflow of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the City recognizes deferred outflows and inflows of resources.

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. A deferred outflow of resources is defined as a consumption of net position by the government that is applicable to a future reporting period. The District has no items that qualify for reporting in this category.

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. A deferred inflow of resources is defined as an acquisition of net position by the City that is applicable to a future reporting period. The District has no items that qualify for reporting in this category.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2014

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.

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.

<u>Deposits and Investments</u>	<u>Carrying Amount</u>	<u>Market Value</u>	<u>Investment Risk</u>
Cash in County Treasury	\$ 3,878,682	\$ 3,878,682	AA
Cash in bank	<u>2,774,650</u>	<u>2,774,650</u>	N/A
Total cash and investments	<u>\$ 6,653,332</u>	<u>\$ 6,653,332</u>	

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 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

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 2 - CASH AND INVESTMENTS (concluded)

B. Authorized Investments (concluded)

- 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 GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and for External Investment Pools*. GASB Statement No. 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.

NOTE 3 - CAPITAL ASSETS

An analysis of capital assets as of June 30, 2014, is as follows:

	<u>Balance at</u> 07/01/13	<u>Increase</u>	<u>Decrease</u>	<u>Balance at</u> 6/30/14
<u>Governmental Activities</u>				
Capital assets, not being depreciated:				
Land	\$ 8,093,000	\$ -	\$ -	\$ 8,093,000
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>3,083,620</u>	<u>186,367</u>	<u>-</u>	<u>3,269,987</u>
Total capital assets, being depreciated	<u>19,105,134</u>	<u>186,367</u>	<u>-</u>	<u>19,291,501</u>
Less accumulated depreciation for:				
Land improvements	90,372	15,628	-	106,000
Buildings and structures	2,814,582	468,927	-	3,283,509
Furniture and equipment	<u>2,510,552</u>	<u>140,991</u>	<u>-</u>	<u>2,651,543</u>
Total accumulated depreciation	<u>5,415,506</u>	<u>625,546</u>	<u>-</u>	<u>6,041,052</u>
Total capital assets being depr. - net	<u>13,689,628</u>	<u>(439,179)</u>	<u>-</u>	<u>13,250,449</u>
Capital assets - net	<u>\$ 21,782,628</u>	<u>\$ (439,179)</u>	<u>\$ -</u>	<u>\$ 21,343,449</u>

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

NOTE 3 - CAPITAL ASSETS (concluded)

<u>Depreciation allocation:</u>	
Public safety	\$ 306,518
Recreation	<u>319,028</u>
Total	<u>\$ 625,546</u>

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, 2014, inter-fund balances comprised the following:

<u>Fund</u>	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
General Fund	\$ 13,430	\$ 74,061
AB 1600	60,032	-
CC & R	20,000	-
Quimby Act	10,000	-
Promotional Grant	-	36
Community Center	-	49,621
Capital Projects	-	10,000
Per Capita Grant	59,657	-
Maintenance	-	18,190
Fire Prevention	69	11,280
Totals	<u>\$ 163,188</u>	<u>\$ 163,188</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt as of June 30, 2014:

	<u>Balance at 07/01/13</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 6/30/14</u>	<u>Current</u>
General obligation bond	\$ 8,130,000	\$ -	\$ 175,000	\$ 7,955,000	\$ 200,000
Fire truck lease	44,161	-	44,161	-	-
Other Post Employment Benefits	188,673	93,358	-	282,031	-
Compensated absences	94,184	9,822	-	104,006	-
Total	<u>\$ 8,457,018</u>	<u>\$ 103,180</u>	<u>\$ 219,161</u>	<u>\$ 8,341,037</u>	<u>\$ 200,000</u>
Unamortized premium	<u>\$ 149,920</u>	<u>\$ -</u>	<u>\$ 7,139</u>	<u>\$ 142,781</u>	<u>\$ -</u>

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 varies 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.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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 are as follows:

Year Ending June 30	Principal	Interest	Total
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	1,065,037	21,500	1,086,537
Total	<u>\$ 7,955,000</u>	<u>\$ 4,173,876</u>	<u>\$ 12,128,876</u>

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.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2014

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Annual Pension Cost:

For 2014, the District's annual pension cost of \$163,545 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 - 2.75%
- Payroll Growth - 3.00%
- 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:

Fiscal Year	Annual Pension Cost (APC)	APC Contributed	Net Pension Obligation
6/30/2012	\$ 84,284	100%	-
6/30/2013	156,374	100%	-
6/30/2014	163,545	100%	-

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.

Miscellaneous

Valuation Date	(A) Accrued Liabilities	(B) Actuarial Value of Assets	(C) Unfunded Liabilities [(A)-(B)]	(D) Funded Ratio [(B)/(A)]	(E) Annual Covered Payroll	(F) UAAL as a % Of Payroll {[(A)- (B)]/(E)}
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%
6/30/2012	\$4,175,139,166	\$3,686,598,343	\$488,540,823	88.3%	\$757,045,663	64.5%

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2014

NOTE 6 - DEFINED BENEFIT PENSION PLAN (concluded)

<u>Safety</u>	(A)	(B)	(C)	(D)	(E)	(F)
						UAAL as a % Of
Valuation <u>Date</u>	Accrued <u>Liabilities</u>	Actuarial Value of <u>Assets</u>	Unfunded Liabilities <u>[(A)-(B)]</u>	Funded Ratio <u>[(B)/(A)]</u>	Annual Covered <u>Payroll</u>	Payroll <u>{[(A)- (B)]/(E)}</u>
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%
6/30/2012	\$839,968,292	\$743,174,027	\$96,794,265	88.5%	\$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%.

Funding Policy. Under GASB Statement No. 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 No. 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 (or 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, 2014, the amounts actually contributed to the plan (including administrative costs), and changes in the District's Net OPEB Obligation/(Asset):

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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

	2014	2013
Annual Required Contributions	\$ 163,545	\$ 163,545
Interest on Net OPEB Obligation/(Asset)	3,745	3,745
Adjustment to Annual Required Contributions	(5,414)	(5,414)
Annual OPEB cost (expense)	161,876	161,876
Contributions made	(68,518)	(66,821)
Increase in Net OPEB Obligation/(Asset)	93,358	95,055
Net OPEB Obligation/(Asset) – beginning of year	188,673	93,618
Net OPEB Obligation/(Asset) – end of year	\$ 282,031	\$ 188,673

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
6/30/13	\$ 161,876	\$ 66,821	41%	\$ 188,673
6/30/14	\$ 161,876	\$ 68,518	42%	\$ 282,031

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%

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 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.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2014

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

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.

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.

NOTE 11 - STEWARDSHIP AND COMPLIANCE

At June 30, 2014, three non-major funds had negative fund equity as follows:

- Community Center
- Capital Projects
- Promotional Grant

The Funds' negative fund equity balances have not changed from fiscal year 2011/12, and are expected to return to a positive status in fiscal year 2015.

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, 2014
(Unaudited)

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with</u>
	<u>Original</u>	<u>Final</u>		<u>Final Budget</u>
Revenues:				
Property taxes	\$ 3,222,370	\$ 3,222,370	\$ 3,305,549	\$ 83,179
Franchise fees	155,000	155,000	160,778	5,778
Intergovernmental	1,210,932	1,210,932	989,719	(221,213)
Charges for services	547,564	547,564	775,067	227,503
Interest	<u>7,000</u>	<u>7,000</u>	<u>9,409</u>	<u>2,409</u>
Total revenues	<u>5,142,866</u>	<u>5,142,866</u>	<u>5,240,522</u>	<u>97,656</u>
Expenditures:				
General government	391,988	391,988	434,538	(42,550)
Recreation	352,467	352,467	310,608	41,859
Public safety	3,479,177	3,479,177	3,296,958	182,219
Facility	508,518	508,518	476,603	31,915
Parks	<u>524,006</u>	<u>524,006</u>	<u>525,080</u>	<u>(1,074)</u>
Total expenditures	<u>5,256,156</u>	<u>5,256,156</u>	<u>5,043,787</u>	<u>212,369</u>
Excess (deficit) of revenues over (under) expenditures	<u>\$ (113,290)</u>	<u>\$ (113,290)</u>	196,735	<u>\$ 310,025</u>
Fund balances, beginning of period			<u>3,151,486</u>	
Fund balances, end of period			<u>\$ 3,348,221</u>	

Cameron Park Community Services District
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET

June 30, 2014

	CC& R 2	Quimby Act 3	AB 1600 4	Fire Training 5	Fire Equipment Replacement 7	Fire Safe Project 8	Fire Prevention 9	Maintenance 30-50	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	\$ 183,368	\$ 10,719	\$ 182,429	\$ 69,240	\$ 368,772	\$ 5,075	\$ 39,894	\$ 924,057	\$ -	\$ 12,078	\$ -	\$ 91,272	\$ -	\$ 402,690	\$ 2,289,594
Accounts receivable	1,827	-	-	1,440	-	-	780	13,586	-	-	-	-	-	-	17,633
Due from other funds	20,000	10,000	60,032	-	-	-	69	-	-	-	-	59,657	-	-	149,758
Total assets	<u>\$ 205,195</u>	<u>\$ 20,719</u>	<u>\$ 242,461</u>	<u>\$ 70,680</u>	<u>\$ 368,772</u>	<u>\$ 5,075</u>	<u>\$ 40,743</u>	<u>\$ 937,643</u>	<u>\$ -</u>	<u>\$ 12,078</u>	<u>\$ -</u>	<u>\$ 150,929</u>	<u>\$ -</u>	<u>\$ 402,690</u>	<u>\$ 2,456,985</u>
<u>LIABILITIES</u>															
Accounts payable	\$ 2,501	\$ -	\$ -	\$ -	\$ -	\$ 230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,731
Due to other funds	-	-	-	-	-	-	11,280	18,190	49,621	-	10,000	-	36	-	89,127
Total liabilities	<u>2,501</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230</u>	<u>11,280</u>	<u>18,190</u>	<u>49,621</u>	<u>-</u>	<u>10,000</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>91,858</u>
<u>FUND BALANCES</u>															
Assigned for:															
Specific purposes	202,694	20,719	242,461	70,680	368,772	4,845	29,463	919,453	(49,621)	12,078	(10,000)	150,929	(36)	402,690	2,365,127
Total fund balances	<u>202,694</u>	<u>20,719</u>	<u>242,461</u>	<u>70,680</u>	<u>368,772</u>	<u>4,845</u>	<u>29,463</u>	<u>919,453</u>	<u>(49,621)</u>	<u>12,078</u>	<u>(10,000)</u>	<u>150,929</u>	<u>(36)</u>	<u>402,690</u>	<u>2,365,127</u>
Total liabilities and fund balances	<u>\$ 205,195</u>	<u>\$ 20,719</u>	<u>\$ 242,461</u>	<u>\$ 70,680</u>	<u>\$ 368,772</u>	<u>\$ 5,075</u>	<u>\$ 40,743</u>	<u>\$ 937,643</u>	<u>\$ -</u>	<u>\$ 12,078</u>	<u>\$ -</u>	<u>\$ 150,929</u>	<u>\$ -</u>	<u>\$ 402,690</u>	<u>\$ 2,456,985</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, 2014

	CC& R 2	Quimby Act 3	AB 1600 4	Fire Training 5	Fire Equipment Replacement 7	Fire Safe Project 8	Fire Prevention 9	Maintenance 30-50	Community Center 70	Fund 71	Cap projects 73	Per Capita Grant 80	Promotional Grant 81	Debt Service 90	Total Governmental Funds	
Revenues:																
Property taxes	\$ 85,062	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 276,401	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 529,437	\$ 888,900	TRUE
Charges for services	13,430	-	-	2,535	129,224	-	8,755	-	-	-	-	-	-	-	153,944	TRUE
Interest	431	35	64,467	36	74	-	34	2,109	-	-	-	-	-	513	67,699	TRUE
Total revenues	96,923	35	64,467	2,571	129,298	-	8,789	278,510	-	-	-	-	-	529,950	1,110,543	TRUE
Expenditures:																
General government	102,140	-	-	-	-	-	-	-	-	-	-	-	450	-	102,590	TRUE
Public safety	-	-	-	14,611	-	558	7,814	-	-	-	-	-	-	-	22,983	TRUE
Facility	-	5,000	-	-	-	-	-	227,617	-	-	-	-	-	-	232,617	TRUE
Debt service:																
Principal	-	-	-	-	44,161	-	-	-	-	-	-	-	-	175,000	219,161	TRUE
Interest	-	-	-	-	1,789	-	-	-	-	-	-	-	-	341,860	343,649	TRUE
Total expenditures	102,140	5,000	-	14,611	45,950	558	7,814	227,617	-	-	-	-	450	516,860	921,000	TRUE
Excess (deficit) of revenues over (under) expenditures	(5,217)	(4,965)	64,467	(12,040)	83,348	(558)	975	50,893	-	-	-	-	(450)	13,090	189,543	TRUE
Fund balances, beginning of period	207,911	25,684	177,994	82,720	285,424	5,403	28,488	868,560	(49,621)	12,078	(10,000)	150,929	414	389,600	2,175,584	TRUE
Fund balances, end of period	\$ 202,694	\$ 20,719	\$ 242,461	\$ 70,680	\$ 368,772	\$ 4,845	\$ 29,463	\$ 919,453	\$ (49,621)	\$ 12,078	\$ (10,000)	\$ 150,929	\$ (36)	\$ 402,690	\$ 2,365,127	TRUE