

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

	<u>Budget</u>	<u>Actual</u>	Favorable (Unfavorable) <u>Variance</u>
Revenues:			
Tax revenue	\$ 36,000	\$ 39,429	\$ 3,429
Direct assessment	203,675	196,047	(7,628)
Strike teams	112,400	728,840	616,440
Fundraising events (net)	6,750	8,146	1,396
Donations	8,000	10,230	2,230
Interest income	1,220	34	(1,186)
FD Reserve Fund	10,000	4,000	(6,000)
Grant revenue	6,867	-	(6,867)
Sale of equipment	-	-	-
Other	<u>-</u>	<u>2,630</u>	<u>2,630</u>
Total revenues	<u>384,912</u>	<u>989,356</u>	<u>604,444</u>
Expenditures:			
Administrative	19,000	19,462	(462)
Maintenance/supplies	7,000	1,439	5,561
Equipment purchases	7,000	7,507	(507)
Facilities	12,550	25,598	(13,048)
Office	9,927	9,757	170
Personnel	292,935	276,834	16,101
Training	13,100	15,846	(2,746)
Contingency fund	-	4,097	(4,097)
Apparatus	21,700	54,589	(32,889)
Automatic aid	1,500	1,500	-
Strike team	-	445,038	(445,038)
Bank charges	200	-	200
Medical supplies	-	2,255	(2,255)
Volunteer personnel	-	777	(777)
Debt service - principal	-	26,168	(26,168)
- interest	<u>-</u>	<u>666</u>	<u>(666)</u>
Total expenditures	<u>384,912</u>	<u>891,533</u>	<u>(506,621)</u>
Excess of revenues (expenditures)	<u>\$ -</u>	<u>\$ 97,823</u>	<u>\$ 97,823</u>

See notes to financial statements

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

	<u>Budget</u>	<u>Actual</u>	<u>Favorable (Unfavorable) Variance</u>
Revenues:			
Concessionaire payments	\$ 88,000	\$ 101,932	\$ 13,932
Interest income	25	35	10
Donations	2,000	10,456	8,456
Miscellaneous revenue	<u>-</u>	<u>-</u>	<u>-</u>
Total revenues	<u>90,025</u>	<u>112,423</u>	<u>22,398</u>
Expenditures:			
Marina	7,625	19,329	(11,704)
Property addition	-	10,456	(10,456)
Community building	1,550	896	654
Administrative	45,000	45,000	-
Insurance	8,550	9,489	(939)
Miscellaneous	500	-	500
Maintenance & repair	9,400	-	9,400
Utilities, net	2,525	8,942	(6,417)
Contingency	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>75,150</u>	<u>94,112</u>	<u>(18,962)</u>
Excess of revenues (expenditures)	<u>\$ 14,875</u>	<u>\$ 18,311</u>	<u>\$ 3,436</u>

See notes to financial statements

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT NOTES TO FINANCIAL STATEMENTS

1. Organization:

Fallen Leaf Lake Community Services District (the "District") was formed on February 24, 1983 to provide various services to the residents of the Fallen Leaf Lake area. In 1983 the voters authorized the District to provide fire protection service to the community. In 1987, the voters authorized the District to assume the additional responsibility of parks and recreation at the south end of the Lake.

2. Summary of Significant Accounting Policies:

The financial statements of the District have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The Governmental Accounting Standards Board (GASB) is the standard-setting body for establishing GAAP for state and local government organizations. The District's significant accounting policies are described below.

Measurement Focus and Basis of Accounting

The District reports a *General Fund* that is used to account for all financial resources except those required or designated by the Board of Directors to be accounted for in another fund.

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 flow takes place. Non-exchange transactions, in which the District gives or receives value without directly receiving or giving equal value in exchange, include property taxes, grants, entitlements and donations. Revenues from grants, entitlements and donations are recognized in the fiscal year in which all eligibility 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. The District considers revenues to be available if they are collectible in the current period or soon enough thereafter to be used to pay liabilities of the current period. Revenues that are accrued include property taxes, interest income, and charges for current services. Revenues that are not accrued include permits and fines, forfeitures, and penalties, if applicable. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due. General capital assets are reported as expenditures in governmental funds. Proceeds of general long-term and capital assets are reported as other financing sources.

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Measurement Focus and Basis of Accounting, continued

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in the government-wide financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board.

Capital Assets

Capital assets are recorded at historical cost if purchased or constructed. Amortization of assets acquired under capital lease is included in depreciation. Structures and equipment are depreciated using the straight-line method over their estimated useful lives.

Budgets

In accordance with the provisions of Sections 13901 through 13906 of the California Health & Safety Code and other statutory provisions, commonly known as the Budget Act, the District prepares and legally adopts a final balanced budget for each fiscal year.

Cash

The District maintains cash balances with the Treasurer of El Dorado County in an interest-bearing pooled investment account. Cash in bank accounts is covered by Federal depository insurance.

Property Taxes

The District receives property taxes from El Dorado County. Property taxes become a lien on the first day of the year they are levied. Secured property tax is levied on July 1 and due in two installments, on November 1 and February 1. They become delinquent on December 10 and April 10, respectively. Unsecured property taxes are levied on July 1, and become delinquent on August 31. The District elected to receive the property taxes from the County under the Teeter Bill Program. Under this Program, the District receives 100% of the levied property taxes in periodic payments, with the County assuming responsibility for delinquencies.

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

2. Summary of Significant Accounting Policies (continued):

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenditures during the reporting period. Actual results may differ from those estimates.

3. Cash and Investments:

At year-end the carrying amount of the District's deposits was \$1,171,833 and the bank balance was \$1,174,252.

	<u>General Fund</u>	<u>Fire Department</u>	<u>Parks & Recreation</u>
Checking:			
Unrestricted	\$ 26,047	\$ 408,514	\$ 189,169
Restricted			
FD reserve	-	35,461	-
Old store operations	-	-	3,480
P & R reserve	-	-	110,571
Commercial lease	-	-	35,114
Slip deposit	-	-	8,231
El Dorado County			
Unrestricted	-	355,246	-
	<u>\$ 26,047</u>	<u>\$ 799,221</u>	<u>\$ 346,565</u>

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

4. Capital Assets:

Changes in capital assets for the year ended June 30, 2018 are as follows:

	<u>Balance, 6-30-17</u>	<u>Additions</u>	<u>Transfers/ Disposals</u>	<u>Balance, 6-30-18</u>
Buildings and impt's	\$1,630,173	\$ 13,456	\$ -	\$1,643,629
Equipment	<u>1,213,236</u>	<u>-</u>	<u>-</u>	<u>1,213,236</u>
	<u>\$2,843,409</u>	<u>\$ 13,456</u>	<u>\$ -</u>	<u>\$2,856,865</u>
Work in progress -- Parks	<u>\$ 3,000</u>	<u>\$ -</u>	<u>\$ 3,000</u>	<u>\$ -</u>

5. Long-term Debt:

Long-term debt activities for the year ended June 30, 2018 consist of:

	<u>Balance 6/30/2017</u>	<u>Financing</u>	<u>Payments</u>	<u>Balance 6/30/2018</u>	<u>Current Portion</u>
Ford Motor Credit Co. 2014 Tahoe - Command Vehicle	\$ 8,527	\$ -	\$ 8,527	\$ -	\$ -
KS StateBank Fire Boat	<u>17,641</u>	<u>-</u>	<u>17,641</u>	<u>-</u>	<u>-</u>
	<u>\$ 26,168</u>	<u>\$ -</u>	<u>\$ 26,168</u>	<u>\$ -</u>	<u>\$ -</u>

In July 2014 the District purchased a 2014 Chevrolet Tahoe command vehicle. The four year lease-purchase agreement requires an annual payment of \$8,992 including an interest rate of 5.45%.

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT
NOTES TO FINANCIAL STATEMENTS, continued

5. Long-term Debt, continued:

In August 2014 the District purchased a fire boat. The lease-purchase agreement requires an annual payment of \$26,171 including an interest rate of 4.116%.

6. Risk of Loss

The District is exposed to various risks of loss related to theft of, damage to, and destruction of assets; and injuries to employees. During the 2018 fiscal year, the District purchased certain commercial insurance coverages to provide for these risks.

7. Subsequent Events:

Management has evaluated subsequent events through October 26, 2018, the date these June 30, 2018 financial statements were available to be issued.

8. State Audit:

The California State Auditor will be making an audit of the District to address several issues which concern the California Legislature:

- analysis of District's financial viability
- determine number of District's residents
- whether public access to the Lake will be jeopardized if the District is dissolved

SUPPLEMENTAL INFORMATION

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT
SCHEDULE OF CASH FLOWS – ALL FUNDS
for the year ended June 30, 2018

Cash flows from operating activities:		
Change in net position (net income)		\$ 58,524
Adjustments to reconcile change in net position to net cash provided by operating activities		
Depreciation		93,953
(Increase) decrease in:		
Accounts receivable	\$(63,977)	
(Decrease) increase in:		
Accounts payable	899	
Lease deposit	-	
Slip deposit accrual	-	(63,078)
Net cash provided by operating activities		89,399
Cash flows from investing activities:		
Purchase of property		(10,456)
Cash flows from financing activities:		
Financing	-	
Principal payment	(26,168)	(26,168)
Net increase in cash		52,775
Cash at beginning of year		<u>1,119,058</u>
Cash at end of year		<u>\$1,171,833</u>
Change in net position by fund:		
General fund	\$ 733	
Fire department	33,731	
Parks & recreation	<u>18,311</u>	
Net increase in cash		<u>\$ 52,775</u>

FALLEN LEAF LAKE COMMUNITY SERVICES DISTRICT
PRINCIPAL OFFICIALS
June 30, 2018

Board of Directors:

Robert J. Cathcart	President
Mike Casey	Vice President
Stephen A. Malley	Director
Thomas Bacchetti	Director
Grant Calof	Director

Staff:

Gary Gerren	Fire Chief/General Manager
Shawn Cullen	Bookkeeper