

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT

**FINANCIAL STATEMENTS
FOR FISCAL YEARS ENDING**

JUNE 30, 2019

JUNE 30, 2018

JUNE 30, 2017

JUNE 30, 2016

JUNE 30, 2015

Showcase Ranch Community Services District
June 30, 2019, 2018, 2017, 2016, 2015

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VAUGHN JOHNSON, CPA

INDEPENDENT AUDITOR'S REPORT

To: The Board of Directors
Showcase Ranch Community Services District
El Dorado County, California

I have audited the accompanying financial statements of the government activities and the major fund, of Showcase Ranch Community Services District as of and for the years ended June 30, 2019, 2018, 2017, 2016 and 2015, which collectively comprise the District's financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

My responsibility is to express opinions on these financial statements based on my audit. I conducted my audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that I plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, I express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinions

In my opinion the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities and major fund of Showcase Ranch Community Services District as of June 30, 2019, 2018, 2017, 2016, and 2015 and the respective changes in financial position for the years then ended in accordance with accounting principles generally accepted in the United States of America.

VAUGHN JOHNSON, CPA

Other Matters

Required Supplementary Information

Management has not presented management's discussion and analysis that governmental accounting principles generally accepted in the United States of America require to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. My opinion on the basic financial statements is not affected by this missing information.

Accounting principles generally accepted in the United States of America require that the analysis and budgetary comparison information on pages 23 through 28 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. I have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to my inquiries, the basic financial statements, and other knowledge I obtained during my audit of the basic financial statements. I do not express an opinion or provide any assurance on the information because the limited procedures do not provide me with sufficient evidence to express an opinion or provide any assurance.

Vaughn Johnson

Vaughn Johnson, CPA
Cameron Park, California
July 22, 2020

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2019**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Net Assets (Governmental Activities)</u>
Assets			
Cash with County Treasury	<u>\$ 52,041</u>		<u>\$ 52,041</u>
Total Assets	<u><u>\$ 52,041</u></u>	<u><u>\$ -</u></u>	<u><u>\$ 52,041</u></u>
Liabilities			
Accounts Payable			<u>-</u>
Total Liabilities	<u>-</u>	<u>\$ -</u>	<u>-</u>
Fund Balance			
Restricted	<u>52,041</u>	<u>(52,041)</u>	<u>-</u>
Total Fund Balance	<u>52,041</u>	<u>(52,041)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u><u>\$ 52,041</u></u>		
Net Position			
Restricted		<u>52,041</u>	<u>52,041</u>
Total Net Position		<u>52,041</u>	<u>52,041</u>
Total Liabilities and Net Position		<u><u>\$ -</u></u>	<u><u>\$ 52,041</u></u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2018**

	Governmental Fund (General Fund)	Adjustments	Statement of Net Assets (Governmental Activities)
Assets			
Cash with County Treasury	\$ 58,723		\$ 58,723
Total Assets	<u>\$ 58,723</u>	<u>\$ -</u>	<u>\$ 58,723</u>
Liabilities			
Accounts Payable			-
Total Liabilities	-	\$ -	-
Fund Balance			
Restricted	58,723	(58,723)	-
Total Fund Balance	58,723	(58,723)	-
Total Liabilities and Fund Balance	<u>\$ 58,723</u>		
Net Position			
Restricted		58,723	58,723
Total Net Position		58,723	58,723
Total Liabilities and Net Position		<u>\$ -</u>	<u>\$ 58,723</u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2017**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Net Assets (Governmental Activities)</u>
Assets			
Cash with County Treasury	\$ 46,382		\$ 46,382
Total Assets	<u>\$ 46,382</u>	<u>\$ -</u>	<u>\$ 46,382</u>
Liabilities			
Accounts Payable	321		321
Long-Term Liabilities			
Notes payable		1,570	1,570
Due within one year			
Due beyond one year			
Total Liabilities	<u>321</u>	<u>1,570</u>	<u>1,891</u>
Fund Balance			
Restricted	<u>46,061</u>	<u>(46,061)</u>	<u>-</u>
Total Fund Balance	<u>46,061</u>	<u>(46,061)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 46,382</u>		
Net Position			
Restricted		<u>44,491</u>	<u>44,491</u>
Total Net Position		<u>44,491</u>	<u>44,491</u>
Total Liabilities and Net Position		<u>\$ (1,570)</u>	<u>\$ 46,382</u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2016**

	Governmental Fund (General Fund)	Adjustments	Statement of Net Assets (Governmental Activities)
Assets			
Cash with County Treasury	\$ 28,998		\$ 28,998
Total Assets	\$ 28,998	\$ -	\$ 28,998
Liabilities			
Accounts Payable	\$ 24		\$ 24
Long-Term Liabilities			
Notes payable			
Due within one year		1,570	1,570
Due beyond one year		1,570	1,570
Total Liabilities	24	3,140	3,164
Fund Balance			
Restricted	28,974	(28,974)	-
Total Fund Balance	28,974	(28,974)	-
Total Liabilities and Fund Balance	\$ 28,998		
Net Position			
Restricted		25,834	25,834
Total Net Position		25,834	25,834
Total Liabilities and Net Position		\$ (3,140)	\$ 28,998

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
BALANCE SHEET/STATEMENT OF NET POSITION
JUNE 30, 2015**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Net Assets (Governmental Activities)</u>
Assets			
Cash with County Treasury	\$ 14,487	\$	\$ 14,487
Total Assets	<u>\$ 14,487</u>	<u>\$ -</u>	<u>\$ 14,487</u>
Liabilities			
Accounts Payable	\$ 30	\$	\$ 30
Long-Term Liabilities			
Notes payable			
Due within one year		1,570	1,570
Due beyond one year		3,140	3,140
Total Liabilities	<u>30</u>	<u>4,710</u>	<u>4,740</u>
Fund Balance			
Restricted	<u>14,457</u>	<u>(14,457)</u>	<u>-</u>
Total Fund Balance	<u>14,457</u>	<u>(14,457)</u>	<u>-</u>
Total Liabilities and Fund Balance	<u>\$ 14,487</u>		
Net Position			
Restricted		<u>9,747</u>	<u>9,747</u>
Total Net Position		<u>9,747</u>	<u>9,747</u>
Total Liabilities and Net Position		<u>\$ (4,710)</u>	<u>\$ 14,487</u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF FUND REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Activities (Governmental Activities)</u>
<u>Program Expenditures</u>			
Public Way and Facilities			
Current:			
Services and supplies	\$ 39,950		\$ 39,950
Debt Service			
Retirement of long-term debt			-
Total Program Expenses	39,950	-	39,950
<u>Program Revenues</u>			
Public Way and Facilities			
Intergovernment revenues	119		119
State - OES			-
FEMA			-
Total Program Revenues	119		119
Net Program Revenues (Deficit)	(39,831)	-	(39,831)
<u>General Revenues</u>			
	-		-
Property taxes	13,741		13,741
Direct assessments	17,716		17,716
Fines, forfeiture and penalties	664		664
Revenue from use of money or property	1,028		1,028
Total General Revenues	33,149	-	33,149
Excess of Revenues Over Expenses	(6,682)		
Decrease in Net Position		-	(6,682)
Fund Balance/Net Position, Beginning	58,723		58,723
Fund Balance/Net Position, Ending	\$ 52,041		\$ 52,041

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF FUND REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2018**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Activities (Governmental Activities)</u>
<u>Program Expenditures</u>			
Public Way and Facilities			
Current:			
Services and supplies	\$ 33,290		\$ 33,290
Debt Service			
Retirement of long-term debt	<u>1,570</u>	<u>(1,570)</u>	<u>-</u>
Total Program Expenses	<u>34,860</u>	<u>(1,570)</u>	<u>33,290</u>
<u>Program Revenues</u>			
Public Way and Facilities			
Intergovernment revenues	116		116
State - OES	3,093		3,093
FEMA	<u>12,373</u>		<u>12,373</u>
Total Program Revenues	<u>15,582</u>		<u>15,582</u>
Net Program Revenues (Deficit)	(19,278)	1,570	(17,708)
<u>General Revenues</u>			
	-		-
Property taxes	12,971		12,971
Direct assessments	17,773		17,773
Fines, forfeiture and penalties	634		634
Revenue from use of money or property	<u>562</u>		<u>562</u>
Total General Revenues	<u>31,940</u>	<u>-</u>	<u>31,940</u>
Excess of Revenues Over Expenses	12,662		
Decrease in Net Position		<u>1,570</u>	14,232
Fund Balance/Net Position, Beginning	<u>46,061</u>		<u>44,491</u>
Fund Balance/Net Position, Ending	<u>\$ 58,723</u>		<u>\$ 58,723</u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF FUND REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2017**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Activities (Governmental Activities)</u>
<u>Program Expenditures</u>			
Public Way and Facilities			
Current:			
Services and supplies	\$ 11,374		\$ 11,374
Debt Service			
Retirement of long-term debt	<u>1,570</u>	<u>(1,570)</u>	<u>-</u>
Total Program Expenses	<u>12,944</u>	<u>(1,570)</u>	<u>11,374</u>
<u>Program Revenues</u>			
Public Way and Facilities			
Intergovernment revenues	<u>114</u>		<u>114</u>
Total Program Revenues	<u>114</u>		<u>114</u>
Net Program Revenues (Deficit)	(12,830)	1,570	(11,260)
<u>General Revenues</u>			
Property taxes	12,131		12,131
Direct assessments	17,340		17,340
Fines, forfeiture and penalties	218		218
Revenue from use of money or property	<u>228</u>		<u>228</u>
Total General Revenues	<u>29,917</u>	<u>-</u>	<u>29,917</u>
Excess of Revenues Over Expenses	17,087		
Decrease in Net Position		<u>1,570</u>	18,657
Fund Balance/Net Position, Beginning	<u>28,974</u>		<u>25,834</u>
Fund Balance/Net Position, Ending	<u>\$ 46,061</u>		<u>\$ 44,491</u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF FUND REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2016**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Activities (Governmental Activities)</u>
<u>Program Expenditures</u>			
Public Way and Facilities			
Current:			
Services and supplies	\$ 13,753		\$ 13,753
Debt Service			
Retirement of long-term debt	<u>1,570</u>	<u>(1,570)</u>	<u>-</u>
Total Program Expenses	<u>15,323</u>	<u>(1,570)</u>	<u>13,753</u>
<u>Program Revenues</u>			
Public Way and Facilities			
Intergovernment revenues	114		114
Other revenue	<u>16</u>		<u>16</u>
Total Program Revenues	<u>130</u>		<u>130</u>
Net Program Revenues (Deficit)	(15,193)	1,570	(13,623)
<u>General Revenues</u>			
	-		-
Property taxes	11,636		11,636
Direct assessments	17,465		17,465
Fines, forfeiture and penalties	523		523
Revenue from use of money or property	<u>86</u>		<u>86</u>
Total General Revenues	<u>29,710</u>	<u>-</u>	<u>29,710</u>
Excess of Revenues Over Expenses	14,517		
Decrease in Net Position		<u>1,570</u>	16,087
Fund Balance/Net Position, Beginning	<u>14,457</u>		<u>9,747</u>
Fund Balance/Net Position, Ending	<u>\$ 28,974</u>		<u>\$ 25,834</u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF FUND REVENUES, EXPENDITURES/EXPENSES AND CHANGES IN FUND BALANCE/
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2015**

	<u>Governmental Fund (General Fund)</u>	<u>Adjustments</u>	<u>Statement of Activities (Governmental Activities)</u>
<u>Program Expenditures</u>			
Public Way and Facilities			
Current:			
Services and supplies	\$ 51,732		\$ 51,732
Debt Service			
Retirement of long-term debt	<u>1,570</u>	<u>(1,570)</u>	<u>-</u>
Total Program Expenses	<u>53,302</u>	<u>(1,570)</u>	<u>51,732</u>
<u>Program Revenues</u>			
Public Way and Facilities			
Intergovernment revenues	115		115
Other revenue	<u>4,632</u>		<u>4,632</u>
Total Program Revenues	<u>4,747</u>		<u>4,747</u>
Net Program Revenues (Deficit)	(48,555)	1,570	(46,985)
<u>General Revenues</u>			
	-		-
Property taxes	11,412		11,412
Direct assessments	17,888		17,888
Fines, forfeiture and penalties	492		492
Revenue from use of money or property	<u>101</u>		<u>101</u>
Total General Revenues	<u>29,893</u>	<u>-</u>	<u>29,893</u>
Excess of Expenses Over Revenues	(18,662)		
Decrease in Net Position		<u>1,570</u>	(17,092)
Fund Balance/Net Position, Beginning	<u>33,119</u>		<u>26,839</u>
Fund Balance/Net Position, Ending	<u>\$ 14,457</u>		<u>\$ 9,747</u>

The notes to the financial statements are an integral part of this statement.

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Description of the Reporting Entity

The Showcase Ranch Community Services District (District) is a legal subdivision of the State of California, organized in 1983 for the purpose of public recreation, parks, maintenance of roads and easements. The District's powers are exercised through an elected Board of Directors (Board), which as of June 30, 2019 was composed of the following members:

<u>Name</u>	<u>Term Expires</u>
Roger Klemm, Chairman	December 2022
Karen Kleppe, Vice-Chair	December 2020
Lee Hodge, Financial Director	December 2022
Steve Taylor	December 2022
Stephen Vudragovich	December 2020

The District was formed pursuant to Government Code Sections 61000-61936 to provide road maintenance services to a 100-acre area located north of Omo Ranch Road, approximately 1/4 mile east of Mt. Aukum Road, in the Outingdale area. There are no paid employees and maintenance activities are completed by both volunteers and licensed contractors.

B. Implementation of Governmental Accounting Standards Board Statements

These financial statements have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP). The provisions of the following Governmental Accounting Standards Board (GASB) Statements have been implemented by the district for the year ended June 30, 2019:

GASB Statement No. 72, Fair Value Measurement and Application; which is effective for periods beginning after June 15, 2015. The intention of this Statement is to enhance the comparability of financial statements among governments by requiring measurement of certain assets and liabilities at fair value using a consistent and more detailed definition of fair value and accepted valuation techniques. It also enhances fair value application guidance and related disclosures;

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
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GASB Statement No. 76, The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments; which is effective for periods beginning after June 15, 2015. The objective of this statement is to identify—in the context of the current governmental financial reporting environment—the hierarchy of generally accepted accounting principles. There was no impact to the District’s financial statements as a result of this statement.

GASB Statement No. 79, Certain External Investment Pools and Pool Participants; which is effective for periods beginning after June 15, 2015 for certain provisions and for periods beginning after December 15, 2015 for remaining provisions. This statement addresses accounting and financial reporting for certain external investment pools and pool participants. Specifically, it establishes criteria for an external investment pool to qualify for making the election to measure all of its investments at amortized cost for financial reporting purposes. The District has determined this statement to be not applicable; and

GASB Statement No. 85, Omnibus 2017; which is effective for periods beginning after June 15, 2017. The objective of this Statement is to address practice issues that have been identified during implementation and application of certain GASB Statements. There was no impact to the District’s financial statements as a result of implantation of this statement.

C. Basis of Presentation

Government-wide Financial Statements

This statement of net position and statement of activities display information about the primary government (the District). Using the economic resources measurement focus and the accrual basis of accounting, these statements report all of the assets, liabilities, revenues, expenses, gains and losses of the District. These statements include the financial activities of the overall government, except fiduciary activities.

The statement of activities presents a comparison between direct expenses and program revenues for the District’s single governmental activity. Since all of the District’s expenses are specifically associated with their single program or function (public ways and facilities) these expenses are clearly identifiable to that particular function. Program revenues include 1) charges paid by the recipients of goods or services offered by the programs and 2) grants and contributions that are restricted to meeting the operational or capital requirements of the District’s public ways and facilities. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

The fund balance amounts for governmental funds have been reclassified in accordance with GASB Statement No. 54.

Fund Financial Statements

The fund financial statements provide information about the District's funds. The emphasis of fund financial statements is on major governmental or enterprise funds, each displayed in a separate column. All remaining governmental or enterprise funds, if any, are separately aggregated and reported as non-major funds. The District utilizes a single governmental fund, the General Fund, to account for all revenues and expenditures necessary to carry out its single governmental activity.

Given the simplicity of the District's operations (single program or activity) and the use of a single governmental fund (General Fund), the District's basic financial statements have been presented in columnar format whereby both the government-wide and fund financial statements have been presented in separate columns with an additional column showing any adjustments necessary to reflect the differences in the respective basis of accounting.

The District does not have any non-major governmental, fiduciary or proprietary funds.

D. Basis of Accounting

Basis of accounting refers to when revenues and expenditures or expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

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

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

Governmental funds are reported using the flow of current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The measurable criterion requires that revenues be subject to reasonable estimation and the availability criterion refers to the District's ability to spend the resources related to recognition of revenue. The availability criterion requires that resources can only be recorded as revenue, if those resources are expected to be collected or otherwise realized in time to pay liabilities reported by the District within 30 days of the end of the accounting period. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures as well as expenditures related to compensated absences, claims, and judgments, are recorded only when payment is due. General capital assets acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and capital leases are reported as other financing sources.

E. Budgetary Basis of Accounting

Pursuant to Section 53901 of the California Government Code, the District is required to file annual budgets with the El Dorado County Auditor-Controller's Office. The District complied with this requirement in the audit period. However, the District did not consistently file budget amendments with the County Auditor as warranted during the audit period; The District's annual budgets are prepared on the modified accrual basis of accounting except that current year encumbrances are budgeted as expenditures.

F. Cash and Investments

The District has instructed the County of El Dorado (County) to invest excess funds on deposit in their overall pooling of investment. The District's interest is then allocated according to the average cash balance in the County Treasury based upon the overall investments of the County. The balance in this account is presented on the financial statements as "Cash with County Treasury".

The County maintains written investment policies which address a wide variety of investment practices, including primary investment objectives, investment authority, allocable investment vehicles, investment maturity terms, eligible financial institutions, capital preservation, and cash flow management. All cash deposits at the County conform to the California Government Code Section 53646 and are fully collateralized by governmental securities pledged for the purpose of Public Deposit Collateral.

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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In accordance with Government Accounting Standards Board Statement No. 31, the County calculated the fair value of all investments included in the pooled investments based upon quoted market prices. Details of the pooled investments can be found in the County's basic financial statements.

G. Capital Assets and Depreciation

Capital assets are recorded at historical cost, or at estimated historical cost, if actual historical cost is not available. Donated capital assets are valued at their estimated fair market value on the date of donation. The District currently does not have formal capitalization and depreciation policies.

The District did not own any capital assets during the financial statement period.

H. Accounts Payable

Accounts payable consist of amounts the District owes for services or supplies purchased for on credit for maintenance of public ways and facilities.

I. Non-Current Governmental Assets/Liabilities

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

J. Use of Estimates

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

K. Accounting Records

Accounting records for the District is maintained by the El Dorado County Auditor-Controller's office. Controls are in place to ensure that all transactions are initiated, approved, and coded by the District's management prior to implementation by El Dorado County Auditor-Controller staff.

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

2. TAX LEVIED AND SPECIAL ASSESSMENTS

Property taxes are payable in two installments due November 1 and February 1, and become delinquent on December 10 and April 10 for each respective installment. Taxes on unsecured property (personal property and leasehold) are due January 1 of each year based on the preceding fiscal year's secured tax rate and become delinquent on August 31.

Local property taxes are allocated on the Teeter Plan which results in the District receiving the cash equivalent of 100% of the taxes for that year regardless of their collection status.

The District currently levies a direct assessment at a tax rate of \$125 per parcel. This assessment was approved by the voters. The District receives these taxes as they are collected.

3. CONSTITUTIONAL AND STATUTORY PROVISIONS AFFECTING THE DISTRICT

Article XIII B of the California State Constitution requires that the District's Board pass, by resolution, their annual appropriations spending limit. Article XIII B, as subsequently amended by Proposition 111, limits the annual appropriations (spending ability) of the District to the level of appropriations for the prior fiscal year adjusted for changes in the cost of living and in population (economic factors). The District may also establish or change the appropriations limit beyond these economic factors by election, subject to, and in conformity with constitutional and statutory voting requirements. The duration of any such change is determined by the said electors, but in no event can it exceed four years. The appropriations of the District, subject to Article XIII B limitations, are the proceeds of taxes including, but not limited to, property taxes, special taxes for general governmental purposes or maintenance, and interest earned from the fore mentioned proceeds of taxes.

On November 5, 1996, the voters of the State of California Approved Proposition 218, properly known as the "Right to Vote on Taxes Act." Proposition 218 added to the California Constitution Articles XIII C and XIII D, which contain a number of provisions that affect the ability of local agencies, including the District, to levy and collect both existing and future taxes, assessments, fees and charges. Article XIII C stipulates that the District must obtain voter approval of any increase in taxes and Article XIII D establishes the specific procedures and requirements that must be followed to obtain voter approval for any special taxes.

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
 NOTES TO THE FINANCIAL STATEMENTS
 JUNE 30, 2019, 2018, 2017, 2016, 2015

The combined effect of the above mentioned Articles of the State Constitution legally set limits on the District’s ability to increase and spend tax revenues. Specifically, the District does not have the legal power to raise taxes without voter approval. In addition, the District is limited in its ability to legally encumber and spend the tax revenues by means of the appropriations spending limit. Such limit is automatically increased annually by economic factors independent of the District Management’s control. In addition, the District may increase its spending limit by obtaining voter approval and any such voter approved spending limit or increase has a statute of limitations of not more than four years.

For the period of July 01, 2014 to June 30, 2019 the District did not increase its spending appropriations beyond the allowable economic factors.

4. LONG-TERM LIABILITIES

The District received a loan from an individual resident on July 12, 2012. That individual resident became a member of the Board of Directors on December 6, 2013. In April 2013, the individual resident who was to become a member of the Board of Directors transferred the note to another individual. The loan of \$7,850 was amortized over a five-year period with equal annual payments of \$1,570 Due August 1 of each year with no interest. The loan proceeds were used to aid in financing repairs to the District’s dam.

The following summarizes future loan payments:

Fiscal Year <u>June 30</u>	Principal <u>Payment</u>	Year End <u>Balance</u>
2015	\$1,570	\$4,710
2016	1,570	3,140
2017	1,570	1,570
2018	<u>1,570</u>	<u>-0-</u>
Total		<u>\$6,280</u>

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

5. NET POSITION/FUND BALANCE

A. Net Position

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

- *Net Investment in Capital Assets:* This category groups all capital assets, including infrastructure, into one component of net position. Accumulated depreciation and the outstanding balances of debt that are attributable to the acquisition, construction or improvement of these assets reduce the balance in this category.
- *Restricted Net Position:* This category presents external restrictions imposed by creditors, grantors, contributors or laws or regulations of other governments and restrictions imposed by law through constitutional provisions or enabling legislation. Included in governmental activities restricted net position at June 30, 2019, is net position restricted by enabling legislation of \$52,041.
- *Unrestricted Net Position:* This category represents net assets of the District, not restricted for any project or other project.

B. Fund Balance

As prescribed by GASB Statement No. 54, governmental funds report fund balances in classifications based primarily on the extent to which the District is bound to observe constraints imposed upon the use of the resources reported in those funds. As of June 30, 2019, fund balances for governmental funds comprise the following based on the relative strength of the constraints that control how specific amounts can be spent:

- *Nonspendable Fund Balance:* This category includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact. The “not in spendable form” criterion includes items that are not expected to be converted to cash, for example, inventories, and prepaid amounts.
- *Restricted Fund Balance:* This category includes amounts that can be spent only for the specific purposes stipulated by constitution, external resource providers, or through enabling legislation. Restrictions may effectively be changed or lifted only with the consent of resource providers.

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

- *Committed Fund Balance:* This category includes amounts that can be used only for the specific purposes determined by a formal action of the District's highest level of decision-making authority (resolution by the District's Board). Commitments may be changed or lifted only by the District's Board taking the same formal action that imposed the constraint originally.
- *Assigned Fund Balance:* This category comprises amounts intended to be used by the District for specific purposes that are neither restricted nor committed. *Intent* is expressed by (a) the District's Board or (b) a body (a budget or finance committee, for example) or official to which the District's Board has delegated the authority to assign amounts to be used for specific purposes.
- *Unassigned Fund Balance:* This category is the residual classification for the General Fund and includes all spendable amounts not contained in the other classifications. In other funds, the unassigned classification was used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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

6. POTENTIAL CONFLICTS OF INTEREST

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

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

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

SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

7. PREVAILING WAGE RATES

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

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

8. INSURANCE COVERAGE

The District does contract for General Liability Insurance with the Special District Risk Management Authority. The District does participate in the State Compensation Insurance Fund for California Worker’s Compensation for its Board members and volunteers.

9. SUBSEQUENT EVENTS

Management evaluated all the activities have been evaluated of the Showcase Ranch Community Service District through July 22, 2020 the date the financial statements were available to be issued.

In December 2019, a novel strain of coronavirus (COVID-19) was reported to have surfaced in China. The World Health Organization has characterized COVID-19 as a pandemic. The spread of this virus has caused business disruption to the Showcase Ranch Community Service District when stay at home orders were issued by the Governor of California. The extent of the impact of COVID-19 on the Watermaster’s operational and financial performance will depend on future developments, including the duration and spread of the outbreak and the length of stay-at-home orders, all of which are highly uncertain and cannot be predicted at this time.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2019**

	<u>Original</u>	<u>Final</u>	<u>Actual Amounts</u>	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance as of June 30, 2018	\$ 38,723	\$ 38,723	\$ 58,723	20,000
Resources (inflows):				
Taxes				
Property Tax	13,736	13,736	13,741	5
Special Tax	17,750	17,750	17,716	(34)
Fines, Forfeitures and Penalties				
Penalties & Cost Delinquent Taxes	-	-	664	664
Revenue From Use of Money or Property				
Revenue-Interest	-	-	1,028	1,028
Intergovernmental Revenues				
State Homeowners Property Tax Relief	-	-	119	119
Amounts Available for Appropriation	70,209	70,209	91,991	21,782
Charges to Appropriation (Outflows):				
Services and supplies				
Insurance Premium	1,000	1,000	993	7
Maintenance-Dam	9,500	9,500	9,358	142
Memberships	175	175	177	(2)
Office Expenses	100	100		100
Professional and Specialized Service	500	500	687	(187)
Road Maint & Construction	35,000	35,000	24,750	10,250
Agency Administration Fee	30	30	26	4
Audit & Accounting Services	2,000	2,000		2,000
Publications & Legal Notices	100	100	68	32
Rent & Lease-Equipment	200	200	76	124
Road - Herbicide		-	139	(139)
Rock - AB Rock			3,676	(3,676)
Reserve For Dorado Canyon	5,000	5,000		5,000
Reserve For Mt Aukum Dam	10,000	10,000		10,000
Appropriations for Contingencies	6,604	6,604	-	6,604
Total Charges for Appropriations	70,209	70,209	39,950	30,259
Budgetary Fund Balance, June 30, 2019	\$ -	\$ -	\$ 52,041	\$ 52,041

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2018**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance as of June 30, 2017	\$ 32,000	\$ 32,000	\$ 46,061	14,061
Resources (inflows):				
Taxes				
Property Tax	11,000	11,000	12,971	1,971
Special Tax	17,750	17,750	17,773	23
Fines, Forfeitures and Penalties				
Penalties & Cost Delinquent Taxes	-	-	634	634
Revenue From Use of Money or Property				
Revenue-Interest	-	-	562	562
Intergovernmental Revenues				
State Homeowners Property Tax Relief	-	-	116	116
State - OES			3,093	3,093
Fed - FEMA	-	-	12,373	12,373
Amounts Available for Appropriation	<u>60,750</u>	<u>60,750</u>	<u>93,583</u>	<u>32,833</u>
Charges to Appropriation (Outflows):				
Services and supplies				
Insurance Premium	1,070	1,070	1,070	-
Maintenance-Dam	6,000	6,000	7,656	(1,656)
Maintenance-Building Supplies			65	(65)
Memberships	175	175	167	8
Office Expenses	100	100		100
Professional and Specialized Service	500	500	459	41
Road Maint & Construction	40,000	40,000	21,800	18,200
Agency Administration Fee	50	50	25	25
Audit & Accounting Services	2,000	2,000		2,000
Publications & Legal Notices	85	85	20	65
Rent & Lease-Equipment	200	200	72	128
Road Marking Supplies			91	(91)
Road - Herbicide		-	139	(139)
Rock - AB Rock		-	1,726	(1,726)
Retirement Long-Term Debt	1,570	1,570	1,570	-
Designation Road Infrastructure	5,000	5,000		5,000
Designation Drain Infrastructure	1,000	1,000		1,000
Appropriations for Contingencies	3,000	3,000	-	3,000
Total Charges for Appropriations	<u>60,750</u>	<u>60,750</u>	<u>34,860</u>	<u>25,890</u>
Budgetary Fund Balance, June 30, 2018	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 58,723</u>	<u>\$ 58,723</u>

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2017**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance as of June 30, 2016	\$ 20,974	\$ 20,974	\$ 28,974	8,000
Resources (inflows):				
Taxes				
Property Tax	11,000	11,000	12,131	1,131
Special Tax	17,750	17,750	17,340	(410)
Fines, Forfeitures and Penalties				
Penalties & Cost Delinquent Taxes	-	-	218	218
Revenue From Use of Money or Property				
Revenue-Interest	-	-	228	228
Intergovernmental Revenues				
State Homeowners Property Tax Relief	-	-	114	114
Amounts Available for Appropriation	49,724	49,724	59,005	9,281
Charges to Appropriation (Outflows):				
Services and supplies				
Insurance Premium	939	939	939	-
Maintenance-Dam	5,916	5,916	5,678	238
Memberships	150	150	159	(9)
Office Expenses	100	100	24	76
Professional and Specialized Service	475	475	463	12
Road Maint & Construction	15,000	15,000		15,000
Agency Administration Fee	150	150	28	122
Audit & Accounting Services	1,000	1,000		1,000
Publications & Legal Notices	75	75	103	(28)
Rent & Lease-Equipment	75	75	70	5
Road Marking Supplies			83	(83)
Road - Herbicide		-	152	(152)
Rock - AB Rock		-	3,321	(3,321)
Road Signs			354	(354)
Retirement Long-Term Debt	1,570	1,570	1,570	-
Designations Road Infrastructure	5,000	5,000		5,000
Designations Drainage Infrastructure	1,000	1,000		1,000
Appropriations for Contingencies	1,300	1,300	-	1,300
Total Charges for Appropriations	32,750	32,750	12,944	19,806
Budgetary Fund Balance, June 30, 2017	\$ 16,974	\$ 16,974	\$ 46,061	\$ 29,087

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2016**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance as of June 30, 2015	\$ 12,457	\$ 12,457	\$ 14,457	2,000
Resources (inflows):				
Taxes				
Property Tax	11,564	11,564	11,636	72
Special Tax	17,750	17,750	17,465	(285)
Fines, Forfeitures and Penalties				
Penalties & Cost Delinquent Taxes	-	-	523	523
Revenue From Use of Money or Property				
Revenue-Interest	-	-	86	86
Intergovernmental Revenues				
State Homeowners Property Tax Relief	-	-	114	114
Miscellaneous Revenue	2,169	2,169	16	(2,153)
Amounts Available for Appropriation	43,940	43,940	44,297	357
Charges to Appropriation (Outflows):				
Services and supplies				
Insurance Premium	936	936	936	-
Maintenance-Dam	6,558	6,558	5,416	1,142
Maintenance-Building Supplies			100	(100)
Memberships	120	120	149	(29)
Office Expenses	275	275	79	196
Professional and Specialized Service	500	500	460	40
Road Maint & Construction	17,750	17,750		17,750
Agency Administration Fee	30	30	47	(17)
Audit & Accounting Services	7,000	7,000	6,000	1,000
Publications & Legal Notices	75	75	90	(15)
Rent & Lease-Equipment	75	75	68	7
Staff Development	100	100		100
Mileage - Volunterr	50	50		50
Rock - AB Rock		-	368	(368)
Road Signs			40	(40)
Retirement Long-Term Debt	1,570	1,570	1,570	-
Designations Road Infrastructure	5,000	5,000		5,000
Designations Drainage Infrastructure	1,000	1,000		1,000
Appropriations for Contingencies	2,901	2,901	-	2,901
Total Charges for Appropriations	43,940	43,940	15,323	28,617
Budgetary Fund Balance, June 30, 2016	\$ -	\$ -	\$ 28,974	\$ 28,974

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE--
BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2015**

	Original	Final	Actual Amounts	Variance with Final Budget Positive (Negative)
Budgetary Fund Balance as of June 30, 2014	\$ 30,119	\$ 30,119	\$ 33,119	3,000
Resources (inflows):				
Taxes				
Property Tax	11,283	11,283	11,412	129
Special Tax	17,750	17,750	17,888	138
Fines, Forfeitures and Penalties				
Penalties & Cost Delinquent Taxes	-	-	492	492
Revenue From Use of Money or Property				
Revenue-Interest	-	-	101	101
Intergovernmental Revenues				
State Homeowners Property Tax Relief	-	-	115	115
Miscellaneous Revenue	4,828	4,828	4,632	(196)
Amounts Available for Appropriation	63,980	63,980	67,759	3,779
Charges to Appropriation (Outflows):				
Services and supplies				
Insurance Premium	1,007	1,007	1,007	-
Maintenance-Dam	5,925	5,925	5,685	240
Memberships	130	130	139	(9)
Office Expenses	275	275	146	129
Professional and Specialized Service	500	500	460	40
Road Maint & Construction	46,744	46,744	43,751	2,993
Agency Administration Fee	29	29	29	-
Publications & Legal Notices	75	75	45	30
Rent & Lease-Equipment	75	75	60	15
Equip - Small Tools & Instruments	410	410	410	-
Staff Development	100	100		100
Mileage - Volunteer	50	50		50
Retirement Long-Term Debt	1,570	1,570	1,570	-
Designations Road Infrastructure	5,000	5,000		5,000
Designations Drainage Infrastructure	1,000	1,000		1,000
Appropriations for Contingencies	1,090	1,090	-	1,090
Total Charges for Appropriations	63,980	63,980	53,302	10,678
Budgetary Fund Balance, June 30, 2015	\$ -	\$ -	\$ 14,457	\$ 14,457

The notes to the financial statements are an integral part of this statement.

**SHOWCASE RANCH COMMUNITY SERVICES DISTRICT
 BUDGETARY COMPARISON
 FOR THE YEAR ENDED JUNE 30,**

	2019	2018	2017	2016	2015
An explanation of the differences between budgetary inflows and out flows, and GAAP revenues and expenditures:					
<u>Sources/inflows of resources:</u>					
Actual amounts (budgetary basis) "available for appropriation" from the budgetary comparison schedule	\$ 91,991	\$ 93,583	\$ 59,005	\$ 44,297	\$ 67,759
Difference -- budget to GAAP The fund balance at the beginning of the year is a budgetary resource but is not a current year revenue for financial reporting purposes	58,723	46,061	28,974	14,457	33,119
Total revenues as reported on the statement of revenues, expenditures, and changes in fund balances governmental funds	\$ 33,268	\$ 47,522	\$ 30,031	\$ 29,840	\$ 34,640
<u>Uses/outflows of resources:</u>					
Actual amounts (budgetary basis) "total charges to appropriations" from the budgetary comparison schedule	\$ 39,950	\$ 34,860	\$ 12,944	\$ 15,323	\$ 53,302
Difference -- budget to GAAP -- none	_____	_____	_____	_____	_____
Total expenditures as reported on the statement of revenues, expenditures, and changes in fund balances governmental funds	\$ 39,950	\$ 34,860	\$ 12,944	\$ 15,323	\$ 53,302

The notes to the financial statements are an integral part of this statement.

SHOWCASE RANCHES COMMUNITY SERVICES DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
JUNE 30, 2019, 2018, 2017, 2016, 2015

NOTE 1 – PURPOSE OF SCHEDULES

A. Budgetary Comparison Schedule

The District employs budget control individual appropriation accounts. Budget are prepared on the budgetary basis. The budgets are revised during the year by the Board of Directors to provide for revised priorities. Expenditures cannot legally exceed appropriations. The originally adopted and final revised budgets for the General Fund are presented as Required Supplementary Information. The Budgeted Comparison Schedule – General Fund is presented to explain the differences between budgetary inflows and outflows and the modified accrual basis of accounting in accordance with accounting principles generally accepted in the United States of America as provided by the Governmental Accounting Standards Board.