

CAMERON ESTATES COMMUNITY
SERVICES DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEARS ENDED
JUNE 30, 2018 AND 2017

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
For the Years Ended June 30, 2018 and 2017
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VAUGHN JOHNSON, CPA

INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors
Cameron Estates Community Services District
El Dorado County, California

I have audited the accompanying financial statements of the government activities, general fund, and the aggregate remaining fund information of Cameron Estates Community Services District as of and for the years ended June 30, 2018 and 2017, which collectively comprise the District's 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

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the 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 the auditor's 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, the auditor considers internal control relevant to the entity'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 the entity's internal control. Accordingly, I 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.

I believe that the audit evidence I have obtained is sufficient and appropriate to provide a basis for my audit opinions.

Opinions

In my opinion, with the exception of the management discussion and analysis, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, general fund, and the aggregate remaining fund information of the Cameron Estates Community Services District as of June 30, 2018 and 2017, and the respective changes in financial position for the years then ended in conformity 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 analysis and budgetary comparison information on pages 14 through 15 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. I 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 my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Management has not presented management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing 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. My opinion on the basic financial statements is not affected by this missing information.

My audit was conducted for the purpose of forming an opinion on the basic financial statements of Cameron Estates Community Services District taken as a whole. The accompanying supplemental information of Agreed upon Procedures Report for Appropriations Limit calculation is presented for purposes 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 my opinion, is fairly stated, in all material respects, in relation to the basic financial statements taken as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Accounting Standards*, I have also issued my report dated January 8, 2019, on my consideration of Cameron Estates Community Services District's internal control over financial reporting and on my tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of my testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of my audit.

Vaughn Johnson

Vaughn Johnson, CPA
January 8, 2019

CAMERON ESTATES COMMUNITY SERVICES DISTRICT

Balance Sheet and Statement of Net Position

June 30, 2018 and 2017

	2018			2017		
	General Fund	Adjustments	Statement of Net Position	General Fund	Adjustments	Statement of Net Position
ASSETS						
Cash in county treasury	\$ 196,909	\$ -	\$ 196,909	\$ 119,284	\$ -	\$ 119,284
Special assessments receivables	1,650		1,650	1,650		1,650
Accounts receivable				3,188		3,188
Prepays	5,257		5,257	4,576		4,576
Total Assets	<u>\$ 203,816</u>	<u>\$ -</u>	<u>\$ 203,816</u>	<u>\$ 128,698</u>	<u>\$ -</u>	<u>\$ 128,698</u>
LIABILITIES						
Accounts payable	\$ 2,038	\$	\$ 2,038	\$ 5,789	\$	\$ 5,789
Salaries and benefits payable	538		538	861		861
Deferred revenues	1,650			1,650		1,650
Total Liabilities	<u>4,226</u>		<u>2,576</u>	<u>8,300</u>		<u>8,300</u>
FUND BALANCE/NET POSITION						
Fund Balances:						
Restricted	<u>199,590</u>	<u>(199,590)</u>		<u>120,398</u>	<u>(120,398)</u>	
Total Fund Balance	<u>199,590</u>	<u>(199,590)</u>		<u>120,398</u>	<u>(120,398)</u>	
Total Liabilities and Fund Balance	<u>\$ 203,816</u>			<u>\$ 128,698</u>		
NET POSITION						
Restricted		<u>199,590</u>	<u>199,590</u>		<u>120,398</u>	<u>120,398</u>
TOTAL NET ASSETS		<u>199,590</u>	<u>\$ 199,590</u>		<u>\$ 120,398</u>	<u>\$ 120,398</u>

See notes to financial statements.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Adjustments-Total Government Fund Balance to
Net Position of Government Activities
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Total Governmental Fund Balance	\$ 199,590	\$ 120,398
Amounts reported in governmental activities in this statement of net assets are different because:		
Capital assets (net of depreciation) used in the government activities are not financial resources and therefore are not reported in the funds	<u> </u>	<u> </u>
Net Position of Governmental Activities	<u><u>\$ 199,590</u></u>	<u><u>\$ 120,398</u></u>

See notes to financial statements.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Statement of Fund Revenues, Expenditures/Expenses and Changes in Fund Balance/
Statement of Activities
For the Years Ended June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
PROGRAM EXPENSES		
Salaries and employee benefits	\$ 28,003	\$ 23,769
Road maintenance	10,006	195,230
Materials and services	<u>93,607</u>	<u>73,007</u>
TOTAL PROGRAM EXPENSES	131,616	292,006
PROGRAM REVENUES		
Other program revenues	<u>39,580</u>	<u>30,750</u>
TOTAL PROGRAM REVENUES	<u>39,580</u>	<u>30,750</u>
NET PROGRAM	<u>(92,036)</u>	<u>(261,257)</u>
GENERAL REVENUES		
Property taxes	97,176	93,551
Homeowners property tax relief	886	879
Direct benefit assessments	71,336	73,961
Investment earnings	<u>1,830</u>	<u>717</u>
TOTAL GENERAL REVENUES	171,228	169,108
INCREASE (DECREASE) IN NET POSITION	79,192	(92,149)
FUND BALANCE/NET POSITION		
Beginning of the year	<u>120,398</u>	<u>212,547</u>
End of the year	<u><u>\$ 199,590</u></u>	<u><u>\$ 120,398</u></u>

See notes to financial statements.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2018 and 2017

1. ORGANIZATION AND HISTORY

On August 26, 1969, the Cameron Estates Community Services District was created by the Board of Supervisors of the County of El Dorado Resolution No. 309-69. The purpose of the District is to provide:

- a. Maintenance and repair of road surfaces;
- b. Maintenance and cleanup of access easements on either side of the paved roadway surfaces; and
- c. Definition of riding trails within the District.
- d. Subsequently, additional authorities were added by a majority of the property owners of the District through special elections.

The District's powers are exercised through an elected Board of Directors composed of five members.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Implementation of Governmental Accounting Standards Board Statements

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The provisions of the following Governmental Accounting Standards Board (GASB) Statements have been implemented by the District for the years ended June 30, 2018:

GASB Statement No. 54, Fund Balance Reporting and Governmental Fund Type Definitions; establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds;

GASB Statement No. 63, Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position; provides financial reporting guidance for deferred outflows of resources and deferred inflows of resources and their effect on government's net position; and

GASB Statement No. 65, Items Previously Reported as Assets and Liabilities; establishes accounting and financial reporting standards that reclassify as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Basis of Presentation

Government-wide Financial Statements

The statement of net assets and statement of activities display information about the primary government (the District). These statements include the financial activities of the overall government, except fiduciary activities, if any.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2018 and 2017

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented instead of general revenues.

When both restricted and unrestricted net assets are available, restricted resources are used only after the unrestricted resources are depleted.

Fund Financial Statements

The fund financial statements provide information about the District's funds, including fiduciary funds, if any. The emphasis of fund financial statements is on major governmental funds, displayed in a separate column. All remaining governmental funds, if any, are separately aggregated and reported as nonmajor funds. The District has only one fund.

The District reports the following major governmental fund:

- The General Fund is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. For the District, the General Fund includes such activities as general government, and road maintenance.

Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting related to the timing of the measurements made, regardless of the measurement focus applied. The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting.

Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Non-exchange transactions, which the District does not give (or receive) equal value in exchange, includes property and sales taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenues from grants, entitlements, and donations are recognized in the fiscal year in which all eligible requirements have been satisfied.

Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing resources.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2018 and 2017

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. Expenditures may not exceed budgeted appropriations at the activity level. The general fund completed the year within its legally authorized budget.

Non-current Governmental Assets/Liabilities

GASB Statement No. 34 eliminates the presentation of account groups, but provides for these records to be maintained and incorporates the information into the Governmental Activities column in the government-wide statement of net assets.

Cash and Investments

The District has instrumented the County of El Dorado to invest excess funds on deposit in their overall pooling of investment. The District's interest is then allocated according to the average cash balance in the County Treasury based upon the overall investments of the county.

The County sponsors an investment pool that is managed by the County Treasurer. The Treasurer invests on behalf of most funds of the County and external participants in accordance with the California State Government Code and the County's investment policy. The State of California (State) statutes the County to invest its cash surplus in obligations of the U.S. Treasury, agencies and instrumentalities, corporate bonds, medium term notes, bankers' acceptances, certificates of deposit, commercial paper, repurchase agreements, and the State of California Local Agency Investment Fund.

Investments are reported at fair value. The fair value represents the amount the County could reasonably expect to receive for an investment in a current sale between a willing buyer and seller. The fair value of investments is obtained by using quotations obtained from independent published sources.

Participants' equity in the investment pool is determined by the dollar amount of participant deposits, adjusted for withdrawals and distributed investment income. Investment income is determined on an amortized cost basis. Amortized premiums and accreted discounts, accrued interest, and realized gains and losses, net of expense, are apportioned to pool participants every month. This method differs from the fair value method used to value investments in these financial statements, on an annual basis, as unrealized gains or losses are not apportioned to pool participants.

Income from pooled investments is allocated to the individual funds or external participants based on the fund or participants' average daily cash balance at month end in relation to the total pool investments.

The County investment pool is not registered with the Securities and Exchange Commission as an investment company. Investments made by the Treasurer are regulated by the California Government Code and by the County's investment policy. The objectives of the policy are in order of priority, safety, liquidity, public trust, and yield. The County has established a treasury oversight committee to monitor and review the management of public funds maintained in the investment pool in accordance with Article 6 Section 27131 of the California Government Code. The oversight committee and the Board of Supervisors review and approve the investment policy annually.

Capital Assets and Depreciation

Capital assets are recorded at historical cost, or at estimated historic cost, if actual historical cost is not available. Contributed fixed assets are valued at their estimated fair market value on the date contributed. Capital equipment consists of purchased equipment with an initial, individual cost of more than \$1,500 and an estimated useful life in excess of one year.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2018 and 2017

Compensated Absences

The District has not accumulated compensated absences which were considered immaterial.

Property Taxes

The District receives property taxes from El Dorado County (County), which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. The District's property taxes are levied each July 1, on the assessed values as of the prior January 1 for all real and personal property located in the District. Property sold after the assessment date (January 1) is reassessed and the amount of the supplemental property tax levied is prorated. Secured property taxes are due in two installments on November 1 and February 1 and are delinquent after December 10 and April 10, respectively. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31.

The District participates in the County "Teeter Plan" method of property tax distribution and thus receives 100% of the District's apportionment each fiscal year, eliminating the need for an allowance for uncollectibles. The County, in return, receives all penalties and interest on the related delinquent taxes. 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.

Use of Estimates

The preparation of financial statements in accordance with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, and expenses during the reporting period. Actual results could differ from these estimates and the differences may be material.

3. TAXES FOR MAINTENANCE DISTRICT

The District operates under provisions of Section 2167.1 of the Revenue and Taxation Code which allows for a property tax levy in the amount sufficient to pay for the services provided by the maintenance district.

RESOLUTION NO. 341-83, COUNTY OF EL DORADO

At a regular meeting of the El Dorado Board of Supervisors held December 6, 1983, the Board voted to remain on the Teeter Plan on apportioning ad valorem property taxes for an indefinite period of time. Clarifying this action on February 14, 1984, the Board declared its intent for bond assessment that were in effect at the time the Board took such action to also stay on the Teeter Plan.

The Board's action means that property tax apportionments will continue to be apportioned at a 100% rate in October each year. Direct assessment (those charges added to the roll as a dollar amount) not representing bonding indebtedness, repayments, and all direct assessments begun after the 1983-84 fiscal year, will be apportioned as collected.

The District has assessed a special assessment as approved by a special election of the property owner's of the District. The parcels within the District's boundaries are assessed \$250 for residential parcels for fiscal years 2017/2018 and 2016/2017 to provide and maintain the present level of road maintenance services. Delinquent direct assessments receivable for the fiscal years ended June 30, 2018 and 2017 were \$1,650, which includes the statutory penalty of 10% and deferred revenues for June 30, 2018 and 2017 were \$1,650. The total assessment for 2018/2017 was \$72,750, and the total assessment for 2017/2016 was \$72,750. Resolution No. 2016-05 special assessment starting fiscal years 2016/2017 imposes \$250 for all parcels including commercial parcels.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2018 and 2017

4. SUMMARY OF CHANGES IN CAPITAL ASSETS

Capital assets are recorded as expenditures in the budgetary fund at the time of purchase. Such assets are capitalized at cost in the general fixed assets group of accounts. There are currently no capital assets.

5. OTHER CONTINGENT LIABILITIES AND SUBSEQUENT EVENTS

There are claims and litigations pending which are considered normal to the District's operations. After reviewing these actions and proceeding with District counsel, the management believes that the outcome of such proceedings will have no material effect on the financial position or results of operations of the District. The District has evaluated subsequent events through December 3, 2018, the date which financial statements were available to be issued.

6. INSURANCE COVERAGE

The District contracts for Public Liability and Property Damage insurance through the Special District Risk Management Authority. The Special District Risk Management Authority is an intergovernmental risk sharing joint powers authority created pursuant to California Government Code Section 6500 et. seq. Premiums are based on a combination of potential loss exposure (risk) and prior period loss experience. The specific insurance coverage and loss exposures, for contracts currently in force appears to adequately cover potential losses.

7. PROPOSITION 218 DISCLOSURES

Proposition 218, which was approved by the voters in November 1996, will regulate the District's ability to impose, increase and extend taxes, assessments, and fees. Any new, increased or extended taxes, assessments, and fees subject to the provisions of Proposition 218, requires voter approval before they can be implemented. Additionally, Proposition 218 provides that these taxes, assessments, and fees are subject to the voter initiative process and may be rescinded in the future by voters. Therefore, the District's ability to finance the services for which the taxes, assessments, and fees were imposed may be significantly impaired. At this time, it is uncertain how Proposition 218 will affect the District's ability to maintain or increase the revenue it receives from taxes, assessments, and fees.

8. NET POSITION/FUND BALANCE

Net Position

The government-wide and proprietary fund financial statements utilize a net position presentation. Net position is categorized as net investment in capital assets, restricted and unrestricted.

- *Net Investment in Capital Assets:* This category groups all capital assets, including Infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position:* This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Included in governmental activities restricted net position at June 30, 2018, is net position restricted by enabling legislation of \$94,240.
- *Unrestricted Net Position:* This category represents net assets of the District, not restricted for any project or other project.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2018 and 2017

B. Fund Balances

As prescribed by GASB Statement No. 54, governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in those funds. As of June 30, 2018, fund balances for governmental funds comprise the following based on the relative strength of the constraints that control how specific amounts can be spent:

- *Nonspendable Fund Balance:* This category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The "not in spendable form" criterion includes items that are not expected to be converted to cash, for example, inventories, and prepaid amounts.
- *Restricted Fund Balance:* This category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.
- *Committed Fund Balance:* This category includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority (resolution by the District's Board). Commitments may be changed or lifted only by the District's Board taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance:* This category comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. *Intent* is expressed by (a) the District's Board or (b) a body (a budget or finance committee, for example) or official to which the District's Board has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance:* This category is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification was used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

In circumstances when an expenditure is incurred for purposes for which amounts are available in multiple fund balance classifications, fund balance is generally depleted in the order of restricted, committed, assigned, and unassigned.

9. POTENTIAL CONFLICTS OF INTEREST

Government Code Sections 1090-1099 stipulate certain activities considered to be a "conflict of interest" if performed by district board members and/or employees in their official capacity. These prohibited activities include:

- The involvement in the disbursement of moneys or payments with vendors in which they have a financial interest.
- The disclosure of information, which is not a matter of public record, which may result in a financial gain to a district board member, district employee, or another party.

The District's Board members are aware of these Government Code restrictions and, further, assert their avoidance of these activities and any other that might be perceived, by a reasonable person, to be a conflict of interest.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Notes to Basic Financial Statements
June 30, 2018 and 2017

10. PREVAILING WAGE RATES

The provisions of Labor Code 1770-1771 related to contracts entered into by governmental agencies impose a liability to pay prevailing wage rates to workers employed on public works projects. California Labor Code requires that workers employed on public works be paid not less than "the prevailing rate of per diem wages for work of a similar character in the locality." A public works contractor who pays less than the prevailing wage rates will be liable to the worker for the difference. The State of California may sue for the amounts due.

The District's Board members are aware of this Labor Code and understand their responsibilities to call this requirement to the attention of contractors employed by the District. Further, the District's Board members understand that the notification of potential contractors of the applicability of the Labor Codes, limits the liability of the District for a contractor's failure to comply with the law.

CAMERON ESTATES COMMUNITY SERVICE DISTRICT
Required Supplemental Information
For the Years Ended June 30, 2018 and 2017

GENERAL FUND

The *general fund* is used to account for all revenues and expenditures necessary to carry out basic governmental activities of the District that are not accounted for through other funds. The general fund includes such activities as public road maintenance.

CAMERON ESTATES COMMUNITY SERVICES DISTRICT**Budgetary Comparison Schedule****General Fund****For the Year Ended June 30, 2018**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balances July 1	\$ 119,284	\$ 119,284	\$ 120,398	1,114
Resources (inflows)				
Property taxes	87,200	87,200	97,089	9,889
Direct special assessments	72,750	72,750	71,336	(1,414)
State homeowner's property tax exemption	800	800	886	86
Use of Money interest	300	300	1,830	1,530
Penalty & Cost Delinquent Taxes	100	100	87	(13)
Permit: road privileges	2,000	2,000	2,000	-
Miscellaneous revenue	1,500	35,000	37,580	2,580
Amounts available for appropriation	283,934	317,434	331,206	13,772
Charges to appropriations (outflows)				
Employee wages	26,000	26,000	25,380	620
Payroll taxes: OASDI	1,700	1,700	1,574	126
Payroll taxes: Medi Care	360	360	368	(8)
Workers' compensation	700	800	681	119
Telephone	7,900	10,000	8,637	1,363
Insurance	4,000	4,000	3,967	33
Maint: Service Contract	200	200		200
Maint: Building & Improvement	15,000	18,000	20,295	(2,295)
Maintenance: Roads	6,000	6,000	4,549	1,451
Maintenance Building: Supplies	2,500	3,500	2,756	744
Membership	900	900	945	(45)
Miscellaneous expenses	500	500	281	219
Office	500	500	342	158
Postage	300	300	247	53
Printing		-	130	(130)
Professional & Specialized Services	3,000	3,000	2,280	720
Road Maint & Construction	162,524	169,424	10,006	159,418
Agency Administration	150	150	124	26
Audit & Accounting	6,000	6,000	-	6,000
Legal	20,000	40,000	41,520	(1,520)
Edc Dept	2,000	2,000	242	1,758
Director Services	3,000	3,000	2,040	960
Publications & Legal Notices	400	400	76	324
Rent & Lease	600	600	600	-
Computer	1,000	1,200	1,225	(25)
Education Training: Board of Director	500	500	650	(150)
Road Signs	1,000	1,000		1,000
Transportation & Travel	200	200	395	(195)
Mileage: Employee	500	700	966	(266)
Utilities	1,500	1,500	1,340	160
Total services and supplies	268,934	302,434	131,616	170,818
Appropriation for contingencies	15,000	15,000	-	15,000
Total charges to appropriations	283,934	317,434	131,616	185,818
Budgetary Balances June 30	\$ -	\$ -	\$ 199,590	\$ 199,590

CAMERON ESTATES COMMUNITY SERVICES DISTRICT**Budgetary Comparison Schedule****General Fund****For the Year Ended June 30, 2017**

	Original Budget	Final Budget	Actual Amount	Variance with Final Budget Positive (Negative)
Budgetary fund balances July 1	\$ 228,472	\$ 228,472	\$ 212,547	(15,925)
Resources (inflows)				
Property taxes	80,200	80,200	91,816	11,616
Direct special assessments	72,750	72,750	73,961	1,211
State homeowner's property tax exemption	800	800	879	79
Use of Money interest	300	300	717	417
Permit: road privileges	2,000	2,000	2,000	-
Penalty & Cost Delinquent Taxes	100	100	1,735	1,635
Miscellaneous revenue	1,500	1,500	28,750	27,250
Amounts available for appropriation	386,122	386,122	412,405	26,283
Charges to appropriations (outflows)				
Employee salaries	20,800	20,800	22,080	(1,280)
Payroll taxes	1,602	1,602	1,689	(87)
Workers compensation	700	700		700
Telephone	7,700	7,700	7,602	98
Insurance	3,500	3,500	3,242	258
Maint: Service Contract			120	(120)
Maint: Building & Improvements	10,000	10,000	22,594	(12,594)
Maintenance: Roads	6,000	6,000	4,549	1,451
Maintenance Building: Supplies	2,000	2,000	3,266	(1,266)
Memberships	900	900	897	3
Miscellaneous expenses	500	500	949	(449)
Office	500	500	70	430
Postage	300	300	154	146
Printing	200	200		200
Professional & Specialized Services	3,000	3,000		3,000
Road Main & Construction	279,470	279,470	195,230	84,240
Agency administrative fee	150	150	139	11
Audit and accounting services	7,000	7,000	5,500	1,500
Legal services	15,000	15,000	17,420	(2,420)
Edc Dept	2,000	2,000	684	1,317
Director Services	3,000	3,000	1,680	1,320
Publication & Legal Notices	400	400	388	12
Rent & Lease	600	600	600	-
Computer	1,500	1,500	1,365	135
Educational Training: Board of Directors	-	-	49	(49)
Fire Prevention Supplies	500	500	-	500
Road: Signs	1,000	1,000	62	938
Transportation & Travel	200	200	-	200
Mileage: Employee	500	500	298	202
Utilities	2,100	2,100	1,380	720
Total services and supplies	371,122	371,122	292,006	(79,116)
Appropriation for contingencies	15,000	15,000	-	(15,000)
Total charges to appropriations	386,122	386,122	292,006	(94,116)
Budgetary Balances June 30	\$ -	\$ -	\$ 120,398	\$ 120,398

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Budgetary Comparison Schedule
General Fund
For the Years Ended June 30, 2018 and 2017

An explanation of the difference between budgetary inflows and outflows, and GAAP revenues and expenditures.

	<u>2018</u>	<u>2017</u>
<u>Sources/Inflows of Resources</u>		
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparisons schedule	\$ 331,206	\$ 412,405
Difference budget to GAAP The fund balance at the beginning of the year is a budgetary resource, but is not a current year revenue for financial reporting purposes	<u>(120,398)</u>	<u>(212,547)</u>
Total Revenues as reported on the statement of revenues, expenditures and changes in fund balance governmental funds	<u>210,808</u>	<u>199,858</u>
<u>Uses/Outflow resources</u>		
Actual amounts (budgetary) "total charges to appropriations" from budgetary comparison schedule	\$131,616	\$292,006
Other GAAP adjustments-appropriations for contingencies	<u> </u>	<u> </u>
Total Expenditures as reported on the statement of revenues, expenditures and changes in fund balance governmental funds	<u>\$131,616</u>	<u>\$292,006</u>

VAUGHN JOHNSON, CPA

AGREED UPON PROCEDURES REPORT FOR APPROPRIATIONS LIMIT CALCULATION

To: The Board of Directors
Cameron Estates Community Services District

I have applied the procedures enumerated below to the accompanying Appropriations Limit Worksheet of the Cameron Estates Community Services District, for the years ended June 30, 2018 and 2017. The procedures, which were agreed to by the League of California Cities and presented in their Article XIII B Appropriations Limitation Uniform Guidelines, were performed solely to assist you in meeting the requirements of Section 1.5 Article XIII B of the California Constitution. This report is intended for the information of the management and the Board of Directors. This restriction is not intended to limit the distribution of this report, which is a matter of public record.

The procedures performed and my findings were as follows:

1. I obtained the complete Worksheet supporting the computation of the limit and determined that the limit and annual adjustment factors were adopted by resolution of the Board of Directors.
2. For the accompanying Appropriations Limit Worksheets, I added last year's limit to the annual adjustment, and agreed the resulting amount to this year's limit.
3. I agreed the current year information presented in the accompanying Appropriations Limit Worksheet to the appropriate supporting worksheets described in Number 1 above.
4. I agreed the prior year appropriations limit presented in the accompanying Appropriations Limit Worksheet to the prior year appropriations limit adopted by the Board of Directors.

These agreed-upon procedures are substantially less in scope than an audit, the objective of which is the expression of an opinion on the accompanying Appropriations Limit Worksheet. Accordingly, I do not express such an opinion.

Based upon the application of the procedures referred to above, nothing came to my attention that caused me to believe that the accompanying Appropriations Limit Worksheet was not computed in accordance with Article XIII B of the California Constitution. Had I performed additional procedures or had I made an audit of the accompanying Appropriations Limit Worksheet, matters might have come to my attention that would have been reported to you.

Vaughn Johnson

Vaughn Johnson, CPA
January 08, 2019

CAMERON ESTATES COMMUNITY SERVICES DISTRICT
Appropriations Limit Worksheet
June 30, 2018 and 2017

	<u>2018</u>	<u>2017</u>
Appropriations limit beginning of fiscal year	<u>\$555,094.02</u>	<u>\$523,278.68</u>
Adjustment factors		
Population growth		
Per capita Personal Income (inflation)		
Total Adjustment	1.0416	1.0608
Annual adjustment in dollars	<u>\$23,091.91</u>	<u>\$31,815.34</u>
Appropriations limit end of fiscal year	<u><u>\$578,185.94</u></u>	<u><u>\$555,094.02</u></u>

VAUGHN JOHNSON, CPA

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

To: The Board of Directors
Cameron Estates Community Services District

I have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities of Cameron Estates Community Services District for the years ended June 30, 2018 and 2017, and the related notes to the financial statements, which collectively comprise Cameron Estates Community Services District's basic financial statements, and have issued my report thereon dated January 8, 2019.

Internal Control over Financial Reporting

In planning and performing my audit of the financial statements, I considered Cameron Estates Community Services District's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing my opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of Cameron Estates Community Service's internal control. Accordingly, I do not express an opinion on the effectiveness of Cameron Estates Community Services District's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

My consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or, significant deficiencies. Given these limitations, during my audit I did not identify any deficiencies in internal control that I consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether Cameron Estates Community Service District's financial statements are free from material misstatement, I performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of my audit, and accordingly, I do not express such an opinion. The results of my tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Purpose of this Report

The purpose of this report is solely to describe the scope of my testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Vaughn Johnson

Vaughn Johnson, CPA
January 8, 2019