

**FALLEN LEAF LAKE  
COMMUNITY SERVICES DISTRICT**

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**FINANCIAL STATEMENTS  
AND INDEPENDENT AUDITOR'S REPORT  
for the year ended June 30, 2018**

**ROBERT W. JOHNSON**  
**Certified Public Accountant**

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INDEPENDENT AUDITOR'S REPORT

To the Board of Directors  
Fallen Leaf Lake Community Services District  
Fallen Leaf Lake, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the enterprise activities and the governmental activities of Fallen Leaf Lake Community Services District, as of and for the year ended June 30, 2018, as listed in the table of contents, and the related notes to the financial statements.

**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 an opinion 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 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, 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 opinion.

### **Opinion**

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the enterprise activities and the governmental activities of Fallen Leaf Lake Community Services District as of June 30, 2018, and the results of its operations, and, where applicable, cash flows thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America, as well as the accounting systems prescribed by the State Controller's Office and State Regulations governing Special Districts.

### **Other-Matters**

#### *Required Supplementary Information*

The Management's Discussion and Analysis is not a required part of the financial statements but is supplemental information required by the Government Auditing Standards Board. Management has elected to omit the Management's Discussion and Analysis.

#### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the financial statements as a whole. The supplemental information listed in the table of contents is presented for purposes of additional analysis and is not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements.

The information has been subjected to the auditing procedures applied in the audit of the financial statements and, in our opinion, is fairly stated, in all material respects, in relation to the financial statements taken as a whole.

*Robert W. Johnson, An Accountancy Corporation*

Citrus Heights, California  
October 26, 2018

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT  
STATEMENT OF NET POSITION AND GOVERNMENTAL FUND BALANCE SHEET  
June 30, 2018

ASSETS	<u>General Fund</u>	<u>Fire Department</u>	<u>Parks &amp; Recreation</u>
Cash (Note 3)	\$ 26,047	\$ 799,221	\$ 346,565
Accounts receivable	-	70,844	-
Capital assets (Note 4)	-	-	-
Less, accumulated depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total assets	\$ <u>26,047</u>	\$ <u>870,065</u>	\$ <u>346,565</u>
 LIABILITIES			
Accounts payable and accrued liabilities	\$ 1,014	\$ 3,123	\$ -
Lease deposit	-	-	35,114
Slip deposit accrual	-	-	8,231
Long-term debt (Note 5)	<u>-</u>	<u>-</u>	<u>-</u>
Total liabilities	<u>1,014</u>	<u>3,123</u>	<u>43,345</u>
 FUND BALANCES/NET ASSETS			
Fund balances:			
Restricted	-	-	-
Committed	-	-	-
Unassigned	<u>25,033</u>	<u>866,942</u>	<u>303,220</u>
Total fund balances	<u>25,033</u>	<u>866,942</u>	<u>303,220</u>
Total liabilities and fund balances	\$ <u>26,047</u>	\$ <u>870,065</u>	\$ <u>346,565</u>
 Net position:			
Net investment in capital assets			
Unrestricted			
Total net position			

See notes to financial statements

<u>Adjustments</u>	<u>Statement of Net Position</u>
\$ -	\$ 1,171,833
-	70,844
2,856,865	2,856,865
<u>(1,267,865)</u>	<u>(1,267,865)</u>
<u>\$ 1,589,000</u>	<u>\$ 2,831,677</u>

\$ -	\$ 4,137
-	35,114
-	8,231
<u>-</u>	<u>-</u>
<u>-</u>	<u>47,482</u>

-	-
-	-
<u>(1,195,195)</u>	<u>-</u>
<u>(1,195,195)</u>	<u>-</u>

1,589,000	1,589,000
<u>1,195,195</u>	<u>1,195,195</u>
<u>\$ 2,784,195</u>	<u>\$ 2,784,195</u>

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
GENERAL FUND  
for the year ended June 30, 2018

	<u>Govenmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
District administrative expenses	\$ 64,282	\$ -	\$ 64,282
Capital outlay	-	-	-
Depreciation	<u>-</u>	<u>-</u>	<u>-</u>
Total program expenditures/ expenses	<u>64,282</u>	<u>-</u>	<u>64,282</u>
Program revenues:			
Reimbursements from other activities	<u>64,000</u>	<u>-</u>	<u>64,000</u>
General revenues:			
Interest and other income	<u>1</u>	<u>-</u>	<u>1</u>
Excess (expenditures) over revenues/change in net position	( 281)	-	( 281)
Beginning fund balances/ net position	<u>25,314</u>	<u>-</u>	<u>25,314</u>
Ending fund balances/net position	<u>\$ 25,033</u>	<u>\$ -</u>	<u>\$ 25,033</u>

See notes to financial statements

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
FIRE DEPARTMENT  
for the year ended June 30, 2018

	Governmental <u>Fund</u>	<u>Adjustments</u>	Statement of Activities
Program expenditures/expenses:			
Public protection	\$ 865,365	\$ -	\$ 865,365
Capital outlay	-	-	-
Depreciation	-	60,183	60,183
Debt service - principal	<u>26,168</u>	<u>( 26,168)</u>	<u>-</u>
Total program expenditures/ expenses	<u>891,533</u>	<u>34,015</u>	<u>925,548</u>
Program revenues	<u>728,840</u>	<u>-</u>	<u>728,840</u>
General revenues:			
Tax revenue	39,429	-	39,429
Direct assessment	196,047	-	196,047
Fundraising events (net)	8,146	-	8,146
Donations	10,230	-	10,230
Interest income	34	-	34
FD Reserve Fund	4,000	-	4,000
Grant revenue	-	-	-
Sale of equipment	-	-	-
Other income	<u>2,630</u>	<u>-</u>	<u>2,630</u>
Total general revenues	<u>260,516</u>	<u>-</u>	<u>260,516</u>
Excess (expenditures) revenues/change in net position	97,823	( 34,015)	63,808
Beginning fund balances/net position	<u>769,119</u>	<u>901,942</u>	<u>1,671,061</u>
Ending fund balances/net position	<u>\$ 866,942</u>	<u>\$ 867,927</u>	<u>\$1,734,869</u>

See notes to financial statements



FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT  
STATEMENT OF ACTIVITIES AND GOVERNMENTAL FUND REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES  
PARKS & RECREATION  
for the year ended June 30, 2018

	<u>Governmental Fund</u>	<u>Adjustments</u>	<u>Statement of Activities</u>
Program expenditures/expenses:			
Recreation	\$ 83,656	\$ -	\$ 83,656
Capital outlay	10,456	( 10,456)	-
Depreciation	<u>-</u>	<u>33,770</u>	<u>33,770</u>
Total program expenditures/ expenses	<u>94,112</u>	<u>23,314</u>	<u>117,426</u>
Program revenues:			
Concessionaire payments	<u>101,932</u>	<u>-</u>	<u>101,932</u>
General revenues:			
Interest and other income	<u>10,491</u>	<u>-</u>	<u>10,491</u>
Excess revenues (expenditures)/change in net position	18,311	( 23,314)	( 5,003)
Beginning fund balances/net position	<u>284,909</u>	<u>744,387</u>	<u>1,029,296</u>
Ending fund balances/net position	\$ <u>303,220</u>	\$ <u>721,073</u>	\$ <u>1,024,293</u>

See notes to financial statements

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT  
STATEMENT OF REVENUES AND EXPENDITURES  
GENERAL FUND  
BUDGET AND ACTUAL  
for the year ended June 30, 2018

	<u>Budget</u>	<u>Actual</u>	<u>Favorable/ (Unfavorable) Variance</u>
Revenues:			
Interest income	\$ -	\$ 1	\$ 1
Reimbursement - Parks	45,000	45,000	-
Reimbursement - Fire Dept.	19,000	19,000	-
Other	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>64,000</u>	<u>64,001</u>	<u>1</u>
Expenditures:			
Contingency fund	-	-	-
Personnel	39,943	41,219	( 1,276)
Insurance	-	-	-
Memberships	1,350	1,390	( 40)
Website	1,300	2,469	( 1,169)
Equipment purchases	-	-	-
Postage	900	796	104
Printing	150	-	150
Audit/accounting	4,100	4,025	75
Legal	2,500	3,308	( 808)
Bookkeeping	6,400	7,300	( 900)
Office supplies	2,000	1,812	188
Telephone	1,800	1,502	298
Miscellaneous	100	-	100
Meetings and legal notices	200	80	120
Internet	2,727	-	2,727
LAFCO support	380	341	39
Election	100	-	100
Bank charges	<u>50</u>	<u>40</u>	<u>10</u>
Total expenditures	<u>64,000</u>	<u>64,282</u>	<u>( 282)</u>
Excess of revenues (expenditures)	<u>\$ -</u>	<u>\$ ( 281)</u>	<u>\$ ( 281)</u>

See notes to financial statements