

# Groveland Community Services District



Tuolumne County  
Groveland, California

Financial Statements with  
Independent Auditor's Report

Year Ended June 30, 2014

**GROVELAND  
COMMUNITY SERVICES DISTRICT**

**TUOLUMNE COUNTY  
GROVELAND, CALIFORNIA**

**FINANCIAL STATEMENTS WITH  
INDEPENDENT AUDITOR'S REPORT**

**YEAR ENDED JUNE 30, 2014**

# GROVELAND COMMUNITY SERVICES DISTRICT

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## **FINANCIAL SECTION**

**INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors  
Groveland Community Services District  
Groveland, California

**Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund and the aggregate remaining fund information of the Groveland Community Services District (District), as of and for the year ended June 30, 2014, and the related notes to the financial statements, which collectively comprise the 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 controls 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 standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 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, the business-type activities, each major fund, and the aggregate remaining fund information of the Groveland Community Services District, as of June 30, 2014, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

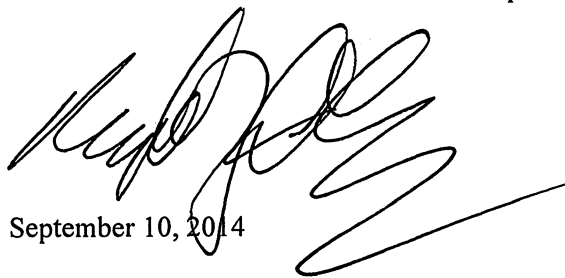
## Other Matters

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that Management's Discussion and Analysis, Budgetary Comparison Schedules, and Schedules of Funding Progress on pages 3 through 11 and 40 through 42 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 Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated September 10, 2014 on our consideration of the Groveland Community Services District's internal control over financial reporting and on our 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 our 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* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink, consisting of several loops and flourishes, positioned above the date.

September 10, 2014

# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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As management of the Groveland Community Services District (District), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2014. We encourage the readers to consider the information presented here in conjunction with the District financial statements, which immediately follow this section.

### OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis provided here are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements consist of three components: 1) Government-wide financial statements, 2) Fund financial statements, and 3) Notes to the financial statements. This report also includes required supplementary information intended to furnish additional detail to support the basic financial statements.

- **Government-wide financial statements**, which comprise the first two statements, provide both short-term and long-term information about the District's overall financial position. These statements are intended to provide the reader with a broad overview of the District's finances in a manner that is similar to private-sector businesses.
  - The *statement of net position* presents financial information on all of the District's assets, liabilities, and deferred outflows of resources, with the difference reported as net position. Increases or decreases in the net position of the District over time are indicators of whether its financial position is improving or deteriorating, respectively.
  - The *statement of activities* presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regarding of the timing of related cash flows. Thus, revenues and expenses are reported for some items that will only result in cash flows in future fiscal periods.
  - Both of the government-wide financial statements distinguish functions of the District that are principally supported by property taxes (*governmental activities*) or from other functions that are intended to recover all or a significant portion of their costs through charges for services (*business-type activities*). The governmental activities include fire protection and parks and recreation. The business-type activities of the District include water, sewer and the Davis-Grunsky fund.
- **Fund financial statements**. A fund is a grouping of related accounts that is used to maintain control of resources that have been segregated for specific activities or objectives. All of the funds of the District can be divided into three categories: governmental funds, proprietary funds, and the fiduciary fund.
  - **Governmental Funds** are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental funds focus on near-term inflows and outflows of spendable resources. Such information may be useful in assessing a government's near-term financial requirements. Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided as a separate reconciliation to the governmental fund statements that explains the differences (or relationships) between them.

# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

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- **Proprietary Funds - Enterprise funds** are used to report the same functions presented as business-type activities in the government-wide financial statements, only in more detail.
- **Fiduciary Funds**-The District is responsible for the administration of the Improvement Districts (Sewer Assessment District Nos. 3 and 4) formed under the Municipal Improvement Act of 1911. The District is not obligated to repay the special assessment debt of these special assessment districts. Tuolumne County (the County) functions as an agent for the property owners by collecting assessments and forwarding collections to the special-assessment debt-holders. The County has sufficient funds on hand to pay off these debts.
- **Notes to the financial statements**, which are included in the financial statements, provide additional information that is necessary to acquire a full understanding of the data provided in the government-wide and fund financial statements.
- The **Required supplementary information** section provides further explanations and additional support for the financial statements. The District's budget to actual comparisons for the year are included for the Fire Protection Fund and the Parks and Recreation Fund (major special revenue funds).



# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

### GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

#### Net Position

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, assets and deferred outflow of resources exceeded liabilities by \$9,006,555 (net position) at June 30, 2014.

By far, the largest portion of the District's net position (69%) reflects its investment in capital assets (e.g., land, structures and improvements, equipment and vehicles) less any related outstanding debt that was used to acquire those assets. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources used to pay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The remaining balance of \$2,806,902 is unrestricted and may be used to meet the government's ongoing obligations.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Current assets and other assets	\$ 1,329,551	\$ 1,179,407	\$ 4,235,719	\$ 3,860,021	\$ 5,565,270	\$ 5,039,428
Capital assets	<u>855,014</u>	<u>944,279</u>	<u>14,487,239</u>	<u>15,599,484</u>	<u>15,342,253</u>	<u>16,543,763</u>
Total assets	<u>2,184,565</u>	<u>2,123,686</u>	<u>18,722,958</u>	<u>19,459,505</u>	<u>20,907,523</u>	<u>21,583,191</u>
Total deferred outflows of resources	<u>-</u>	<u>-</u>	<u>293,776</u>	<u>419,053</u>	<u>293,776</u>	<u>419,053</u>
Long-term liabilities	249,566	247,222	11,180,197	11,712,961	11,429,763	11,960,183
Other liabilities	<u>170,409</u>	<u>144,884</u>	<u>594,572</u>	<u>725,716</u>	<u>764,981</u>	<u>870,600</u>
Total liabilities	<u>419,975</u>	<u>392,106</u>	<u>11,774,769</u>	<u>12,438,677</u>	<u>12,194,744</u>	<u>12,830,783</u>
Net position:						
Net investment in capital assets	855,014	944,279	5,344,639	7,190,663	6,199,653	8,134,942
Unrestricted	<u>909,576</u>	<u>787,301</u>	<u>1,897,326</u>	<u>249,218</u>	<u>2,806,902</u>	<u>1,036,519</u>
Total net position	<u>\$ 1,764,590</u>	<u>\$ 1,731,580</u>	<u>\$ 7,241,965</u>	<u>\$ 7,439,881</u>	<u>\$ 9,006,555</u>	<u>\$ 9,171,461</u>

# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

### Changes in Net Position

**Governmental Activities.** During the year ended June 30, 2014, net position for governmental activities increased by \$33,010 from the prior year for an ending balance of \$1,764,590. Although the current recession certainly has had an impact on the District's property tax revenue, management has taken various actions to reduce expenses to neutralize its effect on governmental activities.

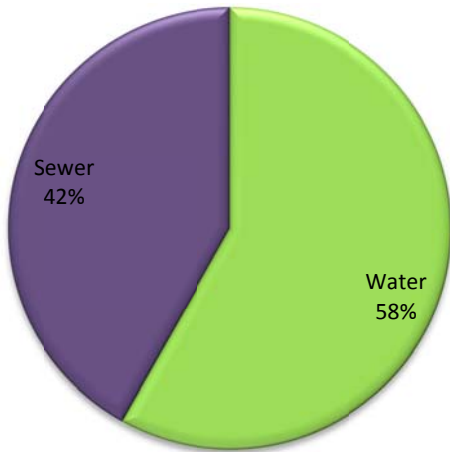
**Business-Type Activities.** For the District's business-type activities, the net position decreased by \$197,916 for the year ended June 30, 2014 to reach an ending balance of \$7,241,965. The decrease, in large part is due to the annual depreciation expense and the cost of bond issues incurred during the year ended June 30, 2014.

	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>	<u>2014</u>	<u>2013</u>
Program revenues:						
Charges for services	\$ 860	\$ 1,304	\$ 4,471,326	\$ 4,456,285	\$ 4,472,186	\$ 4,457,589
General revenues:						
Property taxes	956,313	942,269	10,840	10,252	967,153	952,521
Interest income	3,281	2,541	18,339	20,417	21,620	22,958
Other revenues	70,066	48,122	90,574	10,746	160,640	58,868
Total revenues	<u>1,030,520</u>	<u>994,236</u>	<u>4,591,079</u>	<u>4,497,700</u>	<u>5,621,599</u>	<u>5,491,936</u>
Expenses:						
Public safety	905,858	848,097			905,858	848,097
Parks and recreation	91,652	102,163			91,652	102,163
Water			2,856,409	2,917,029	2,856,409	2,917,029
Davis-Grunsky			1,082	1,719	1,082	1,719
Sewer			1,931,504	2,637,153	1,931,504	2,637,153
Interest		42				42
Total expenses	<u>997,510</u>	<u>950,302</u>	<u>4,788,995</u>	<u>5,555,901</u>	<u>5,786,505</u>	<u>6,506,203</u>
Change in net position	33,010	43,934	(197,916)	(1,058,201)	(164,906)	(1,014,267)
Net position - beginning	<u>1,731,580</u>	<u>1,687,646</u>	<u>7,439,881</u>	<u>8,498,082</u>	<u>9,171,461</u>	<u>10,185,728</u>
Net position - ending	<u>\$ 1,764,590</u>	<u>\$ 1,731,580</u>	<u>\$ 7,241,965</u>	<u>\$ 7,439,881</u>	<u>\$ 9,006,555</u>	<u>\$ 9,171,461</u>

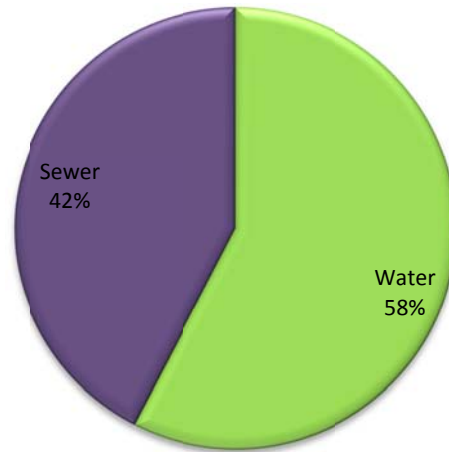
# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

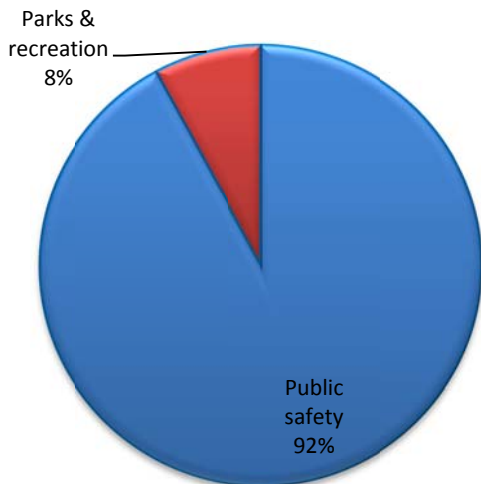
### FY 12-13 Revenue for Business-type Activities



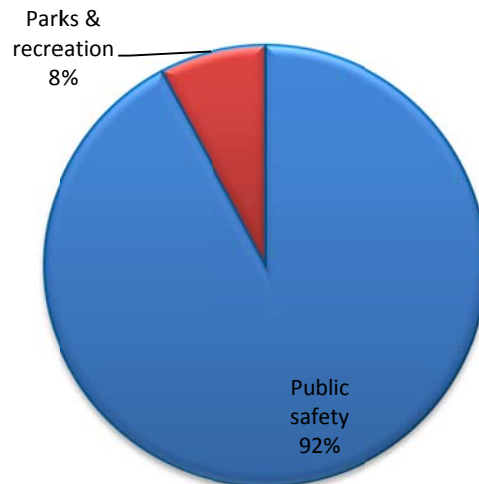
### FY 13-14 Revenue for Business-type Activities



### FY 12-13 Revenue for Governmental Activities



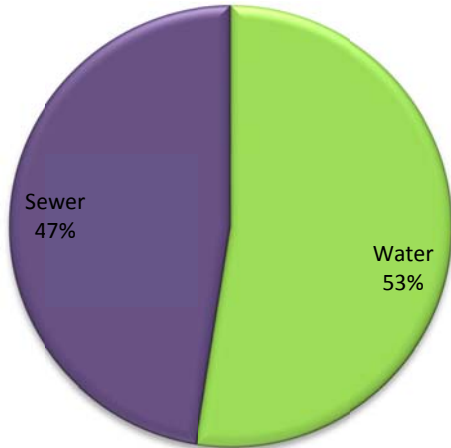
### FY 13-14 Revenue for Governmental Activities



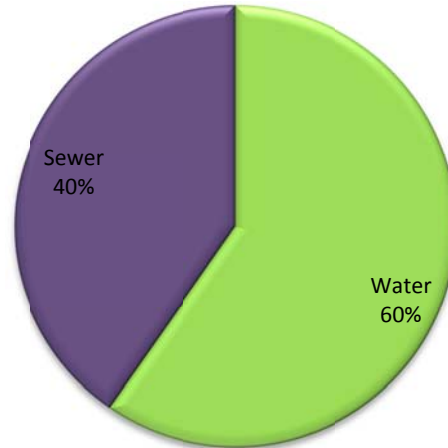
# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

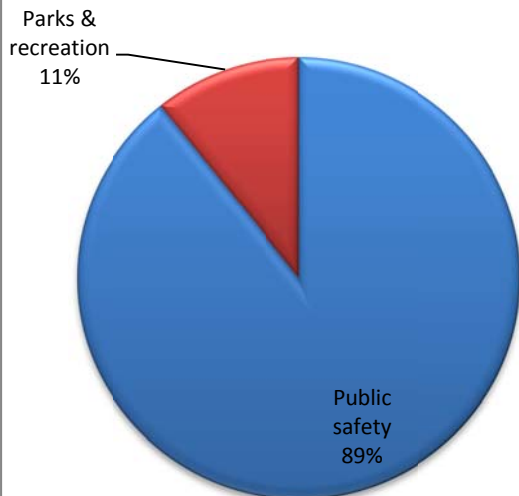
### FY 12-13 Expenses for Business-type Activities



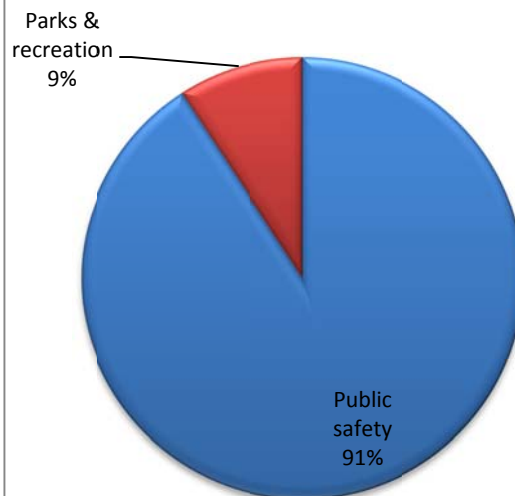
### FY 13-14 Expenses for Business-type Activities



### FY 12-13 Expense for Governmental Activities



### FY 13-14 Expenses for Governmental Activities



# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

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### FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

#### Changes in Net Fund Balance/Net Position

**Governmental fund balances.** As stated previously, although the current recession certainly has had an impact on the District's property tax revenue, management has taken various actions to reduce expenses to neutralize its effect on governmental activities. As a result, the governmental fund balances have increased in the current year and in the prior year. The District has entered into a contractual agreement with CAL Fire for the operation of the fire department that began on April 1, 2013. The contract was entered into as a result of a special benefit assessment expiring in June 2012 resulting in a reduced funding level for the fire department, and through this contract the District has been able to reduce costs of operations while maintaining a full time fire protection service.

The **Water Fund** generated operating income of \$226,725, which is offset by nonoperating revenues and expenses. The primary offset was interest expense on long-term debt of \$291,755 and cost of bond issuances of \$115,852 that resulted in a decrease in net position of \$287,947.

The **Sewer Fund** generated operating income of \$270,426, which is offset by nonoperating revenues and expenses. The primary offset was interest expense on long-term debt of \$174,311 and the cost of bond issuance of \$114,748 that resulted in an increase in net position of \$91,086.

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Governmental Fund Balance:			
Fire protection	\$ 983,210	\$ 868,813	\$ 114,397
Parks and recreation	177,124	165,710	11,414
Enterprise Net Position:			
Water	3,701,274	3,989,221	(287,947)
Davis-Grunsky	(13,876)	(12,821)	(1,055)
Sewer	3,554,567	3,463,481	91,086

# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS JUNE 30, 2014

### CAPITAL ASSETS

At June 30, 2014 the District has invested \$15,342,253 million in capital assets. This amount represents a net decrease of \$1,267,921 from last year. The change in capital assets was primarily a result of the decrease due to the annual depreciation expense of \$1,237,312.

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Land	\$ 468,436	\$ 468,436	
Structures and improvements	32,321,330	32,318,106	\$ 3,224
Furniture and equipment	2,447,651	2,381,240	66,411
Vehicles	1,537,603	1,572,898	(35,295)
Construction in progress	60,327	58,865	1,462
Accumulated depreciation	<u>(21,493,094)</u>	<u>(20,255,782)</u>	<u>(1,237,312)</u>
Total	<u>\$ 15,342,253</u>	<u>\$ 16,543,763</u>	<u>\$ (1,201,510)</u>

### LONG-TERM DEBT

At June 30, 2014, the District has \$11,430,955 in long-term debt. The reductions to long-term debt are primarily attributable to scheduled principal payments. The increase in the net OPEB obligation is due to the excess of the annual required contribution over the contributions made. The net effect on long-term debt is a decrease of \$529,228 from last year.

During the year ended June 30, 2014, the District elected to participant in an irrevocable trust to prefund the OPEB obligation. The Trust, California Employers' Retiree Trust (CERBT) fund, is administered by CalPERS. The District's policy is to prefund their benefits from time to time at the sole discretion of the Board of Directors (Board) by accumulating assets in CERBT. The Board reserves the District's authority to review and amend this financing policy from time to time to ensure that the funding policy continues to best suit the circumstances of the District. During the year ended June 30, 2014, the District contributed \$69,538 to CERBT. Among the many benefits of prefunding the liability are that the earnings on the assets contributed reduce employer contributions, contributions to the Trust are irrevocable so they reduce the liability on the statement of net position, and it enhances the financial security for retirees.

The District also completed the following debt refunding's during the year ended June 30, 2014:

The District issued the Water Revenue Refunding Bonds, Series 2014, dated February 1, 2014 (February 2014 Revenue Refunding Bonds) in the amount of \$4,024,000, with an interest rate of 3.65%, to refund the May 2007 Installment Sale Agreement. Payments are due semiannually on July 10 and January 10. Final maturity is on July 10, 2027. The District completed the refunding to reduce debt service payments by \$92,850 in aggregate and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$118,000 in aggregate

# GROVELAND COMMUNITY SERVICES DISTRICT

## MANAGEMENT'S DISCUSSION AND ANALYSIS

JUNE 30, 2014

The District issued the Wastewater Revenue Refunding Bonds, Series 2014, dated June 1, 2014 (June 2014 Installment Sale Agreement) in the amount of \$3,450,000, with an interest rate of 3% through July 10, 2022 and 4.15% through July 10, 2027, to refund the June 2007 Installment Sales Agreement. Payments are due semiannually on July 10 and January 10. Final maturity is on July 10, 2027. The District completed the refunding to reduce debt service payments by \$140,847 in aggregate and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$112,000 in aggregate.

	<u>2014</u>	<u>2013</u>	<u>Increase (Decrease)</u>
Installment sales agreements and bonds, net	\$ 10,412,381	\$ 10,985,879	\$ (573,498)
Net OPEB obligation	847,165	778,690	68,475
Compensated absences	86,787	90,460	(3,673)
Other long-term debt	<u>84,622</u>	<u>105,154</u>	<u>(20,532)</u>
Total	<u>\$ 11,430,955</u>	<u>\$ 11,960,183</u>	<u>\$ (529,228)</u>

### FACTORS BEARING ON THE DISTRICT FUTURE

At the time these financial statements were prepared, factors affecting the District's future include:

The contract with CAL Fire has permitted the District to continue operations of a full-time fire protection department at a significant savings. The CAL Fire annual contract costs for the year ended June 30, 2014 came in under budget by approximately \$115,000. Additionally, the District restructured the Volunteers and Reserve Fire Fighter program to encompass a reserve-only program that will result in a reduction in workers' compensation costs in the future.

The District was significantly impacted by the need to support the suppression efforts of the Rim Fire as well as the Federal Government shutdown that closed Yosemite National Park and greatly affected tourism in the community. The District's current year revenue was also significantly impacted by the mandated water conservation caused by one of the driest years on record. The Board implemented a Proposition 218 process, conducting a rate study to address loss of revenue due to the drought. A drought rate is scheduled to be implemented in September 2014. Additionally, due to the state-wide drought conditions, the District's raw water source will be supplemented by another source, requiring the District to purchase and install water filtration equipment. The cost of the Emergency Drought Filtration project is estimated at \$1,750,000 and the District has been successful in obtaining 100% grant funding to finance the project.

The restructuring of the District that occurred during the year ended June 30, 2013 has resulted in significant savings demonstrated in part by the positive income generated by the Sewer fund.

The District entered into a 5 year lease to purchase a waste water treatment plant screw press, which will satisfy the \$187,500 equipment component of the settlement agreement with the State Water Resource Control Board. Additionally, the District accelerated the payment schedule for the monetary fine component of the settlement agreement and now has one final payment due in February 2016.

# **GROVELAND COMMUNITY SERVICES DISTRICT**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

**JUNE 30, 2014**

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The District will perform a Water and Sewer rate study during the fiscal year ended June 30, 2015 that will change both the fixed and variable fees assessed to customers monthly. The fixed rate will provide for the fixed annual costs of operating the buildings, grounds, and facilities of the District. The variable rate will provide for costs of operations and maintenance of the systems and will be directly proportional to the amount of water used. This rate study will significantly help in enabling the District to operate in manner that is more financially sound.

### **CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our 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 questions regarding this report or need additional financial information, contact Jon Sterling, General Manager, Groveland Community Services District, 18966 Ferretti Rd, Groveland, CA 95321.



# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF NET POSITION JUNE 30, 2014

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	<u>Governmental</u> <u>Activities</u>	<u>Business-type</u> <u>Activities</u>	<u>Totals</u>
<b>ASSETS:</b>			
Cash and equivalents	\$ 1,329,551	\$ 2,683,218	\$ 4,012,769
Restricted cash and equivalents		1,022,960	1,022,960
Accounts receivable		517,666	517,666
Assessments receivable		11,875	11,875
Depreciable capital assets (net)	806,970	14,006,520	14,813,490
Nondepreciable capital assets	48,044	480,719	528,763
Total assets	<u>2,184,565</u>	<u>18,722,958</u>	<u>20,907,523</u>
<b>DEFERRED OUTFLOW OF RESOURCES:</b>			
Deferred amount on debt refunding		<u>293,776</u>	<u>293,776</u>
<b>LIABILITIES:</b>			
Accounts payable and accrued liabilities	169,017	207,486	376,503
Interest payable		113,959	113,959
Deposits payable	200	38,752	38,952
Settlement payable		234,375	234,375
Long-term liabilities, due within one year	1,192	809,657	810,849
Long term liabilities, due in more than one year	249,566	10,370,540	10,620,106
Total liabilities	<u>419,975</u>	<u>11,774,769</u>	<u>12,194,744</u>
<b>NET POSITION:</b>			
Net investment in capital assets	855,014	5,344,639	6,199,653
Unrestricted	909,576	1,897,326	2,806,902
Total net position	<u>\$ 1,764,590</u>	<u>\$ 7,241,965</u>	<u>\$ 9,006,555</u>

# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2014

Functions/Programs	Expenses	Program Revenues	Net (Expenses) Revenues and Changes in Net Position		Totals
		Charges for Services	Governmental Activities	Business-type Activities	
Governmental Activities:					
Public safety	\$ 905,858		\$ (905,858)		\$ (905,858)
Parks and recreation	91,652	\$ 860	(90,792)		(90,792)
Total Governmental Activities	997,510	860	(996,650)		(996,650)
Business-type Activities:					
Water	2,856,409	2,613,133		\$ (243,276)	(243,276)
Davis-Grunsky	1,082			(1,082)	(1,082)
Sewer	1,931,504	1,858,193		(73,311)	(73,311)
Total Business-type Activities	4,788,995	4,471,326		(317,669)	(317,669)
Total Primary Government	\$ 5,786,505	\$ 4,472,186	(996,650)	(317,669)	(1,314,319)
General Revenues:					
Property taxes			956,313	10,840	967,153
Interest earnings			3,281	18,339	21,620
Other revenue			70,066	90,574	160,640
Total general revenues			1,029,660	119,753	1,149,413
Change in net position			33,010	(197,916)	(164,906)
Net position - beginning			1,731,580	7,439,881	9,171,461
Net position - ending			\$ 1,764,590	\$ 7,241,965	\$ 9,006,555

# GROVELAND COMMUNITY SERVICES DISTRICT

## BALANCE SHEETS GOVERNMENTAL FUNDS JUNE 30, 2014

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	<b>Fire Protection</b>	<b>Parks and Recreation</b>	<b>Total Governmental Funds</b>
<b>ASSETS:</b>			
Cash and equivalents	\$ 1,144,876	\$ 184,675	\$ 1,329,551
Total assets	<u>\$ 1,144,876</u>	<u>\$ 184,675</u>	<u>\$ 1,329,551</u>
<b>LIABILITIES AND FUND BALANCES</b>			
Liabilities:			
Accounts payable and accrued liabilities	\$ 161,666	\$ 7,351	\$ 169,017
Deposits payable	<u>                    </u>	<u>200</u>	<u>200</u>
Total liabilities	<u>161,666</u>	<u>7,551</u>	<u>169,217</u>
Fund balances:			
Committed for fire protection	983,210	<u>                    </u>	983,210
Committed for parks and recreation	<u>                    </u>	<u>177,124</u>	<u>177,124</u>
Total fund balances	<u>983,210</u>	<u>177,124</u>	<u>1,160,334</u>
Total liabilities and fund balances	<u>\$ 1,144,876</u>	<u>\$ 184,675</u>	<u>\$ 1,329,551</u>

# GROVELAND COMMUNITY SERVICES DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEETS TO THE STATEMENT OF NET POSITION JUNE 30, 2014

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Total fund balance, governmental funds \$ 1,160,334

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds. This is the amount, net of accumulated depreciation, included in the statement of net position. 855,014

Long-term liabilities are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds. Long-term liabilities, net of unamortized premiums, are included in governmental activities in the statement of net position. (250,758)

Total net position, governmental activities \$ 1,764,590

# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES GOVERNMENTAL FUNDS YEAR ENDED JUNE 30, 2014

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	<b>Fire Protection</b>	<b>Parks and Recreation</b>	<b>Total Governmental Funds</b>
<b>REVENUES:</b>			
Property taxes	\$ 879,808	\$ 76,505	\$ 956,313
Interest earnings	1,557	1,724	3,281
Charges for services		860	860
Other revenues	<u>52,305</u>	<u>          </u>	<u>52,305</u>
Total revenues	<u>933,670</u>	<u>79,089</u>	<u>1,012,759</u>
<b>EXPENDITURES:</b>			
Public safety	832,393		832,393
Culture-recreation		67,675	67,675
Capital outlay	<u>4,641</u>	<u>          </u>	<u>4,641</u>
Total expenditures	<u>837,034</u>	<u>67,675</u>	<u>904,709</u>
Excess of revenues over expenditures	96,636	11,414	108,050
<b>OTHER FINANCING SOURCES (USES):</b>			
Proceeds from sale of capital assets	<u>17,761</u>	<u>          </u>	<u>17,761</u>
Net change in fund balance	114,397	11,414	125,811
Fund balances - beginning of year	<u>868,813</u>	<u>165,710</u>	<u>1,034,523</u>
Fund balances - end of year	<u>\$ 983,210</u>	<u>\$ 177,124</u>	<u>\$ 1,160,334</u>

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

# GROVELAND COMMUNITY SERVICES DISTRICT

## RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES YEAR ENDED JUNE 30, 2014

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Net change in fund balances - total governmental funds	\$ 125,811
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Amounts reported for governmental activities and in the statement of activities are different because:

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the costs of these assets are allocated over their estimated useful lives and reported as depreciation expense:

Capital outlay expenditures are added back to fund balances	\$ 4,641	
Depreciation expense not reported in governmental funds	<u>(93,906)</u>	(89,265)

In governmental funds, retiree benefit costs are recognized when employer contributions are made. In the statement of activities, costs are measured and recognized in relation to the annual required contribution. For the year ended June 30, 2014, the difference between the OPEB expense and the actual employee contributions attributable to governmental activities was:

	(18,987)
--	----------

Increases/decreases in compensated absences are not recorded as expenditures in governmental funds because they are not expected to be liquidated with current financial resources. In the statement of activities, changes in compensated absences are recognized as expenses.

	<u>15,451</u>
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Change in net position of governmental activities	<u>\$ 33,010</u>
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# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF NET POSITION PROPRIETARY FUNDS JUNE 30, 2014

	Business-type Activities			Totals
	Enterprise Funds			
	Water Fund	Davis-Grunsky Fund	Sewer Fund	
<b>ASSETS:</b>				
Cash and equivalents	\$ 1,735,394	\$ 18,871	\$ 928,953	\$ 2,683,218
Restricted cash and equivalents	698,105		324,855	1,022,960
Due to other funds	1,180			1,180
Accounts receivable	277,685		239,981	517,666
Assessments receivable		11,875		11,875
Interfund loan			75,354	
Depreciable capital assets (net)	8,353,276		5,653,244	14,006,520
Nondepreciable capital assets	35,689		445,030	480,719
Total assets	11,101,329	30,746	7,667,417	18,724,138
<b>DEFERRED OUTFLOW OF RESOURCES:</b>				
Deferred amount on debt refunding	293,776			293,776
<b>LIABILITIES:</b>				
Accounts payable and accrued liabilities	62,405		145,081	207,486
Due from other funds			1,180	1,180
Interest payable	108,623		5,336	113,959
Deposits payable	33,165		5,587	38,752
Settlement payable			234,375	234,375
Interfund loan	75,354			
Long-term liabilities, due within one year	501,077	8,954	299,626	809,657
Long term liabilities, due in more than one year	6,913,207	35,668	3,421,665	10,370,540
Total liabilities	7,693,831	44,622	4,112,850	11,775,949
<b>NET POSITION:</b>				
Net investment in capital assets	2,371,510		2,973,129	5,344,639
Unrestricted	1,329,764	(13,876)	581,438	1,897,326
Total net position	\$ 3,701,274	\$ (13,876)	\$ 3,554,567	\$ 7,241,965

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

# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2014

	Business-type Activities			Totals
	Enterprise Funds			
	Water Fund	Davis-Grunsky Fund	Sewer Fund	
<b>OPERATING REVENUES:</b>				
Charges for services	\$ 2,543,631		\$ 1,836,316	\$ 4,379,947
Other	<u>69,502</u>		<u>21,877</u>	<u>91,379</u>
Total operating revenues	<u>2,613,133</u>		<u>1,858,193</u>	<u>4,471,326</u>
<b>OPERATING EXPENSES:</b>				
Salaries and wages	542,517		364,378	906,895
Payroll expenses	372,012		302,593	674,605
Professional services	100,833		68,161	168,994
Insurance	23,570		23,568	47,138
Janitorial	4,245		4,245	8,490
Supplies, equipment, and materials	129,219		92,139	221,358
Communications	14,379		13,656	28,035
Rents and leases	8,103		660	8,763
Utilities	232,183		107,412	339,595
Repairs and maintenance	116,414		62,929	179,343
Advertising, postage, and printing	22,328		9,785	32,113
Memberships, dues, and subscriptions	3,090		3,711	6,801
Employee development	16,403		9,629	26,032
Licenses and permits	15,121		22,666	37,787
Miscellaneous	17,114		7,737	24,851
Bad debt	21,633		63,042	84,675
Depreciation	<u>747,244</u>		<u>431,456</u>	<u>1,178,700</u>
Total operating expenses	<u>2,386,408</u>		<u>1,587,767</u>	<u>3,974,175</u>
Operating income	<u>226,725</u>		<u>270,426</u>	<u>497,151</u>
<b>NONOPERATING REVENUES (EXPENSES):</b>				
Property taxes	10,840			10,840
Interest earnings	10,807	\$ 27	7,505	18,339
Interest expense	(291,755)	(1,082)	(174,311)	(467,148)
Loss on disposal of capital assets	(7,803)			(7,803)
Amortization	(46,739)			(46,739)
Cost of bond issuance	(115,852)		(114,748)	(230,600)
Interfund interest income (expense)	(75,354)		75,354	
Other expense	(7,852)		(54,678)	(62,530)
Other income	<u>9,036</u>		<u>81,538</u>	<u>90,574</u>
Total nonoperating revenues (expenses)	<u>(514,672)</u>	<u>(1,055)</u>	<u>(179,340)</u>	<u>(695,067)</u>
Change in net position	(287,947)	(1,055)	91,086	(197,916)
Net position - beginning	<u>3,989,221</u>	<u>(12,821)</u>	<u>3,463,481</u>	<u>7,439,881</u>
Net position - ending	<u>\$ 3,701,274</u>	<u>\$ (13,876)</u>	<u>\$ 3,554,567</u>	<u>\$ 7,241,965</u>

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



# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2014

	Business-type Activities			Totals
	Enterprise Funds			
	Water Fund	Davis-Grunsky Fund	Sewer Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Cash received from customers	\$ 2,615,466		\$ 1,857,485	\$ 4,472,951
Cash payments to suppliers for goods and services	(700,379)		(314,658)	(1,015,037)
Cash payments to/on behalf of employees	(848,500)		(669,054)	(1,517,554)
Net cash provided by operating activities	1,066,587		873,773	1,940,360
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES:</b>				
Cash received from taxes and assessments	10,840	\$ 10,070		20,910
Cash received from other nonoperating	9,036		81,538	90,574
Cash payments for other nonoperating	(116,603)		(167,236)	(283,839)
Net cash provided (used) by non-capital and related financing activities	(96,727)	10,070	(85,698)	(172,355)
<b>CASH FLOW FROM CAPITAL AND RELATED FINANCING ACTIVITIES:</b>				
Purchase of capital assets	(252,672)		(36,961)	(289,633)
Sale of capital assets			206,084	206,084
Interest paid on long-term debt	(319,646)	(1,082)	(253,996)	(574,724)
Payments on refunded debt	(4,104,644)		(3,684,866)	(7,789,510)
Proceeds from refunding debt	4,024,000		3,450,000	7,474,000
Principal paid on long-term debt	(190,454)	(8,711)	(141,442)	(340,607)
Net cash used by capital and related financing activities	(843,416)	(9,793)	(461,181)	(1,314,390)
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>				
Interest on investments	10,807	27	7,505	18,339
Net increase in cash and cash equivalents	137,251	304	334,399	471,954
Cash and cash equivalents - beginning of year	2,296,248	18,567	919,409	3,234,224
Cash and cash equivalents - end of year	\$ 2,433,499	\$ 18,871	\$ 1,253,808	\$ 3,706,178
<b>RECONCILIATION TO THE STATEMENT OF NET POSITION:</b>				
Cash and equivalents	\$ 1,735,394	\$ 18,871	\$ 928,953	\$ 2,683,218
Restricted cash and equivalents	698,105		324,855	1,022,960
Cash and cash equivalents - end of year	\$ 2,433,499	\$ 18,871	\$ 1,253,808	\$ 3,706,178

(Continued)

# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF CASH FLOWS PROPRIETARY FUNDS YEAR ENDED JUNE 30, 2014

(Continued)

	Business-type Activities Enterprise Funds			Totals
	Water Fund	Davis-Grunsky Fund	Sewer Fund	
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>				
Operating income	\$ 226,725		\$ 270,426	\$ 497,151
Reconciliation of operating income to net cash provided (used) by operating activities				
Depreciation expense	747,244		431,456	1,178,700
(Increase) decrease in:				
Accounts receivable	20,702		62,334	83,036
Due from other funds	(1,180)			
Deposits and other assets	3,150			3,150
Increase (decrease) in:				
Accounts payable and accrued liabilities	4,490		114,354	118,844
Due to other funds			1,180	
Deposits payable	114		(1,901)	(1,787)
Compensated absences	6,569		5,209	11,778
Net OPEB obligation	58,773		(9,285)	49,488
	<u>58,773</u>		<u>(9,285)</u>	<u>49,488</u>
Net cash provided by operating activities	<u>\$ 1,066,587</u>	<u>\$</u>	<u>\$ 873,773</u>	<u>\$ 1,940,360</u>

# GROVELAND COMMUNITY SERVICES DISTRICT

## STATEMENT OF FIDUCIARY ASSETS AND LIABILITIES

JUNE 30, 2014

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	<u>Agency Fund</u>
<b>ASSETS:</b>	
Restricted cash and investments	\$ <u>43,972</u>
Total assets	\$ <u><u>43,972</u></u>
<b>LIABILITIES:</b>	
Deposits	\$ <u>43,972</u>
Total liabilities	\$ <u><u>43,972</u></u>

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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### 1. SIGNIFICANT ACCOUNTING POLICIES

#### A. ACCOUNTING POLICIES

The basic financial statements of the Groveland Community Services District (District) have been prepared in conformity with accounting principles generally accepted in the United States of America as prescribed by the Governmental Accounting Standards Board (GASB) and the American Institute of Certified Public Accountants. The GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

#### B. REPORTING ENTITY

The District was formed in 1953, pursuant to the Community Services District Law of the State of California (Division 2 of Title 6 of the Government Code, Section 61600). The District provides water, sewer, fire, and park services throughout the District. The District's financial and administrative functions are governed by a Board of Directors (the Board) elected by the voting population within the District. The District is a separate legal reporting entity in Tuolumne County.

The District has reviewed criteria to determine whether other entities with activities that benefit the District should be included within its financial reporting entity. The criteria include, but are not limited to, whether the entity exercises oversight responsibility (which includes financial interdependency, selection of governing authority, designation of management, ability to significantly influence operations, and accountability for fiscal matters), the scope of public service, and a special financing relationship.

The District has determined that no other outside entity meets the above criteria, and therefore, no agency has been included as a component unit in the District's financial statements. In addition, the District is not aware of any entity that would exercise such oversight responsibility that would result in the District being considered a component unit of that entity.

#### C. BASIS OF PRESENTATION

**Government-wide financial statements** – The statement of net position and the statement of activities display information about the District as a whole. These statements include the financial activities of the primary government.

The government-wide statements are prepared using the economic resources measurement focus. This is the same approach used in the preparation of proprietary fund financial statements but differs from the manner in which the governmental fund financial statements are prepared. Governmental fund financial statements, therefore, include a reconciliation with brief explanations to better identify the relationship between the government-wide statements and the statements for governmental funds.

The government-wide statement of activities presents a comparison between direct expenses and program revenues for each function or program of the District's governmental activities. Direct expenses are those that are specifically associated with a service, program, or department and are therefore clearly identifiable to a particular function. Certain indirect expenses are allocated to the funds based on relative percentages. Program revenues include charges paid by the recipients of goods or services offered by a program, as well as grants and contributions that are restricted to meeting the operational requirements of a particular program. Revenues which are not classified as

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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program revenues are presented as general revenues of the District, with certain limited exceptions. The comparison of direct expenses with program revenues identifies the extent to which each governmental function is self-financing or draws from the general revenues of the District.

**Fund financial statements** – Fund financial statements report more detailed information about the District. The focus of governmental fund financial statements is on major funds rather than reporting funds by type. Each major fund is presented in a separate column. The fiduciary fund is used to report resources held by the District in a purely custodial capacity, which involves only the receipt, temporary investment, and remittance of fiduciary resources to individuals, and private organizations.

The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. All governmental fund types are accounted for using a flow of current financial resources measurement focus. The financial statements for governmental funds include a balance sheet, which generally includes only current assets and current liabilities, and a statement of revenues, expenditures, and changes in fund balances, which reports on the sources (i.e., revenues and other financing sources) and uses (i.e., expenditures and other financing uses) of current financial resources.

All proprietary fund types are accounted for on a flow of economic resources measurement focus. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the statement of net position. The statement of revenues, expenses, and changes in fund net position presents increases (i.e., revenues) and decreases (i.e., expenses) in net position. The statement of cash flows provides information about how the District finances and meets the cash flow needs of its proprietary activities.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

The fiduciary fund is reported using the economic resources measurement focus. The fiduciary fund is not included in the government-wide financial statements. The fiduciary fund is reported only in the statement of fiduciary net position at the fund financial statement level.

### D. BASIS OF PRESENTATION

Basis of accounting refers to when transactions are recorded in the financial records and reported in the financial statements. Government-wide financial statements are prepared using the accrual basis of accounting. Governmental fund financial statements use the modified accrual basis of accounting. Proprietary and fiduciary funds use the accrual basis of accounting.

**Expenses/Expenditures** – Under the accrual basis of accounting, expenses are recognized at the time they are incurred. However, the measurement focus of governmental fund accounting is on decreases in the net financial resources (expenditures) rather than expenses. Expenditures are generally recognized in the accounting period in which the related fund liability is incurred, if measurable. Allocations of cost, such as depreciation and amortization, are not recognized on governmental fund financial statements.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available for use, it is the District's policy to first apply the expenditure toward, restricted fund balance and then to other, less restrictive classifications - committed amounts should be reduced first, followed by assigned amounts and then unassigned amounts.

### E. FUND ACCOUNTING

The accounts of the District are organized on the basis of funds, each of which is considered to be a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts that comprise its assets, deferred outflows, liabilities, deferred inflows, fund equity, revenues, and expenditures or expenses, as appropriate. District resources are allocated to and accounted for in individual funds based upon the purpose for which they are to be spent and the means by which spending activities are controlled. The District's accounts are organized into major and fiduciary funds as follows:

#### Major Governmental Funds

**Special Revenue Funds** are used to account for the proceeds of specific revenue sources that are legally restricted or committed to expenditures for specific purposes. The District maintains the following major special revenue funds:

The **Fire Protection Fund** is used to account primarily for property taxes allocated for fire protection services throughout the District.

The **Parks and Recreation Fund** is used to account primarily for property taxes allocated for recreation services throughout the District.

#### Major Proprietary Funds

**Proprietary Funds – Enterprise Funds** are used to account for a government's ongoing operation and activities that are similar to businesses found in the private sector. These funds are considered self-supporting in that the services rendered by them are generally financed through user charges. The District maintains the following major proprietary funds:

The **Water Fund** is used to account for all activity associated with water services throughout the District.

The **Davis-Grunsky Fund** is used to account for all activity associated with the Davis-Grunsky loans.

The **Sewer Fund** is used to account for all activity associated with waste water services throughout the District.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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### Fiduciary Funds

The District is responsible for the administration of the Improvement Districts (Sewer Assessment District Nos. 3 and 4) formed under the Municipal Improvement Act of 1911. The District is not obligated to repay the special assessment debt of these special assessment districts. The County of Tuolumne functions as an agent for the property owners by collecting assessments and forwarding collections to the special-assessment debt-holders. The special assessment debt at June 30, 2014, is as follows:

SAD #3	\$ 40,380
SAD #4	<u>3,592</u>
Total Special Assessment Debt	<u>\$ 43,972</u>

### F. BUDGET AND BUDGETARY ACCOUNTING

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America for all of the District's governmental funds. By State Law, the Board must approve a tentative budget no later than June 30 and adopt a final budget no later than August 31. A public hearing must be conducted to receive comments prior to adoption.

These budgets are revised by the Board during the fiscal year to give consideration to unanticipated income and expenditures. The original and final revised budgets for the Fire Protection and Parks and Recreation Fund are presented as required supplementary information in these financial statements.

Formal budgetary integration was employed as a management control device during the year for all budgeted funds. The District employs budget control by minor object and by individual appropriation accounts. Expenditures cannot legally exceed appropriations by major object account.

### G. USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets, deferred outflow, liabilities and deferred inflows 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 amounts could differ from those estimates.

### H. CASH AND EQUIVALENTS

The District considers all highly liquid investments with a maturity of three months or less at the time of purchase to be cash equivalents.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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### I. CAPITAL ASSETS

Purchased capital assets are stated at historical cost or estimated historical cost when original cost is not available. Donated capital assets are recorded at their estimated fair value at the date of donation. The District's policy is to capitalize all capital assets with costs exceeding a minimum threshold of \$2,500. Depreciation is recorded using the straight-line method over the estimated useful lives of the capital assets. The estimated useful lives are as follows:

Buildings	25-50 years
Improvements	10-20 years
Equipment	3-10 years

### J. DEFERRED OUTFLOW/INFLOWS OF RESOURCES

In addition to assets, the balance sheet will sometimes report a separate section from deferred outflows of resources. This separate financial element, *deferred outflow of resources*, represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expense) until then. The District has one item, deferred amount on refunding, that qualifies for reporting in this category in the balance sheet. A deferred amount on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded debt or refunding bond.

In addition to liabilities, the balance sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time. The District does not have items that qualify for reporting in this category.

### K. COMPENSATED ABSENCES

An employee accumulates vacation and sick leave time in accordance with the personnel policies handbook. Vacation and sick time vested and accrued depends on years of service and date of hire by the District. Vacation may be accumulated up to 12 weeks for safety employees and 8 weeks for miscellaneous employees and is paid in full upon termination or retirement. There are no restrictions on the amount of sick leave an employee can accumulate, but unused sick leave is compensable at one half the total sick time accrued upon termination or retirement.

### L. FUND BALANCES

In the governmental fund financial statements fund balances are classified as follows:

**Non-spendable** – Funds that cannot be spent due to their form or funds that legally or contractually must be maintained intact.

**Restricted** – Funds that are mandated for specific purposes because the amounts are subject to externally imposed or legally enforceable constraints.



# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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**Committed** - Funds set aside for specific purposes by the District's highest level of decision-making authority (the Board) pursuant to formal actions taken, such as a majority vote or resolution. These committed amounts cannot be used for any other purpose unless the Board removes or changes the specific use through the same type of formal action taken to establish the commitment.

**Assigned** – Funds that are constrained by the District's intent to be used for specific purposes, but are neither restricted nor committed.

**Unassigned** - Unassigned fund balance is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

The District applies restricted resources first when expenditures are incurred for purposes for which either restricted or unrestricted (committed, assigned, and unassigned) amounts are available.

Similarly, within unrestricted fund balance, committed amounts are reduced first followed by assigned, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any of the unrestricted fund balance classifications could be used.

### M. PROPERTY TAXES

The District receives property taxes from the County, which has been assigned the responsibility for assessment, collection, and apportionment of property taxes for all taxing jurisdictions within the County. Secured property taxes are levied on January 1 for the following fiscal year and on which date it becomes a lien on real property. Secured property taxes are due in two installments, on November 1 and February 1, and are delinquent after December 10 and April 10. Property taxes on the unsecured roll are due on the January 1 lien date and become delinquent if unpaid by August 31. Property tax revenues are recognized in the fiscal year they are received.

Based on a policy by the County called the Teeter Plan, 100% of the allocated taxes are transmitted by the County to the District, eliminating the need for an allowance for uncollectible accounts. The County, in return, receives all penalties and interest on the related delinquent taxes.

### N. LONG-TERM OBLIGATIONS

The District reports long-term obligations of governmental funds at face value in the government-wide financial statements. Long-term obligations payable from proprietary funds are reported on the proprietary fund financial statements and the government-wide financial statements.

### L. FUTURE GASB STATEMENT IMPLEMENTATION

In June of 2012, the GASB issued GASB Statement 68 (GASB 68), *Accounting and Financial Reporting for Pensions* – an amendment of GASB Statement No. 27, with required implementation for the District during the year ended June 30, 2015. GASB 68 is an amendment of GASB Statement 27, *Accounting for Pensions by State and Local Governmental Employers*. The primary objective of GASB 68 is to improve accounting and financial reporting by state and local governments for pensions by establishing standards for measuring and recognizing liabilities, deferred outflows of resources, deferred inflows of resources, and expenses/expenditures. It will require employers to report a net pension liability for the difference between the present value of

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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projected pension benefits for past service and restricted resources held in trust for the payment of benefits. The Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service. GASB 68 requires implementation retroactively and will require a restatement of beginning net position.

### 2. CASH AND EQUIVALENTS

Cash and equivalents as of June 30, 2014, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and equivalents	\$ 4,012,769
Restricted cash and equivalents	1,022,960
Fiduciary funds:	
Cash and equivalents	<u>43,972</u>
Total cash and equivalents	<u>\$ 5,079,701</u>

Cash and equivalents as of June 30, 2014, consist of the following:

Cash with financial institutions	\$ 980,238
Cash on hand	500
Cash and equivalents with LAIF	59
Cash in County Treasury	50,927
Money market	<u>4,047,977</u>
Total cash and equivalents	<u>\$ 5,079,701</u>

#### Local Agency Investment Fund

The District is a voluntary participant the Local Agency Investment Fund (LAIF) that is regulated by the California Government Code under the oversight of the Treasurer of the State of California. The fair value of the District's investment in this pool is reported in the accompanying financial statements at amounts based upon the District's pro-rata share of the fair value provided by LAIF for the entire LAIF portfolio (in relation to the amortized cost of that portfolio). The balance available for withdrawal is based on the accounting records maintained by LAIF, which are recorded on an amortized cost basis. Separate complete financial statements are available at P.O. Box 942809, Sacramento, CA 94209-0001.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

### Investments Authorized by the California Government Code and the District's Investment Policy

The table below identifies the investment types that are authorized for the District by the California Government Code. The table also identifies certain provisions of the California Government Code that address interest rate risk, credit risk, and concentration of credit risk. This table does not address investments of debt proceeds held by bond trustees that are governed by the provisions of debt agreements of the District, rather than the general provisions of the California Government Code.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Reverse Repurchase Agreements & Securities Lending Agreements	92 days	20 % of the base value of the portfolio	None
Medium-Term Notes	5 years	30%	None
Mutual Funds	N/A	20%	10%
Money Market Mutual Funds	N/A	20%	None
Collateralized Bank Deposits	5 years	None	None
Mortgage Pass-Through Securities	5 years	20%	None
Time Deposits	5 years	None	None
County Pooled Investment Funds	N/A	None	None
Local Agency Investment Fund (LAIF)	N/A	None	\$50 Million

### Investments Authorized by Debt Agreements

Investments held by trustees are governed by provisions of the debt agreements, rather than the general provisions of the California Government Code or the District's investment policy. The table below identifies the investment types that are authorized for investments held by trustees. The table also identifies certain provisions of the debt agreements that address interest rate risk, credit risk, and concentration of credit risk.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Maximum Investment in One Issuer</u>
Investment pools authorized under CA Statutes governed by Government Code	N/A	None	\$50 million
U.S. Treasury Obligations/Bills	5 years	None	None
Bank Savings Account	N/A	25%	None
Federal Agencies	5 years	75%	None
Commercial Paper	180 days	20%	None
Negotiable Certificates of Deposit	180 days	20%	None
Re-purchase Agreements	180 days	20%	None
Corporate Debt	5 years	25%	None
Money Market Accounts	N/A	None	None

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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### Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair values to changes in market interest rates. The District has no investments that are highly sensitive to interest rate fluctuations.

### Derivative Investments

The District did not directly enter into any derivative investments. Information regarding the amount invested in derivatives by the Treasury was not available.

### Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization.

### Concentration of Credit Risk

The investment policy of the District contains limitations on the amount that can be invested in any one issuer. There are no investments (other than U.S. Treasury securities, mutual funds, and external investment pools) in any one issuer that represent 5% or more of total District investments.

### 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 District's investment policy do not contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits, other than the following provision for deposits: The California Government Code requires that a financial institution secure deposits that are made by state or local governmental units by pledging securities in an undivided collateral pool held by a depository regulated under state law (unless so waived by the governmental unit). The market value of the pledged securities in the collateral pool must equal at least 110% of the total amounts deposited by the public agencies.

District deposits held with financial institutions and with fiscal agents in excess of federal depository insurance limits held in accounts collateralized by securities held by the pledging financial institution were \$4,461,664.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

### 3. CAPITAL ASSETS

Governmental Activities:

Capital asset activity for the year ended June 30, 2014 was as follows:

	<b>Balance July 1, 2013</b>	<b>Additions/ Transfers</b>	<b>Deductions/ Transfers</b>	<b>Balance June 30, 2014</b>
Capital assets, not being depreciated:				
Land	\$ 48,044			\$ 48,044
Total capital assets, not being depreciated	48,044			48,044
Capital assets, being depreciated:				
Structures and improvements	1,317,555			1,317,555
Furnishings & Equipment	466,220	\$ 4,641		470,861
Vehicles	797,884		\$ (35,295)	762,589
Total capital assets, being depreciated	2,581,659	4,641	(35,295)	2,551,005
Total accumulated depreciation	(1,685,424)	(93,906)	35,925	(1,744,035)
Total capital assets, being depreciated, net	896,235	(89,265)		806,970
Governmental activities capital assets, net	\$ 944,279	\$ (89,265)	\$	\$ 855,014

For the year ended June 30, 2014, depreciation expense was charged to functions as follows:

Governmental activities:

Public safety	\$ 67,641
Parks and recreation	26,265
Total depreciation expense	\$ 93,906

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

Business-Type Activities:

Capital asset activity for the year ended June 30, 2014 was as follows:

	<b>Balance July 1, 2013</b>	<b>Additions/ Transfers</b>	<b>Deductions/ Transfers</b>	<b>Balance June 30, 2014</b>
Capital assets, not being depreciated:				
Land	\$ 420,392			\$ 420,392
Construction in progress	58,865	\$ 42,454	\$ (40,992)	60,327
Total capital assets, not being depreciated	<u>479,257</u>	<u>42,454</u>	<u>(40,992)</u>	<u>480,719</u>
Capital assets, being depreciated:				
Structures and improvements	31,000,551	3,224		31,003,775
Equipment	1,915,020	61,770		1,976,790
Vehicles	775,014			775,014
Total capital assets, being depreciated	33,690,585	64,995		33,755,579
Total accumulated depreciation	<u>(18,570,358)</u>	<u>(1,178,701)</u>		<u>(19,749,059)</u>
Total capital assets, being depreciated, net	<u>15,120,227</u>	<u>(1,106,604)</u>	<u>(40,992)</u>	<u>14,006,520</u>
Governmental activities capital assets, net	<u>\$ 15,599,484</u>	<u>\$(1,071,253)</u>	<u>\$ (40,992)</u>	<u>\$ 14,487,239</u>

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

### 4. LONG-TERM DEBT

Long-term liability activity for the year ended June 30, 2014 was as follows:

<u>Governmental Activities</u>	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2014</u>	<u>Due within one year</u>
Net OPEB obligation	\$ 230,579	\$ 37,118	(18,131)	\$ 249,566	
Compensated absences	16,643		(15,451)	1,192	\$ 1,192
Total	<u>\$ 247,222</u>	<u>\$ 37,118</u>	<u>\$ (33,582)</u>	<u>\$ 250,758</u>	<u>\$ 1,192</u>
<u>Business-type Activities</u>	<u>Balance at July 1, 2013</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at June 30, 2014</u>	<u>Due within one year</u>
May 2007 Installment Sales Agreement	\$ 4,104,644		\$ (4,104,644)		
June 2007 Installment Sales Agreement	3,684,866		(3,684,866)		
2013 Installment Sales Agreement	3,117,831		(179,450)	\$ 2,938,381	189,449
February 2014 Revenue Refunding Bonds		\$ 4,024,000		4,024,000	253,159
June 2014 Revenue Refunding Bonds		3,450,000		3,450,000	260,000
Unamortized premium	78,538		(78,538)		
Davis-Grunsky Act loans	53,333		(8,711)	44,622	8,954
Special assessment bonds	49,000		(9,000)	40,000	13,500
Ford truck loan	2,821		(2,821)		
Net OPEB obligation	548,111	203,670	(154,182)	597,599	
Compensated absences	73,817	11,778		85,595	85,595
Total	<u>\$ 11,712,961</u>	<u>\$ 7,689,448</u>	<u>\$ (8,222,212)</u>	<u>\$ 11,180,197</u>	<u>\$ 810,657</u>

The District entered into an Installment Sale Agreement, dated May 18, 2007 (May 2007 Installment Sale Agreement) in the amount of \$5,031,500 with an interest rate of 4.71%, to provide financing for the certain public water facilities constituting part of the District's water enterprise.

The District entered into an Installment Sale Agreement, dated June 29, 2007 (June 2007 Installment Sale Agreement) in the amount of \$4,529,000 with an interest rate of 4.85%, to provide financing for the additional improvements to the Wastewater System within the service area of the District.

The District entered into an Installment Sale Agreement, dated February 1, 2013 (2013 Installment Sale Agreement) in the amount of \$3,117,831, with an interest rate of 3.7%, to refund the 1998 Installment Sale Agreement causing the prepayment by the Groveland/Tuolumne Financing Authority of all of the outstanding Groveland/ Tuolumne Financing Authority Groveland Capital Facilities Refunding Revenue Bonds Issue of 1998 (1998 Bonds.) Payments are due semiannually on July 10 and January 10. Final maturity is on January 10, 2026.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

The District issued the Water Revenue Refunding Bonds, Series 2014, dated February 1, 2014 (February 2014 Revenue Refunding Bonds) in the amount of \$4,024,000, with an interest rate of 3.65%, to refund the May 2007 Installment Sale Agreement. Payments are due semiannually on July 10 and January 10. Final maturity is on July 10, 2027. The District completed the refunding to reduce debt service payments by \$92,850 in aggregate and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$118,000 in aggregate.

The District issued the Wastewater Revenue Refunding Bonds, Series 2014, dated June 1, 2014 (June 2014 Revenue Refunding Bond) in the amount of \$3,450,000, with an interest rate of 3% through July 10, 2022 and 4.15% through July 10, 2027, to refund the June 2007 Installment Sales Agreement. Payments are due semiannually on July 10 and January 10. Final maturity is on July 10, 2027. The District completed the refunding to reduce debt service payments by \$140,847 in aggregate and to obtain an economic gain (difference between the present value of the old and new debt service payments) of approximately \$112,000 in aggregate.

### Other Long-Term Debt

The District entered into a David-Grunsky Act Loan in the amount of \$102,000 with an interest rate of 2.5%, payable semiannually, principal payable annually on December 1. Final maturity is on December 1, 2021. As of June 30, 2014, the principal balance was \$28,316.

The District entered into a David-Grunsky Act Loan in the amount of \$137,003 with an interest rate of 3.2%, payable semiannually, principal payable annually on December 1. Final maturity is on December 1, 2017. As of June 30, 2014, the principal balance was \$16,306.

The District entered into the Municipal Improvement Act of 1915 Bonds (Special Assessment Bonds) in the amount of \$190,826, which are the obligation of property owners that the District has the duty to maintain upon default or delinquency. Special Assessment Bonds are paid from cash on hand and assessments collected. Final maturity is on July 1, 2016.

Annual debt service requirements for the business-type activities are as follows:

### **Fiscal Year Ending**

<u>June 30,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2015	\$ 725,062	\$ 298,165	\$ 1,023,227
2016	693,124	348,736	1,041,861
2017	690,838	325,578	1,016,416
2018	709,609	301,718	1,011,327
2019	734,330	277,052	1,011,382
2020-2024	4,082,371	980,890	5,063,261
2025-2028	2,861,669	212,779	3,074,448
Total	<u>\$ 10,497,003</u>	<u>\$ 2,744,919</u>	<u>\$ 13,241,922</u>



# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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### 5. EMPLOYEMENT RETIREMENT SYSTEMS

#### DEFINED BENEFIT PENSION PLAN

Qualified employees are covered under the Miscellaneous 2.7% at 55 Risk Pool (Miscellaneous Plan), a cost-sharing multiple-employer defined benefit pension plan maintained by the California Public Employees Retirement System (CalPERS), an agency of the State of California.

#### Plan Description

The District contributes to CalPERS. CalPERS provides retirement and disability benefits, annual cost-of-living adjustments, and death benefits to plan members and beneficiaries. CalPERS acts as a common investment and administrative agent for participating public entities within the State of California. State statute and the District's policy establish benefits provisions and all other requirements. Copies of CalPERS' annual financial report may be obtained from their Executive Office, 400 P Street, Sacramento, California 95811.

#### Funding

Participants are required to contribute 8% of their annual covered salary for the Miscellaneous Plan. The District makes the contributions required of certain District employees on their behalf and for their account. The District is required to contribute at an actuarially determined rate. The District's contribution rate on covered payroll for all employees for the year ended June 30, 2014 was 12.899%. The contribution requirement of plan members and the District are established and may be amended by CalPERS.

#### Annual Pension Cost

The District's contributions to CalPERS for the fiscal years ending June 30, 2014, 2013, and 2012 were \$94,434, \$121,899 and \$120,821 and equal 100% of the required contributions for each year. The required contribution was determined as part of the June 30, 2011, actuarial valuations. A summary of the principle assumptions and methods used to determine the annual required contributions is shown below:

Valuation date	June 30, 2011
Actuarial cost method	Entry age normal
Actuarial assumptions:	
Investment rate of return	7.50% (net of administrative expenses)
Inflation	2.75%
Payroll growth	3.00%
Projected salary increases	3.30% to 14.20%

The excess of the total actuarial accrued liability over the actuary value of plan assets is called the unfunded actuarial accrued liability. Funding requirements are determined by adding the normal cost and an amortization of the unfunded liability as a level percentage of assumed future payrolls. All changes in liability are amortized separately over a 20 year period. Investment gains and losses are accumulated as they are realized and amortized over a rolling 30 year period.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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### **OTHER POSTEMPLOYMENT BENEFIT**

For employees who retire from the District after at least ten (10) years of service with the District and who continue health insurance through a District-sponsored health insurance plan, the District will continue to pay their health insurance premium, at the same level of benefits as the retiree had at the time of retirement. The District will also continue contributing to the retirees Health Savings Account, until the retiree reaches the age of 65, after which, the retiree shall receive the Medicare Supplement insurance coverage.

At June 30, 2014, the District has 10 retirees receiving benefits and 15 active participants. During the year ended June 30, 2014, the District elected to participant in an irrevocable trust. The Trust, California Employers' Retiree Trust (CERBT) fund, is administered by CalPERS. The District's policy is to prefund their benefits from time to time at the sole discretion of the Board by accumulating assets in CERBT. The Board reserves the District's authority to review and amend this financing policy from time to time to ensure that the funding policy continues to best suit the circumstances of the District. During the year ended June 30, 2014, the District contributed \$69,538 to CERBT.

The District's annual other postemployment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC). The District has elected to calculate the ARC and related information using the alternative measurement method (AMM) permitted by GASB 45 for employers in plans with fewer than one hundred total plan members. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and to amortize any unfunded actuarial liabilities (or funding excess) over a period not to exceed thirty years.

The projection of future benefit payments for an ongoing plan involves estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. 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 for other postemployment benefits, presented as required supplementary information following the notes to the financial statements, presents trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and 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 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.

Cost method	Projected unit credit	
Amortization method	Flat percent of projected payroll over a rolling 30 years	
Remaining amortization period	30 years as of the valuation date	
Assumptions		
Discount rate	.04	
Ultimate trend rate	.05	
Health cost trend rate	.05 - .08	
Age adjustment factor	.03	
Assumed retirement age	59	
Cap inflator (full inflation)	-1	
Percent of retirees with spouses	.5	
Annual required contribution	\$ 240,788	
Interest on net OPEB obligation		
Adjustment to annual required contribution		
Annual OPEB expense	240,788	
Contributions made	(172,313)	
Increase in OPEB obligation	68,475	
Net OPEB obligation at July 1, 2013	778,690	
Net OPEB obligation at June 30, 2014	\$ 847,165	

The District's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net obligation for June 30, 2014 and the preceding two years is as follows:

<u>Fiscal year ended</u>	<u>Annual OPEB cost</u>	<u>% of annual OPEB expense contributed</u>	<u>Net OPEB obligation</u>
6/30/12	\$ 339,871	45%	\$ 613,630
6/30/13	\$ 290,009	43%	\$ 778,690
6/30/14	\$ 240,788	72%	\$ 847,165

The District's funding status for other postemployment benefits as of the most recent valuation is as follows:

<u>Valuation Date</u>	<u>Actuarial Value of Assets</u> (a)	<u>Actuarial Accrued Liability (AAL)</u> (b)	<u>Unfunded AAL (UAAL)</u> (b - a)	<u>Funded Ratio</u> (a / b)	<u>Covered Payroll</u> (c)	<u>UAAL as a Percentage of Covered Payroll</u> ([b - a] / c)
7/1/13	\$ 0	\$ 2,066,439	\$ 2,066,439	0%	N/A	N/A

# GROVELAND COMMUNITY SERVICES DISTRICT

## NOTES TO THE FINANCIAL STATEMENTS JUNE 30, 2014

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### 6. 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; and natural disasters for which the District carries insurance.

The District is a member of the Special District Risk Management Authority (SDRMA), an intergovernmental risk sharing joint powers authority, created pursuant to California Government Code Sections 6500 et. seq., effective July 1, 2006. During its membership, the general and auto liability, employee dishonesty coverage, property loss, boiler and machinery, public officials' personal liability, workers' compensation coverage and employer's liability policies were in effect, with excess coverage for general and auto liability, and errors and changes of \$10 million.

Following is SDRMA's summary financial information as of June 30, 2013:

Total Assets	\$ 103,936,351	Total Revenues	\$ 48,423,555
Total Liabilities	<u>48,290,854</u>	Total Expenses	<u>51,573,238</u>
Total Net Position	<u>\$ 55,645,497</u>	Change in Net Position	<u>\$ (3,149,683)</u>

**REQUIRED SUPPLEMENTARY INFORMATION**

# GROVELAND COMMUNITY SERVICES DISTRICT

## SCHEDULE OF FUNDING PROGRESS FOR OTHER POSTEMPLOYMENT BENEFITS JUNE 30, 2013

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<b>Valuation Date</b>	<b>Actuarial Value of Assets (a)</b>	<b>Actuarial Accrued Liability (AAL) (b)</b>	<b>Unfunded AAL (UAAL) (b - a)</b>	<b>Funded Ratio (a / b)</b>	<b>Covered Payroll (c)</b>	<b>UAAL as a Percentage of Covered Payroll ([(b - a) / c]</b>
7/1/09	\$ 0	\$ 2,202,513	\$ 2,202,513	0%	\$ 1,513,426	145.5%
7/1/12	\$ 0	\$ 2,210,460	\$ 2,210,460	0%	N/A	N/A
7/1/13	\$ 0	\$ 2,066,439	\$ 2,066,439	0%	N/A	N/A

# GROVELAND COMMUNITY SERVICES DISTRICT

## BUDGETARY COMPARISON SCHEDULE FIRE PROTECTION FUND YEAR ENDED JUNE 30, 2014

	<u>Budgeted Amounts</u>		<u>Actual Amounts</u>	<b>Variance with Final Budget Positive (Negative)</b>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES:</b>				
Property taxes	\$ 860,000	\$ 860,000	\$ 879,808	\$ 19,808
Interest earnings	500	500	1,557	1,057
Other revenue	5,000	5,000	52,305	47,305
Total revenues	<u>865,500</u>	<u>865,500</u>	<u>933,670</u>	<u>68,170</u>
<b>EXPENDITURES:</b>				
Public safety	959,552	959,552	832,393	127,159
Capital outlay	14,000	14,000	4,641	9,359
Total expenditures	<u>973,552</u>	<u>973,552</u>	<u>837,034</u>	<u>136,518</u>
Net change in fund balance	(108,052)	(108,052)	96,636	204,688
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from sale of capital assets	_____	_____	17,761	(17,761)
Total Other Financing Sources (Uses)	_____	_____	<u>17,761</u>	<u>(17,761)</u>
Fund balances - beginning	<u>868,813</u>	<u>868,813</u>	<u>868,813</u>	_____
Fund balances - ending	<u>\$ 760,761</u>	<u>\$ 760,761</u>	<u>\$ 965,449</u>	<u>\$ 204,688</u>

# GROVELAND COMMUNITY SERVICES DISTRICT

## BUDGETARY COMPARISON SCHEDULE PARKS AND RECREATION FUND YEAR ENDED JUNE 30, 2014

	Budgeted Amounts		Actual Amounts	Variance with Final Budget Positive (Negative)
	Original	Final		
<b>REVENUES:</b>				
Property taxes	\$ 75,000	\$ 75,000	\$ 76,505	\$ 1,505
Interest earnings			1,724	1,724
Charges for services	<u>3,000</u>	<u>3,000</u>	<u>860</u>	<u>(2,140)</u>
Total revenues	<u>78,000</u>	<u>78,000</u>	<u>79,089</u>	<u>1,089</u>
<b>EXPENDITURES:</b>				
Culture-recreation	103,766	103,766	67,675	36,091
Capital outlay	<u>13,000</u>	<u>13,000</u>	<u>          </u>	<u>13,000</u>
Total expenditures	<u>116,766</u>	<u>116,766</u>	<u>67,675</u>	<u>49,091</u>
Excess (deficiency) of revenues over expenditures	(38,766)	(38,766)	11,414	50,180
Fund balances - beginning	<u>165,710</u>	<u>165,710</u>	<u>165,710</u>	<u>          </u>
Fund balances - ending	<u>\$ 165,710</u>	<u>\$ 165,710</u>	<u>\$ 177,124</u>	<u>\$ 11,414</u>