

**CAMERON PARK COMMUNITY
SERVICES DISTRICT**

CAMERON PARK, CALIFORNIA

BASIC FINANCIAL STATEMENTS

JUNE 30, 2015

TABLE OF CONTENTS

	<u>PAGE</u>
Independent Auditors' Report	1-2
Management's Discussion and Analysis (Unaudited)	3-6
<u>Basic Financial Statements</u>	
Statement of Net Position	7
Statement of Activities	8
<u>Fund Financial Statements</u>	
Governmental Funds Balance Sheet	9
Reconciliation of the Governmental Funds – Balance Sheet with the Governmental Activities Statement of Net Position	10
Governmental Funds - Statement of Revenues, Expenditures, and Changes in Fund Balances	11
Reconciliation of the Net Change in Fund Balances – Total Governmental Funds with the Change in Net Position of Governmental Activities	12
Notes to Basic Financial Statements	13-29
<u>Required Supplemental Information</u> (Unaudited)	
General Fund Schedule of Revenues, Expenditures, and Changes in Fund Balances - Budget and Actual	30
<u>Combining Fund Statements</u>	
Non-Major Governmental Funds Balance Sheet	31
Non-Major Governmental Funds – Statement of Revenues, Expenditures and Changes in Fund Balances	32

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, 2015, 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, 2015, 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 30), 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 31-32) 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
June 7, 2016

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2015

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, 2015

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, 2015:

Table 1 <u>Governmental Activities Net Position</u>		Governmental Activities	
	2015	2014	
Current and other assets	\$ 7,804,565	\$ 7,026,814	
Capital assets, net of accumulated depreciation	<u>20,750,343</u>	<u>21,343,449</u>	
Total assets	<u>28,554,908</u>	<u>28,370,263</u>	
Deferred outflows of resources	<u>109,744</u>		
Current liabilities	638,758	403,138	
Long-term debt outstanding	<u>8,638,519</u>	<u>8,283,818</u>	
Total liabilities	<u>9,277,277</u>	<u>8,686,956</u>	
Deferred inflows of resources	<u>686,215</u>		
Net position:			
Invested in capital assets, net of related debt	12,891,885	13,245,668	
Unrestricted	<u>5,809,274</u>	<u>6,437,639</u>	
Total net position	<u>\$ 18,701,159</u>	<u>\$ 19,683,307</u>	

The District's net position was \$18,701,159 for the fiscal year ended June 30, 2015.

The following table summarizes the District's change in net position for the year ended June 30, 2015:

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2015

Table 2
Changes in Net Position

	Governmental Activities	
	2015	2014
Revenues		
Program revenues:		
Charges for services	\$ 907,334	\$ 802,220
Operating contributions and grants	<u>1,063,792</u>	<u>1,152,506</u>
Subtotal program revenues	<u>1,971,126</u>	<u>1,954,726</u>
General revenues:		
Property taxes	4,635,055	4,355,227
Interest income	<u>77,702</u>	<u>79,932</u>
Total revenues	<u>6,683,883</u>	<u>6,389,885</u>
Program Expenses		
General government	588,784	537,128
Recreation	607,288	533,939
Public safety - fire protection	3,375,160	3,638,969
Parks	635,952	525,080
Maintenance	796,703	709,220
Interest and fees	<u>340,969</u>	<u>333,387</u>
Total expenses	<u>6,344,856</u>	<u>6,277,723</u>
Change in Net Position	<u>\$ 339,027</u>	<u>\$ 112,162</u>

Government Activities

For the 2015 fiscal year, the total District revenues were \$6,683,883 and the total District expenses were \$6,344,856. The difference of \$339,027 is the change in net position bringing the total net position to \$18,701,159 on June 30, 2015. The main sources of revenue for the District are charges for services, operating grants and property taxes. The cost of all governmental activities was \$6,344,856 this year. District taxpayers ultimately financed \$4,635,055 for these activities through local taxes and assessments.

Capital Assets

At June 30, 2015, the District had \$20,750,343 in a broad range of capital assets, including land, buildings and furniture and equipment.

Table 3
Capital Assets at Year End

	2015	2014
Land	\$ 8,093,000	\$ 8,093,000
Land and park improvement	317,936	269,756
Building and structure	15,751,758	15,751,758
Furniture and equipment	3,289,435	3,269,987
Accumulated depreciation	<u>(6,701,786)</u>	<u>(6,041,052)</u>
Net capital assets	<u>\$ 20,750,343</u>	<u>\$ 21,343,449</u>

Cameron Park Community Services District
MANAGEMENT'S DISCUSSION AND ANALYSIS (UNAUDITED)
For the Year Ended June 30, 2015

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, 2015, the District's debt comprised:

Net pension liability	\$ 708,539
General Obligation Bond	224,458
Refunding bonds	7,634,000
Compensated absences	110,262
Other post-employment benefits	<u>333,598</u>
Total	<u>\$ 9,010,857</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, 2015

ASSETS

Cash and investments	\$ 7,692,666
Accounts receivable	111,899
Non-depreciable capital assets	8,093,000
Depreciable capital assets, net	<u>12,657,343</u>
Total assets	<u>28,554,908</u>

DEFERRED OUTFLOWS OF RESOURCES

Deferred outflows of resources	<u>109,744</u>
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LIABILITIES

Accounts payable	3,552
Accrued expenses	83,134
Accrued interest	179,734
Long-term liabilities:	
Due within one year:	
General obligation bond	112,338
Refunding bonds	260,000
Due after one year:	
General obligation bond	112,120
Refunding bonds	7,374,000
Compensated absences	110,262
Other post employment benefits	333,598
Net pension liability	<u>708,539</u>
Total due after one year	<u>8,638,519</u>
Total liabilities	<u>9,277,277</u>

DEFERRED INFLOWS OF RESOURCES

Deferred inflows of resources	<u>686,215</u>
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NET POSITION

Invested in capital assets, net of related debt	12,891,885
Unrestricted	<u>5,809,274</u>
Total net position	<u>\$ 18,701,159</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, 2015

<u>Functions/Programs</u>	<u>Expenses</u>	<u>Program Revenues</u>		<u>Capital Grants and Contributions</u>	Net (Expense) Revenue and Changes in Net Position
		<u>Charges for Services</u>	<u>Operating Grants and Contributions</u>		
Governmental activities:					
General government	\$ 588,784	\$ -	\$ 1,063,792	\$ -	\$ 475,008
Recreation	607,288	641,532	-	-	34,244
Public safety	3,375,160	265,802	-	-	(3,109,358)
Parks	635,952	-	-	-	(635,952)
Facility	796,703	-	-	-	(796,703)
Interest and fees	340,969	-	-	-	(340,969)
	<hr/>	<hr/>	<hr/>	<hr/>	<hr/>
Total governmental activities	<u>\$ 6,344,856</u>	<u>\$ 907,334</u>	<u>\$ 1,063,792</u>	<u>\$ -</u>	<u>(4,373,730)</u>
General revenues:					
Taxes					4,471,659
Franchise fees					163,396
Other income					61,101
Use of money and property					<u>16,601</u>
					<hr/>
Total general revenues					<u>4,712,757</u>
Change in net position					<u>339,027</u>
Net position beginning of period					19,683,308
Prior period adjustment					<u>(1,321,176)</u>
Net position beginning of period restated					<u>18,362,132</u>
Net position ending of period					<u>\$ 18,701,159</u>

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

Cameron Park Community Services District
 GOVERNMENTAL FUNDS
BALANCE SHEET
 June 30, 2015

	General	Fire Development	Nonmajor Governmental Funds	Total Governmental Funds
<u>ASSETS</u>				
Cash and investments	\$ 3,840,437	\$ 1,259,788	\$ 2,592,441	\$ 7,692,666
Accounts receivable	96,487	-	15,412	111,899
Due from other funds	-	-	36	36
Total assets	\$ 3,936,924	\$ 1,259,788	\$ 2,607,889	\$ 7,804,601
<u>LIABILITIES</u>				
Accounts payable	\$ -	\$ -	\$ 3,552	\$ 3,552
Accrued expenses	83,134	-	-	83,134
Due to other funds	-	-	36	36
Total liabilities	83,134	-	3,588	86,722
<u>FUND BALANCES</u>				
Committed - stabilization reserve	65,000	-	-	65,000
Assigned - specific purposes	-	1,259,788	2,604,301	3,864,089
Unassigned	3,788,790	-	-	3,788,790
Total fund balances	3,853,790	1,259,788	2,604,301	7,717,879
Total liabilities and fund balances	\$ 3,936,924	\$ 1,259,788	\$ 2,607,889	\$ 7,804,601

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, 2015

TOTAL FUND BALANCES - TOTAL GOVERNMENTAL FUNDS	\$	7,717,878
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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		20,750,343
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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:

Accrued interest payable		(179,734)
General obligation bond		(224,458)
Other bonds		(7,634,000)
Other post employment benefits		(333,598)
Non-current portion of compensated absences		(110,262)
Deferred inflows		(686,215)
Deferred outflows		109,744
Net pension liability		(708,539)
		(708,539)

NET POSITION OF GOVERNMENTAL ACTIVITIES	\$	<u>18,701,159</u>
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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, 2015

	General	Fire Development	Other Governmental Funds	Total Governmental Funds
Revenues:				
Property taxes	\$ 3,611,988	\$ -	\$ 859,671	\$ 4,471,659
Franchise fees	163,396	-	-	163,396
Intergovernmental	1,063,792	-	-	1,063,792
Charges for services	636,204	6,697	259,105	902,006
Donations	5,328	-	-	5,328
Other income	-	-	61,101	61,101
Interest	8,425	3,446	4,730	16,601
Total revenues	<u>5,489,133</u>	<u>10,143</u>	<u>1,184,607</u>	<u>6,683,883</u>
Expenditures:				
General government	471,117	-	117,667	588,784
Recreation	305,388	-	-	305,388
Public safety	3,038,186	-	-	3,038,186
Parks	648,007	-	-	648,007
Facility	520,866	-	287,892	808,758
Debt service:				
Principal	-	-	96,542	96,542
Interest	-	-	443,333	443,333
Total expenditures	<u>4,983,564</u>	<u>-</u>	<u>945,434</u>	<u>5,928,998</u>
Excess (deficit) of revenues over (under) expenditures	505,569	10,143	239,173	754,885
Fund balances, beginning of period	<u>3,348,221</u>	<u>1,249,645</u>	<u>2,365,128</u>	<u>6,962,994</u>
Fund balances, end of period	<u>\$ 3,853,790</u>	<u>\$ 1,259,788</u>	<u>\$ 2,604,301</u>	<u>\$ 7,717,879</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, 2015

Total net change in fund balances - governmental funds	\$	754,884
 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		67,628
Depreciation expense is deducted from the fund balance		(660,734)
 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		96,542
Government funds record pension expense as it is paid. However, in the Statement of Activities those costs are reversed as deferred outflows/(inflows) and an increase/(decrease) in net pension liability.		36,166
 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		(40,417)
Amortization of bond premium		142,781
Other post employment benefits		(51,567)
Long-term compensated absences		(6,256)
		(6,256)
Changes in net position of governmental activities	\$	339,027

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, 2015

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, 2015

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 \$406,610.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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, 2015

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, 2015

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 Inflows of Resources, and Net Position*, and GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, the District 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. 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 District that is applicable to a future reporting period.

N. Pensions

For purposes of measuring the net pension liability and deferred outflows/inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the District's California Public Employees' Retirement System (CalPERS) plans (Plans) and additions to/deductions from the Plans' fiduciary net position have been determined on the same basis as they are reported by CalPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2015

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.

Deposits and Investments	Carrying Amount	Market Value	Investment Risk
Cash in County Treasury	\$ 4,062,136	\$ 4,062,136	AA
Cash in bank	3,630,530	3,630,530	N/A
Total cash and investments	\$ 7,692,666	\$ 7,692,666	

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, 2015

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, 2015, is as follows:

	Balance at 07/01/14	Increase	Decrease	Balance at 6/30/15
<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	48,180	-	317,936
Buildings and structures	15,751,758	-	-	15,751,758
Furniture and equipment	<u>3,269,987</u>	<u>19,448</u>	<u>-</u>	<u>3,289,435</u>
Total capital assets, being depreciated	<u>19,291,501</u>	<u>67,628</u>	<u>-</u>	<u>19,359,129</u>
Less accumulated depreciation for:				
Land improvements	106,000	15,628	-	121,628
Buildings and structures	3,283,509	468,927	-	3,752,436
Furniture and equipment	<u>2,651,543</u>	<u>176,179</u>	<u>-</u>	<u>2,827,722</u>
Total accumulated depreciation	<u>6,041,052</u>	<u>660,734</u>	<u>-</u>	<u>6,701,786</u>
Total capital assets being depr. - net	<u>13,250,449</u>	<u>(593,106)</u>	<u>-</u>	<u>12,657,343</u>
Capital assets - net	<u>\$ 21,343,449</u>	<u>\$ (593,106)</u>	<u>\$ -</u>	<u>\$ 20,750,343</u>

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 3 - CAPITAL ASSETS (concluded)

<u>Depreciation allocation:</u>	
Public safety	\$ 336,974
Recreation	<u>323,760</u>
Total	<u>\$ 660,734</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, 2015, inter-fund balances comprised the following:

<u>Fund</u>	<u>Inter-fund Receivable</u>	<u>Inter-fund Payable</u>
Promotional grant	\$ -	\$ 36
Per Capita grant	<u>36</u>	<u>-</u>
Totals	<u>\$ 36</u>	<u>\$ 36</u>

NOTE 5 - LONG-TERM DEBT

The following is a summary of changes in long-term debt as of June 30, 2015:

	<u>Balance at 07/01/14</u>	<u>Increase</u>	<u>Decrease</u>	<u>Balance at 6/30/15</u>	<u>Current</u>
2005 Capital Appreciation bonds	\$ 7,955,000	\$ -	\$7,730,542	\$ 224,458	\$ 112,338
Refunding bond	-	7,634,000	-	7,634,000	200,000
Other post-employment benefits	282,031	51,567	-	333,598	-
Compensated absences	<u>104,006</u>	<u>6,256</u>	<u>-</u>	<u>110,262</u>	<u>-</u>
Total	<u>\$ 8,341,037</u>	<u>\$7,691,823</u>	<u>\$7,730,542</u>	<u>\$ 8,302,318</u>	<u>\$ 372,338</u>
Unamortized premium	<u>\$ 142,781</u>	<u>\$ -</u>	<u>\$ 142,781</u>	<u>\$ -</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 general obligation bonds are payable solely from *ad valorem* property taxes. The bonds were fully refunded with proceeds from Umpqua Bank at an interest rate of 3% through August 1, 2030.

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

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2015

NOTE 5 - LONG-TERM DEBT (concluded)

Year Ending June 30	Principal	Interest	Total
2016	\$ 260,000	\$ 225,120	\$ 485,120
2017	45,000	220,545	265,545
2018	46,000	219,180	265,180
2019	337,000	213,435	550,435
2020	371,000	202,815	573,815
2021	404,000	191,190	595,190
2022	442,000	178,500	620,500
2023	469,000	164,835	633,835
2024	510,000	150,150	660,150
2025	546,000	134,310	680,310
2026	585,000	117,345	702,345
2027	629,000	99,135	728,135
2028	673,000	79,605	752,605
2029	724,000	58,650	782,650
2030	770,000	36,240	806,240
2031	<u>823,000</u>	<u>12,345</u>	<u>835,345</u>
Total	<u>\$ 7,634,000</u>	<u>\$ 2,303,400</u>	<u>\$ 10,065,906</u>

Capital Appreciation Bonds

On August 24, 2005, the District issued capital appreciation bonds of \$224,458 as part of the General Obligation Bonds, Series A issuance. Principal payments on the term bonds are due August 1 and interest is due on August 1 of each year. Debt service requirements are as follows:

Year Ending June 30	Principal	Interest	Total
2017	\$ 112,338	\$ 137,662	\$ 250,000
2018	<u>112,120</u>	<u>157,880</u>	<u>270,000</u>
Total	<u>\$ 224,458</u>	<u>\$ 295,542</u>	<u>\$ 520,000</u>

NOTE 6 - DEFINED BENEFIT PENSION PLAN

Plan Description: All qualified permanent and probationary employees are eligible to participate in the District's following cost-sharing multiple employer defined benefit pension plans (Plans):

- District Miscellaneous

The Plans are administered by the California Public Employees' Retirement System (CalPERS). Benefit provisions under the Plans are established by State statute and District resolution. CalPERS issues publicly available reports that include a full description of the pension plans regarding benefit provisions, assumptions and membership information that can be found on the CalPERS website.

Benefits Provided - CalPERS provides service retirement and disability benefits, annual cost of living adjustments and death benefits to plan members, who must be public employees and beneficiaries.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

Benefits are based on years of credited service, equal to one year of full time employment. Members with five years of total service are eligible to retire at age 50 with statutorily reduced benefits. All members are eligible for non-duty disability benefits after 10 years of service. The death benefit is one of the following: the Basic Death Benefit, the 1957 Survivor Benefit, or the Optional Settlement 2W Death Benefit. The cost of living adjustments for each plan are applied as specified by the Public Employees' Retirement Law.

The Plan provisions and benefits in effect at June 30, 2015, are summarized as follows:

	District Miscellaneous	
	Prior to January 1, 2013	On or after January 1, 2013
Hire date		
Benefit formula	2% @ 55	2% @ 62
Benefit vesting schedule	5 years service	5 years service
Benefit payments	monthly for life	monthly for life
Retirement age	50 – 55	52 - 67
Monthly benefits, as a % of eligible compensations	2.0% to 2.7%	1.0% to 2.5%
Required employee contribution rates	7%	6.5%
Required employer contribution rates	7%	6.5%

Contributions - Section 20814(c) of the California Public Employees' Retirement Law requires that the employer contribution rates for all public employers be determined on an annual basis by the actuary and shall be effective on the July 1 following notice of a change in the rate. Funding contributions for the Plans are determined annually on an actuarial basis as of June 30 by CalPERS. The actuarially determined rate is the estimated amount necessary to finance the costs of benefits earned by employees during the year, with an additional amount to finance any unfunded accrued liability. The District is required to contribute the difference between the actuarially determined rate and the contribution rate of employees.

For the year ended June 30, 2015, the contributions recognized as part of pension expense for each Plan were as follows:

	Miscellaneous
Contributions - employer	\$109,744

As of June 30, 2015, the District reported net pension liabilities for its proportionate shares of the net pension liability of the Miscellaneous Plans as follows:

	Proportionate Share of Net Pension Liability
Miscellaneous	\$ 708,539

The District's net pension liability for the Plans is measured as the proportionate share of the net pension liability. The net pension liability of the Plans is measured as of June 30, 2014, and the total pension liability for each Plan used to calculate the net pension liability was determined by an actuarial valuation as of June 30, 2013 rolled forward to June 30, 2014 using standard update procedures. The District's proportion of the net pension liability was based on a projection of the District's long-term share of contributions to the pension plans relative to the projected contributions of all participating employers, actuarially determined.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

The District's proportionate share of the net pension liability for each Plan as of June 30, 2013 and 2014 was as follows:

<u>District's Miscellaneous Plan</u>	<u>Miscellaneous</u>
Proportion - June 30, 2013	.026%
Proportion - June 30, 2014	.029%
Change – Increase (Decrease)	.003%

For the year ended June 30, 2015, the District recognized pension expense of (\$36,166). At June 30, 2015, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Pension contributions subsequent to measurement date	\$ 109,744	\$ -
Differences between actual and expected experience	-	-
Changes in assumptions	-	-
Change in employer's proportion and differences between the employer's contributions and the employer's proportionate share of contributions	-	(542)
Net differences between projected and actual earnings on plan investments	-	(685,673)
Total	\$ 109,744	\$ (686,215)

The \$109,744 amount reported as deferred outflows of resources related to contributions, subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2016.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as follows:

<u>Year Ended June 30</u>		
2016	\$	(37,552)
2017		(37,515)
2018		(37,358)
2019		-
2020		-
Thereafter		-

Actuarial Assumptions - The total pension liabilities in the June 30, 2013 actuarial valuations were determined using the following actuarial assumptions:

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

	All Plans(2)
Valuation Date	June 30, 2013
Measurement Date	June 30, 2014
Actuarial Cost Method	Entry-Age Normal Cost Method
Actuarial Assumptions:	
Discount Rate	7.5%
Inflation	2.75%
Payroll Growth	3.0%
Projected Salary Increase	Varies by Entry Age and Service
Investment Rate of Return	7.5% (2)
Mortality	Derived using CalPERS Membership Data for all Funds (3)
Post Retirement Benefit Increase	Contract COLA up to 2.75% until Purchasing Power Protection Allowance Floor on Purchasing Power applies, 2.75% thereafter.

- (1) Depending on age, service and type of employment
- (2) Net of pension plan investment expenses, including inflation
- (3) The mortality table used was developed based on CalPERS' specific data. The table includes 20 years of mortality improvements using Society of Actuaries Scale BB. For more details on this table, please refer to the CalPERS 2014 experience study report available on CalPERS website.
- (4) All of the District's plans for miscellaneous employed the same assumptions.

The underlying mortality assumptions and all other actuarial assumptions used in the June 30, 2013 valuation were based on the results of a January 2014 actuarial experience study for the period 1997 to 2011. Further details of the Experience Study can found on the CalPERS website.

Discount Rate - The discount rate used to measure the total pension liability was 7.50% for each Plan. To determine whether the municipal bond rate should be used in the calculation of a discount rate for each plan, CalPERS stress tested plans that would most likely result in a discount rate that would be different from the actuarially assumed discount rate. Based on the testing, none of the tested plans run out of assets. Therefore, the current 7.50 percent discount rate is adequate and the use of the municipal bond rate calculation is not necessary. The long term expected discount rate of 7.50 percent will be applied to all plans in the Public Employees Retirement Fund (PERF). The stress test results are presented in a detailed report that can be obtained from the CalPERS website.

According to Paragraph 30 of Statement 68, the long-term discount rate should be determined without reduction for pension plan administrative expense. The 7.50 percent investment return assumption used in this accounting valuation is net of administrative expenses. Administrative expenses are assumed to be 15 basis points. An investment return excluding administrative expenses would have been 7.65 percent. Using this lower discount rate has resulted in a slightly higher Total Pension Liability and Net Pension Liability. CalPERS checked the materiality threshold for the difference in calculation and did not find it to be a material difference.

CalPERS is scheduled to review all actuarial assumptions as part of its regular Asset Liability Management (ALM) review cycle that is scheduled to be completed in February 2018. Any changes to the discount rate will require Board action and proper stakeholder outreach.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
 For the Year Ended June 30, 2015

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

For these reasons, CalPERS expects to continue using a discount rate net of administrative expenses for GASB 67 and 68 calculations through at least the 2017-18 fiscal years. CalPERS will continue to check the materiality of the difference in calculation until such time as we have changed our methodology.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class.

In determining the long-term expected rate of return, CalPERS took into account both short-term and long-term market return expectations as well as the expected pension fund cash flows. Using historical returns on all the funds' asset classes, expected compound returns were calculated over the short-term (first 10 years) and the long-term (11-60 years) using a building-block approach. Using the expected nominal returns for both short-term and long-term, the present value of benefits was calculated for each fund. The expected rate of return was set by calculating the single equivalent expected return that arrived at the same present value of benefits for cash flows as the one calculated using both short-term and long-term returns. The expected rate of return was then set equivalent to the single equivalent rate calculated above and rounded down to the nearest one quarter of one percent.

The table below reflects the long-term expected real rate of return by asset class. The rate of return was calculated using the capital market assumptions applied to determine the discount rate and asset allocation. These rates of return are net of administrative expenses.

<u>Asset Class</u>	<u>New Strategic Allocation</u>	<u>Real Return Years 1-10⁽¹⁾</u>	<u>Real Return Years 11+⁽²⁾</u>
Global Equity	47.0%	5.25%	5.71%
Global Fixed Income	19.0	0.99	2.43
Inflation Sensitive	6.0	0.45	3.36
Private Equity	12.0	6.83	6.95
Real Estate	11.0	4.50	5.13
Infrastructure and Forestland	3.0	4.50	5.09
Liquidity	2.0	(0.55)	(1.05)

(1) An expected inflation of 2.5% used for this period

(2) An expected inflation of 3.0% used for this period.

Sensitivity of the Proportionate Share of the Net Pension Liability to Changes in the Discount Rate - The following presents the District's proportionate share of the net pension liability for each Plan, calculated using the discount rate for each Plan, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage point lower or 1-percentage point higher than the current rate:

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 - DEFINED BENEFIT PENSION PLAN (continued)

	<u>Miscellaneous</u>
1% Decrease	6.5%
Net Pension Liability	\$1,091,149
Current Discount Rate	7.50%
Net Pension Liability	\$708,539
1% Increase	8.50%
Net Pension Liability	\$391,009

Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in the separately issued CalPERS financial reports.

As of June 30, 2015
Last 10 Years*

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION
LIABILITY

2014

<u>District Plan</u>	<u>Miscellaneous</u>
Proportion of the net pension liability	0.01139%
Proportionate share of the net pension liability	\$708,539
Covered - employee payroll	\$450,150
Proportionate Share of the net pension liability as percentage of covered-employee payroll	157.40%
Plan fiduciary net position as a percentage of the total pension liability	75.43%

Notes to Schedule:

Benefit changes. In 2014, benefit terms were modified to base public safety employee pensions on a final three-year average salary instead of a final five-year average salary.

Changes in assumptions. In 2014, amounts reported as changes in assumptions resulted primarily from adjustments to expected retirement ages of general employees.

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

As of June 30, 2015
Last 10 Years*

SCHEDULE OF CONTRIBUTIONS

2014

	<u>Miscellaneous</u>
Contractually required contribution (actuarially determined)	\$ 82,050
Contributions in relation to the actuarially determined contributions	(82,050)
Contribution deficiency (excess)	\$ -
 Covered-employee payroll	 \$450,150
Contributions as a percentage of covered-employee payroll	18.23%

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

NOTE 6 - DEFINED BENEFIT PENSION PLAN (concluded)

Notes to Schedule:

Valuation date:

6/30/2013

Methods and assumptions used to determine contribution rates:

Single and Agent Employers Example	Entry age
Amortization method	Level percentage of payroll, closed
Remaining amortization period	15 years
Asset valuation method	5-year smoothed market
Inflation	3.50%
Salary increases	4.5%, average, including inflation of 3.0%
Investment rate of return	7.75%, net of pension plan investment expense, incl. inflation
Retirement age	57 yrs.
Mortality	RP-2000 Healthy Annuitant Mortality Table

* Fiscal year 2015 was the 1st year of implementation, therefore only one year is shown.

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 21.3% 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.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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

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, 2015, the amounts actually contributed to the plan (including administrative costs), and changes in the District's Net OPEB Obligation/(Asset):

	2015	2014
Annual Required Contributions	\$ 120,532	\$ 163,545
Interest on Net OPEB Obligation/(Asset)	11,281	3,745
Adjustment to Annual Required Contributions	(16,310)	(5,414)
Annual OPEB cost (expense)	115,503	161,876
Contributions made	(63,936)	(68,518)
Increase in Net OPEB Obligation/(Asset)	51,567	93,358
Net OPEB Obligation/(Asset) – beginning of year	282,031	188,673
Net OPEB Obligation/(Asset) – end of year	\$ 333,598	\$ 282,031

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
6/30/13	\$ 161,876	\$ 66,821	41%	\$ 188,673
6/30/14	\$ 161,876	\$ 68,518	42%	\$ 282,031
6/30/15	\$ 115,503	\$ 63,936	55%	\$ 333,598

Funded Status and Funding Progress. The funded status of the plan 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%
7/01/14	\$ -	\$ 1,483,107	\$ 1,483,107	0%	\$ 539,978	275%

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.

Cameron Park Community Services District
NOTES TO FINANCIAL STATEMENTS
For the Year Ended June 30, 2015

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

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, 2014 actuarial valuation, the projected unit credit cost method was used. The actuarial assumptions included a 4% 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%. 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 payrolls 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. One specific claim was filed on March 2, 2016, by the Friends of El Dorado County regarding developer impact fees. The outcome of these lawsuits is not presently determinable.

NOTE 11 - STEWARDSHIP AND COMPLIANCE

At June 30, 2015, only one non-major fund had negative fund equity as follows: Promotional Grant.

The fund's negative fund equity balance is expected to return to a positive status in fiscal year 2016.

NOTE 12 - PRIOR PERIOD ADJUSTMENTS

The prior period adjustment of \$(1,321,176) represents the change to the July 1, 2014 net position resulting from the GASB 68 implementation and the recording of the net pension liability.

NOTE 13 - SUBSEQUENT EVENTS

The District entered into a seven year lease to purchase a new fire engine in fiscal year 15-16.

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, 2015
(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	\$ 3,340,676	\$ 3,340,676	\$ 3,611,988	\$ 271,312
Franchise fees	155,000	155,000	163,396	8,396
Intergovernmental	1,038,708	1,038,708	1,063,792	25,084
Charges for services	547,564	547,564	641,532	93,968
Interest	<u>7,000</u>	<u>7,000</u>	<u>8,425</u>	<u>1,425</u>
Total revenues	<u>5,088,948</u>	<u>5,088,948</u>	<u>5,489,133</u>	<u>400,185</u>
Expenditures:				
General government	420,514	420,514	471,117	(50,603)
Recreation	346,648	346,648	305,388	41,260
Public safety	3,473,980	3,473,980	3,038,186	435,794
Facility	521,008	521,008	520,866	142
Parks	<u>628,024</u>	<u>628,024</u>	<u>648,007</u>	<u>(19,983)</u>
Total expenditures	<u>5,390,174</u>	<u>5,390,174</u>	<u>4,983,564</u>	<u>406,610</u>
Excess (deficit) of revenues over (under) expenditures	<u>\$ (301,226)</u>	<u>\$ (301,226)</u>	505,569	<u>\$ 806,795</u>
Fund balances, beginning of period			<u>3,348,221</u>	
Fund balances, end of period			<u>\$ 3,853,790</u>	

Cameron Park Community Services District
NON-MAJOR GOVERNMENTAL FUNDS
BALANCE SHEET
June 30, 2015

	CC& R 2	AB 1600 4	Fire Training 5	Fire Equipment Replacement 7	Fire Safe Project 8	Fire Prevention 9	Maintenance 30-50	Fund 71	Per Capita Grant 80	Promotional Grant 81	Debt Service 90	Total Governmental Funds
<u>ASSETS</u>												
Cash and investments	\$ 212,631	283,073	\$ 64,590	\$ 512,819	\$ 5,075	\$ 28,095	\$ 914,064	\$ 12,078	\$ 150,893	\$ -	\$ 409,123	\$ 2,592,441
Accounts receivable	1,828	-	-	-	-	-	13,584	-	-	-	-	15,412
Due from other funds	-	-	-	-	-	-	-	-	36	-	-	36
Total assets	<u>\$ 214,459</u>	<u>\$ 283,073</u>	<u>\$ 64,590</u>	<u>\$ 512,819</u>	<u>\$ 5,075</u>	<u>\$ 28,095</u>	<u>\$ 927,648</u>	<u>\$ 12,078</u>	<u>\$ 150,929</u>	<u>\$ -</u>	<u>\$ 409,123</u>	<u>\$ 2,607,889</u>
<u>LIABILITIES</u>												
Accounts payable	\$ 3,322	\$ -	\$ -	\$ -	\$ 230	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,552
Due to other funds	-	-	-	-	-	-	-	-	-	36	-	36
Total liabilities	<u>3,322</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>230</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>36</u>	<u>-</u>	<u>3,588</u>
<u>FUND BALANCES</u>												
Assigned for:												
Specific purposes	<u>211,137</u>	<u>283,073</u>	<u>64,590</u>	<u>512,819</u>	<u>4,845</u>	<u>28,095</u>	<u>927,648</u>	<u>12,078</u>	<u>150,929</u>	<u>(36)</u>	<u>409,123</u>	<u>2,604,301</u>
Total fund balances	<u>211,137</u>	<u>283,073</u>	<u>64,590</u>	<u>512,819</u>	<u>4,845</u>	<u>28,095</u>	<u>927,648</u>	<u>12,078</u>	<u>150,929</u>	<u>(36)</u>	<u>409,123</u>	<u>2,604,301</u>
Total liabilities and fund balances	<u>\$ 214,459</u>	<u>\$ 283,073</u>	<u>\$ 64,590</u>	<u>\$ 512,819</u>	<u>\$ 5,075</u>	<u>\$ 28,095</u>	<u>\$ 927,648</u>	<u>\$ 12,078</u>	<u>\$ 150,929</u>	<u>\$ -</u>	<u>\$ 409,123</u>	<u>\$ 2,607,889</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, 2015

	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	\$ 82,999	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 272,410	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 504,262	\$ 859,671
Charges for services	23,824	-	40,105	2,100	185,266	-	7,810	-	-	-	-	-	-	-	259,105
Other income	480	-	-	-	-	-	780	220	49,621	-	10,000	-	-	-	61,101
Interest	573	-	508	43	89	-	42	2,738	-	-	-	-	-	737	4,730
Total revenues	107,876	-	40,613	2,143	185,355	-	8,632	275,368	49,621	-	10,000	-	-	504,999	1,184,607
Expenditures:															
General government	99,433	-	-	8,234	-	-	10,000.00	-	-	-	-	-	-	-	117,667
Public safety	-	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Facility	-	20,719	-	-	-	-	-	267,173	-	-	-	-	-	-	287,892
Debt service:															
Principal	-	-	-	-	39,520	-	-	-	-	-	-	-	-	200,000	239,520
Interest	-	-	-	-	1,789	-	-	-	-	-	-	-	-	298,566	300,355
Total expenditures	99,433	20,719	-	8,234	41,309	-	10,000	267,173	-	-	-	-	-	498,566	945,434
Excess (deficit) of revenues over (under) expenditures	8,443	(20,719)	40,613	(6,091)	144,046	-	(1,368)	8,195	49,621	-	10,000	-	-	6,433	239,173
Fund balances, beginning of period	202,694	20,719	242,460	70,681	368,773	4,845	29,463	919,453	(49,621)	12,078	(10,000)	150,929	(36)	402,690	2,365,128
Fund balances, end of period	\$ 211,137	\$ -	\$ 283,073	\$ 64,590	\$ 512,819	\$ 4,845	\$ 28,095	\$ 927,648	\$ -	\$ 12,078	\$ -	\$ 150,929	\$ (36)	\$ 409,123	\$ 2,604,301